

# Briefing on Consolidated Financial Results for the Third Quarter Ended December 31, 2015

Temp Holdings Co., Ltd.  
February 12, 2016

2016年3月期 第3四半期 データブック  
Databook (Fiscal year 2016, 3rd Quarter)

テンプホールディングス株式会社  
Temp Holdings Co., Ltd.

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## News: Databook updated

See the Databook for detailed market data, etc.  
(<http://www.temp-holdings.co.jp/english/ir/library.html>)



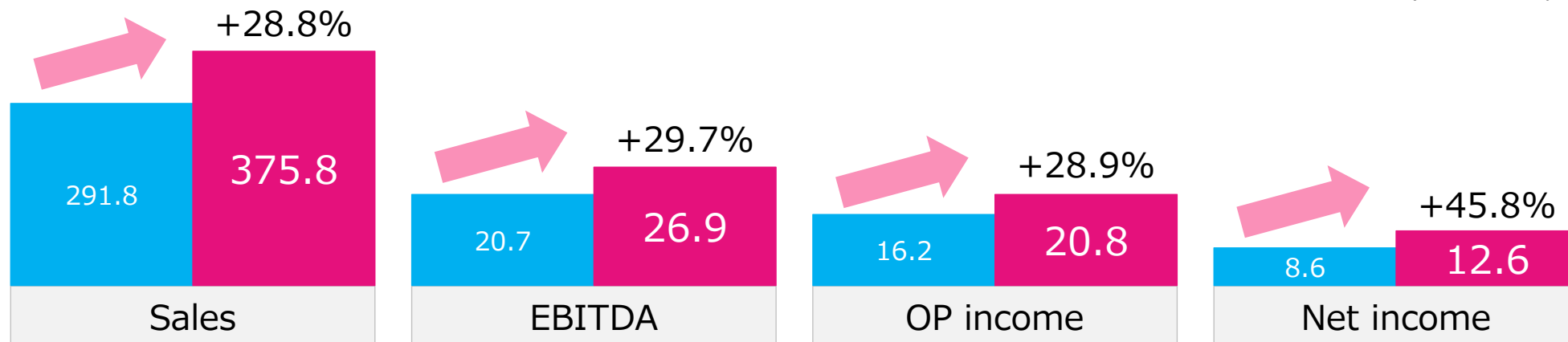
# 2016/3 3Q: Summary of Consolidated Business Results

Achieved the highest results due to large-scale M&A and steady growth of the existing businesses

2016/3 3Q Results

2015/3 3Q Results

(Unit: billion yen)



(Unit: million yen, %)	2015/3 Results		2016/3 Results				2016/3 Forecasts	
	3Q	Ratio	3Q	Ratio	Change	YoY	Full Year	Progress Ratio
Sales	291,876	100.0	375,826	100.0	+83,950	128.8	515,000	73.0
Gross Profit	70,061	24.0	89,550	23.8	+19,489	127.8	-	-
EBITDA*	20,749	7.1	26,917	7.2	+6,168	129.7	34,300	78.5
OP income	16,211	5.6	20,892	5.6	+4,681	128.9	26,000	80.4
Net income*	8,692	3.0	12,669	3.4	+3,977	145.8	15,250	83.1

\* EBITDA = OP income + Depreciation + Amortization of Goodwill

\* The amount of Net income in this chart refers to the amount of net income attributable to ordinary equity holders of the parent company.

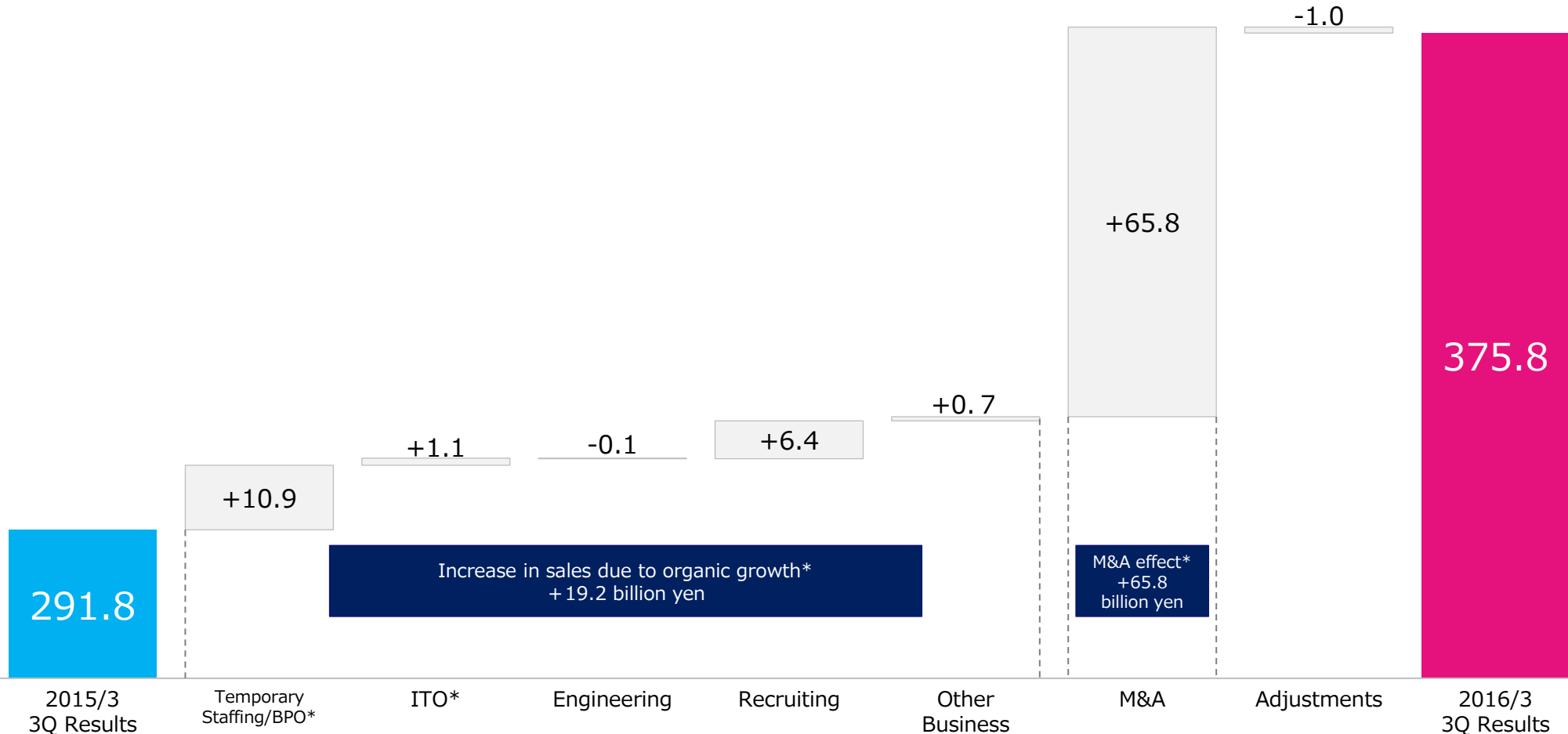


# 2016/3 3Q: Sales Analysis

\*BPO : Business Process Outsourcing, ITO : IT Outsourcing

Contribution from the large-scale M&A,  
in addition to increase in the revenues from the existing businesses

(Unit: billion yen)



\*Organic growth (or existing businesses) : The figures are shown the financial results excluding the new companies by M&A contributed after October 2014. (Internal transactions have not been eliminated)  
\*M&A effect : The figures are shown the financial results composed of the new companies by M&A contributed after October 2014. (Internal transactions have not been eliminated)  
\*M&A targets : CareerRise (September 2014), Tempstaff-kamei (February 2015), Panasonic Excel Staff (March 2015), P&P Holdings (June 2015), Medicross (December 2015)  
(dates in parentheses indicate the year and month of consolidation as subsidiaries)



# 2016/3 3Q: Sales by Segment

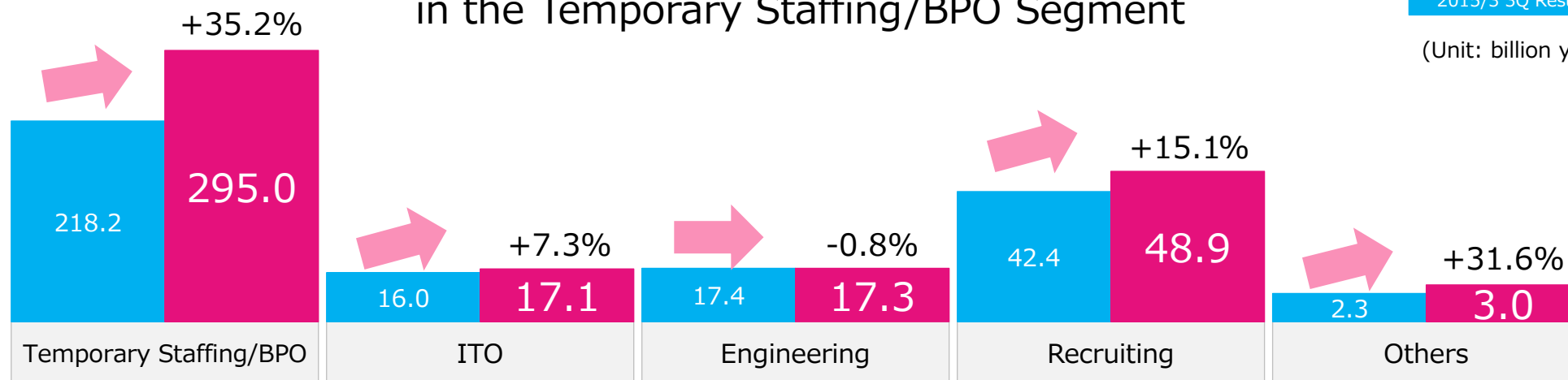
\*BPO : Business Process Outsourcing, ITO : IT Outsourcing

## Contribution from the large-scale M&A in the Temporary Staffing/BPO Segment

2016/3 3Q Results

2015/3 3Q Results

(Unit: billion yen)



(Unit: million yen, %)	2015/3 Results		2016/3 Results				2016/3 Forecasts	
	3Q	Ratio	3Q	Ratio	Change	YoY	Full Year	Progress Ratio
Temporary Staffing/BPO*	218,228	74.8	295,010	78.5	+76,781	135.2	396,800	74.3
ITO*	16,013	5.5	17,185	4.6	+1,172	107.3	24,050	71.5
Engineering	17,480	6.0	17,334	4.6	-146	99.2	23,360	74.2
Recruiting	42,468	14.5	48,900	13.0	+6,431	115.1	73,700	66.4
Others	2,303	0.8	3,031	0.8	+727	131.6	3,730	81.3
Adjustment	-4,619	-1.6	-5,635	-1.5	-1,015	-	-6,640	-
Total	291,876	100.0	375,826	100.0	+83,950	128.8	515,000	73.0

\* EBITDA = OP income + Depreciation + Amortization of Goodwill

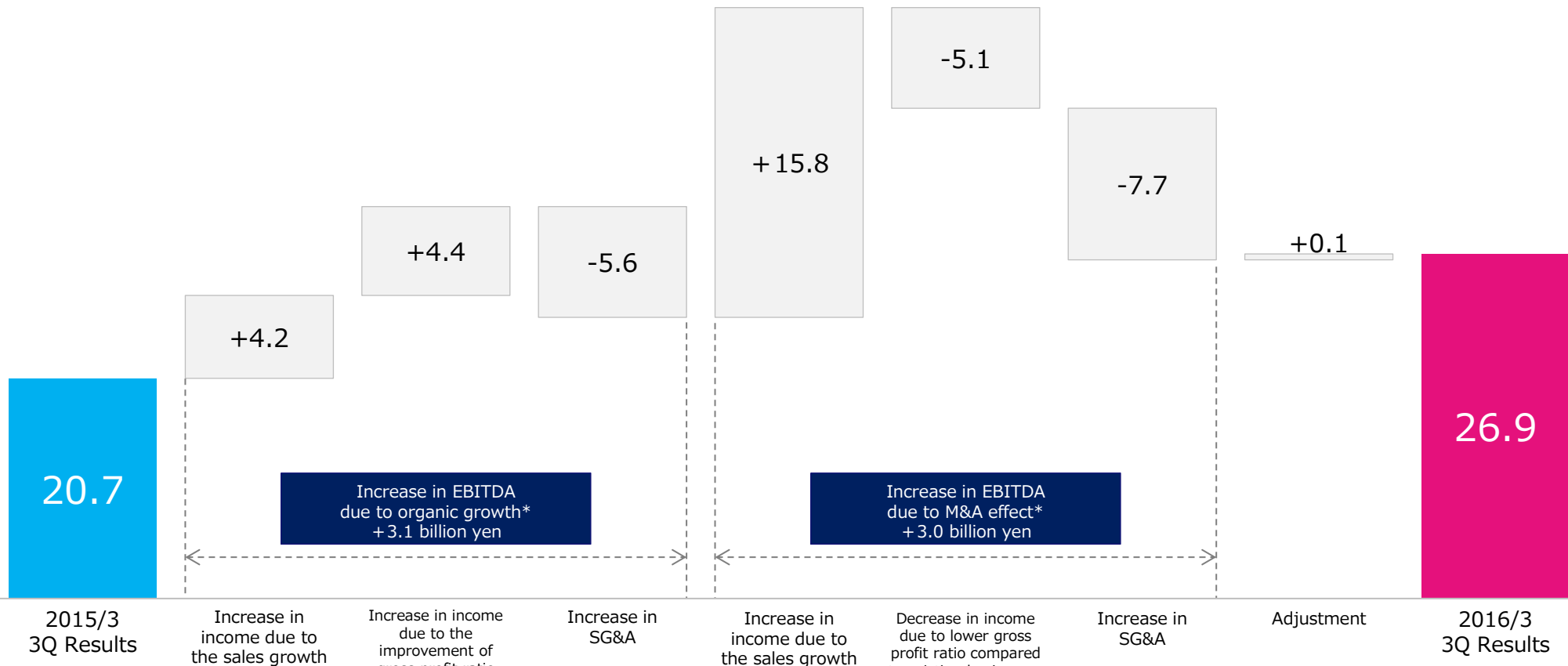
\* From FY March 2016 there are four segments, and the results for FY March 2015 have also been reallocated and presented in the new segments.



# 2016/3 3Q: EBITDA Analysis

Increase in EBITDA from M&A, the higher revenues and the improvement of profitability

(Unit: billion yen)



\*Organic growth (or existing businesses)  
 \*M&A effect  
 \*M&A targets

: The figures are shown the financial results excluding the new companies by M&A contributed after October 2014. (Internal transactions have not been eliminated)  
 : The figures are shown the financial results composed of the new companies by M&A contributed after October 2014. (Internal transactions have not been eliminated)  
 : CareerRise (September 2014), Tempstaff-kamei (February 2015), Panasonic Excel Staff (March 2015), P&P Holdings (June 2015), Medicross (December 2015)  
 (dates in parentheses indicate the year and month of consolidation as subsidiaries)



# 2016/3 3Q: EBITDA by Segment

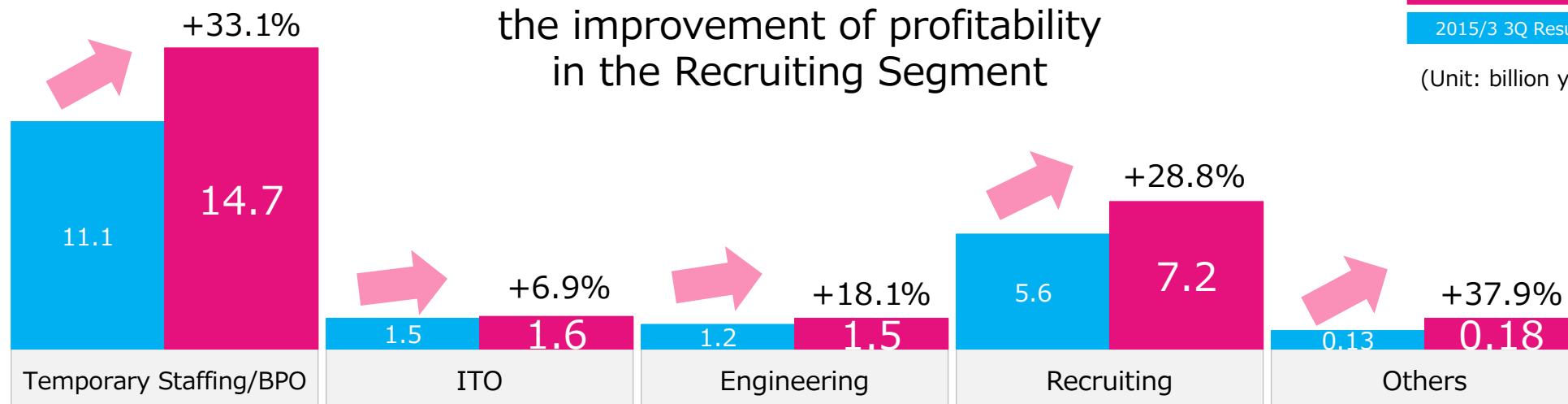
\*BPO : Business Process Outsourcing, ITO : IT Outsourcing

Contribution from M&A, the higher revenues and the improvement of profitability in the Recruiting Segment

2016/3 3Q Results

2015/3 3Q Results

(Unit: billion yen)



(Unit: million yen, %)	2015/3 Results		2016/3 Results				2016/3 Forecasts	
	3Q	Ratio	3Q	Ratio	Change	YoY	Full Year	Progress Ratio
Temporary Staffing/BPO*	11,111	53.6	14,784	54.9	+3,672	133.1	18,770	78.8
ITO*	1,520	7.3	1,625	6.0	+104	106.9	2,430	66.9
Engineering	1,289	6.2	1,523	5.7	+233	118.1	1,760	86.5
Recruiting	5,656	27.3	7,287	27.1	+1,630	128.8	10,630	68.6
Others	131	0.6	181	0.7	+49	137.9	110	165.0
Adjustment	1,039	5.0	1,516	5.6	+476	145.9	600	-
Total	20,749	100.0	26,917	100.0	+6,168	129.7	34,300	78.5

\* EBITDA = OP income + Depreciation + Amortization of Goodwill

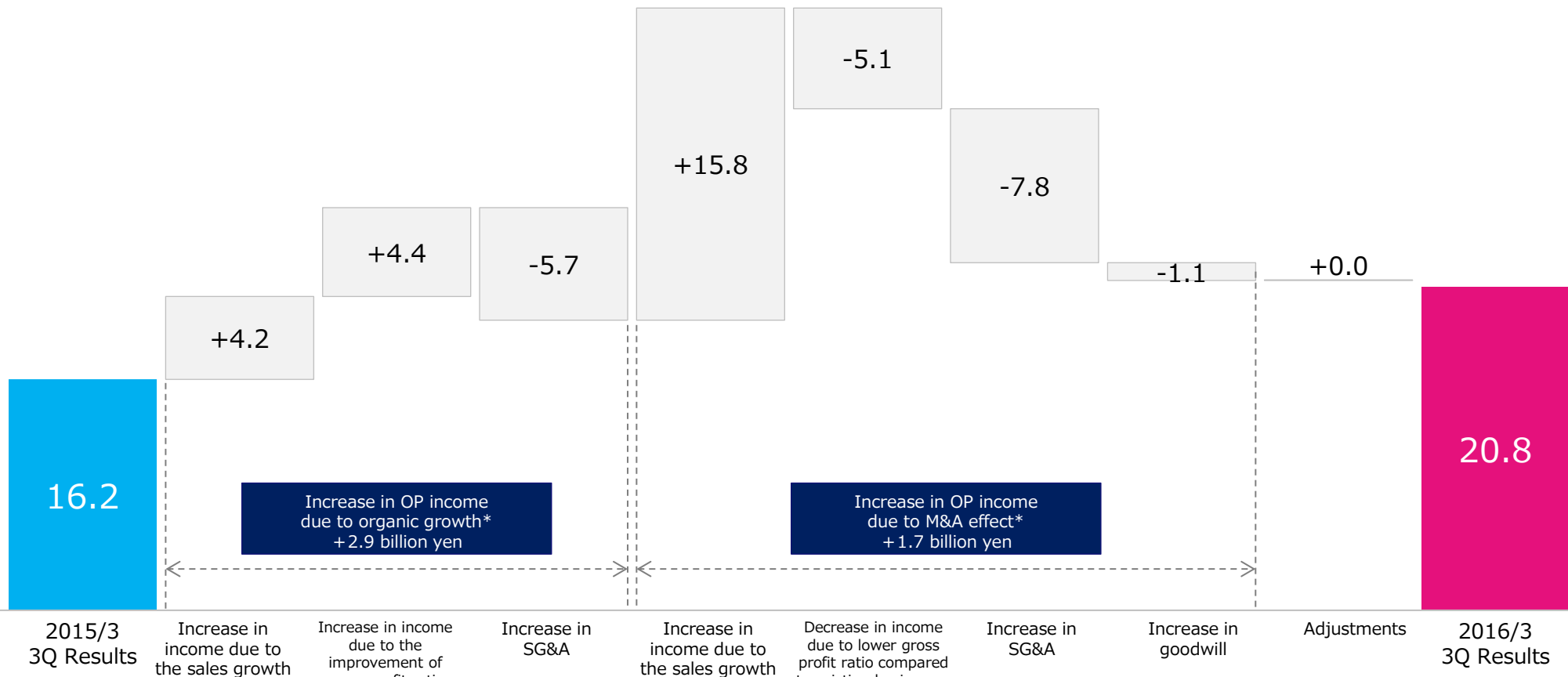
\* From FY March 2016 there are four segments, and the results for FY March 2015 have also been reallocated and presented in the new segments.



# 2016/3 3Q: OP income Analysis

Increase in OP income due to the higher revenues despite increase in the amortization of the goodwill and the capital investment

(Unit: billion yen)



\*Organic growth (or existing businesses)  
\*M&A effect  
\*M&A targets

: The figures are shown the financial results excluding the new companies by M&A contributed after October 2014. (Internal transactions have not been eliminated)  
: The figures are shown the financial results composed of the new companies by M&A contributed after October 2014. (Internal transactions have not been eliminated)  
: CareerRise (September 2014), Tempstaff-kamei (February 2015), Panasonic Excel Staff (March 2015), P&P Holdings (June 2015), Medicross (December 2015)  
(dates in parentheses indicate the year and month of consolidation as subsidiaries)



# 2016/3 3Q: OP income by Segment

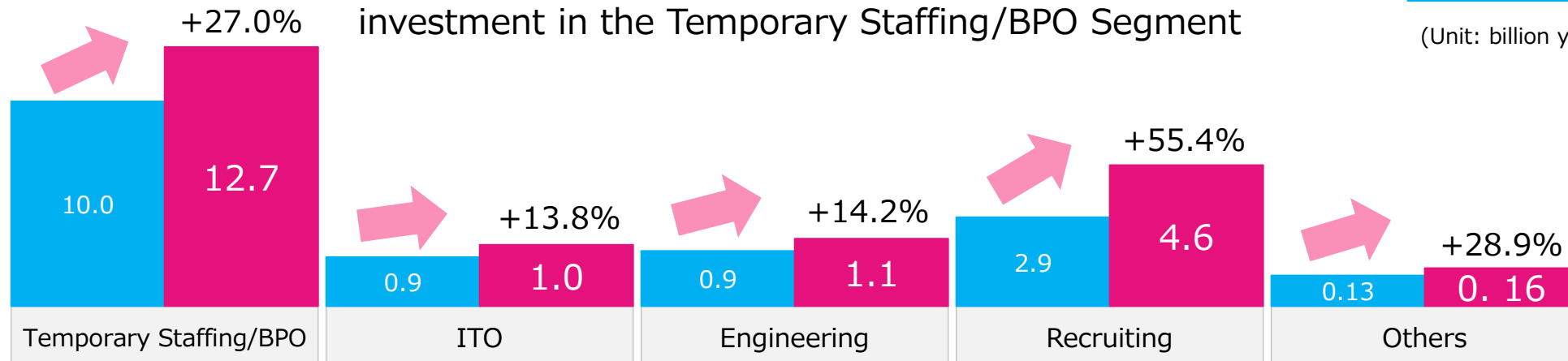
\*BPO : Business Process Outsourcing, ITO : IT Outsourcing

Increase in OP income due to the higher revenues,  
despite increase in the amortization of the goodwill and the capital  
investment in the Temporary Staffing/BPO Segment

2016/3 3Q Results

2015/3 3Q Results

(Unit: billion yen)



(Unit: million yen, %)	2015/3 Results		2016/3 Results				2016/3 Forecasts	
	3Q	Ratio	3Q	Ratio	Change	YoY	Full Year	Progress Ratio
Temporary Staffing/BPO*	10,014	61.8	12,718	60.9	+2,703	127.0	15,450	82.3
ITO*	934	5.8	1,063	5.1	+129	113.8	1,750	60.8
Engineering	972	6.0	1,110	5.3	+138	114.2	1,090	101.9
Recruiting	2,998	18.5	4,657	22.3	+1,659	155.4	7,000	66.5
Others	131	0.8	169	0.8	+38	128.9	90	188.5
Adjustment	1,159	7.1	1,172	5.6	+13	101.1	620	-
Total	16,211	100.0	20,892	100.0	+4,681	128.9	26,000	80.4

\* EBITDA = OP income + Depreciation + Amortization of Goodwill

\* From FY March 2016 there are four segments, and the results for FY March 2015 have also been reallocated and presented in the new segments.





# 2016/3 3Q: Consolidated Balance Sheets

(Unit: million yen, %)	As of March 31, 2015		As of December 31, 2015		
	Results	Ratio	Results	Ratio	Change
Assets	228,663	100.0	234,599	100.0	+5,935
Current assets	130,696	57.2	129,804	55.3	-891
(Cash and deposits)	60,645	26.5	58,213	24.8	-2,431
Non-current assets	97,967	42.8	104,795	44.7	+6,827
(Right of trademark and goodwill)	77,085	33.7	80,997	34.5	+3,912
Liabilities	124,694	54.5	106,611	45.4	-18,083
Current liabilities	86,569	37.9	78,988	33.7	-7,581
(Current portion of loans payable)	19,739	8.6	20,265	8.6	+526
Non-current liabilities	38,124	16.7	27,622	11.8	-10,501
(Long-term loans payable)	13,920	6.1	17,326	7.4	+3,406
(Convertible bond-type bond with stock acquisition rights)	14,798	6.5	880	0.4	-13,918
Net assets	103,969	45.5	127,988	54.6	+24,018
Owners' capital	98,562	43.1	121,841	51.9	+23,278
(Capital stock)	10,081	4.4	17,040	7.3	+6,959
(Capital surplus)	13,673	6.0	20,506	8.7	+6,832
(Legal retained earnings)	73,499	32.1	83,448	35.6	+9,948
Minority interests	5,406	2.4	6,145	2.6	+738

<Cash and deposits>  
Decrease due to the M&A\* and the payment of income taxes and consumption tax / Increase due to the Long-term borrowing

\*Acquisition of shares of P&P Holdings with 5.49 billion yen, and shares of Capita Pte. with 6.94 billion yen.

<Right of trademark and Goodwill>  
Decrease due to the amortization and impairment of goodwill: -4.63 billion yen  
Increase due to M&A\*: +8.53 billion yen

<Current liabilities>  
Decrease due to the payment of income taxes payable and consumption tax payable

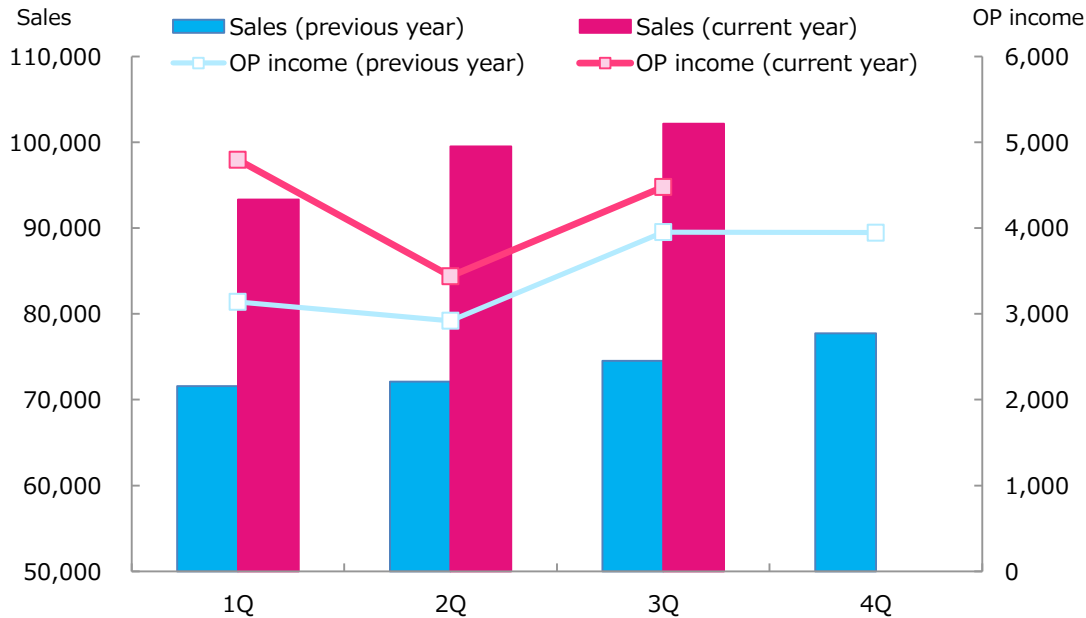
<Convertible bond-type bond with stock acquisition rights>  
Decrease due to conversion of the bond

<Capital stock and capital surplus>  
Increase due to conversion of the bond



# 2016/3 Transition of Business Results by Segments ① Temporary Staffing/BPO Segment

\*BPO : Business Process Outsourcing



## 2016/3 3Q: Highlights

Demand from client companies remained strong  
Increase in the revenues due to organic growth and M&A  
(Organic growth rate: 5.0%, Sales increase rate due to M&A: 30.2%)

### <Temporary Staffing division>

- Panasonic Excel Staff, P&P Holdings started to contribute (for further information, see the "Appendix: Recent M&As").
- Increased in OP income due to the higher revenues better than increase in the costs related to personnel expansion and social insurance premiums

### <BPO division>

- Improve the GP rate thorough profit management for each project

(Unit: million yen, %)

	2015/3	2016/3	
	3Q Only	3Q Only	YoY
Sales	74,518	102,164	137.1
EBITDA	4,289	5,131	119.6
EBITDA margin	5.8	5.0	-
OP income	3,953	4,481	113.3
OP income ratio	5.3	4.4	-

	2015/3	2016/3		2016/3 Forecasts	
	3Q	3Q	YoY	Full Year	Progress Ratio
Sales	218,228	295,010	135.2	396,800	74.3
EBITDA	11,111	14,784	133.1	18,770	78.8
EBITDA margin	5.1	5.0	-	4.7	-
OP income	10,014	12,718	127.0	15,450	82.3
OP income ratio	4.6	4.3	-	3.9	-

\*Internal transactions have not been eliminated from the figures for sales and OP income.

\*From FY March 2016 there are four segments, and the results for FY March 2015 have also been reallocated and presented in the new segments.

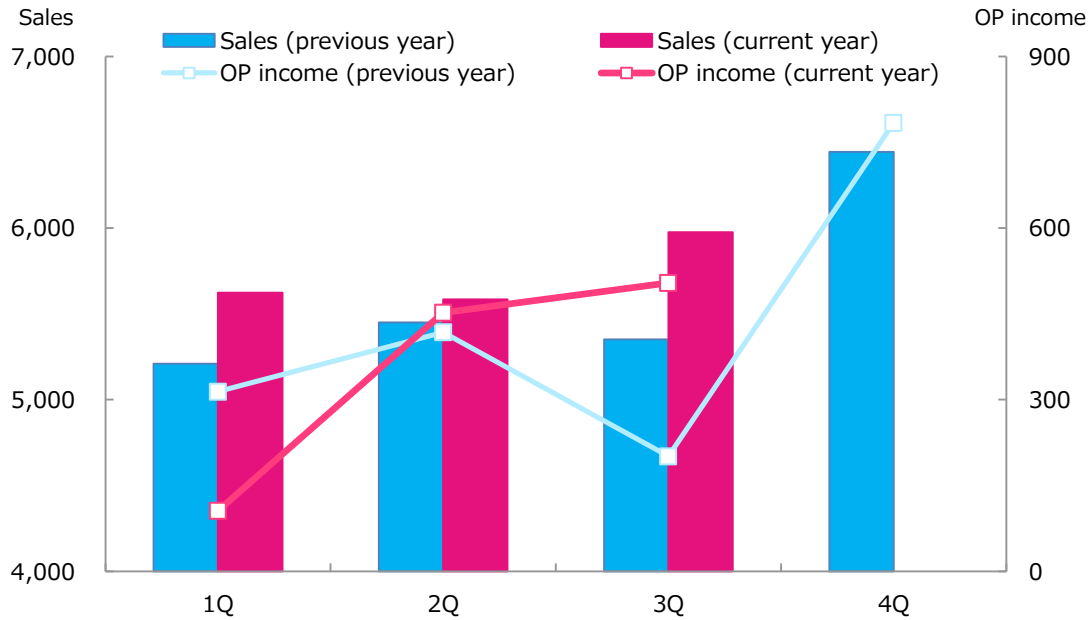
\*See the "Factbook for the third Quarter Ended December 31, 2015" released on the website on the same date for the quarterly results for the fiscal year ended December 31, 2015.

\*EBITDA = OP income + Depreciation + Amortization of Goodwill.



## 2016/3 Transition of Business Results by Segments ② ITO Segment

\*ITO : IT Outsourcing



### 2016/3 3Q: Highlights

- Demand for IT system and SI-related services from client companies remained strong
- Increase in the sales and revenues due to the assignment of new graduates to the projects, in addition to the transfer of some businesses from the Engineering Segment
- Increased in personnel expenses due to measures against the securing and enclosing IT engineers

(Unit: million yen, %)

	2015/3	2016/3	
	3Q Only	3Q Only	YoY
Sales	5,352	5,977	111.7
EBITDA	421	700	166.4
EBITDA margin	7.9	11.7	-
OP income	201	504	250.0
OP income ratio	3.8	8.4	-

	2015/3	2016/3		2016/3 Forecasts	
	3Q	3Q	YoY	Full Year	Progress Ratio
Sales	16,013	17,185	107.3	24,050	71.5
EBITDA	1,520	1,625	106.9	2,430	66.9
EBITDA margin	9.5	9.5	-	10.1	-
OP income	934	1,063	113.8	1,750	60.8
OP income ratio	5.8	6.2	-	7.3	-

\*Internal transactions have not been eliminated from the figures for sales and OP income.

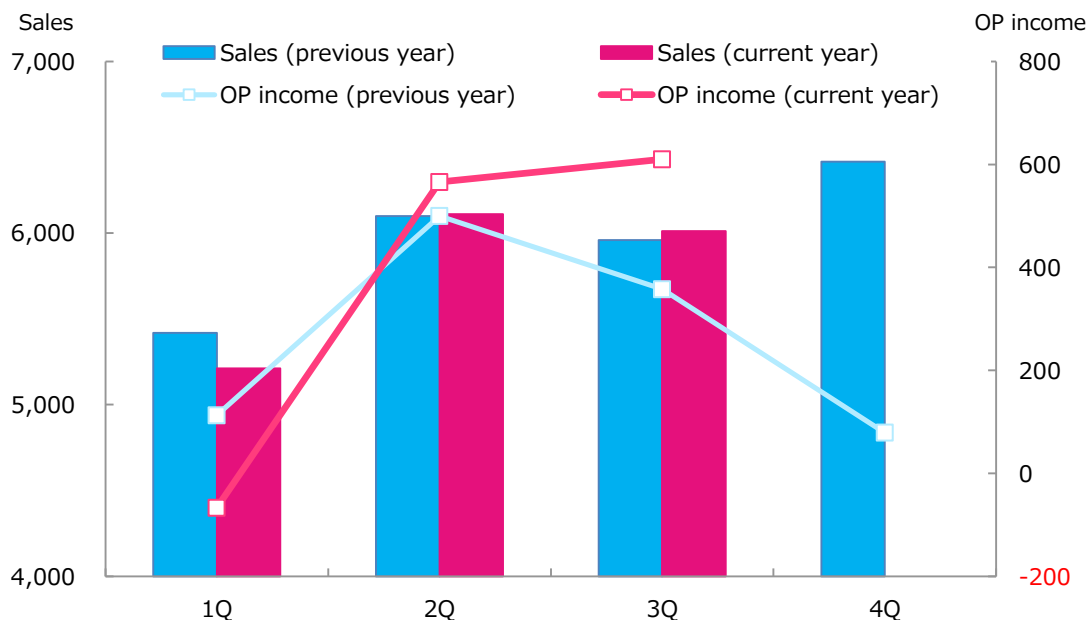
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\*EBITDA = OP income + Depreciation + Amortization of Goodwill.



## 2016/3 Transition of Business Results by Segments ③ Engineering Segment



### 2016/3 3Q: Highlights

- Demand from the automobile and electronics industries remained solid.
- The primary factor behind the decrease in the revenues was the transfer of some businesses to the ITO Segment
- Assignment of new graduates to the projects, and rise in the average unit price improve profitability
- Technical training sessions for this segment were conducted across the segment

(Unit: million yen, %)

	2015/3	2016/3	
	3Q Only	3Q Only	YoY
Sales	5,959	6,011	100.9
EBITDA	464	750	161.6
EBITDA margin	7.8	12.5	-
OP income	358	610	170.6
OP income ratio	6.0	10.2	-

	2015/3	2016/3		2016/3 Forecasts	
	3Q	3Q	YoY	Full Year	Progress Ratio
Sales	17,480	17,334	99.2	23,360	74.2
EBITDA	1,289	1,523	118.1	1,760	86.5
EBITDA margin	7.4	8.8	-	7.5	-
OP income	972	1,110	114.2	1,090	101.9
OP income ratio	5.6	6.4	-	4.7	-

\*Internal transactions have not been eliminated from the figures for sales and OP income.

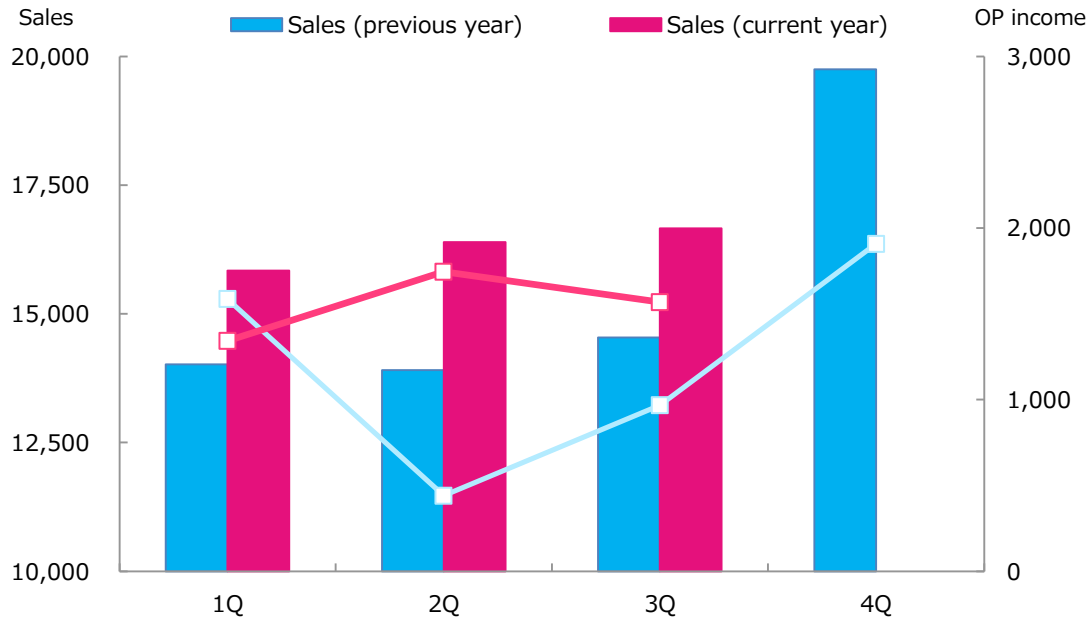
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\*EBITDA = OP income + Depreciation + Amortization of Goodwill.



## 2016/3 Transition of Business Results by Segments ④ Recruiting Segment



### 2016/3 3Q: Highlights

Demand from client companies remained strong  
Concluded the advertising expenses that were transferred from the 1st half (TV CM of DODA and LINE Baito in October, 2015)

#### <Media division>

- Invested in enhancing product values and functions of “an” and “LINE Baito (part-time jobs)”
- Closing down of “an” free paper edition in Tokyo and Kansai region

#### <Career division>

- Job-to-Application Ratio on this December studied by DODA is 1.21, high level continues
- Personnel reinforcement and promotional investment aimed at increasing customer contacts
- Direct sourcing service “DODA Recruiters” released on this December

(Unit: million yen, %)

	2015/3	2016/3	
	3Q Only	3Q Only	YoY
Sales	14,541	16,664	114.6
EBITDA	1,874	2,433	129.8
EBITDA margin	12.9	14.6	-
OP income	968	1,568	161.9
OP income ratio	6.7	9.4	-

	2015/3	2016/3		2016/3 Forecasts	
	3Q	3Q	YoY	Full Year	Progress Ratio
Sales	42,468	48,900	115.1	73,700	66.4
EBITDA	5,656	7,287	128.8	10,630	68.6
EBITDA margin	13.3	14.9	-	14.4	-
OP income	2,998	4,657	155.4	7,000	66.5
OP income ratio	7.1	9.5	-	9.5	-

\*Internal transactions have not been eliminated from the figures for sales and OP income.

\*From FY March 2016 there are four segments, and the results for FY March 2015 have also been reallocated and presented in the new segments.

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\*EBITDA = OP income + Depreciation + Amortization of Goodwill.



## 2016/3 Transition of Business Results by Segments ⑤ Other Business / Adjustments

Other Business (Unit: million yen, %)	2015/3	2016/3		2015/3	2016/3		2016/3 Forecasts	
	3Q Only	3Q Only	YoY	3Q	3Q	YoY	Full Year	Progress Ratio
Sales	805	1,067	132.5	2,303	3,031	131.6	3,730	81.3
EBITDA	38	89	233.1	131	181	137.9	110	165.0
EBITDA margin	4.8	8.4	-	5.7	6.0	-	2.9	-
OP income	38	85	222.9	131	169	128.9	90	188.5
OP income ratio	4.8	8.0	-	5.7	5.6	-	2.4	-

Adjustment (Unit: million yen, %)	2015/3	2016/3		2015/3	2016/3		2016/3 Forecasts	
	3Q Only	3Q Only	YoY	3Q	3Q	YoY	Full Year	Progress Ratio
Sales	-1,575	-2,164	-	-4,619	-5,635	-	-6,640	-
EBITDA	379	575	151.4	1,039	1,516	145.9	600	-
EBITDA margin	-	-	-	-	-	-	-	-
OP income	456	343	75.2	1,159	1,172	101.1	620	-
OP income ratio	-	-	-	-	-	-	-	-

\*Internal transactions have not been eliminated from the figures for sales and OP income.

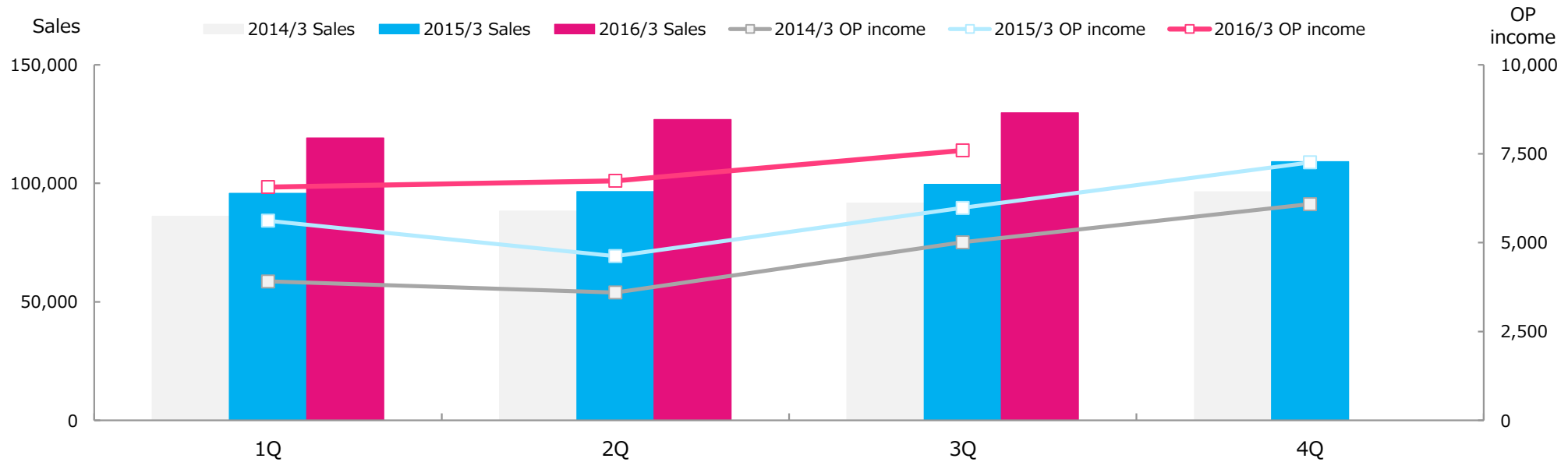
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\*See the "Factbook for the third Quarter Ended December 31, 2015" released on the website on the same date for the quarterly results for the fiscal year ended December 31, 2015.

\*EBITDA = OP income + Depreciation + Amortization of Goodwill.



# 2016/3 Transition of Business Results



(Unit: million yen, %)	1Q				2Q				3Q				4Q			
	2014/3	2015/3	2016/3	YoY	2014/3	2015/3	2016/3	YoY	2014/3	2015/3	2016/3	YoY	2014/3	2015/3	2016/3	YoY
Sales	86,091	95,767	119,173	124.4	88,328	96,505	126,932	131.5	91,679	99,602	129,719	130.2	96,389	109,180		
EBITDA	5,472	7,151	8,471	118.5	5,213	6,129	8,766	143.0	6,601	7,468	9,680	129.6	7,663	8,722		
EBITDA Margin	6.4	7.5	7.1	-	5.9	6.4	6.9	-	7.2	7.5	7.5	-	8.0	8.0		
OP income	3,909	5,614	6,561	116.9	3,597	4,620	6,737	145.8	5,008	5,977	7,594	127.0	6,082	7,258		
OP income ratio	4.5	5.9	5.5	-	4.1	4.8	5.3	-	5.5	6.0	5.9	-	6.3	6.6		

\*EBITDA = OP income + Depreciation + Amortization of Goodwill



## Appendix : Recent M&As

Company name	Panasonic excel staff	P&P Holdings	Capita Pte. Ltd.
Established	March, 1989	October, 2012	January, 2001
Net Sales	63.98 billion yen (*1)	25.46 billion yen (*2)	47.4 million SGD (*3)
OP income	1.04 billion yen (*1)	0.14 billion yen (*2)	-3.0 million SGD (*3)
Acquisition date	March, 2015	June, 2015	October, 2015
Contribution from	2016/3 1Q	2016/3 2Q	2016/3 4Q
Ownership ratio	66.61%	100.0% (*4)	100.0%
Acquisition price	16.82 billion yen	5.49 billion yen	6.94 billion yen
Goodwill	11.84 billion yen	1.99 billion yen	6.07 billion yen
Amortization period	10 year	5 year	10 year
Segment	Temporary Staffing/BPO (*5)	Temporary Staffing/BPO (*5)	Recruiting

\*1. Figures are Consolidated result of Panasonic excel staff and 3 subsidiaries. OP income is a number after goodwill amortization (1.18 billion yen / year).

\*2. Figures are Consolidated result of P&P Holdings and 6 subsidiaries. OP income is a number after goodwill amortization (0.39 billion yen / year).

\*3. Figures are Consolidated result of Capita Pte. Ltd. and 2 subsidiaries. OP income is a number before goodwill amortization (7.0 million SGD / year).

\*4. As of August 2015, We acquired all shares of P&P Holdings.

\*5. BPO : Business Process Outsourcing





- The statements concerning the Company's future business performances in this material such as earnings forecasts are based on information available as of February 12, 2016 and certain assumptions deemed to be reasonable by the Company, and do not mean that we promise to achieve these figures. Actual earnings may differ materially from the statements due to a variety of factors.
- This briefing is only for better understanding. Please note that numbers and indexes in this book are not audited



**JPX-NIKKEI 400**

August 2014: Temp Holdings was added to the JPX Nikkei Index 400

What is the  
JPX Nikkei 400?

It is a new stock price index that consists of companies that meet various requirements for global investment, such as the efficient use of capital and a management perspective that is conscious of investors, for the purpose of boosting the appeal of Japanese companies domestically and internationally.