

# Briefing on Financial Results for the Fiscal Year Ended March 31, 2016

Temp Holdings Co., Ltd.  
May 18, 2016



Part.1 : Financial Highlights on Financial Results  
for the Fiscal Year Ended March 31,2016

Part.2 : Mid-term Management Strategy

Part.3 : Forecast for the Fiscal Year  
Ending March 31, 2017

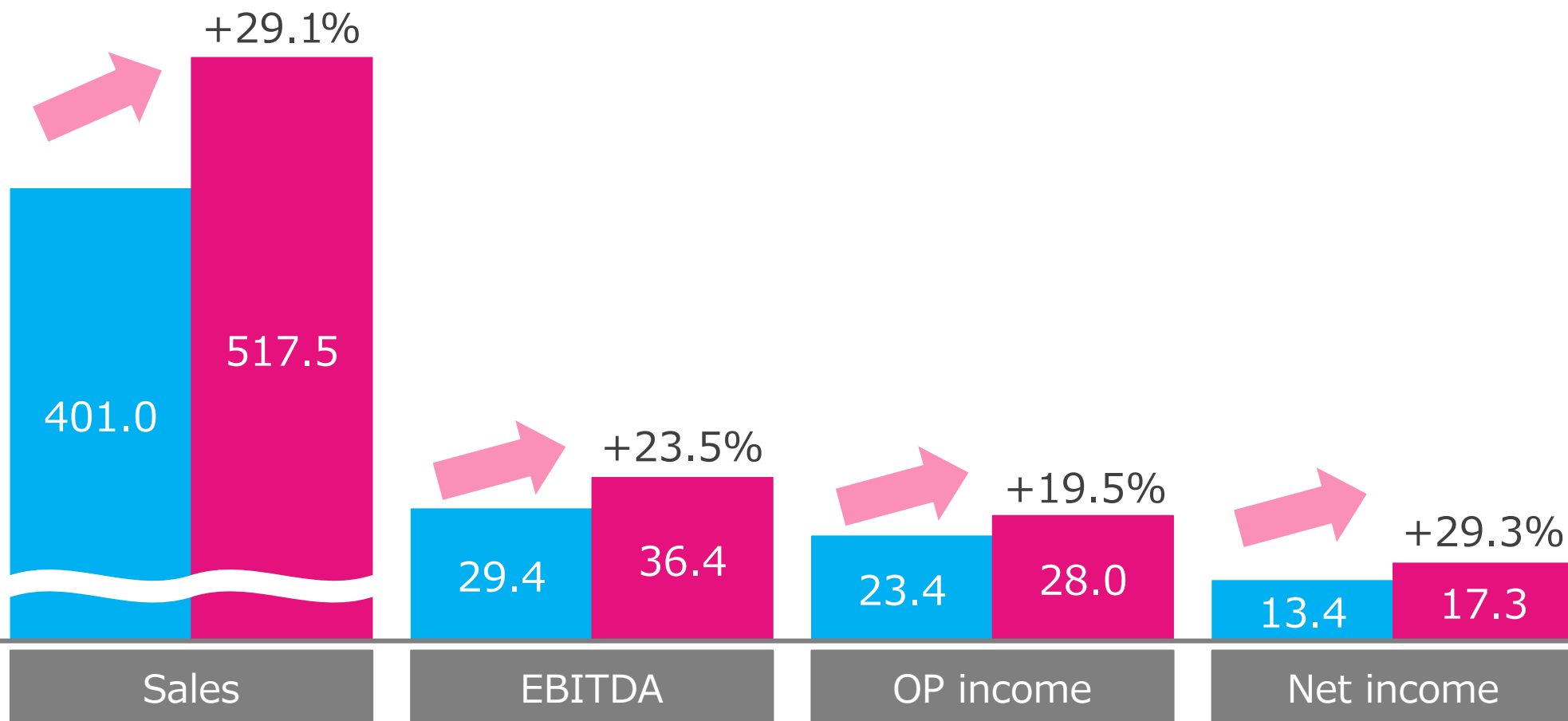
Part 1 :  
Financial Highlights on Financial Results  
for the Fiscal Year Ended March 31,2016



# 2016/3 : Summary of Consolidated Business Results

(Unit: billion yen)

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



2015/3 Full Year

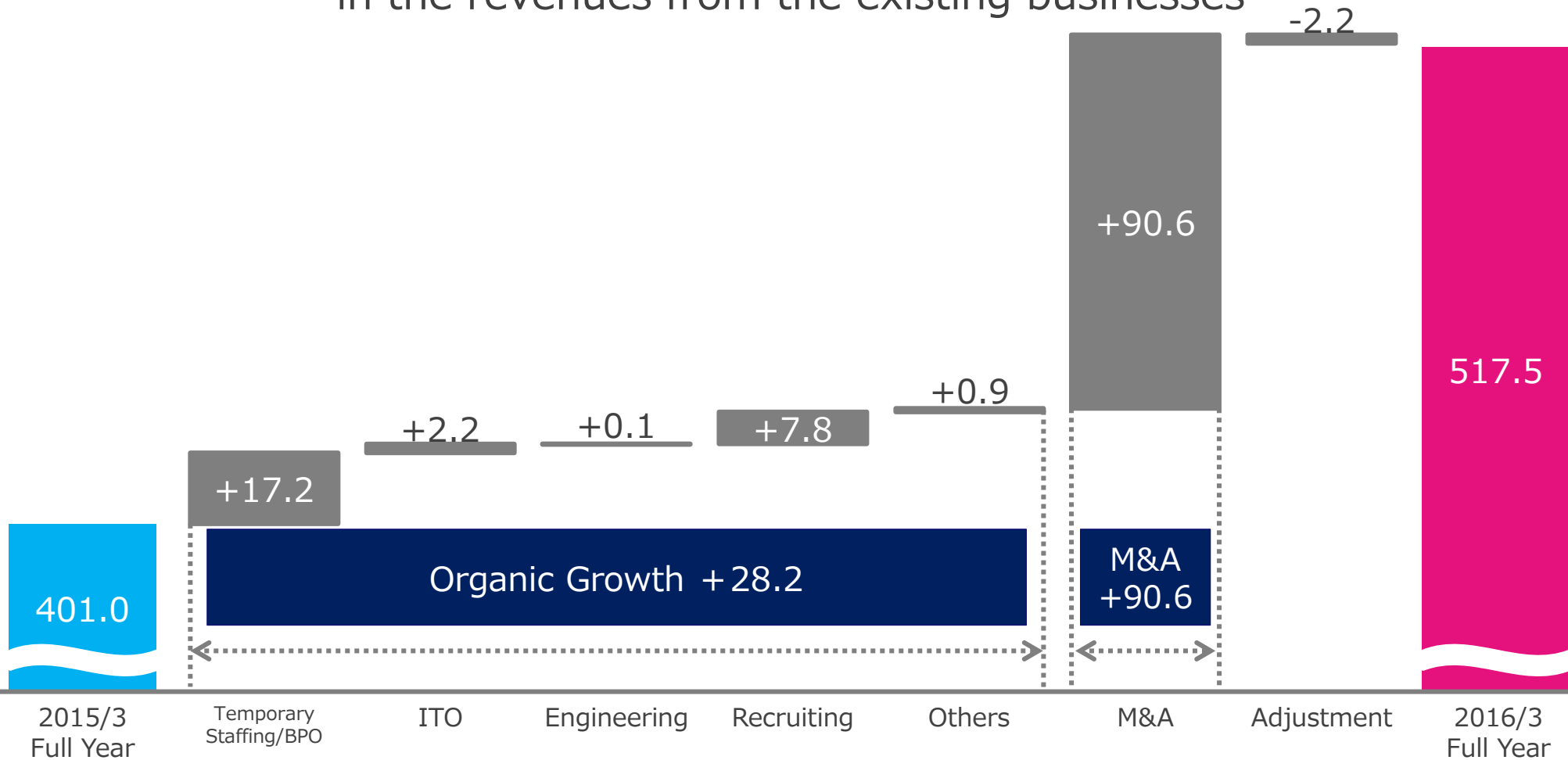
2016/3 Full Year



# 2016/3 : Sales Analysis

(Unit: billion yen)

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



2015/3 Full Year

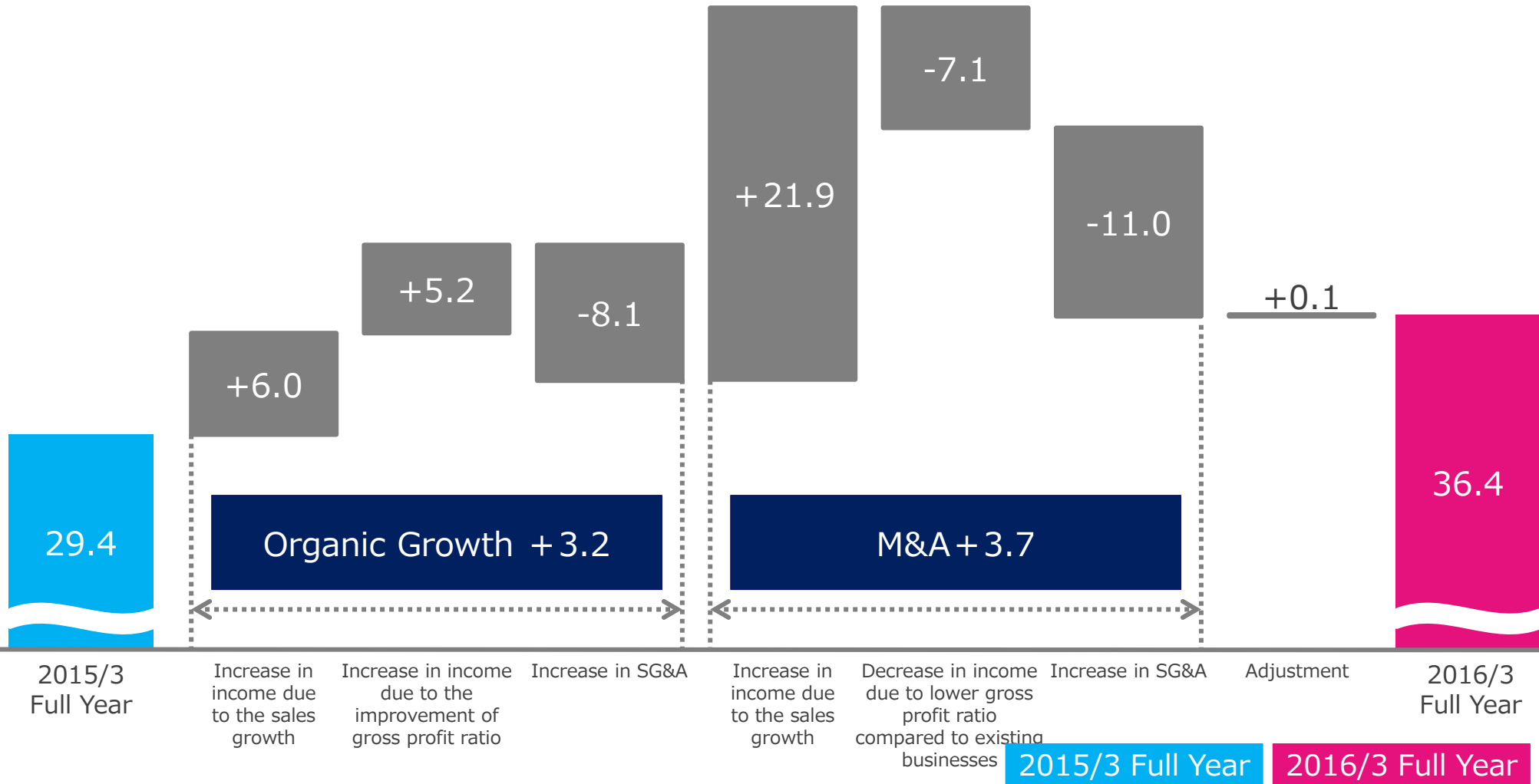
2016/3 Full Year



# 2016/3 : EBITDA Analysis

(Unit: billion yen)

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

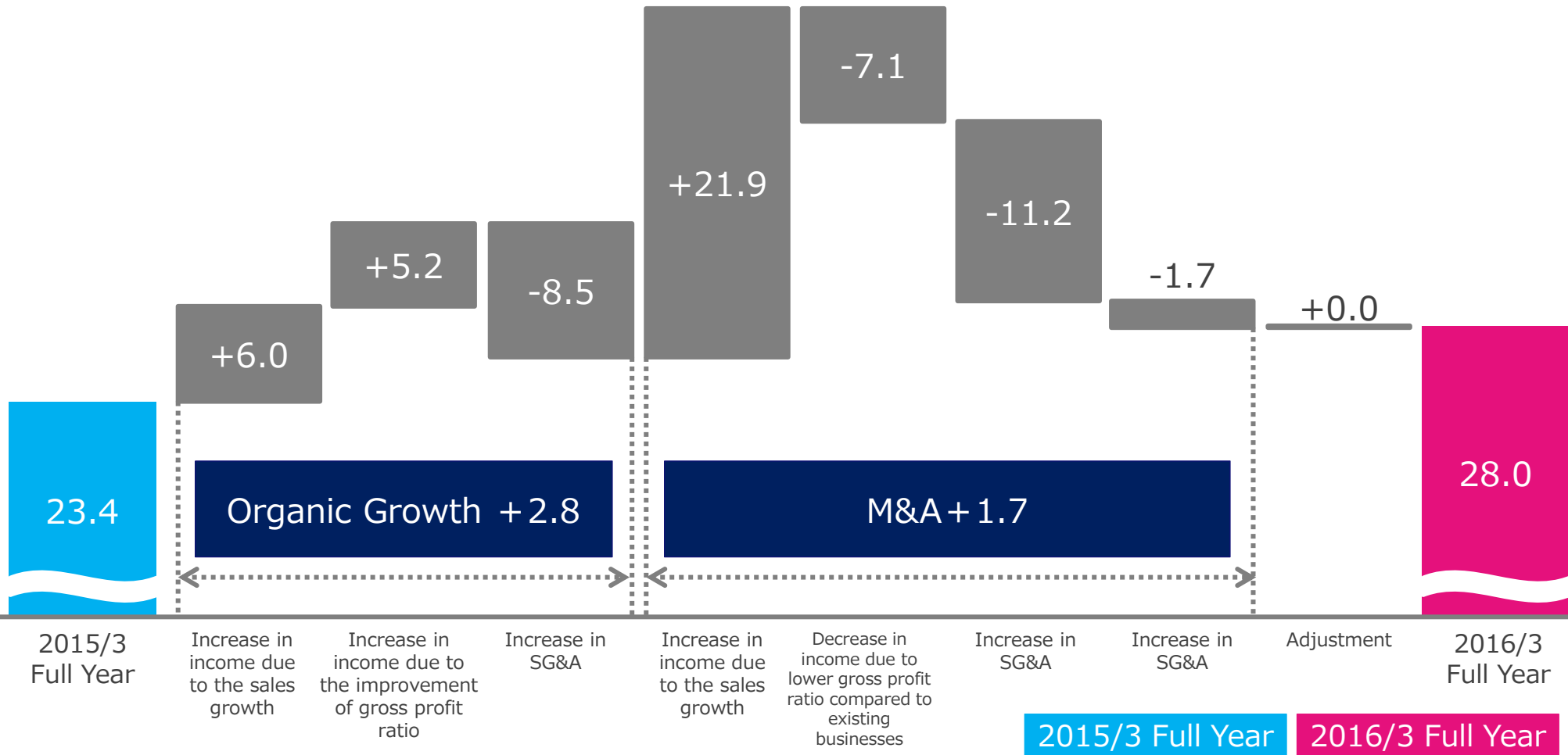




# 2016/3 : OP income Analysis

(Unit: billion yen)

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



# 2016/3 : Consolidated Balance Sheets

(Unit: billion yen)

	As of March 31, 2015	As of March 31, 2016	
	Results	Results	Change
<b>Assets</b>	228.6	236.2	+7.5
Current Assets	130.6	130.6	-0.0
Non-current assets	97.9	105.6	+7.6
<b>Liabilities</b>	124.6	102.7	-21.9
Current Liabilities	86.5	67.4	-19.0
Non-current Liabilities	38.1	35.2	-2.8
<b>Net assets</b>	103.9	133.5	29.5
Owner's capital	98.5	127.2	28.6
Minority interests	5.4	6.2	0.8

<Long-term loans payable>  
Increase due to refinance short-term loan to Long-term loans

③ Convertible bond-type bond  
With stock acquisition rights  
Decrease in CB due to conversion of the bond, and Increase in capital stock and Capital surplus.  
(Capital to asset ratio : 53.8%)





# 2016/3 : Consolidated Cash Flow

(Unit: billion yen)

	2015/3	2016/3		
	Full Year Results	Full Year Results	Change	
Net cash provided by operating activities	28.8	13.2	-15.6	<ul style="list-style-type: none"> <li>• Increase (decrease) in consumption tax payable                             <ul style="list-style-type: none"> <li>↳ 2015/3 : 10.7billion yen</li> <li>↳ 2016/3 : -9.4billion yen</li> </ul> </li> </ul>
Net cash used in investment activities	-13.5	-15.0	-1.5	<ul style="list-style-type: none"> <li>• Decrease due to M&amp;A : -10.4billion yen</li> <li>• Decrease due to investment for software : -4.2billion yen</li> </ul>
Net cash used in financing activities	8.9	-7.2	-16.1	<ul style="list-style-type: none"> <li>• Increase (decrease) in long-term loans payable : -4.8billion yen</li> <li>• Cash dividends paid : -2.7billion yen</li> </ul>
Increase (decrease) in cash and cash equivalents	24.2	-9.0	-33.3	
Cash and cash Equivalents at end of year	60.2	51.1	-9.0	



## 2016/3 : Dividend

Stable dividend payment will be continued according to the progress of business results, while enhancing our business structure to be able to expand business in growth areas swiftly and aggressively

	2015/3		2016/3	
	Interim	Year-end	Interim	Year-end (Plan)
Dividend per Share	14 yen	18 yen	18 yen	7 yen(※)
Dividend Ratio	17.4%		17.2%	

(※) Temp Holdings conducted the 3-for-1 stock split for the common stock of the company in October 29, 2015.

## Part 2 : Mid-term Management Strategy

# Review of Mid-term Management Strategy (2014/4~2016/3)



Aim to  
**Become No.1**  
in the “number of users” and  
“number of employed persons”



Tempstaff won the satisfaction No.1 in the field of 11/16 items  
In the 25th temporary staff satisfaction survey

## 再就業率

「今後もこの派遣会社のスタッフとして仕事がしたい」

順位	派遣会社	平均点 (5段階評価)	前回からの 順位の変動	第24回の 順位	第24回の 平均点
1位	テンプスタッフ	3.78	—	1	3.94

## ロコミ率

「所属している派遣会社を友人に勧めたい」

順位	派遣会社	平均点 (5段階評価)	前回からの 順位の変動	第24回の 順位	第24回の 平均点
1位	テンプスタッフ	3.49	▲	2	3.48

Source : 「JINZAI-Business May, 2016」 / Opinion Co., Ltd.



# Outline of the Mid-term Management Strategy

	Strategy	Level of Achievement
Strategy 1	Optimize the Group's management and segment structure	
Strategy 2	Increase the number of employed persons through investment in the Temporary Staffing division and improved productivity	
Strategy 3	Gain more users in the Recruiting segment	
Strategy 4	Enhance capability to offer solutions in outsourcing services	
Strategy 5	Generate group synergy	



# Numerical targets

Sales and operating income increased steady,  
Numerical targets are within range

	2017/3 (Initial Plan)		2016/3 (Actual)		
Sales	500.0 Billion yen		517.5 Billion yen		Achieve
EBITDA	40.0 Billion yen	8.0%	36.4 Billion yen	7.0%	
OP income	30.0 Billion yen	6.0%	28.0 Billion yen	5.4%	



Environment surrounding us



# Change in society

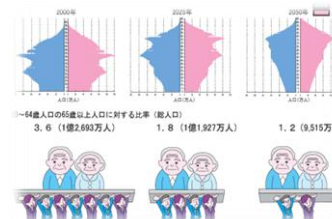
Society is changing significantly in all aspects;  
the labor market is becoming more and more important



Globalization



Evolution of  
technology



Declining labor force



Revisions/changes  
in laws and  
regulations



Changes in the  
values for "work"



Widening Labor  
mismatch



The extension of  
the retirement age



# The Role of a Temp Group

## Diversity Promotion

To support career development through matching and employment management in order to overcome the barriers of sex and age in recruitment and employment

## Eliminate the Mismatch

To realize the transfer of labor without unemployment, from mature industries to growth industries in cooperation with the state and local government

## Humans grow through working

To provide places for working people to add more value concurrently with a wide range of services that may contribute to the growth of the organization.

# Corporate Philosophy and Slogan

<Corporate Philosophy>

Creating Jobs, Adding Value to Individuals,  
and Contributing to Society

<Group Vision>

Create social infrastructure for people and  
organization that catalyze growth and innovation.



# Group Vision

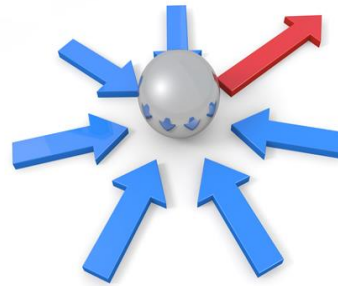
## STEP1

Expansion of the scale,  
and improving awareness



## STEP2

Analysis of information  
of people and organizations



## STEP3

Provide a variety of services  
for people and organization



# Mid-term Strategy



# Mid-term Strategy

## Strategy 1

Brand-Building

## Strategy 2

Aim to organic growth with IT system investment and improving productivity

## Strategy 3

Generate group synergy and group management

## Strategy 4

Enhance our presence on Asia-Pacific region

## Strategy 5

Enhance operational capability and service line with M&A





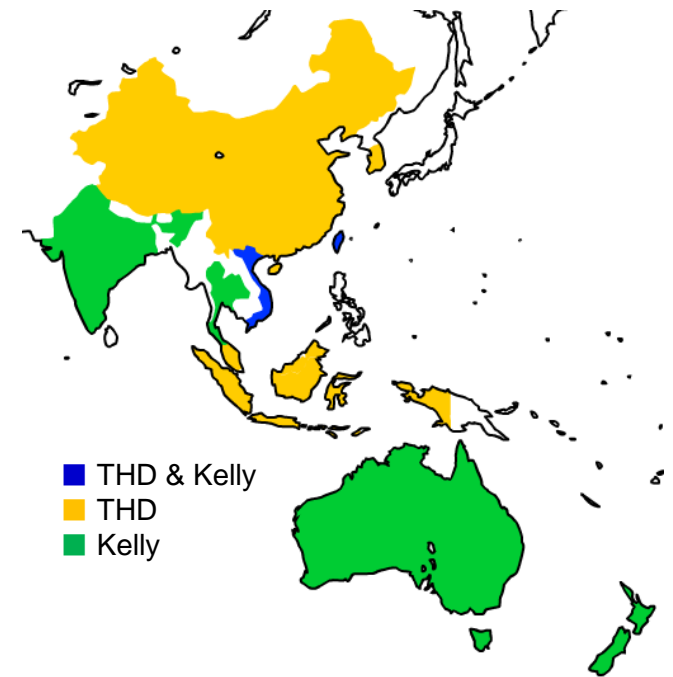
# Strengthen APAC area(JV with Kelly Services)

Building strong and diverse service line as HR infrastructure  
in Asia region from Japan

## Overseas business

Operating Area	China, Hong Kong, Taiwan, Korea, Singapore, Malaysia, Indonesia, Thailand, Vietnam, Australia, New Zealand, India
Policy	<ul style="list-style-type: none"><li>✓ Building presence on major area</li><li>✓ Strengthen Corporate governance(dispatch CEO and CFO from TEMP)</li></ul>
Schedule	<ul style="list-style-type: none"><li>✓ 2016 2<sup>nd</sup> Half : Start the JV</li><li>✓ 2017 1<sup>st</sup> Half : Proceed the integration</li><li>✓ M&amp;A on the blank area</li></ul>

## Mapping of operating by Kelly and TEMP



# Corporate Governance



# Shifting to company with audit and supervisory committee

In order to strengthen Corporate Governance ,  
Separation of the executive and supervisory

Up to 2016/6/17		Candidate of new director	
Chairperson	Yoshiko SHINOHARA	-	-
Vice Chairperson	Mikihiko HIBINO	-	-
President	Masamichi MIZUTA	President	Masamichi MIZUTA
Vice President	Hirotooshi TAKAHASHI	Vice President	Hirotooshi TAKAHASHI
Director	Takao WADA	Director	Takao WADA
		Director	Toshihiro OZAWA
		Director	Kiyoshi SEKI
Director(Outside)	Carl T. Camden	Director(Outside)	Carl T. Camden
Statutory Auditor	Hiroshi SHIMAZAKI	Director(*1)	Hiroshi SHIMAZAKI
Auditor	Ryousuke TAMAKOSHI	Director(Outside *1)	Ryousuke TAMAKOSHI
Auditor	Naoshige SHINDO	Director(Outside *1)	Naoshige SHINDO
Auditor	Kaoru ARAI	Director(Outside *1)	Naohiro NISHIGUCHI

## POINT

- MIZUTA and TAKAHASHI devote to Group governance
- 2 candidate of outside director(SHINDO and NISHIGUCHI)
- SHINOHARA and HIBINO retire from director, will be Honorary chairman at TEMPSTAFF CO., LTD.

\*1:Audit and supervisory committee member

# Financial Target and Policy



# Financial Target

Fiscal year 2020/3, Sales target is 750.0 Billion Yen  
Aiming to grow continuously, on good condition

Sales		750.0 Billion Yen
EBITDA		60.0 Billion Yen
OP Income		45.0 Billion Yen
Precondition	 GDP Growth ratio	Moderate Growth (around +0.0~1.0%)
	 Effective opening to application ratio	Continuing strong demand based on economic growth and structural demand (around 1.0~1.2)



Enhancing return on equity and assets over 10% as ROE,  
And growth investment based on financial soundness

ROE	<ul style="list-style-type: none"><li>• Over 10% as minimum</li></ul>
Financial Soundness	<ul style="list-style-type: none"><li>• Equity Ratio : over 35%</li><li>• Net Debt / EBITDA : under 1.0</li></ul>
Investment hurdle rate	<ul style="list-style-type: none"><li>• IRR : over 8 %</li><li>• (Internal rate of return)</li></ul>



Planning to earn 130.0 billion yen by operating activities,  
Investing it to enhance the Enterprise Value,

Total of the net cash  
provided by operating  
activities

Around 130.0 billion yen  
(The Mid-term management strategy)



Investment in organic  
business

Aiming to enhance productivity  
and brand value by investing in  
IT system development and  
branding promotion.

Investment in M&A

Aiming to build business  
strength in Temporary  
staffing/BPO, Professional and  
Overseas business.

Return to Shareholders

Stable dividend payment will be  
continued according to business  
results, with around 20% as  
payout ratio.

## Part 3 :

### Forecast for the Fiscal Year Ending March 31, 2017

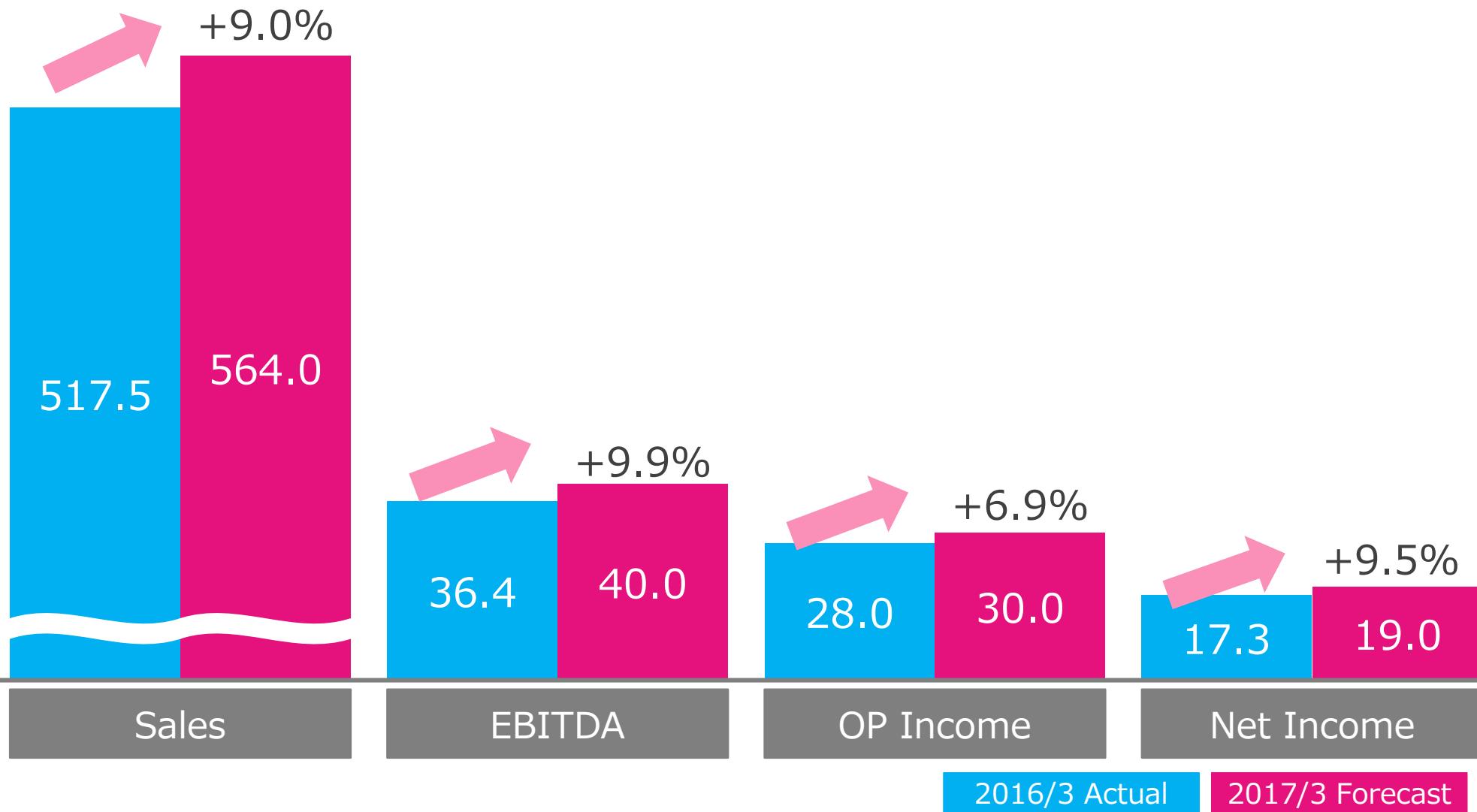




# 2017/3 Consolidated Forecast

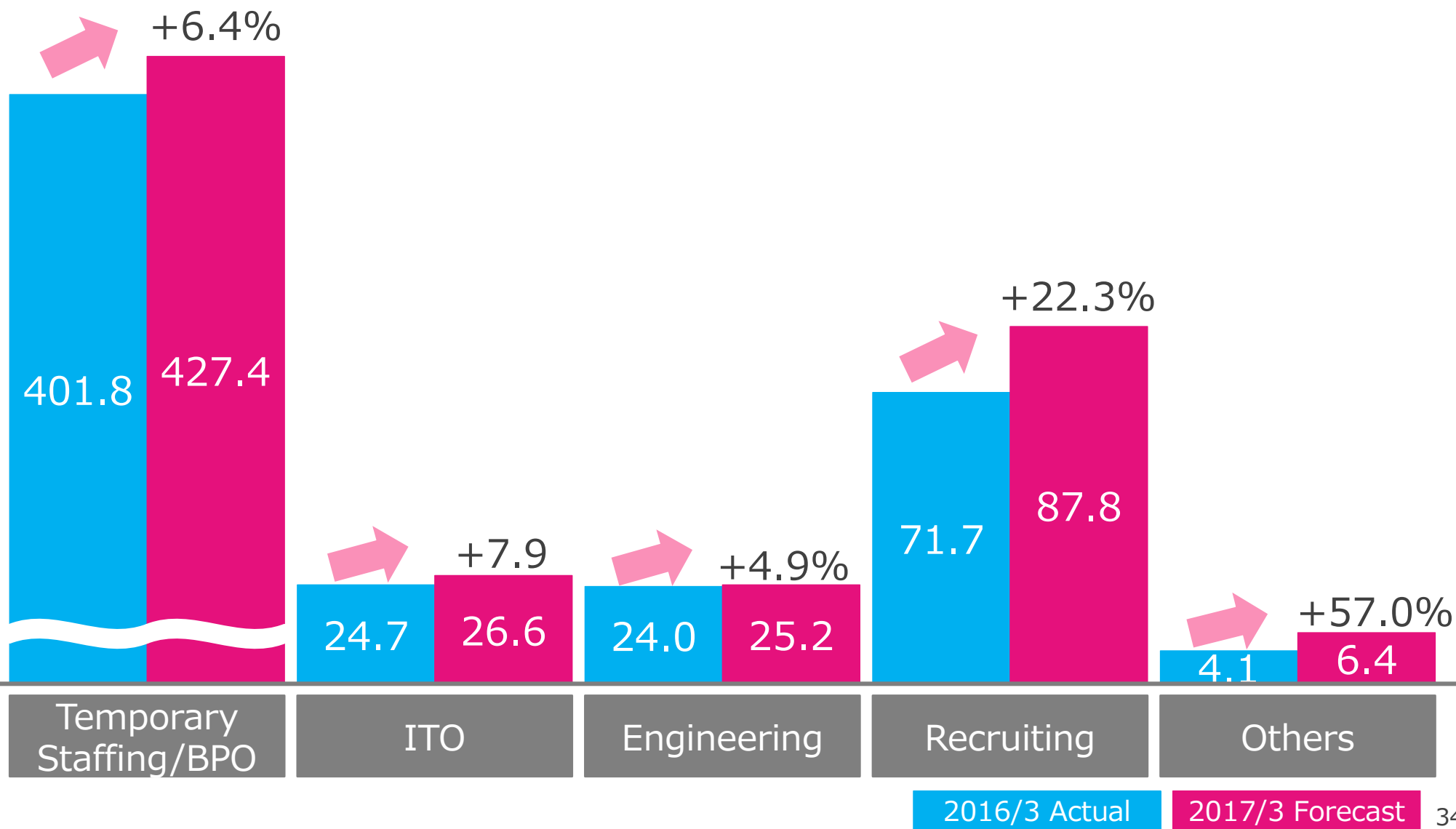
(Unit: billion yen)

## Planning to grow the organic business



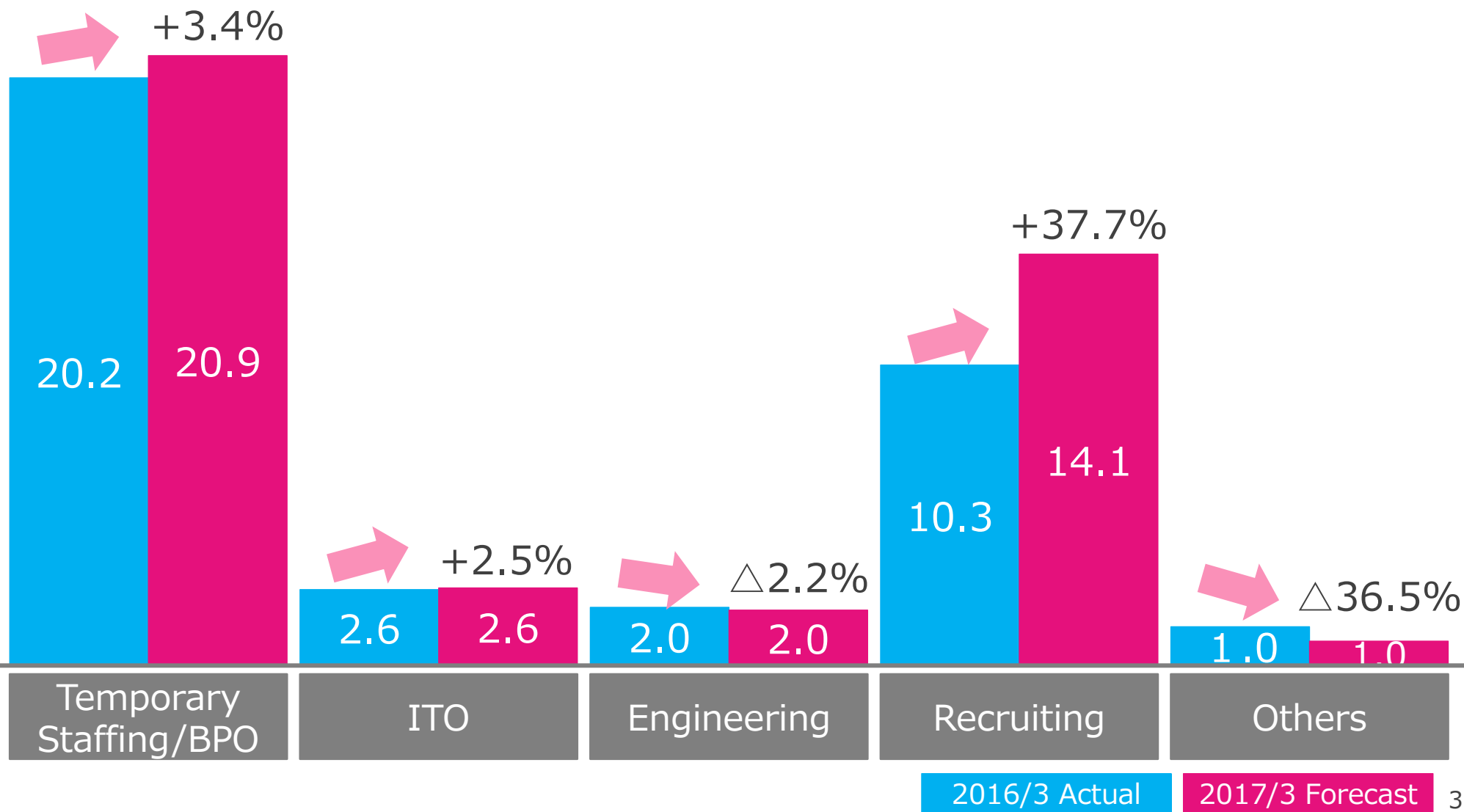
# 2017/3 Forecast : Sales by Segment

(Unit: billion yen)



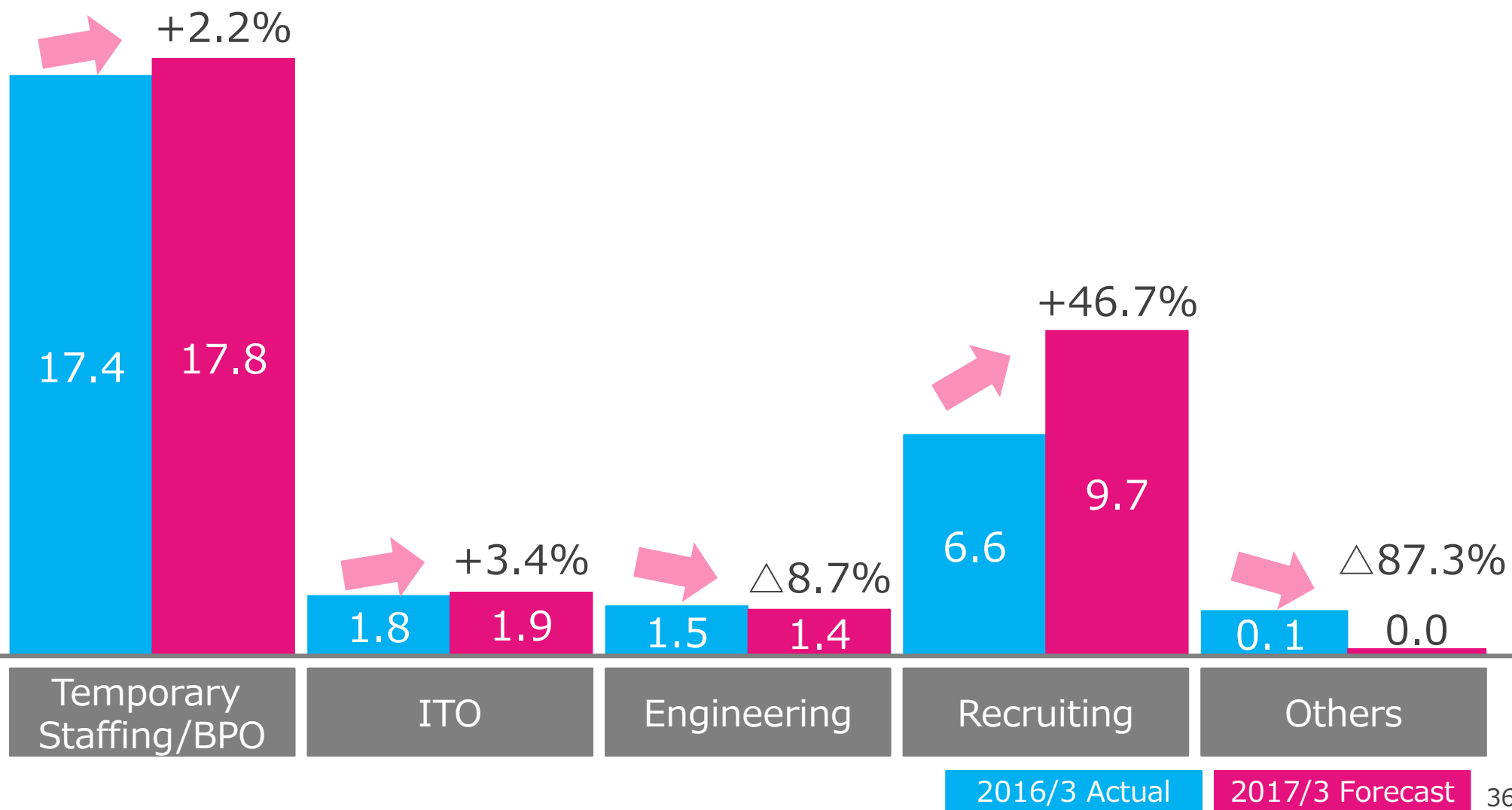
# 2017/3 Forecast : EBITDA by Segment

(Unit: billion yen)



# 2017/3 Forecast : OP Income by Segment

(Unit: billion yen)





# Disclaimer

- The statements concerning the Company's future business performances in this material such as earnings forecasts are based on information available as of May 18, 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.