



**IR Presentation Material :  
Briefing on Consolidated Financial Results  
for the 1<sup>st</sup> Half Ended September 30, 2016**

**Temp Holdings Co. Ltd.  
November 16, 2016**

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for the 1st Half Ended September 30, 2016**
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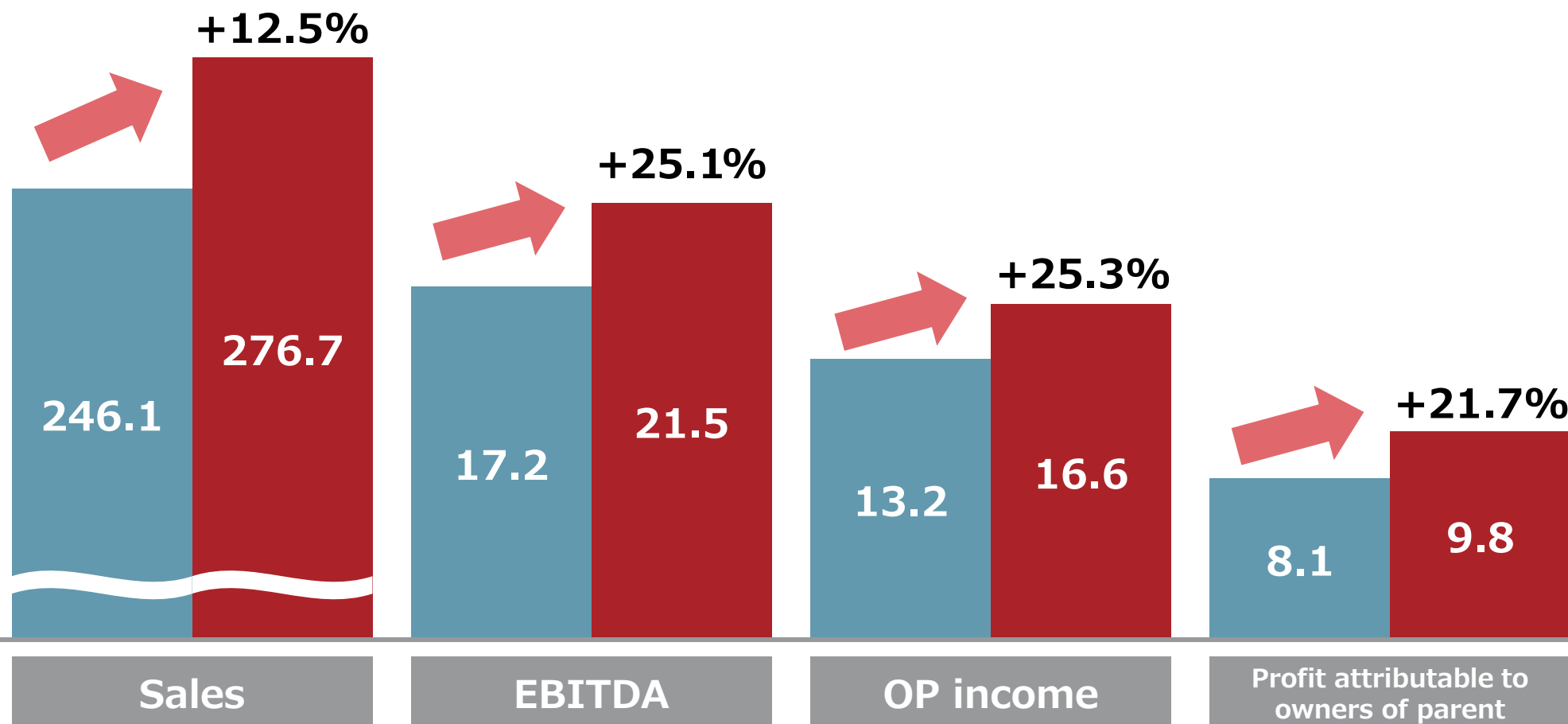
**Part.1 :**

**Financial Highlights on Financial Results  
for the 1st Half Ended September 30, 2016**

# 2017/3 1st Half : Summary of Consolidated Business Results

Achieved the highest results,  
due to steady growth of the existing businesses

(Unit: billion yen)



2016/3 1st half results

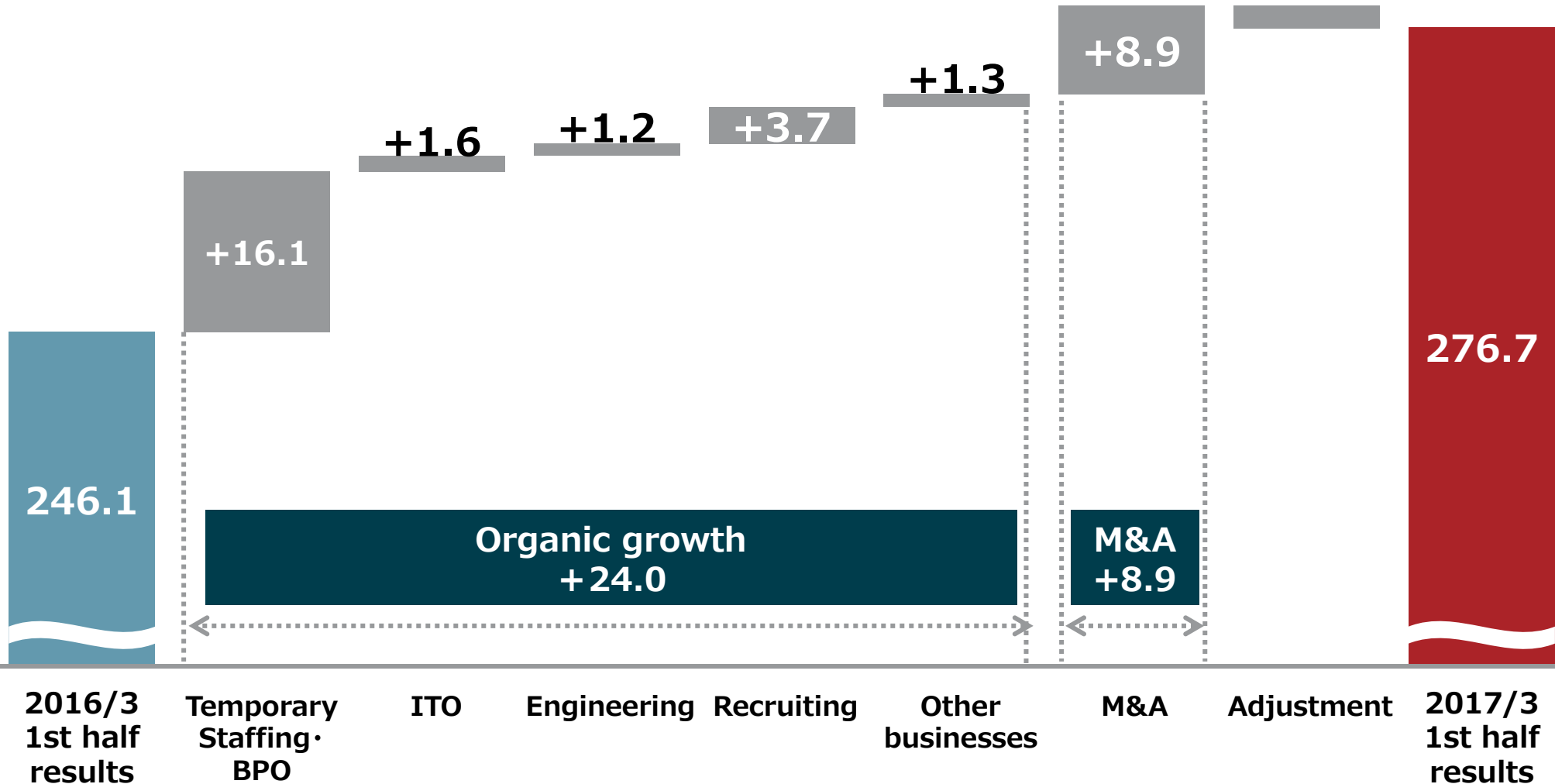
2017/3 1st half results

# 2017/3 1st Half : Sales Analysis

Contribution from the M&A,

in addition to increase in the revenues from the existing businesses **-2.3**

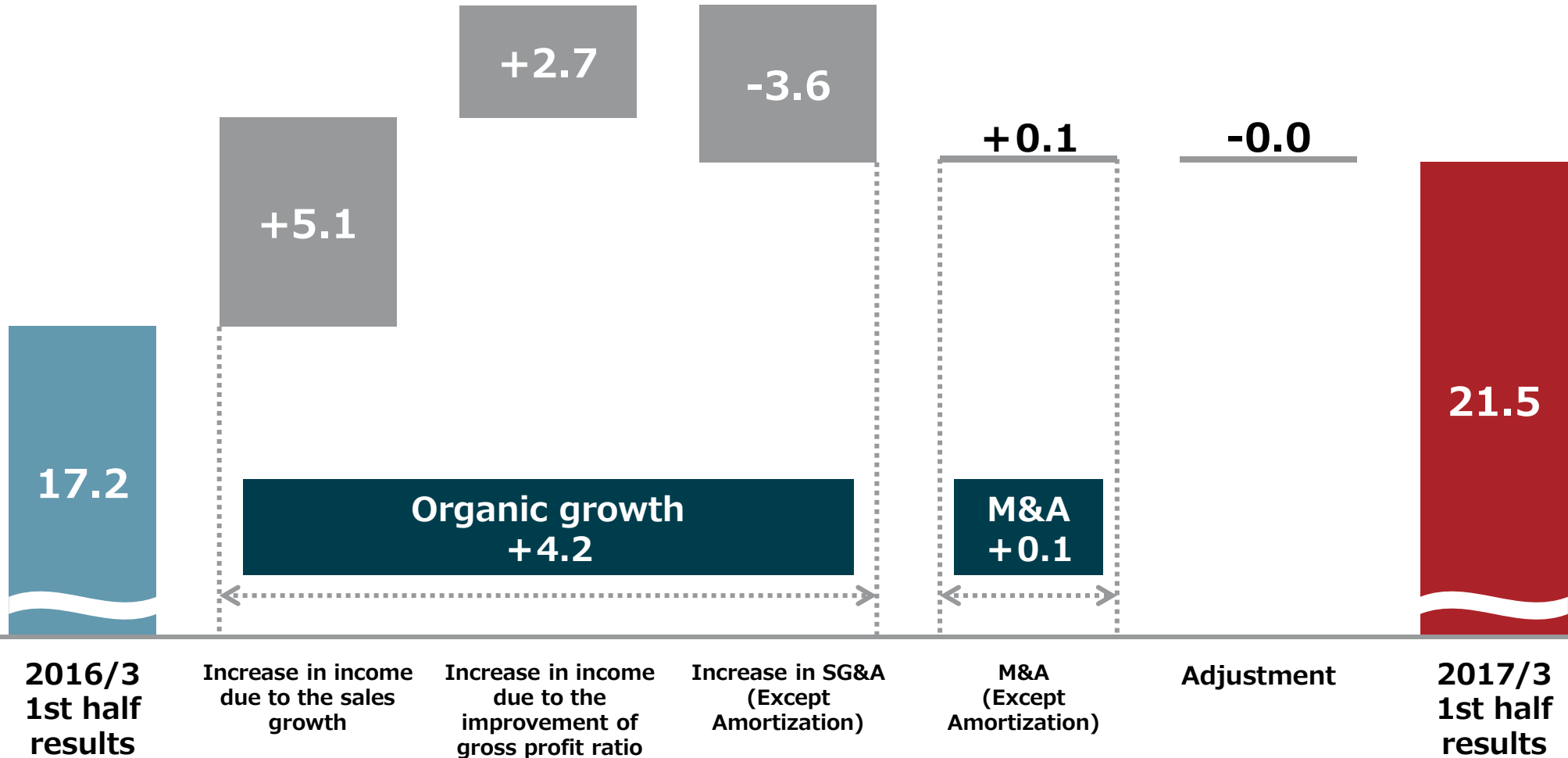
(Unit: billion yen)



# 2017/3 1st Half : EBITDA Analysis

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

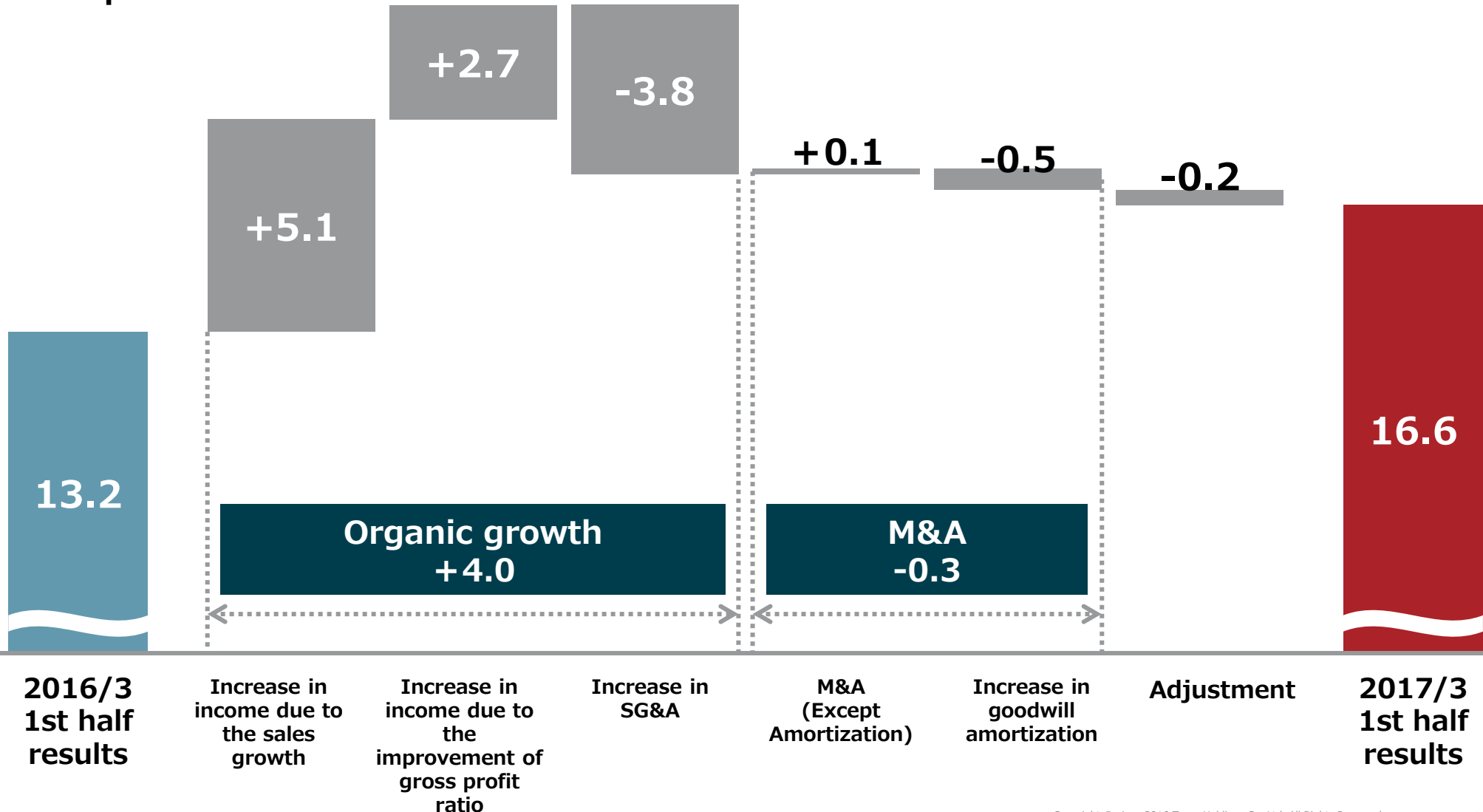
(Unit: billion yen)



# 2017/3 1st Half : OP income Analysis

Increase in OP income from the higher revenues,  
despite of the increase in amortization

(Unit: billion yen)



# 2017/3 1st Half : Consolidated Balance Sheets

(Unit: billion yen)

	As of March 31,2016 Results	As of September 30,2016 Results	Change	
<b>Asset</b>	<b>236.2</b>	<b>256.3</b>	<b>20.0</b>	
Current assets	130.6	148.9	18.3	<Current assets> Increased in cash and deposit, due to an increase in profit
Non-current assets	105.6	107.3	1.7	
<b>Liabilities</b>	<b>102.7</b>	<b>108.5</b>	<b>5.8</b>	
Current liabilities	67.4	77.6	10.1	<Current liabilities> Increase in account payable, unpaid corporation tax etc.
Non-current liabilities	35.2	30.9	-4.3	<Non-current liabilities and Owner's capital> Change due to conversion of the bond (D/E ratio : 52.4%)
<b>Net assets</b>	<b>133.5</b>	<b>147.7</b>	<b>14.2</b>	
Owner's capital	127.2	134.3	7.0	<Minority interests> Increase due to M&A
Minority interests	6.2	13.4	7.1	



# 2017/3 1st Half : Consolidated Statements of Cash Flows

(Unit: billion yen)

	2016/3	2017/3		
	1 <sup>st</sup> half results	1 <sup>st</sup> half results	Change	
Cash flows from operating activities	1.2	22.5	+21.3	<u>&lt;Increase (decrease) in consumption tax payable &gt;</u> L 2016/3 : -10.9 L 2017/3 : -0.6
Cash flows from investing activities	-4.8	-3.9	+0.9	<u>&lt;Purchase of investments in subsidiaries(resulting in change of scope of consolidation)&gt;</u> L 2016/3 : -2.6 L 2017/3 : -0.3
Cash flows from financing activities	-3.9	-4.2	-0.3	
Increase (decrease) in cash and cash Equivalents	-7.4	14.0	+21.5	<u>&lt;Increase (decrease) in long-term loans payable&gt;</u> L 2016/3 : -2.3 L 2017/3 : -2.3
Cash and cash equivalents at end of period	52.7	65.2	+12.4	

# Dividend Policy

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.

	2016/3		2017/3	
	Interim	Year-end	Interim	Year-end
Dividend per Share	6 yen*	7 yen	8 yen	8yen (Plan)
Dividend Ratio (Consolidated)	17.2%		18.7% (Plan)	

(※) Temp Holdings conducted the 3-for-1 stock split for the common stock of the company in 29th Oct. 2015. Figures have been applied retrospectively to the Stock Split.

**Part.2 :**  
**Progress of Mid-term Management Strategy**

In 2025, Japan will suffer from a shortage of

**about 5.83**  
**million workers.**

Supply-demand gap in 2025 (by industry, million workers)

**Short**

**Surplus**



IT Services

**-4.82**



Wholesale  
and retail

**-1.88**



Agriculture  
and forestry

**-0.57**



Transport

**-0.49**



Building

**-0.39**



Finance,  
Real Estate

**-0.31**



Public  
Utilities

**-0.02**



Manufacturing

**+0.19**



Government

**+2.45**

# 4 solutions for the labor shortage



promoting the employment  
of women



promoting the employment  
of elderly people



Improve productivity  
of workers



promoting the employment  
of foreign people

# Corporate Philosophy, Group Vision

## <Corporate Philosophy>

**Job creation, Individual growth, Contributing to Society**

## <Group Vision>

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

# 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**

# Topic 1 : New brand of the Temp group

Change our corporate image to “Total HR solution provider”  
("TEMP" group = temporary staffing)



P E R S O L

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Through the growth of the “person”  
(PERSON)

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To solve the social problem  
(SOLUTION)



## Topic 2 : A shift to company with audit and supervisory committee

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

Up to 2016/6/17		Now	
Chairperson	Yoshiko SHINOHARA	-	-
Vice Chairperson	Mikihiko HIBINO	-	-
President	Masamichi MIZUTA	President	Masamichi MIZUTA
Vice President	Hirotooshi TAKAHASHI	Vice President	Hirotooshi TAKAHASHI
Director	Takao WADA	Senior Managing 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


# Topic 3 : Change the management member

MIZUTA and TAKAHASHI devote to Group governance,  
In order to strengthen Corporate Governance

	Segment	Officer	Title etc.
 PERSOL	Temporary Staffing・BPO	Takao Wada	Temp Holdings Co.,Ltd Senior Managing Director Tempstaff Co.,Ltd CEO
	ITO	Toshihiro Nagai	Temp Holdings Co.,Ltd Executive Officer Intelligence Business Solutions Co.,Ltd CEO
	Engineering	Mikio Miyamura	Temp Holdings Co.,Ltd Executive Officer Japan Tecseed Co., Ltd CEO
	Recruiting	Taro Mineo	Temp Holdings Co.,Ltd Executive Officer Intelligence Co., Ltd CEO
	Overseas	Takayuki Yamazaki	Temp Holdings Co.,Ltd Executive Officer "TS Kelly ASIA Pacific*" Business Officer

# Topic 4 : Expand JV with Kelly Services in APAC

By expanding its scope from 4 countries/regions to 12,  
They start to contribute 20.0 billion yen by sales from the 2nd half of the FY2017/3.

	Point	Region
Overview	<ul style="list-style-type: none"> <li>Expanding its scope from 4 countries/regions to 12</li> <li>Temp Holdings continues to own 51 % of the expanded joint venture, with Kelly Services owning the remaining 49%.</li> </ul>	 <p><b>North Asia</b> China, Hong Kong, Taiwan, Korea</p> <p><b>India</b> India</p> <p><b>South Asia</b> Singapore, Malaysia, Indonesia, Thailand, Vietnam</p> <p><b>Oceania</b> Australia, New Zealand</p>
Governance	<ul style="list-style-type: none"> <li>Building presence on major area of APAC</li> <li>Strengthen Corporate governance (dispatch CEO and CFO from Temp HD)</li> </ul>	
Schedule	<ul style="list-style-type: none"> <li>2016 : Proceed the integration</li> <li>2017 : Accelerate growth investment</li> </ul>	

# Topic 4 : Expand JV with Kelly Services in APAC



We will continue to provide our global clients with seamless, cross border HR solutions in Asia Pacific with the goal of becoming the most trusted talent management brand in the region.



\*For the detailed information, please refer to the Press Release of TS Kelly ASIA Pacific.  
[https://www.tempstaff.co.jp/english/corporate/pdf/20160408\\_01.pdf](https://www.tempstaff.co.jp/english/corporate/pdf/20160408_01.pdf)

# 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)

**Part.3 :**

**Progress of plans for the Fiscal Year  
Ending March 31, 2017**

# 2017/3 Current situation

**Structural labor shortage in Japan drives the situation :  
Order for our main business remains solid.**

<b>Temporary Staffing business</b>	<ul style="list-style-type: none"> <li>• Growth of the number of our temporary workers and new registrants remains strong.</li> <li>• Tempstaff won the satisfaction No.1 in the field of Re-employment ratio and other 2 categories in the 26th temporary staff satisfaction survey in Japan.</li> </ul>
<b>Placement Business</b>	<ul style="list-style-type: none"> <li>• Job opening-to-application ratio is 2.51 at October 2016 (aggregated by DODA, Intelligence).</li> <li>• Strong demand for candidates especially in IT Service sector etc.</li> </ul>
<b>Overseas Business</b>	<ul style="list-style-type: none"> <li>• The growth rate in specific countries (such as Singapore) slowed with some deterioration of external environment.</li> <li>• Continue to focus on strengthening Corporate governance.</li> </ul>

## 2017/3 : Revision to the financial forecast (consolidated)

Demand from client companies remained solid. In particular, growth of Temporary Staffing・BPO was quite significant. The financial forecast for the full fiscal year 2017 was revised on November 11, 2016

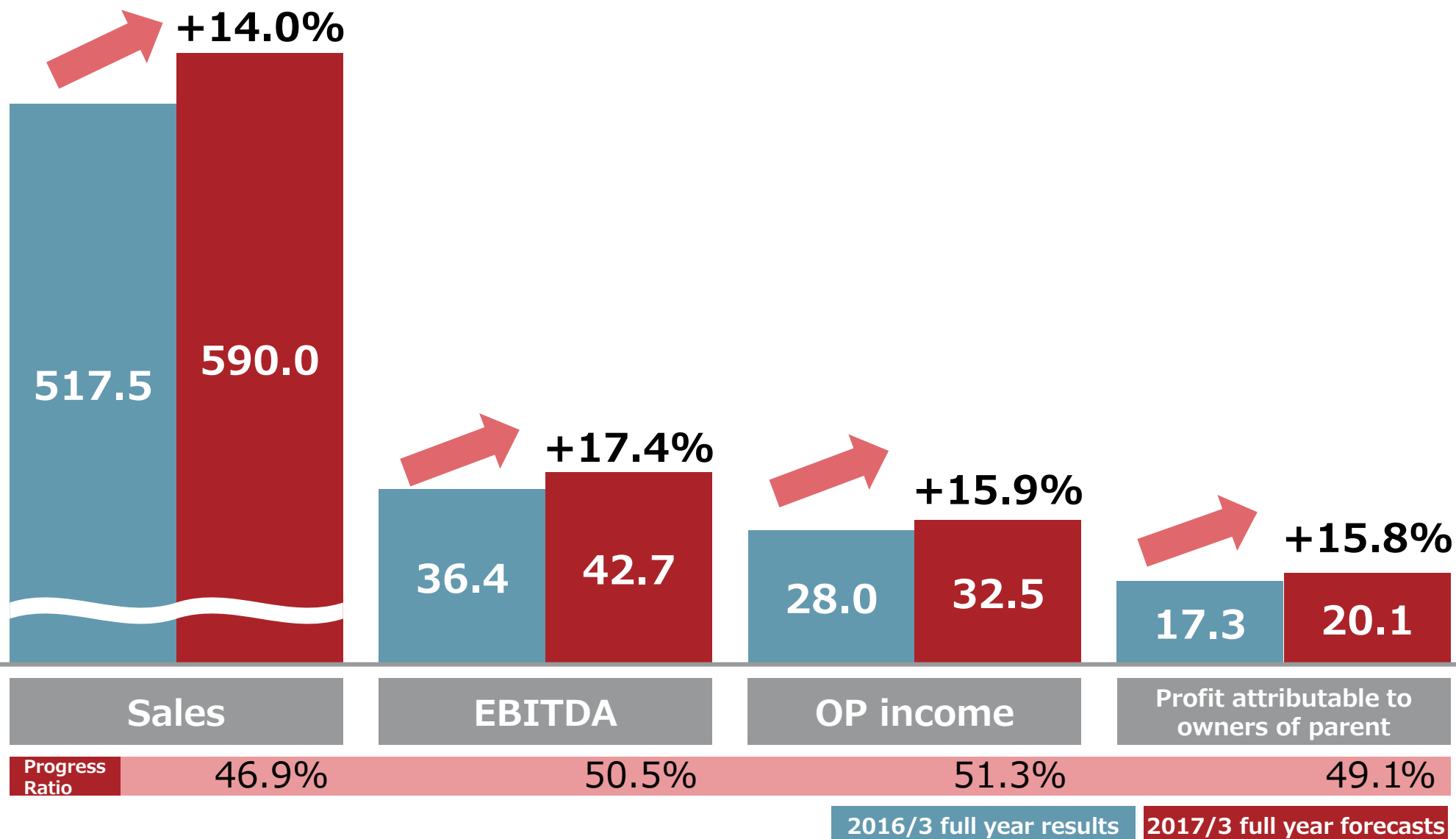
(Unit: billion yen)

	8/11 forecast (a)	11/11 Amended forecast (b)	change (=b-a)	2016/3 results (c)	YoY (=b÷c)
Sales	584.0	590.0	+6.0	517.5	+14.0%
EBITDA	41.8	42.7	+0.9	36.4	+17.4%
OP income	31.7	32.5	+0.8	28.0	+15.9%
Ordinary income	31.9	32.8	+0.8	28.1	+16.4%
Profit attributable to owners of parent	20.1	20.1	—	17.3	+15.8%



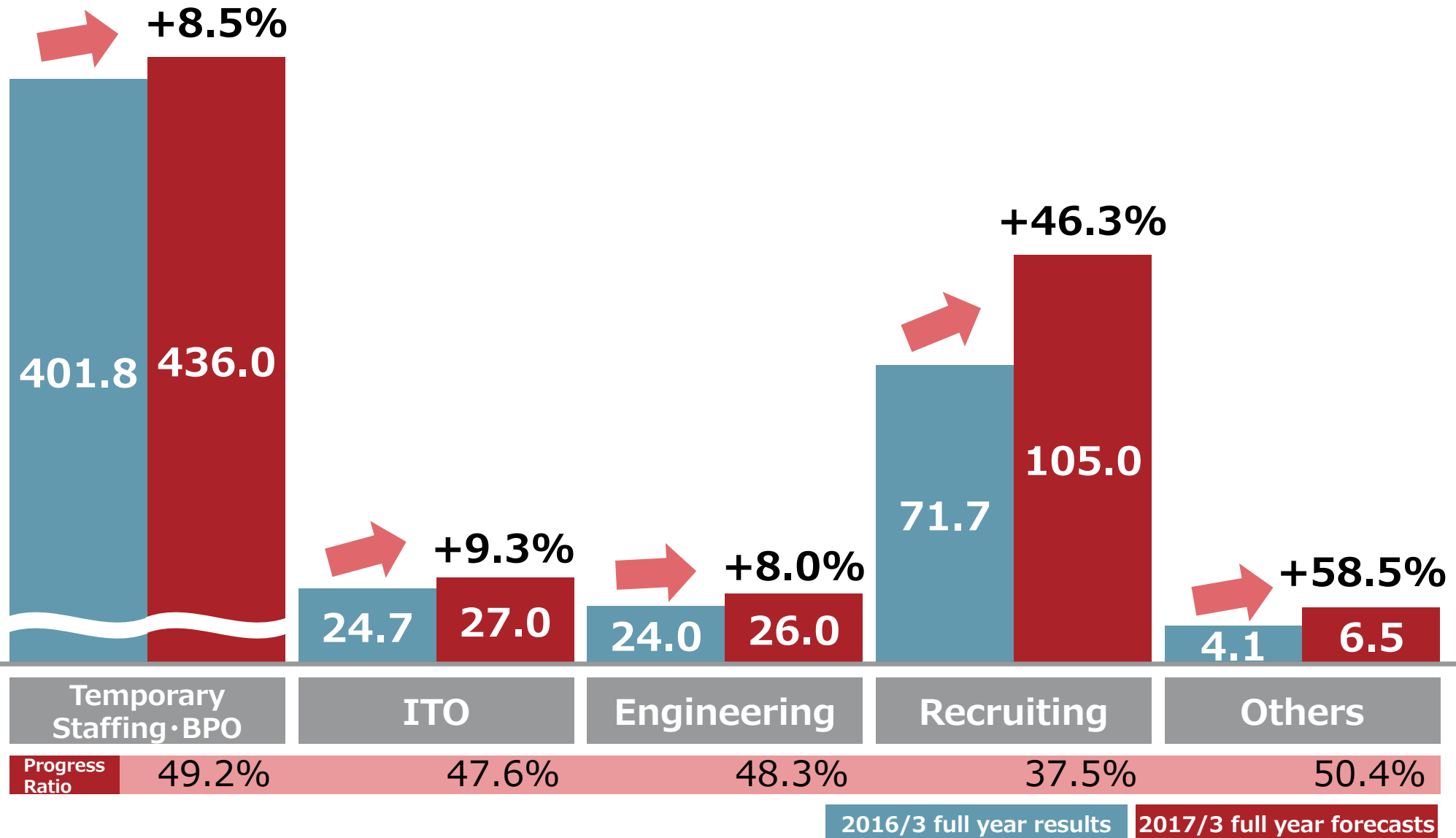
# 2017/3 Forecast : Consolidated PL

(Unit: billion yen)



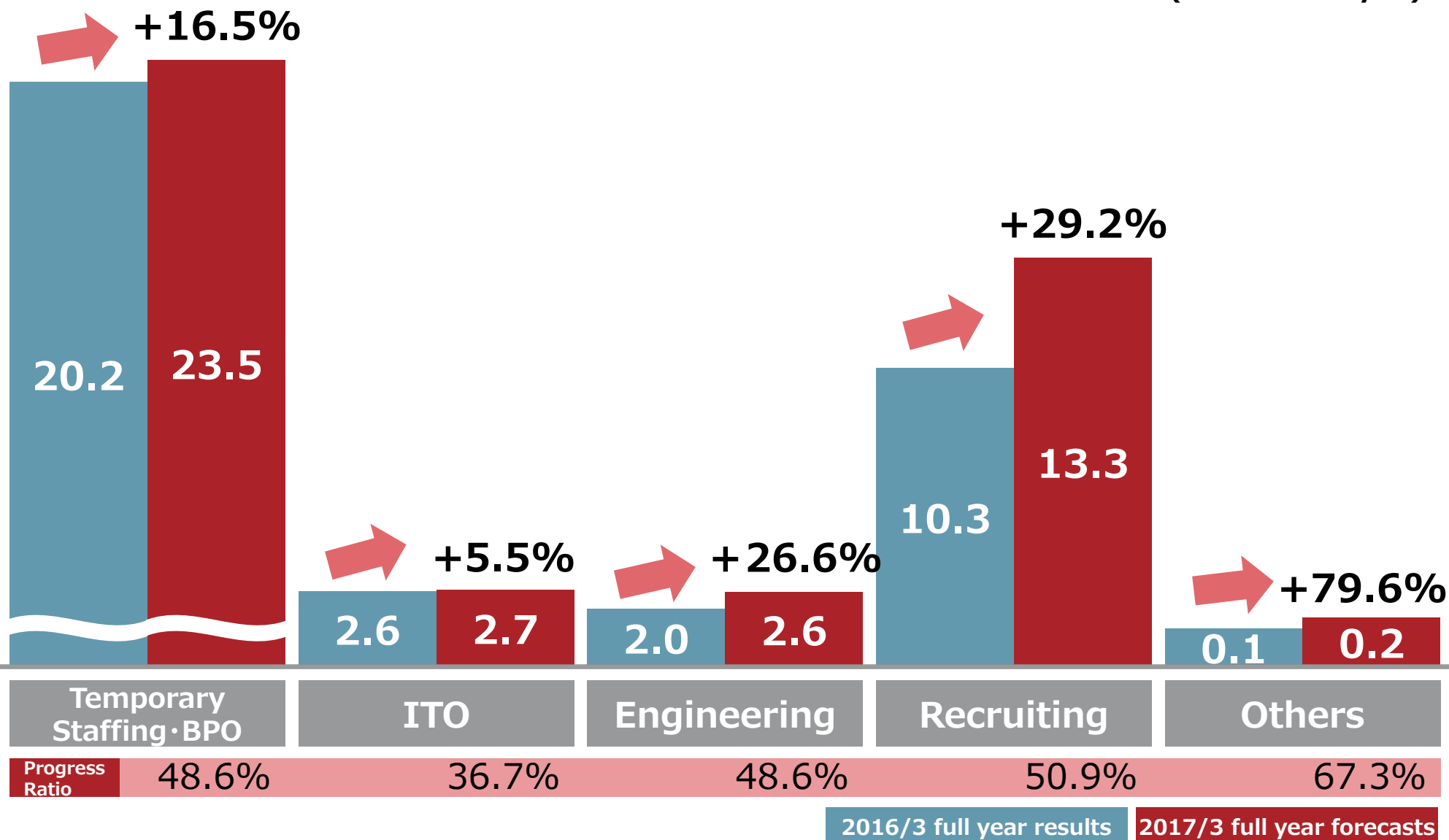
# 2017/3 Forecast : Sales by Segment

(Unit: billion yen)



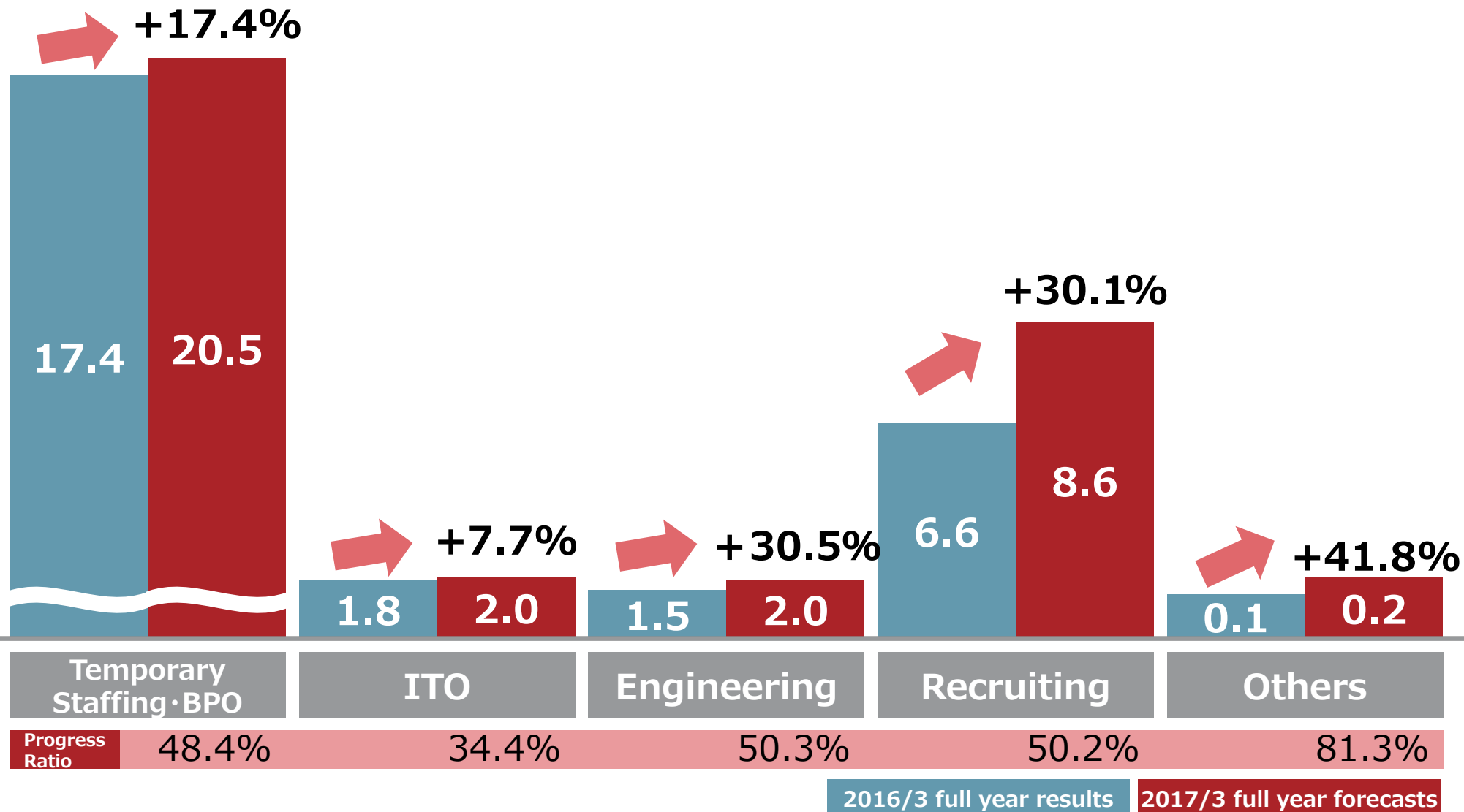
# 2017/3 Forecast : EBITDA by Segment

(Unit: billion yen)



# 2017/3 Forecast : OP income by Segment

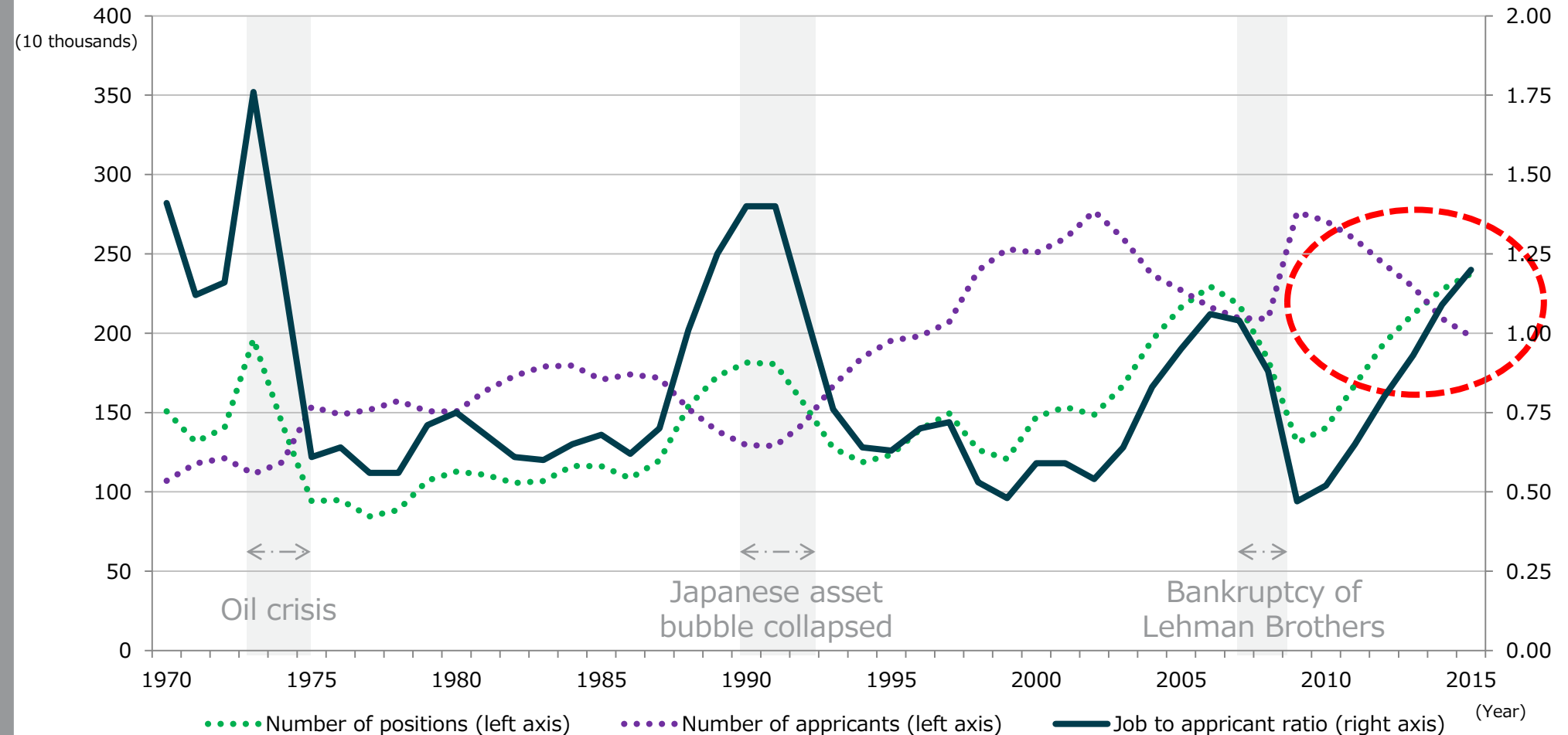
(Unit: billion yen)



# Appendix

# Job to applicants ratio

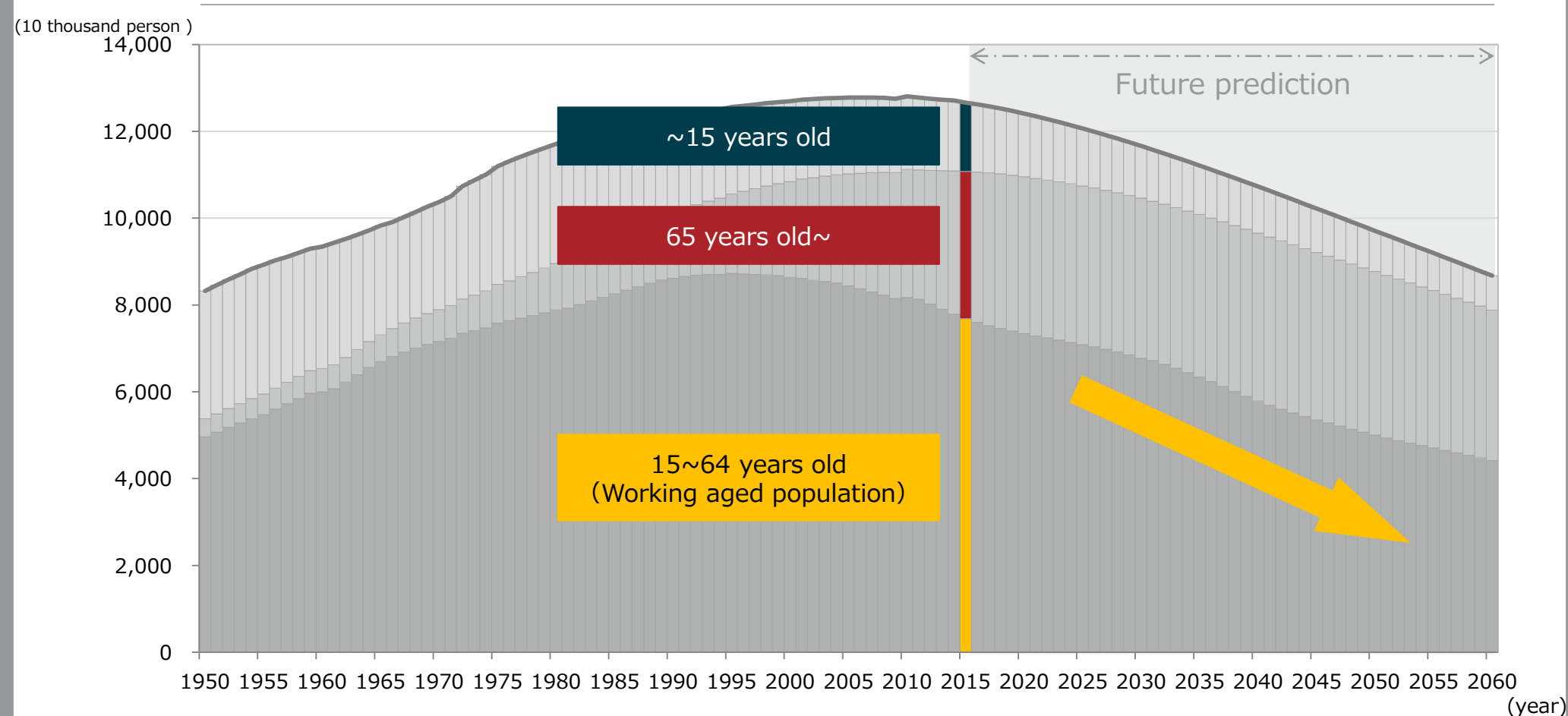
Job to applicants ratio (= number of positions ÷ number of applicants) is an indicator of the demand for human resources. Basically correlated with the economy.



# “Labor shortage” by decreasing population

Working age population (aged 15~64) : 77,080 thousand of person,  
decreasing since 1997. Labor shortage will be more serious.

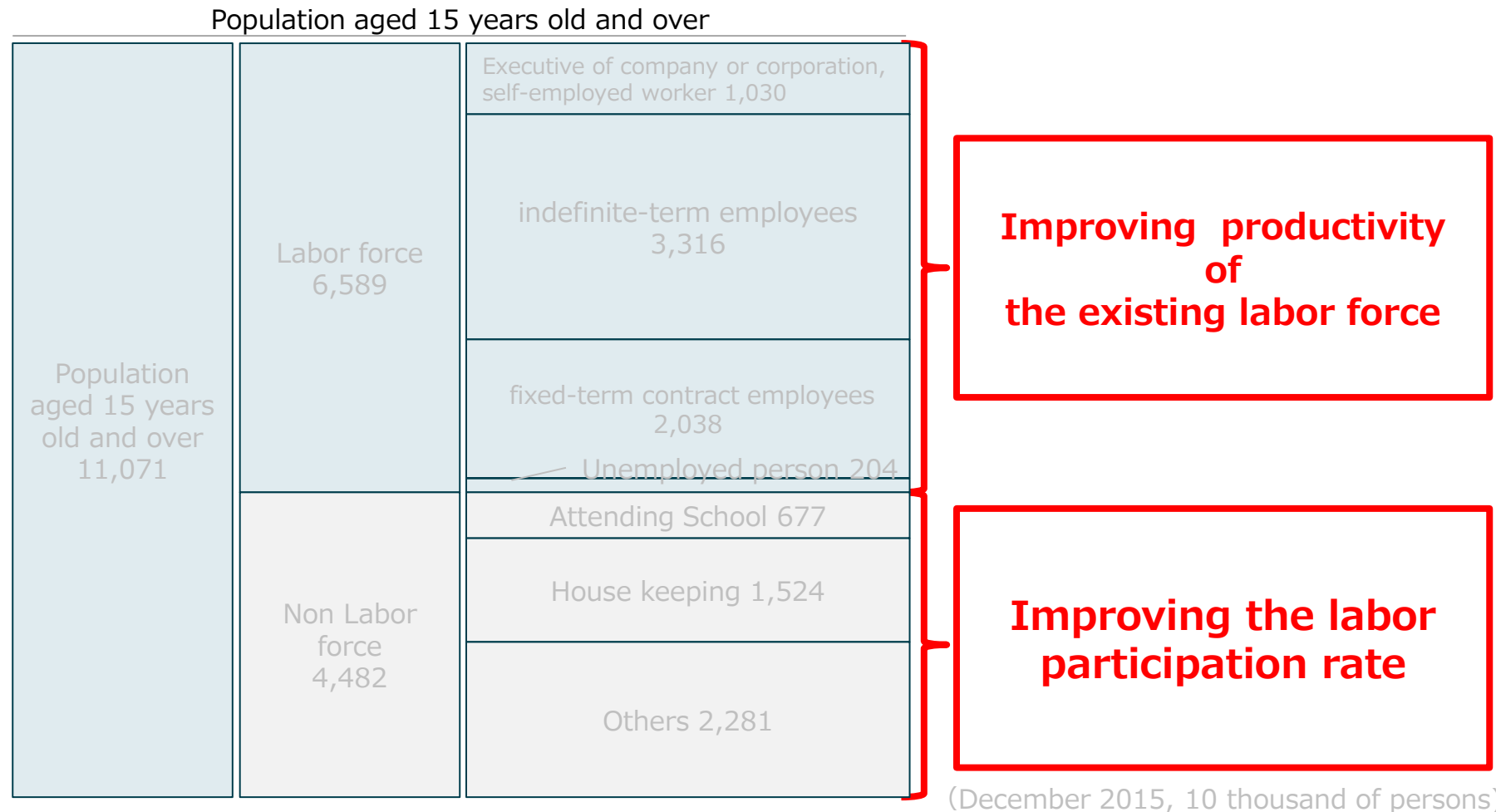
Trends and future prediction of population composition



Source : National Institute of Population and Social Security Research

# To solve the structural problem

We have to improve productivity of the existing labor force, and promote Quantitative increase due to the labor market participation of non-labor force, to achieve economic growth.



Source : Statistics Bureau, Ministry of internal Affairs and Communications



# Change in Society

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



Globalization



Evolution of  
technology



Revisions/changes  
in laws and  
regulations



Changes in the  
values for "work"



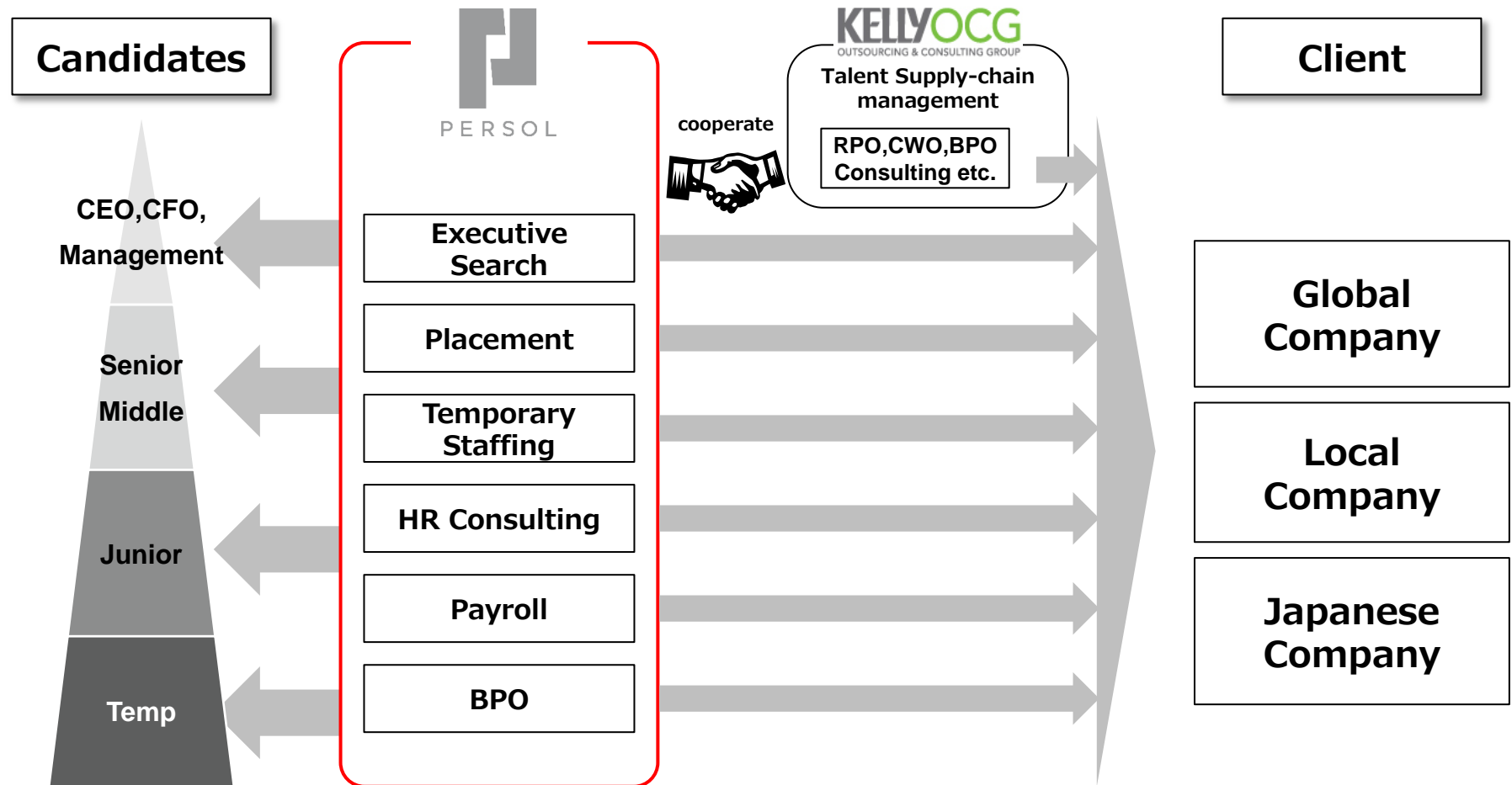
Widening Labor  
mismatch



The extension of  
the retirement age

# Topic 4 : Expand JV with Kelly Services in APAC

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## Appendix : Revision to the financial forecast (consolidated)

**Demand from client companies remained solid. In particular, growth of Temporary Staffing・BPO was quite significant. The financial forecast for the full fiscal year 2017 was revised on November 11, 2016**

(Units : million yen)

	8/11 Forecast (a)	11/11 Amended forecast (b)	Change (=b-a)	2016/3 Results (c)	YoY Growth Rate (=b÷c)
Sales	584,000	590,000	+6,000	517,597	+14.0%
EBITDA	41,800	42,730	+930	36,408	+17.4%
OP income	31,700	32,500	+800	28,052	+15.9%
Ordinary income	31,900	32,800	+900	28,190	+16.4%
Profit attributable to owners of parent	20,100	20,100	—	17,356	+15.8%

\*Internal transactions have not been eliminated from the figures.

\*Rounded down (Units : million yen,%) \*EBITDA = OP income + Depreciation + Amortization of Goodwill

# Appendix : Revision to the financial forecast (consolidated)

(Units : million yen)

Sales	8/11 Forecast	11/11 amended	Change
Temporary Staffing/BPO*	427,400	436,000	+8,600
ITO*	26,650	27,000	+350
Engineering	25,260	26,000	+740
Recruiting	107,800	105,000	-2,800
Other business	6,440	6,500	+60
Adjustment	-9,550	-10,500	-950
Total	584,000	590,000	+6,000

Comments
Revised up for Good external environment
Revised up for Good external environment
Revised up for Good external environment
Revised down for mainly on overseas business

2016/3 Result	YoY Growth Rate
401,854	+8.5%
24,701	+9.3%
24,070	+8.0%
71,792	+46.3%
4,102	+58.5%
-8,922	—
517,597	+14.0%

OP Income	8/11 Forecast	11/11 amended	Change
Temporary Staffing/BPO*	18,550	20,500	+1,950
ITO*	2,020	2,000	-20
Engineering	1,600	2,000	+400
Recruiting	10,000	8,600	-1,400
Other business	18	200	+182
Adjustment	-488	-800	-312
Total	31,700	32,500	+800

Comments
Revised up for improvement of the profitability
Revised up for improvement of the profitability
Revised down for mainly on overseas business
Strengthen investment on our new brand

2016/3 Result	YoY Growth Rate
17,459	+17.4%
1,857	+7.7%
1,532	+30.5%
6,612	+30.0%
141	+41.3%
448	—
28,052	+15.9%

\*Internal transactions have not been eliminated from the figures.

\*Rounded down (Units : million yen)

\*ITO : IT Outsourcing

\*BPO : Business Process Outsourcing

# Disclaimer

- The statements concerning the Company's future business performances in this material such as earnings forecasts are based on information available as of November 16, 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.