



**Briefing on Consolidated Financial
Results for the Third Quarter
Ended December 31, 2016**

Temp Holdings Co., Ltd.
February 13, 2017

2017/3 3Q : Summary of Consolidated Business Results

Achieved the highest results due to steady growth

(Unit: million yen)

	2016/3 Results		2017/3 Results			2017/3 Full Year Forecasts*
	3Q	Ratio(%)	3Q	Ratio(%)	YoY(%)	
Sales	375,826	100.0	429,560	100.0	+ 14.3	590,000
Gross Profit	89,550	23.8	104,795	24.4	+ 17.0	-
EBITDA*	26,917	7.2	32,707	7.6	+ 21.5	42,730
OP income	20,892	5.6	25,287	5.9	+ 21.0	32,500
Profit attributable to owners of parent	12,669	3.4	15,024	3.5	+ 18.6	17,100

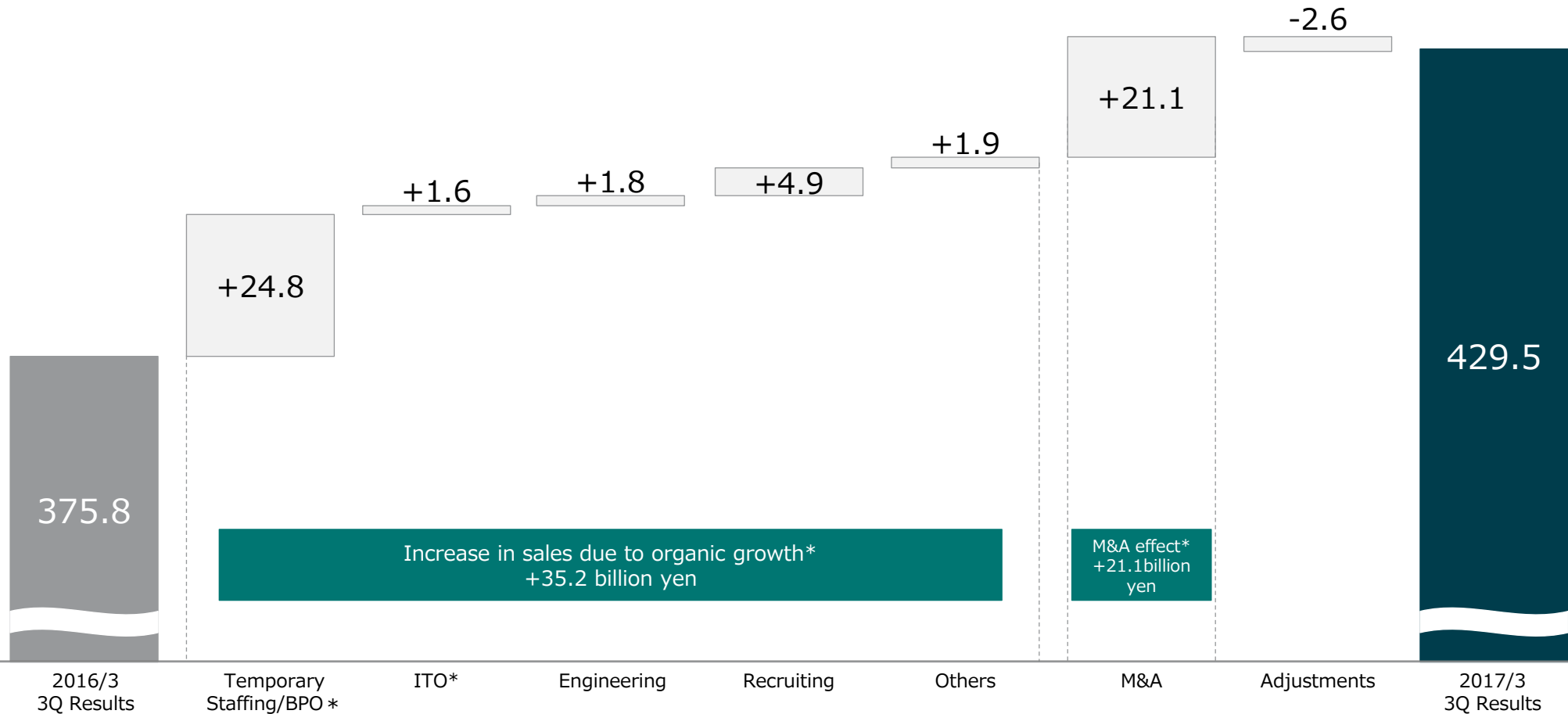
*Rounded down (same as following pages) *EBITDA = OP income + Depreciation + Amortization of Goodwill(same as following pages)

*The financial forecast for the full fiscal year 2017 was revised on February 13, 2017 (See the 「Appendix : Revision to the financial forecast」 for details)

2017/3 3Q : Sales Analysis

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

(Unit: billion yen)



*M&A targets :P&P Holdings(July 2015), Mediocross(October 2015), Capita(January 2016), First Alliances(April 2016), Kelly Services (Singapore) Pte. Ltd.(October 2016)
 (dates in parentheses indicate the year and month of consolidation as subsidiaries)
 *M&A effect :The figures are shown the financial results composed of the new companies by M&A. (Internal transactions have not been eliminated)
 *Organic growth (existing businesses) :The figures are shown the financial results excluding the new companies by M&A. (Internal transactions have not been eliminated)
 *BPO : Business Process Outsourcing, ITO : IT Outsourcing (same as following pages)

2017/3 3Q : Sales by Segment

Continuous steady growth in each segment

(Unit: million yen)

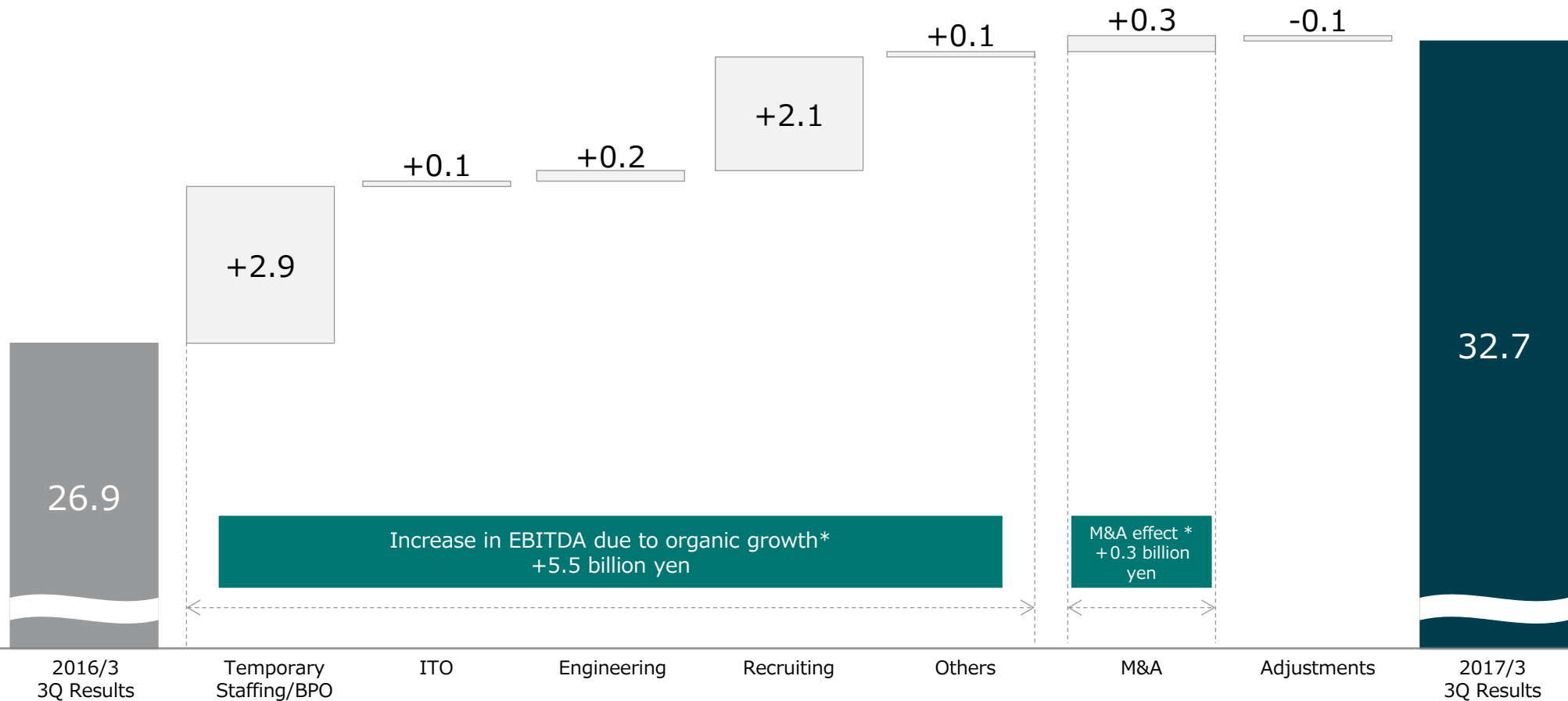
	2016/3 Results	2017/3 Results		2017/3 Full Year Forecasts
	3Q	3Q	YoY(%)	
Temporary Staffing/BPO	295,010	325,384	+ 10.3	436,000
ITO	17,185	18,811	+ 9.5	27,000
Engineering	17,334	19,233	+ 11.0	26,000
Recruiting	48,900	69,396	+ 41.9	105,000
Others	3,031	4,996	+ 64.8	6,500
Adjustment	-5,635	-8,261	-	-10,500
Total	375,826	429,560	+ 14.3	590,000

*Internal transactions have not been eliminated from the figures.

2017/3 3Q : EBITDA Analysis

Increase in sales due to organic growth

(Unit: billion yen)



*M&A targets :P&P Holdings(July 2015), Mediocross(October 2015), Capita(January 2016), First Alliances(April 2016), Kelly Services (Singapore) Pte. Ltd.(October 2016)
 (dates in parentheses indicate the year and month of consolidation as subsidiaries)
 *M&A effect :The figures are shown the financial results composed of the new companies by M&A. (Internal transactions have not been eliminated)
 *Organic growth (existing businesses) :The figures are shown the financial results excluding the new companies by M&A. (Internal transactions have not been eliminated)

2017/3 3Q : EBITDA Analysis

Achieved the highest results due to steady growth

(Unit: million yen)

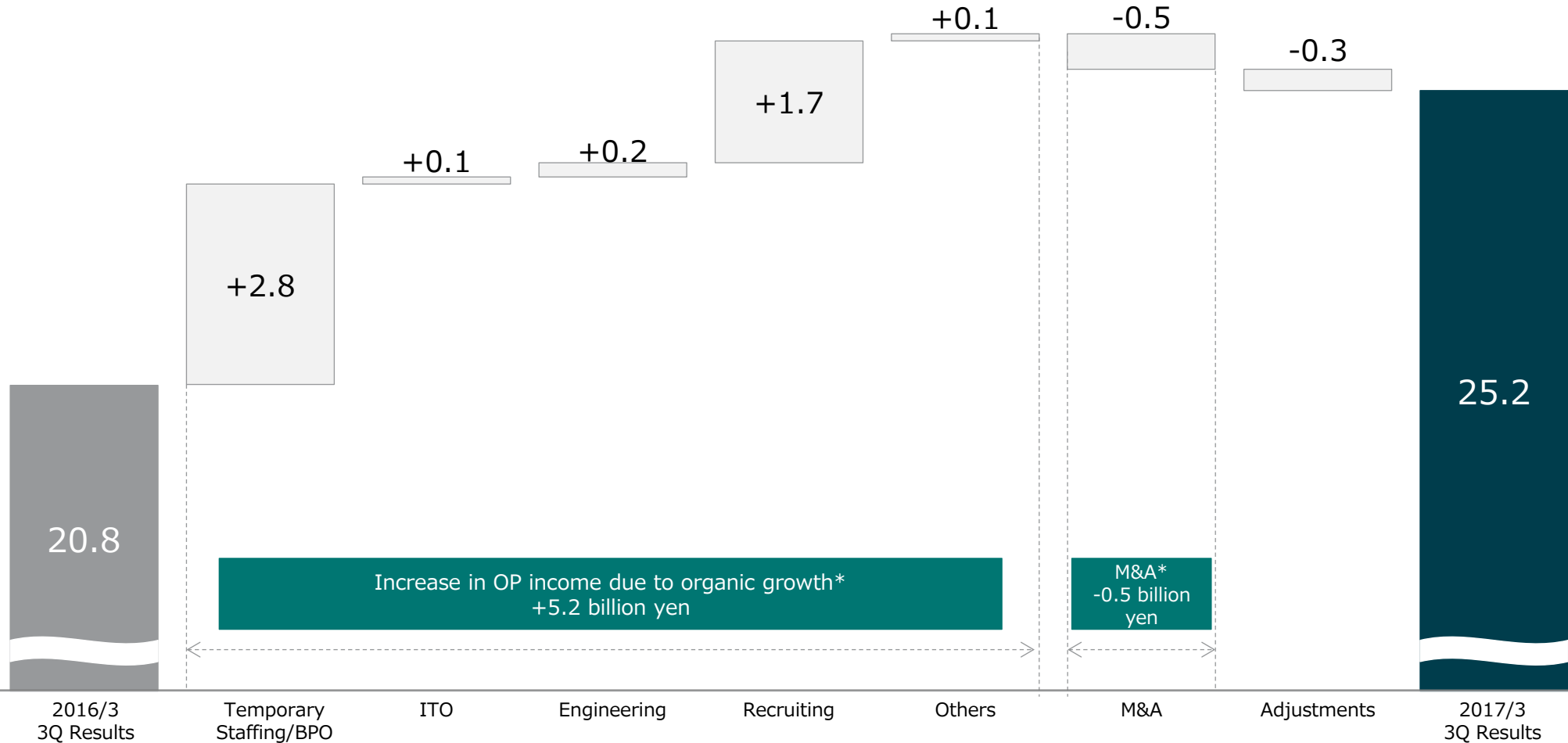
	2016/3 Results	2017/3 Results		2017/3 Full Year Forecasts
	3Q	3Q	YoY(%)	
Temporary Staffing/BPO	14,784	17,678	+ 19.6	23,550
ITO	1,625	1,738	+ 7.0	2,760
Engineering	1,523	1,815	+ 19.2	2,640
Recruiting	7,287	9,821	+ 34.8	13,320
Others	181	312	+ 72.0	282
Adjustment	1,516	1,340	-	178
Total	26,917	32,707	+ 21.5	42,730

*Internal transactions have not been eliminated from the figures.

2017/3 3Q : OP income Analysis

Increase in sales due to organic growth

(Unit: billion yen)



*M&A targets :P&P Holdings(July 2015), Mediocross(October 2015), Capita(January 2016), First Alliances(April 2016), Kelly Services (Singapore) Pte. Ltd.(October 2016)
 (dates in parentheses indicate the year and month of consolidation as subsidiaries)
 *M&A effect :The figures are shown the financial results composed of the new companies by M&A. (Internal transactions have not been eliminated)
 *Organic growth (existing businesses) :The figures are shown the financial results excluding the new companies by M&A. (Internal transactions have not been eliminated)

2017/3 3Q : OP income Analysis

Achieved the highest results due to steady growth

(Unit: million yen)

	2016/3 Results	2017/3 Results		2017/3 Full Year Forecasts
	3Q	3Q	YoY(%)	
Temporary Staffing/BPO	12,718	15,422	+ 21.3	20,500
ITO	1,063	1,249	+ 17.4	2,000
Engineering	1,110	1,397	+ 25.8	2,000
Recruiting	4,657	6,110	+ 31.2	8,600
Others	169	271	+ 60.0	200
Adjustment	1,172	836	-	-800
Total	20,892	25,287	+ 21.0	32,500

*Internal transactions have not been eliminated from the figures.

2017/3 3Q : Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2016		As of December 31, 2016		
	Results	Ratio(%)	Results	Ratio(%)	Change
Assets	236,238	100.0	265,386	100.0	+ 29,147
Current assets	130,611	55.3	157,538	59.4	+ 26,926
(Cash and deposits)	51,227	21.7	72,448	27.3	+ 21,221
Non-current assets	105,627	44.7	107,848	40.6	+ 2,221
(Right of trademark and goodwill)	80,412	34.0	78,592	29.6	-1,820
Liabilities	102,737	43.5	113,349	42.7	+ 10,611
Current liabilities	67,482	28.6	82,458	31.1	+ 14,976
(Current portion of loans payable)	5,427	2.3	5,185	2.0	-242
Non-current liabilities	35,255	14.9	30,891	11.6	-4,364
(Long-term loans payable)	24,993	10.6	22,726	8.6	-2,266
(Convertible bond-type bond with stock acquisition rights)	851	0.4	132	0.0	-719
Net assets	133,501	56.5	152,037	57.3	+ 18,536
Owners' capital	127,205	53.8	138,432	52.2	+ 11,226
(Capital stock)	17,055	7.2	17,414	6.6	+ 359
(Capital surplus)	20,520	8.7	20,105	7.6	-414
(Legal retained earnings)	88,134	37.3	99,637	37.5	+ 11,502
Minority interests	6,295	2.7	13,605	5.1	+ 7,310

<Cash and deposits>

Increased due to an increase in profit

<Right of trademark and goodwill>

Decrease : Depreciation, Detrition
Foreign exchange
Increase : M&A*

<Current liabilities>

Increase in account payable, unpaid
corporation tax etc.

<Convertible bond-type bond with stock
acquisition rights>

Decrease by conversion

<Capital stock and capital surplus>

Increase due to conversion of the bond

<capital surplus>

Decrease by the share of M&A* sale

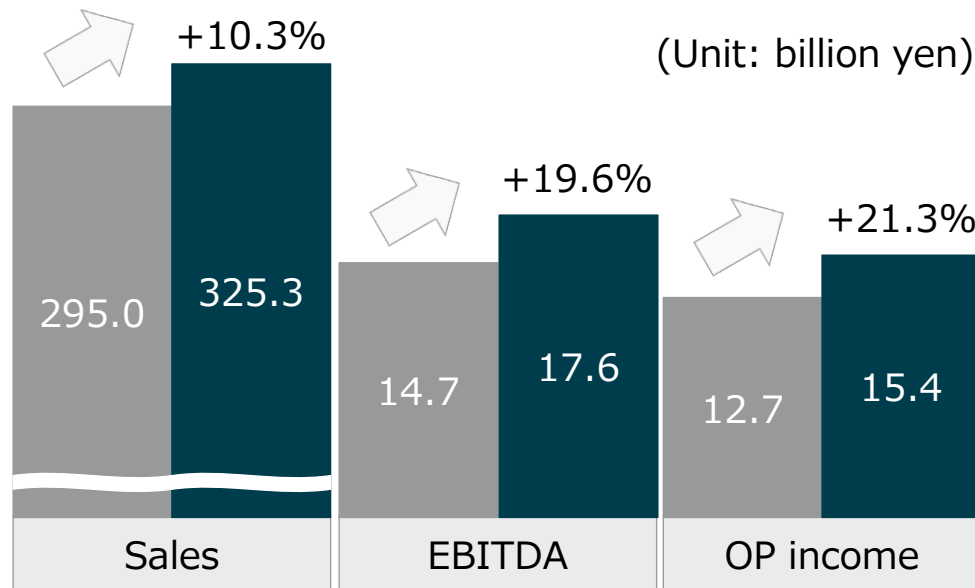
<Minority interests>

Increase by M&A*

*M&A : Based on a joint venture agreement with Kelly Services, Inc. to expand business in the Asia-Pacific region, we have acquired 51% of Kelly Services (Singapore) Pte. Ltd. shares.

Copyright © since 2016 Temp Holdings Co., Ltd. All Rights Reserved.

2017/3 3Q Transition of Business Results by Segments ① Temporary Staffing/BPO*



2017/3 3Q : Highlights

Demand from client companies remained strong
(Increase in sales due to organic growth:8.4%, M&A effect: 1.9%)

<Temporary Staffing division>

- Demand for temporary staff remains strong
- Increased in operating income due to the revenue growth which exceeds increase in the costs such as personnel expenses, social insurance premiums, etc.

<BPO division>

- Demand for the BPO services remains solid, achieved increase in income

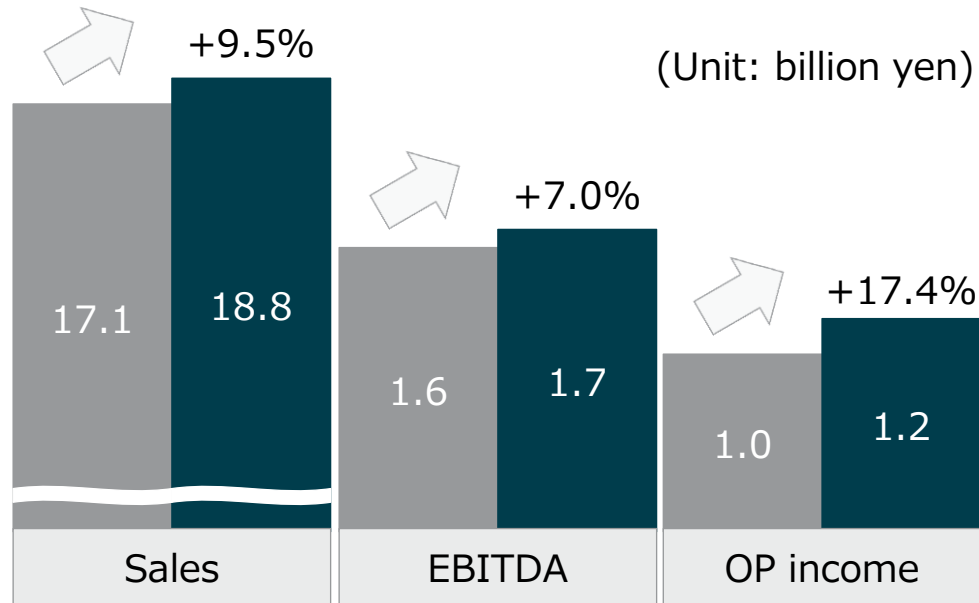
(Unit: million yen)

	2016/3 Results	2017/3 Results		2017/3 Full Year Forecasts
	3Q	3Q	YoY(%)	
Sales	295,010	325,384	+10.3	436,000
EBITDA	14,784	17,678	+19.6	23,550
EBITDA margin (%)	5.0	5.4	-	5.4
OP income	12,718	15,422	+21.3	20,500
OP income ratio (%)	4.3	4.7	-	4.7

*Internal transactions have not been eliminated from the figures

*See the "Factbook for the Third Quarter Ended December 31, 2016" released on the website on the same date for the quarterly results

2017/3 3Q Transition of Business Results by Segments ② ITO



2017/3 3Q : Highlights

- Demand for IT system and SI-related services from client companies remained solid
- Achieved high sales growth due to the increase in the high value-added PJ such as SI-related service, the sales marketing service and a delivery of the system for the company which belongs to the Temp-group

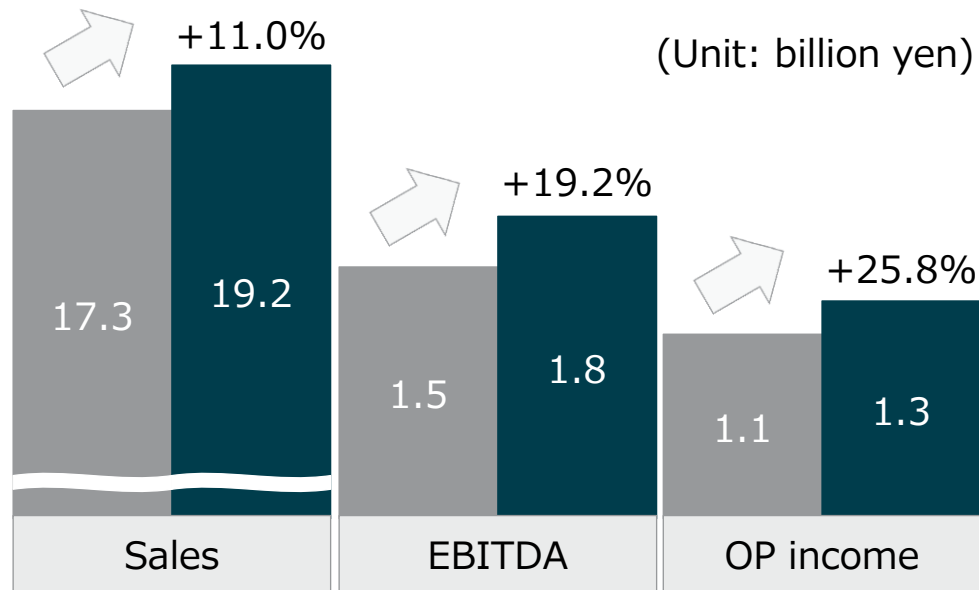
(Unit: million yen)

	2016/3 Results	2017/3 Results		2017/3 Full Year Forecasts
	3Q	3Q	YoY(%)	
Sales	17,185	18,811	+9.5	27,000
EBITDA	1,625	1,738	+7.0	2,760
EBITDA margin (%)	9.5	9.2	-	10.2
OP income	1,063	1,249	+17.4	2,000
OP income ratio (%)	6.2	6.6	-	7.4

*Internal transactions have not been eliminated from the figures

*See the "Factbook for the Third Quarter Ended December 31, 2016" released on the website on the same date for the quarterly results

2017/3 3Q Transition of Business Results by Segments ③ Engineering



2017/3 3Q : Highlights

- Demand from the automobile industries remained solid
- In addition to the increase in value-added high contract duties ratio, a rise in mean unit price contributes to profitability improvement
- New technology development and technical training sessions for this segment were conducted across the segment

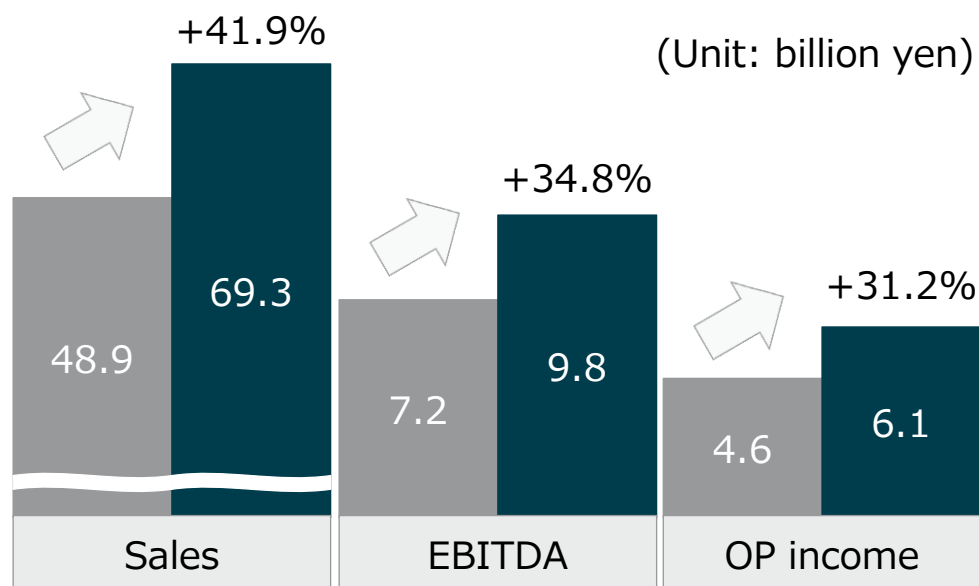
(Unit: million yen)

	2016/3 Results	2017/3 Results		2017/3 Full Year Forecasts
	3Q	3Q	YoY(%)	
Sales	17,334	19,233	+11.0	26,000
EBITDA	1,523	1,815	+19.2	2,640
EBITDA margin (%)	8.8	9.4	-	10.2
OP income	1,110	1,397	+25.8	2,000
OP income ratio (%)	6.4	7.3	-	7.7

*Internal transactions have not been eliminated from the figures

*See the "Factbook for the Third Quarter Ended December 31, 2016" released on the website on the same date for the quarterly results

2017/3 3Q Transition of Business Results by Segments ④ Recruiting



2017/3 3Q : Highlights

Demand from client companies remained strong, placement business driven the growth. In addition, the expansion of business scope by the Joint Venture with Kelly Services, Inc. contributed to the figures

<Domestic business>

- Investment in enhancing product values and functions of "an" and "LINE Baito (part-time jobs)", "DODA"
- Personnel reinforcement and promotional investment aimed at increasing customer contacts
- Performance of Tempstaff Career Consulting deteriorated

<Overseas business>

- Capita pte. started to contribute (January 2016~)
- Kelly Services(Singapore) Pte. Ltd. started to contribute (October 2016~)

(Unit: million yen)

	2016/3 Results	2017/3 Results		2017/3 Full Year Forecasts
	3Q	3Q	YoY(%)	
Sales	48,900	69,396	+41.9	105,000
EBITDA	7,287	9,821	+34.8	13,320
EBITDA margin (%)	14.9	14.2	-	12.7
OP income	4,657	6,110	+31.2	8,600
OP income ratio (%)	9.5	8.8	-	8.2

*Internal transactions have not been eliminated from the figures

*See the "Factbook for the Third Quarter Ended December 31, 2016" released on the website on the same date for the quarterly results

2017/3 3Q Transition of Business Results by Segments ⑤ Others/Adjustment

(Unit: million yen)

Others	2016/3 Results 3Q	2017/3 Results		2017/3 Full Year Forecasts
		3Q	YoY(%)	
Sales	3,031	4,996	+64.8	6,500
EBITDA	181	312	+72.0	282
EBITDA margin (%)	6.0	6.2	-	4.3
OP income	169	271	+60.0	200
OP income ratio (%)	5.6	5.4	-	3.1

(Unit: million yen)

Adjustment	2016/3 Results 3Q	2017/3 Results		2017/3 Full Year Forecasts
		3Q	YoY(%)	
Sales	-5,635	-8,261	-	-10,500
EBITDA	1,516	1,340	-	178
EBITDA margin (%)	-	-	-	-
OP income	1,172	836	-	-800
OP income ratio (%)	-	-	-	-

*Internal transactions have not been eliminated from the figures

*See the "Factbook for the Third Quarter Ended December 31, 2016" released on the website on the same date for the quarterly results

*Others include our group functional services, education and training business, employment support business for people with disabilities, and childcare business

*Adjustment stands for elimination of transactions between segments, and revenue and expenses of Temp Holdings Co., Ltd.

Appendix : Revision to the financial forecast

3.0 billion yen downward revision to the financial forecast of Profit attributable to owners of parent
(4.2 billion yen impairment loss due to the trade name change will be recorded on the end of Fiscal year 2017)

Resolution of trade name change

- Purpose: Maximize the synergy by expanding “PERSOL” group awareness
- Details: Trade name change will be executed on July 1, 2017(planned) as below

Current trade name	New trade name
Tempstaff Co., Ltd.	PERSOL TEMPSTAFF CO., LTD.
Intelligence, Ltd.	PERSOL CAREER CO., LTD.
Intelligence Business Solutions, Ltd.	PERSOL PROCESS & TECHNOLOGY CO., LTD.

Impact on business performance

- 4.2 billion yen extraordinary loss will be recorded on the end of Fiscal year 2017 (impairment loss for “Intelligence” brand)
- 3.0 billion yen downward revision to the financial forecast of Profit attributable to owners of parent (after considering the tax effect) due to this change

(Unit: billion yen)	Nov 11, 2016 Forecast(a)	Feb 13, 2017 Amended forecast(b)	Change (=b-a)	2016/3 Results (c)	YoY Growth Rate (=b÷c,%)
Profit attributable to owners of parent	20.1	17.1	-3.0	17.3	-1.5

*There are no revision to the financial forecast of Sales, EBITDA, OP income, Ordinary income.

Appendix : Recent M&As

Company name	P&P Holdings	Capita Pte. Ltd.	Kelly Services (Singapore) Pte. Ltd.
Established	October, 2012	January, 2001	August, 2000
Net Sales (*1)	25.46 billion yen (*2)	47.4 million SGD (*3)	387million USD (*4)
OP income (*1)	0.14 billion yen (*2)	-3.0 million SGD (*3)	9million USD (*4)
Acquisition date	June, 2015	October, 2015	July, 2016
Contribution from	2016/3 Q2	2016/3 Q4	2017/3 Q3
Ownership ratio	100.0%	51.0%	
Acquisition price	5.49 billion yen	6.94 billion yen	7.77 billion yen (*5)
Goodwill	1.99 billion yen	6.07 billion yen	4.62 billion yen
Amortization period	5 year	10 year	10 year
Segment	Temporary Staffing/BPO	Recruiting	Recruiting

*1. This briefing is only for better understanding. Please note that numbers and indexes in this page are not audited.

*2. This value is P&P Holdings Corporation (Mar. 2015) and consolidated results of 6 company's subsidiaries. Value of OP income is deducted goodwill (0.39 billion yen/year) depreciation.

*3. Value is Capita Pte. Ltd.(Dec.2014) and consolidated results of 2 company's subsidiaries. Value of OP income is deducted goodwill (7.0 million SGD /year) depreciation.

*4. Value is the performance in the APAC region of the joint venture partner 'Kelly Services, Inc.' (the FY ended Dec. 2015). (Some businesses are excluded from the scope of joint venture business.)

*5. This amount includes stock-kind contributions of our APAC business of Capita Pte. Ltd etc.

Disclaimer

The statements concerning the Company's future business performances in this material such as earnings forecasts are based on information available as of February 13, 2017 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.