



**IR Presentation Material :
Briefing on Consolidated Financial Results
for the Fiscal Year Ended March 31, 2017**

**Temp Holdings Co. Ltd.
May 18, 2017**

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for the Fiscal Year Ended March 31,2017**

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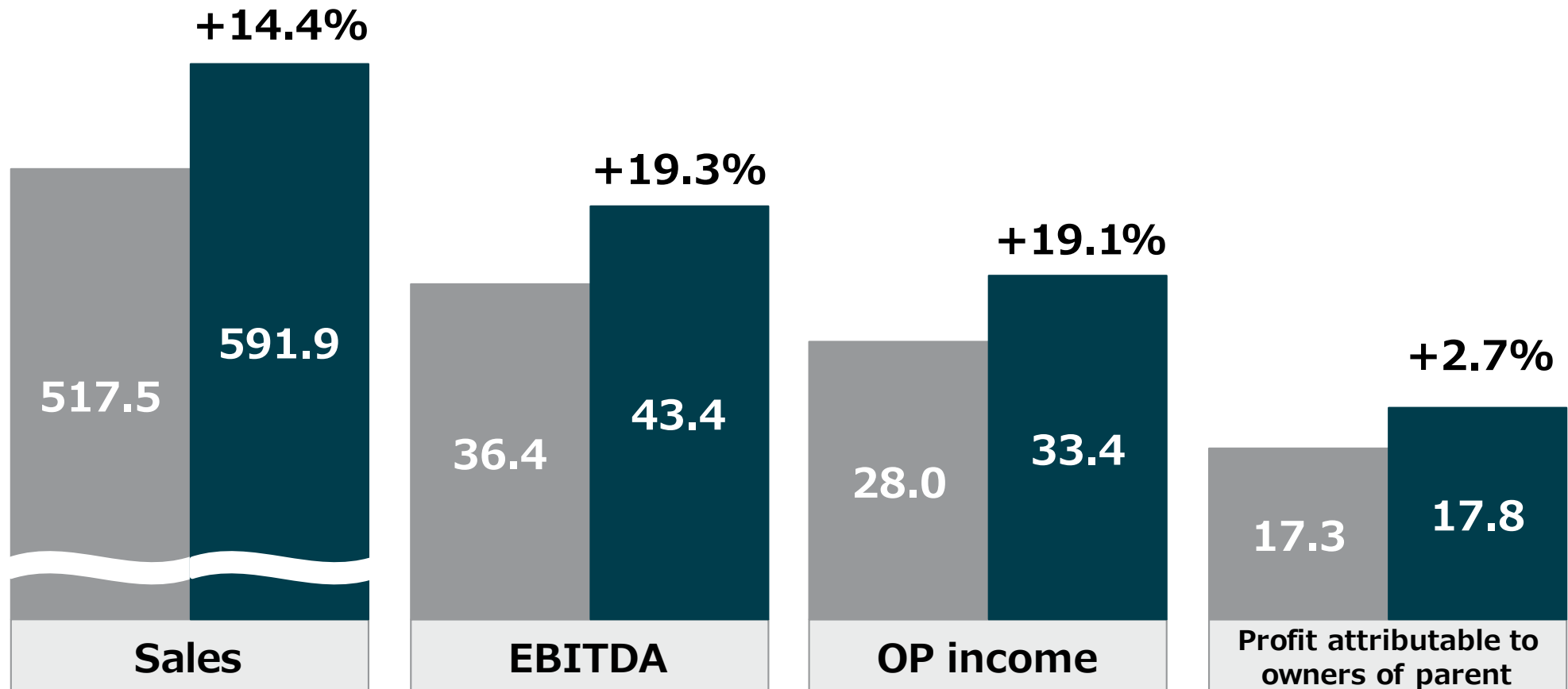
Part.1 :

**Financial Highlights on Financial Results
for the Fiscal Year Ended March 31,2017**

2017/3 : Summary of Consolidated Business Results

Achieved the highest results for 5 years in a row,
due to steady growth of the existing businesses and M&A

(Unit: billion yen)

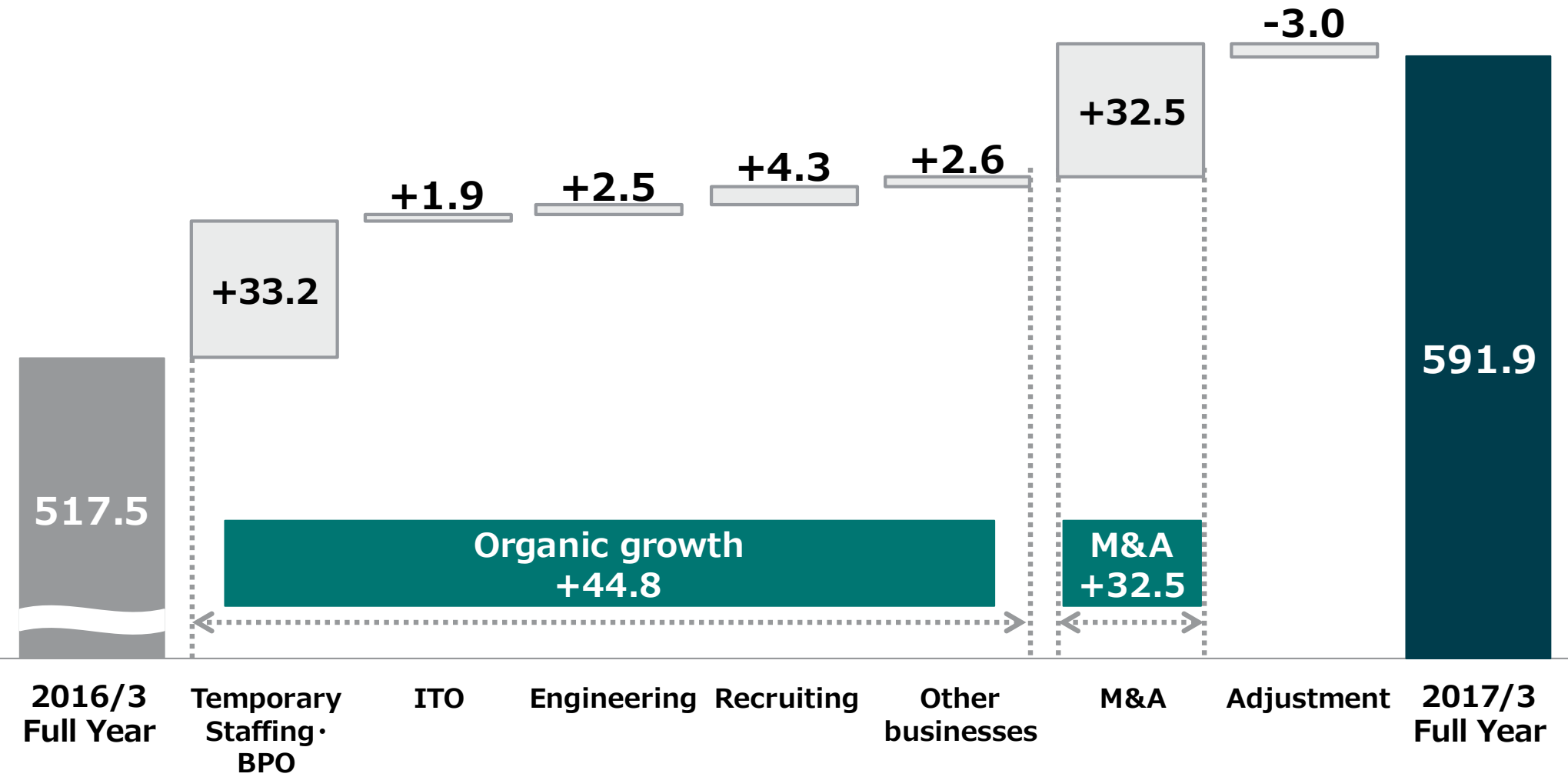


2016/3 Full Year 2017/3 Full Year

2017/3 : Sales Analysis

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

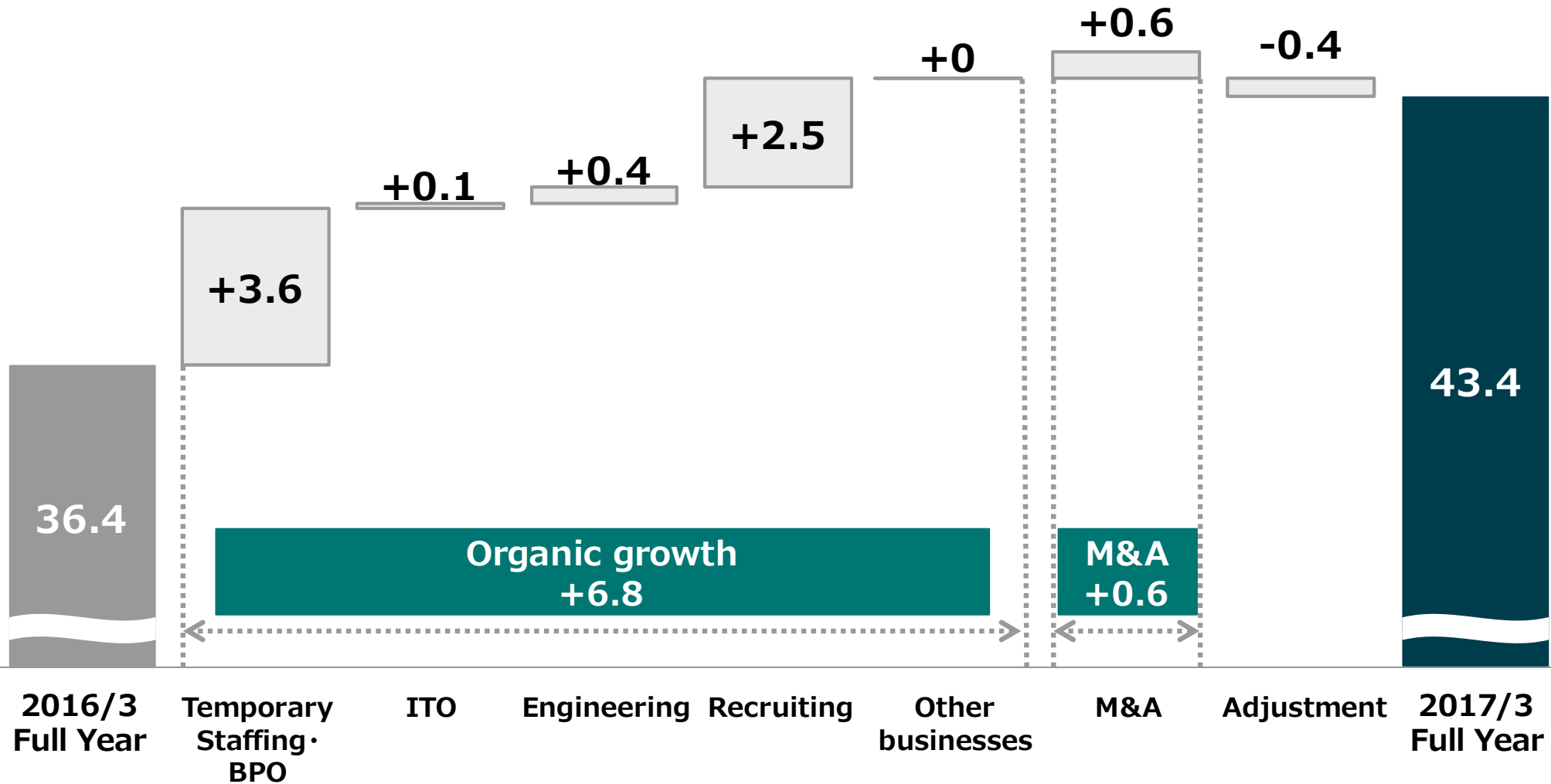
(Unit: billion yen)



2017/3 : EBITDA Analysis

Increase in EBITDA from the existing businesses

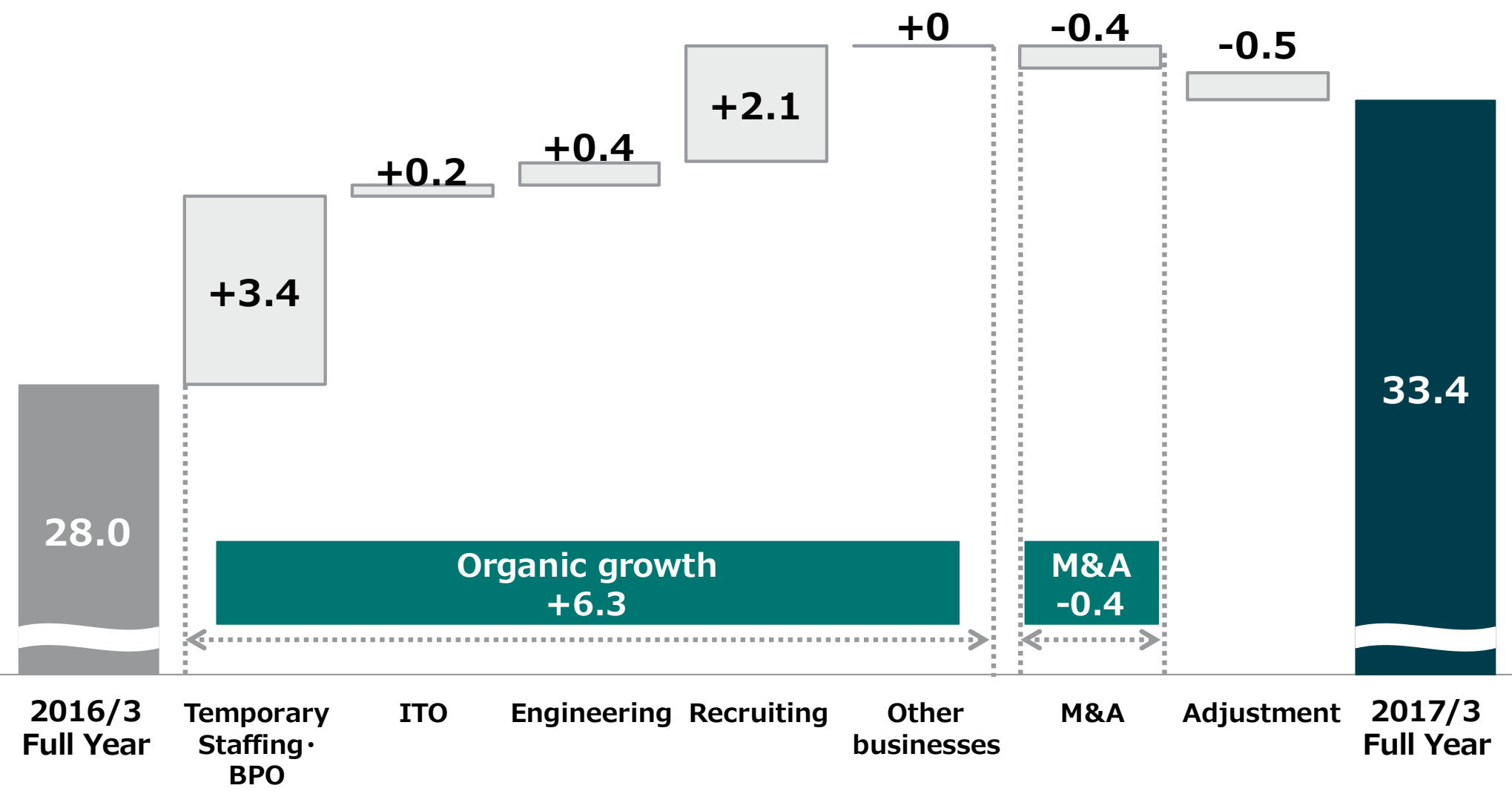
(Unit: billion yen)



2017/3 : OP income Analysis

Increase in OP income from the existing businesses

(Unit: billion yen)



2017/3 : Consolidated Balance Sheets

(Unit: billion yen)

	As of March 31,2016	As of March 31,2017	
	Results	Results	Change
Asset	236.2	268.3	32.1
Current assets	130.6	165.2	34.6
Non-current assets	105.6	103.1	-2.5
Liabilities	102.7	114.5	11.8
Current liabilities	67.4	87.9	20.4
Non-current liabilities	35.2	26.6	-8.6
Net assets	133.5	153.8	20.3
Owner's capital	127.2	139.1	11.9
Minority interests	6.2	14.6	8.4

<Current assets>
Increase in cash and deposit,
due to an increase in profit

<Current liabilities>
Increase in account payable,
unpaid corporation tax etc.

<Non-current liabilities >
Decrease in long-term loans
payable

<Owner's capital>
Increase due to an increase in
profit
Decrease due to the purchase
of treasury shares

<Minority interests>
Increase due to M&A

2017/3 : Consolidated Statements of Cash Flows

(Unit: billion yen)

	2016/3	2017/3	
	Full Year Results	Full Year Results	Change
Cash flows from operating activities	13.2	39.6	26.3
Cash flows from investing activities	-15.0	-9.7	5.3
Cash flows from financing activities	-7.2	-11.6	-4.4
Increase (decrease) in cash and cash Equivalents	-9.0	18.2	27.3
Cash and cash equivalents at end of period	51.1	69.3	18.2

<Increase (decrease) in operating debt>
L 2016/3 : 2.3
L 2017/3 : 13.3

<Increase (decrease) in accrued consumption taxes >
L 2016/3 : -9.4
L 2017/3 : 1.3

<Purchase of investments in subsidiaries>
L 2016/3 : -10.4
L 2017/3 : -2.5

<Purchase of treasury shares>
L 2016/3 : -0.01
L 2017/3 : -3.0

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	9 yen
Dividend Ratio (Consolidated)	17.2%		22.4%	

(※) 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

Outline of Mid-term Management Strategy

We set 5 strategies for our Mid-term Management Strategy

Strategy 1

Enhancing Awareness of the PERSOL Group

Strategy 2

Investing in IT Systems and Enhancing Productivity for Further Business Growth

Strategy 3

Creating Group Synergies and Promoting Group Management

Strategy 4

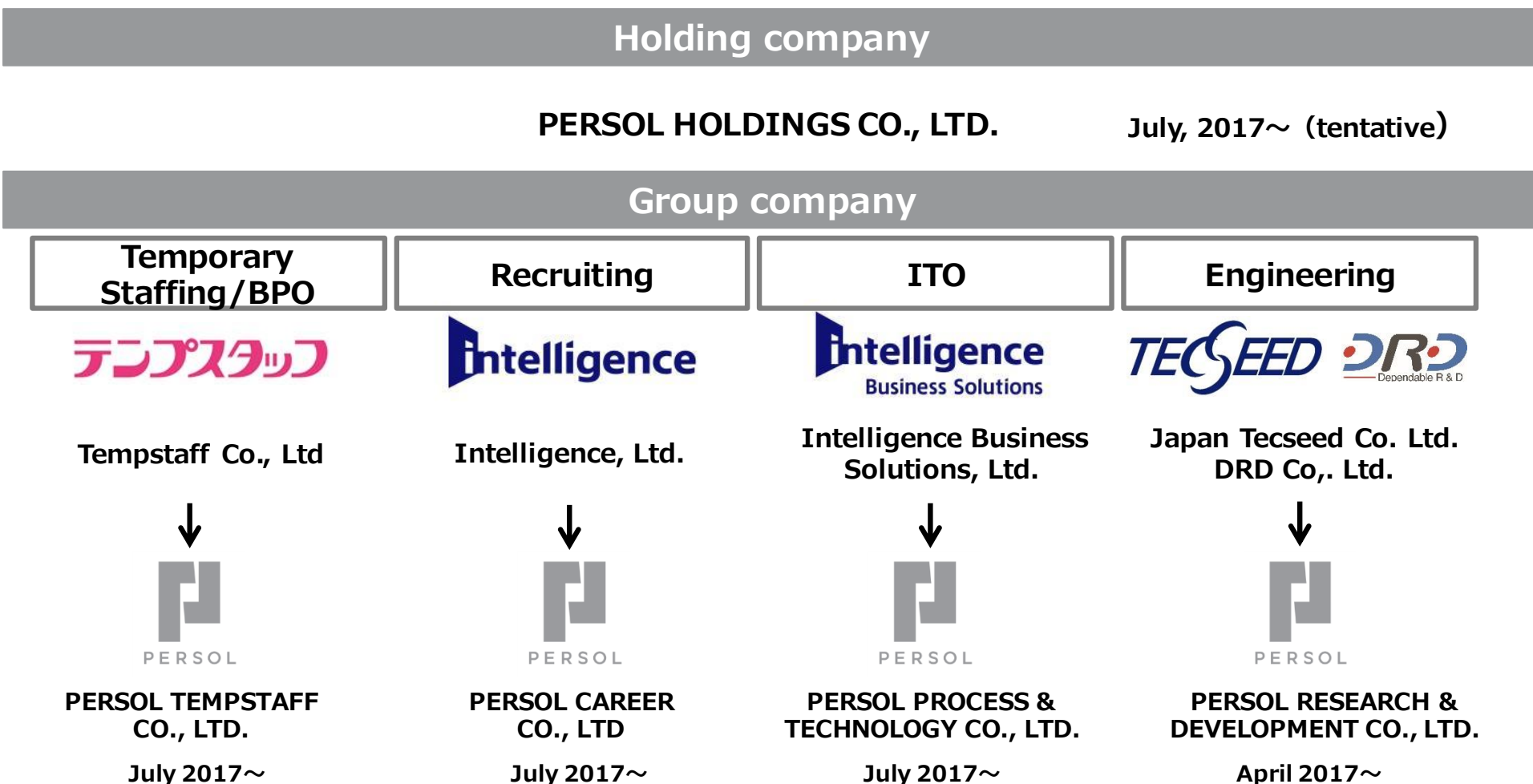
Enhancing Our Presence in the Asia-Pacific Region

Strategy 5

Strengthening Business Platform and Expanding Service Domains through M&A

Strategy 1 : Enhancing Awareness of the PERSOL Group

Expanding our group awareness by trade name change for each company with “PERSOL”



※We are planning to change Holdings name under the assumption that it will be approved at General Meeting of Shareholders

※We will continuously use “Tempstaff”, “DODA”, “an” for our service brands

Strategy 1 : Enhancing Awareness of the PERSOL Group

Aiming to create group synergies through expanding group awareness , we started large scale advertisement on March



TV advertisement
Vol1 : March 25~
Vol2 : April 22~

Newspaper ad
On Nikkei newspaper
published on April
3rd

Outdoor/Transit ad
Tokyo, Osaka,
Sapporo, Sendai
(Total 63 media)

Special WEB site
Opened on March 24

Strategy 2 : Investing in IT Systems and Enhancing Productivity for Further Business Growth

Aiming to enhance productivity through system investment

Invest in core system of existing main business

- **Invest in core system of Temporary Staffing / Recruiting business**
 - ↳ Enhancing quality and speed for matching results in higher productivity

Productivity improvement for back office

- **Invest on data center(reinforce the foundations for the increase and effective use of information)**
- **Integration of human affairs and accounting related system**
- **Integration of group communication tool by introducing Office 365**
- **Reinforcement of information security**

Strategy 3 : Creating Group Synergies and Promoting Group Management

Aiming to provide various solutions beyond the existing business area by utilizing group asset

Case1 : Expanding placement business nationwide



We succeed in supporting customer's career change all over japan by combining placement business of Intelligence with Temp staff's nationwide branches.

Case2 : Solving client's recruiting problem with group total power



Providing a total support for part time workers recruitment in SKYLARK CO., LTD. with our group services such as "an", "LINE-Baito", "HITO-Manager", and customer support center

※an, LINE-Baito = advertising business for part time worker)

※HITO-Manager = recruiting management system

Strategy 4 : Enhancing Our Presence in the Asia-Pacific Region

Due to the growing importance in our business, we separate overseas business from 2018/3
We will invest in workforce, system, and organization this year

2017/3 4 segments	2018/3~ 5 segments	Sales Forecasts (billion yen)
① Temporary Staffing/BPO	① Temporary Staffing/BPO	485.4
② ITO	② Recruiting	78.1
③ Engineering	③ Overseas	63.1
④ Recruiting (Overseas)	④ ITO	29.4
	⑤ Engineering	28.1

Current events

By expanding business scope, we aim to be a global human resources company





Future plan



We will invest in each area for future growth


- Invest in workforce and system
- Improve productivity by integrating organization and system

etc



Topic : Corporate governance (recent events)

Aiming at transparent and sound management structure, we will continuously enhance our corporate governance


- 
Oct 2008 : Establishment of Temp Holdings Co., Ltd.
- 
Jun 2016 : Transition to the form of “Company with an Audit & Supervisory Committee”

By separating the role of execution and supervision, we are aiming at further sound management structure.
Accordingly, 10 directors (including 4 directors on the Audit & Supervisory Committee) and 4 outside directors (including 3 directors on the Audit & Supervisory Committee) were assigned.
- 
Feb 2017 : Establishment of Nomination and Remuneration Committee

To ensure greater objectivity and transparency, thereby further enhancing our corporate governance platform.

To be discussed later 
- 
May 2017 : Decided to introduce Stock compensation plan at a Board of Directors meeting

To enhance our enterprise value with long-term perspectives and have the same point of view with shareholders

To be discussed later 

Topic : Corporate governance (details)

Established voluntary committee to ensure greater objectivity and transparency

Nomination
and
Remuneration
Committee
(Feb 2017~)

<Objective>

To ensure greater objectivity and transparency, thereby further enhancing our corporate governance platform

<Role>

Deliberate and provide the board with advice and recommendations regarding of nomination and remuneration

<Member>

2 internal directors, 3 outside directors (including the chair)

Stock
compensation
plan
(May 2017~)

<Objective>

To enhance enterprise value with long-term perspectives and have the same point of view with shareholders

<Outline>

Introduce Stock compensation plan for executives based on the goal attainment of Mid-term Management Strategy etc.

Topic : Corporate governance (board members)



Masamichi Mizuta
President,
Chief Executive Officer



Hirotoshi Takahashi
Deputy President,
Chief Operating Officer



Takao Wada
Senior Executive Vice President
Director Temporary Staffing/
BPO Segment

Reason for election

- Abundant experiences in US and other regions
- Expect for opinion and advice for our oversea business



Toshihiro Ozawa
Executive Vice President
Chief Information Officer



Kiyoshi Seki
Executive Vice President
Chief Financial Officer

NEW



Peter W. Quigley
External Director
Kelly Services
executive vice president

Career

- <Nov 2002>
Joined Kelly Services as a key member of senior leadership team
- <May 2017>
President and chief executive officer of Kelly Services(current position)



Hiroshi Shimazaki
Director
(Member of Audit
and Supervisory Committee)



Ryosuke Tamakoshi
External Director
(Member of Audit
and Supervisory Committee)



Naoshige Shindo
External Director
(Member of Audit
and Supervisory Committee)



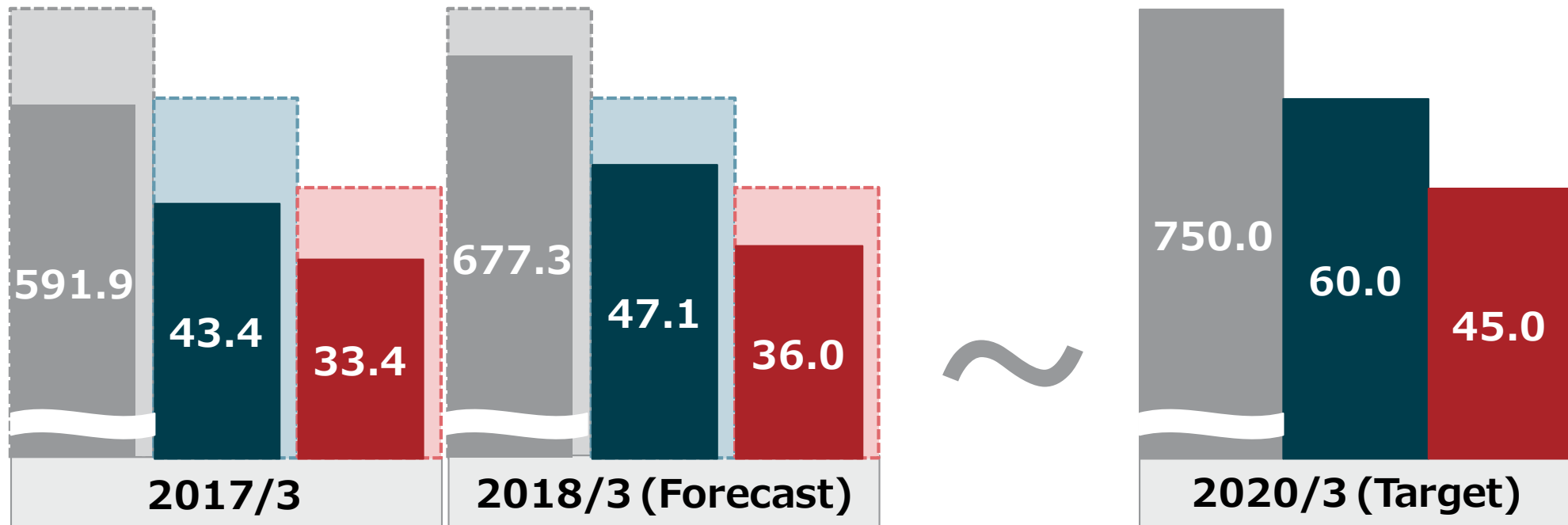
Naohiro Nishiguchi
External Director
(Member of Audit
and Supervisory Committee)

Financial Target

To achieve mid-term financial target, we will expand our business scope continuously

(Unit: billion yen)

Sales EBITDA OP income



Assumption



GDP growth ratio



Effective opening to application ratio

Moderate Growth (around +0.0~1.0%)

Continuing strong demand based on economic growth and structural demand (around 1.0~1.2)

Part.3 :
Forecast for the Fiscal Year
Ending March 31, 2018

**Trade name change/
Expansion of group brand awareness**

Investment in existing business

Creating Group Synergies

**Continuous investment in overseas
business**

2018/3 Consolidated forecasts of Results

(Unit: billion yen)

	2017/3 Results		2018/3 Forecasts		
	Full year	Ratio (%)	Full year	Ratio (%)	YoY (%)
Sales	591.9	100.0	677.3	100.0	+14.4
EBITDA	43.4	7.3	47.1	7.0	+8.5
OP income	33.4	5.6	36.0	5.3	+7.8
Profit attributable to owners of parent	17.8	3.0	22.2	3.3	+24.6

Appendix

Appendix : 2018/3 Consolidated forecasts of Results : Sales by Segment

(Unit: billion yen)

	2017/3 Results		2018/3 Forecasts		
	Full year	Ratio (%)	Full year	Ratio (%)	YoY (%)
Temporary Staffing/BPO	440.6	74.4	485.4	71.7	+10.1
Recruiting	66.1	11.2	78.1	11.5	+18.1
Overseas	37.1	6.3	63.1	9.3	+70.0
ITO	26.6	4.5	29.4	4.3	+10.3
Engineering	26.6	4.5	28.1	4.1	+5.4
TOTAL	591.9	100.0	677.3	100.0	+14.4

Appendix : 2018/3 Consolidated forecasts of Results : EBITDA by Segment

(Unit: billion yen)

	2017/3 Results		2018/3 Forecasts		
	Full year	Ratio (%)	Full year	Ratio (%)	YoY (%)
Temporary Staffing/BPO	23.8	54.8	26.2	55.8	+ 10.4
Recruiting	13.1	30.4	13.1	27.8	-0.7
Overseas	0.3	0.7	0.9	2.1	+ 202.3
ITO	2.7	6.3	2.9	6.4	+ 8.9
Engineering	2.5	5.8	2.8	6.1	+ 13.0
TOTAL	43.4	100.0	47.1	100.0	+ 8.5

Appendix : 2018/3 Consolidated forecasts of Results : OP Income by Segment

(Unit: billion yen)

	2017/3 Results		2018/3 Forecasts		
	Full year	Ratio (%)	Full year	Ratio (%)	YoY (%)
Temporary Staffing/BPO	20.7	62.1	22.7	63.1	+9.4
Recruiting	9.3	28.0	9.5	26.4	+1.5
Overseas	-0.8	-2.6	-0.6	-1.7	-
ITO	2.0	6.3	2.4	6.7	+14.5
Engineering	1.9	5.9	2.2	6.1	+11.2
TOTAL	33.4	100.0	36.0	100.0	+7.8

Appendix : Supporting various work-style

Aiming to become a partner in each of our client's growth by providing various work-style

**Women's labor
market
participation**

**Start "Job Share Center"
to support people with child care or nursing
where one can work near home**



**Effective use of
the elderly
labor resources**

**Utilize the elderly's knowledge
to support small-to-medium-sized enterprise
through "i-common"**



**Career
development
support**

**Support career development with
permanent recruitment service "funtable"
which we hire permanent staff
and dispatch to client's company
then encourage direct recruitment**



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>

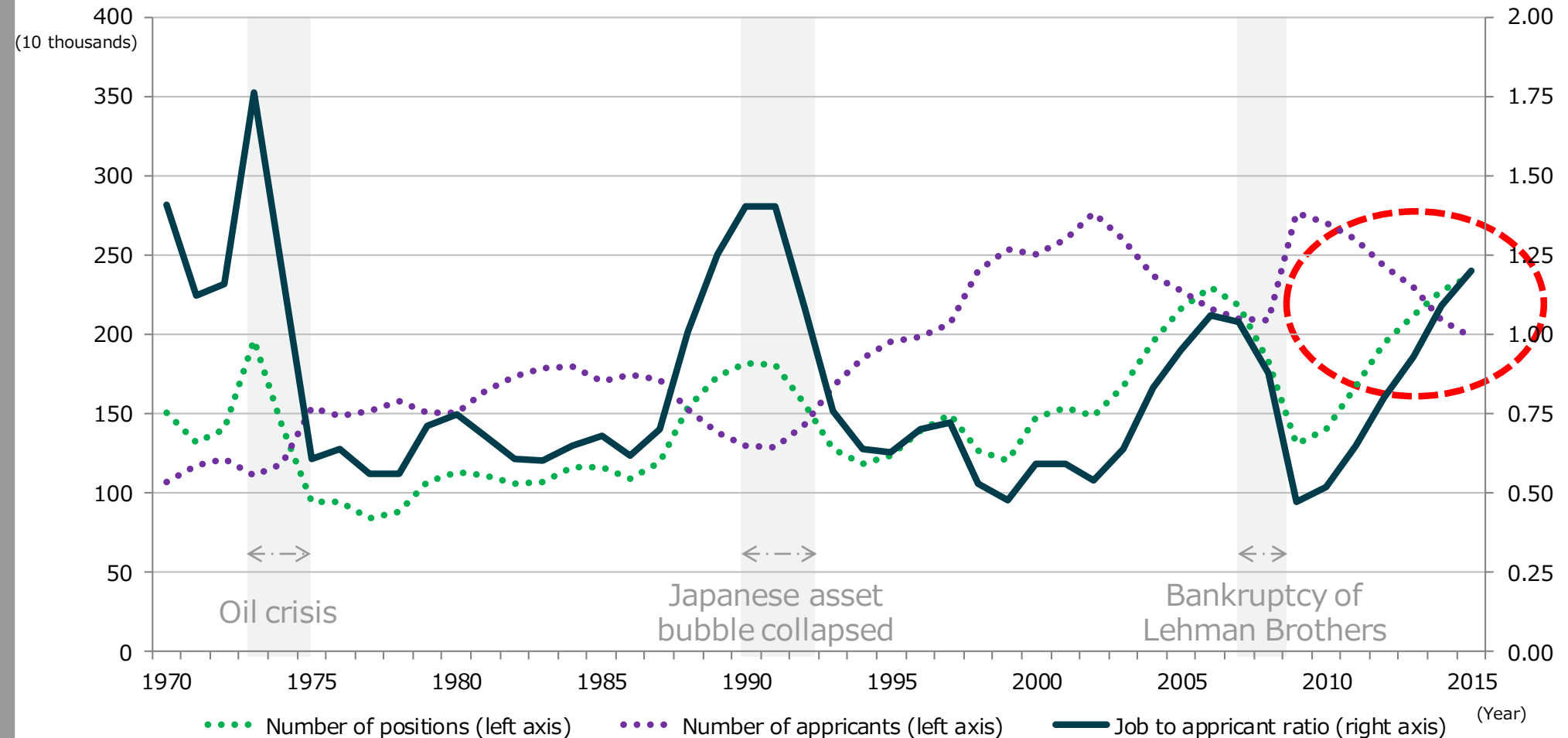
Job creation, Individual growth, Contributing to Society

<Group Vision>

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

Job to applicants ratio

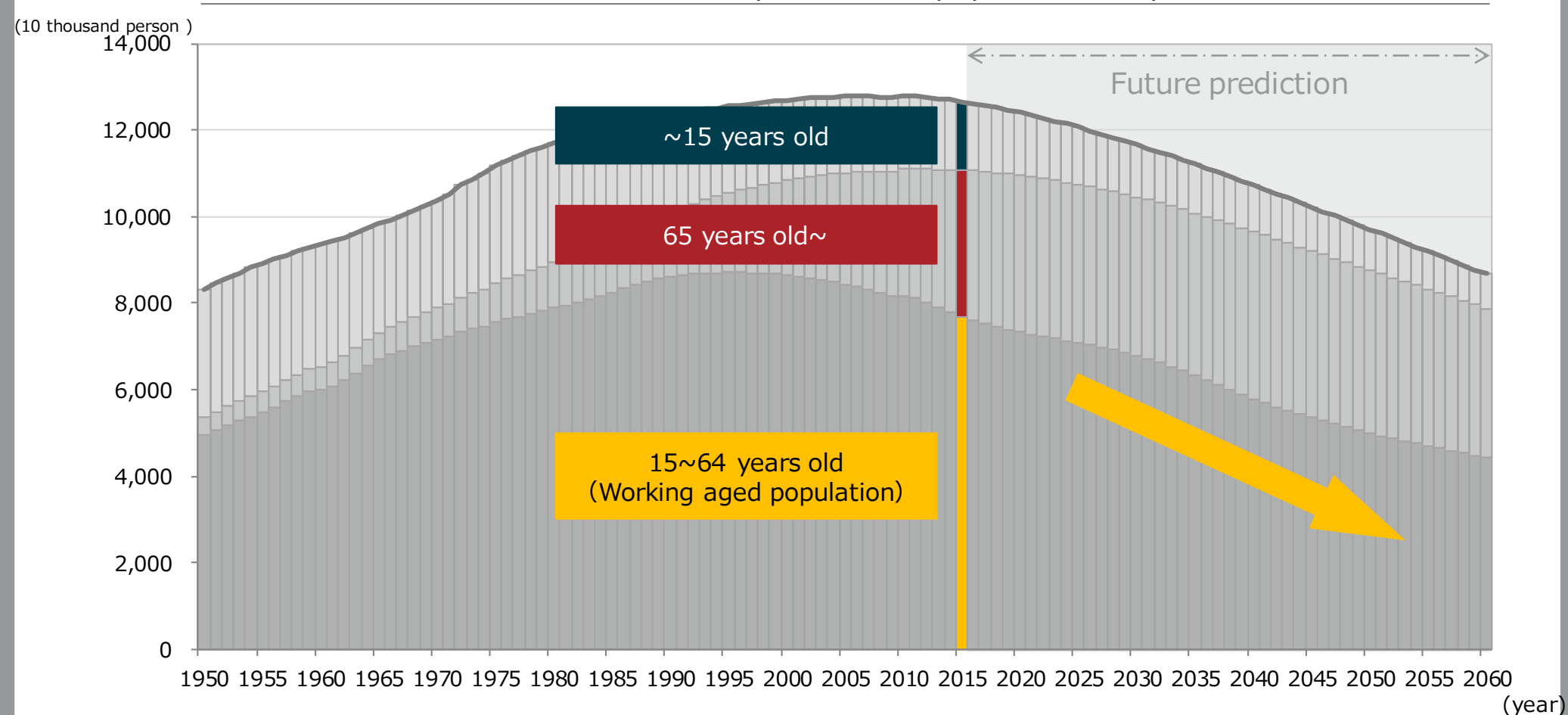
Job to applicants ratio (= number of positions ÷ number of applicants) is an indicator of the demand for human resources. Basically correlated with the economy.



“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

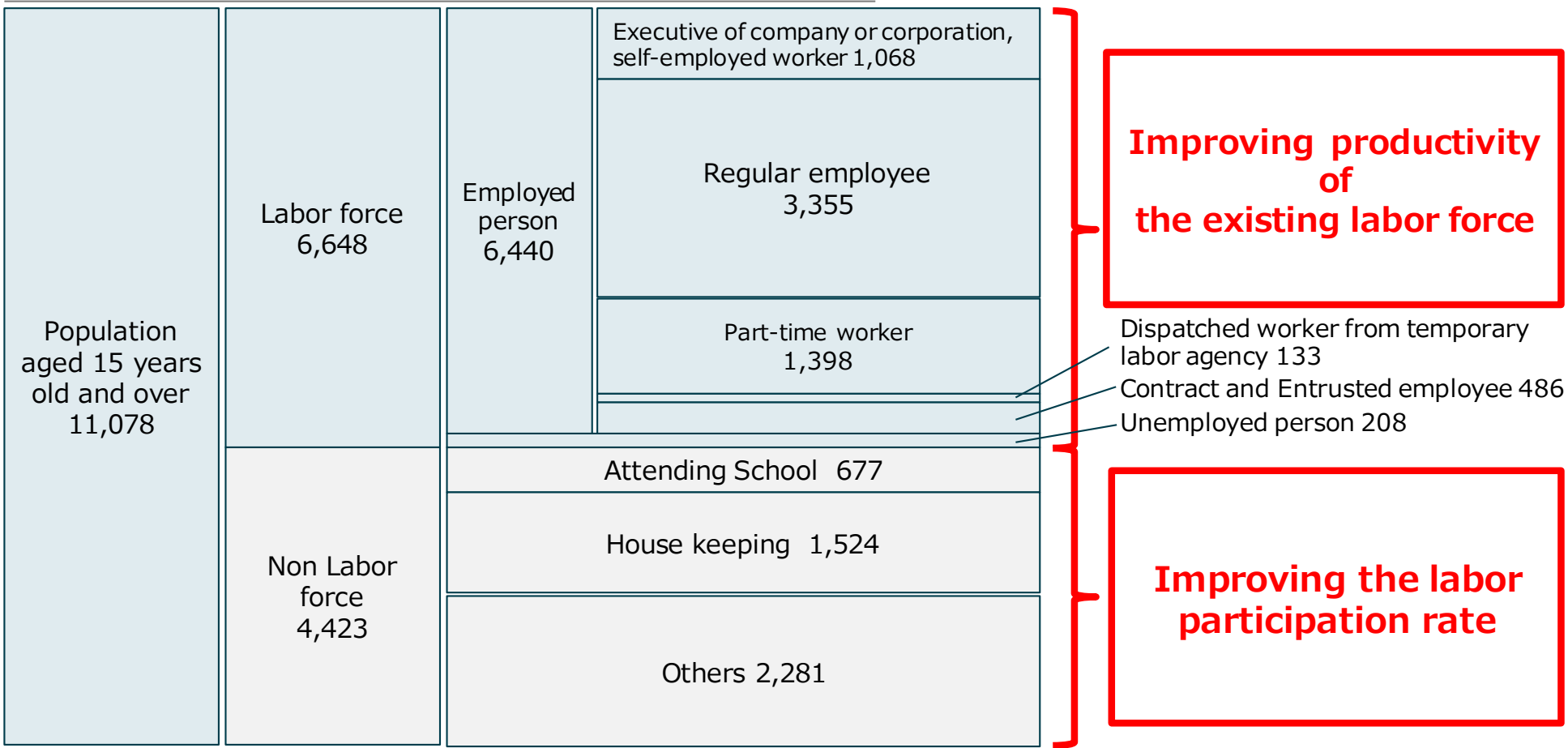


Source : National Institute of Population and Social Security Research

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.

Population aged 15 years old and over (2016 ave)



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"



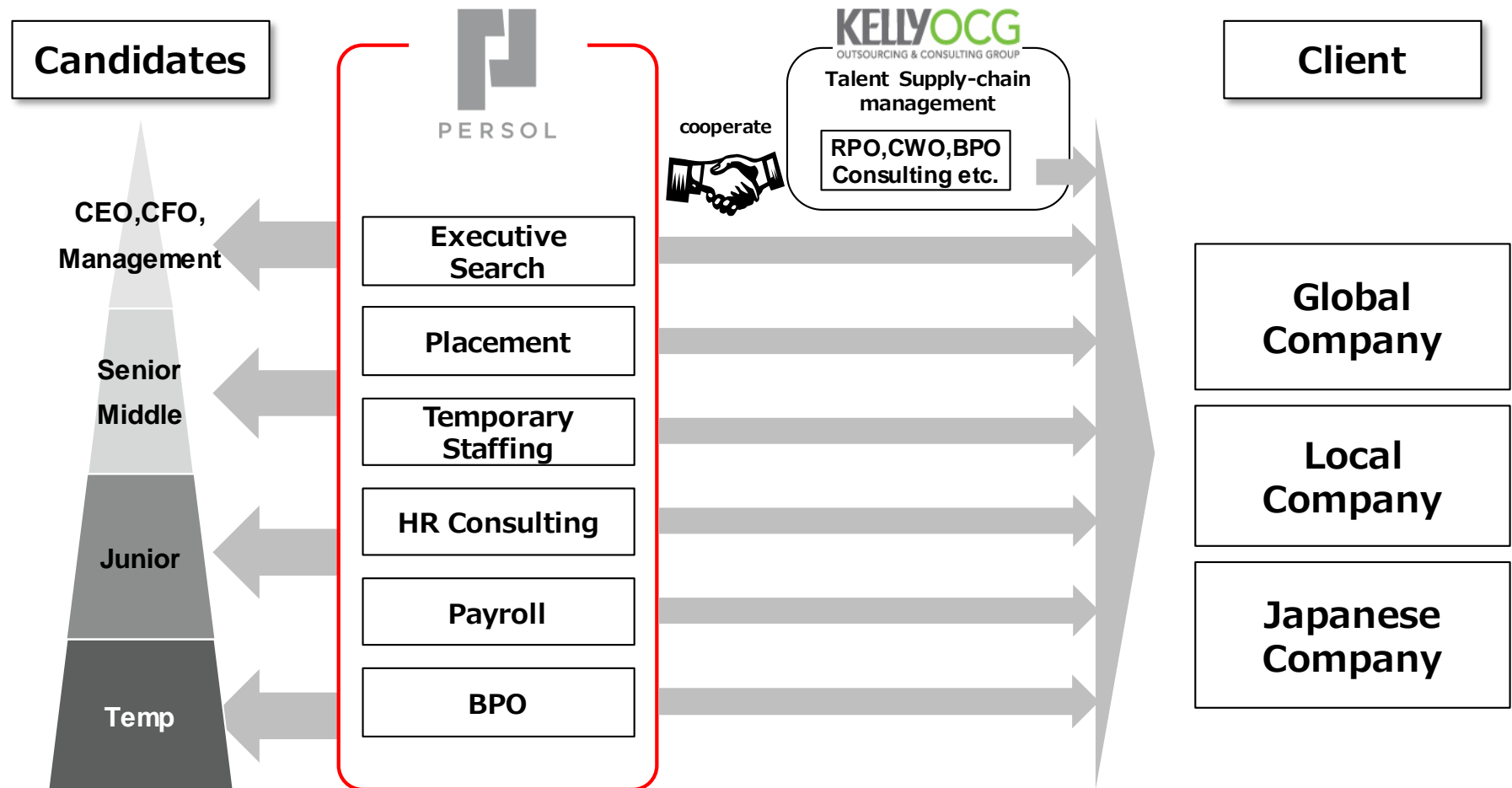
Widening Labor
mismatch



The extension of
the retirement age

Topic 4 : Expand JV with Kelly Services in APAC

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

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, 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.