



**TEMP HOLDINGS CO.,LTD.**

Securities code: 2181

To Shareholders and Investors

Report for  
the fiscal year  
ended March 2009

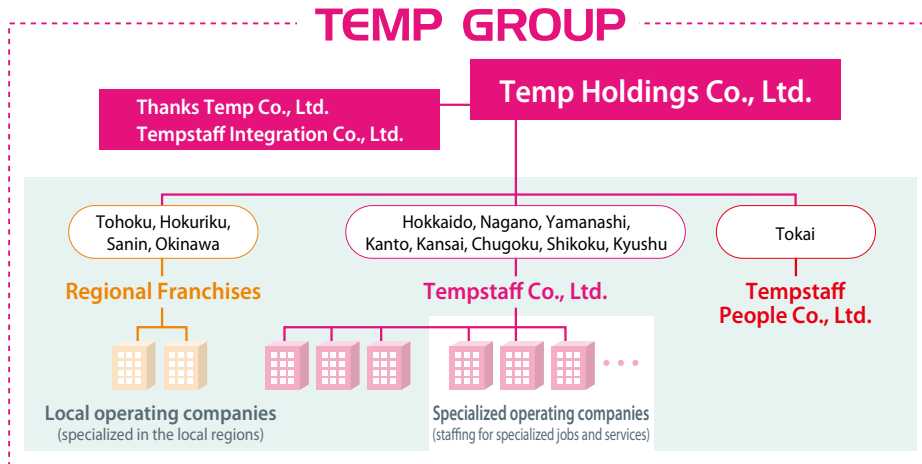
April 1, 2008 -  
March 31, 2009

# Get Started! Temp Holdings

**Stability - The Essence of Management Value**

Implementation of M&A in anticipation of synergy  
to be produced in the near future

# TEMP REPORT



### Temp Group New Organization Fully Started in April 2009

Temp Holdings Co., Ltd. supervises local operating companies that provide community-based clerical and administrative staffing services, as well as specialized operating companies that are engaged in staffing for specialized jobs and services, such as IT-related work, medical jobs, outplacement service, and child care. Temp Holdings seeks to increase profitability and improve operational efficiency through the promotion of sharing of know-how and cooperating with these companies while respecting their speedy decision-making processes.

### Improvement of Temp Holdings' structure is progressing smoothly.

Under Temp Holdings, which was established last autumn, the Temp Group made quite a good start with the launch of full-scale operations in April 2009. We succeeded in integrating information systems, a common obstacle to management integration, in early stages due to quick decision making. We have completed the integration of back office integration - the key to improving corporate efficiency - by concentrating such operations into Tempstaff Integration Co., Ltd.

In terms of human resource harmonization, I believe staffs of Tempstaff Co., Ltd. and Tempstaff People Co., Ltd. have understood each other much better over the past six months since the startup of Temp Holdings. While the two companies have many points in common, they naturally have different corporate cultures. Despite these differences, management integration is progressing smoothly without major problems. I think this success is made possible by our organizations' efforts to strengthen group-wide solidarity in confronting a difficult time in which all corporations are struggling to survive.

### Yoshiko Shinohara, President

After leaving Mitsubishi Heavy Industries, Ltd. in 1957, Ms Shinohara studied in Europe and worked in Australia in 1971. Upon her return to Japan in 1973 Ms. Shinohara established Tempstaff Co., Ltd. inspired by encounters with temporary staffing in Australia. Since 2000, Ms. Shinohara has been named as one of "The Most Powerful Women in Business" in *FORTUNE* for 9 consecutive years. She was awarded the Kigyoka Prize in 2007.

**Stability is the essence  
of the Temp Group's  
management value,  
as we exist  
to serve society.**

Operating  
Results  
FOCUS 1

# Get Started! Temp Holdings

### The Company will secure stable profits through "realistic management commensurate with its size and capabilities".

For its first business term ended March 31, 2009, Temp Holdings Co., Ltd. posted sales of 245.0 billion yen and ordinary income of 9.2 billion yen, despite the effects of the sharp economic slowdown and deteriorated corporate earnings.

It is expected to take some time for the economy to recover. Under these circumstances, the Temp Group will overcome the ongoing severe business environment through realistic management commensurate with its size and capabilities while flexibly responding to changes in the environment.

We will put into practice of Temp Holdings' corporate philosophy "Creating Jobs, Individual Growth, and Contributing to Society" and secure stable profits in order to meet the expectations of our shareholders.

### Highlights of the fiscal year ended March 2009

- Sales: **245.0** billion yen
- Operating Income: **8.9** billion yen
- Ordinary Income: **9.2** billion yen
- Term-End Dividend per Share: **11** yen



## M&A-related efforts

March 2009

### Support-A Ltd.

Converted into a subsidiary through stock acquisition

A human resource service company that was established as a subsidiary of Autobacs Seven Co., Ltd., and has excellent know-how in selling car accessories. The company has a strong track record not only in the temporary staffing business but also in the sales agent business using its know-how regarding training and store operations.



Synergy

Support-A's marketing know-how  
Customer's confidence



The Temp Group's nationwide  
marketing capabilities and  
recruitment abilities



**Enhancement of marketing services  
for which demand is high**

May 2009

### Drake Beam Morin-Japan, Inc.

Converted into a subsidiary by acquiring shares of a new company established through corporate division

An outplacement service company which has succeeded the know-how of Drake Beam Morin, Inc. of the U.S. and had been engaged for over 25 years.



Synergy

Drake Beam Morin-Japan's outplacement  
service know-how  
Networks with foreign-affiliated companies



The Temp Group's  
nationwide sales channels



**Strengthening of the outplacement  
services, which is steady  
despite the economic depression**

July 2009 (planned)

### Fuji Xerox Career Net Co., Ltd.

Converted into a subsidiary through stock acquisition

A human resource service company which was established as a subsidiary of Fuji Xerox Co., Ltd. In particular, the company provides meticulous human resource services for Fuji Xerox and its affiliates by dispatching personnel with thorough knowledge of the assigned work and the characteristics of the section to which they are assigned. This service has a strong reputation among customers.



Synergy

Fuji Xerox Career Net's know-how  
and good track record in providing  
customer-oriented services



The Temp Group's nationwide  
marketing capabilities and  
recruitment abilities



**Further improvement  
in customer satisfaction**

\*Fuji Xerox Career Net Co., Ltd. is scheduled to change its trade name to TEMPSTAFF CROSS CO., LTD. on July 1, 2009.



## To further develop excellent markets and customers

Fuji Xerox Career Net Co., Ltd., slated to be a member of the Temp Group starting in July 2009, provides its parent company, Fuji Xerox Co., Ltd., and the affiliates thereof with high-quality services based on a thorough knowledge of its customers. Combining with the Temp Group's nationwide marketing capabilities and recruitment abilities, we will be able to capture and hold the market and further develop customers.

Through M&A, we aim to obtain synergy based on a broad, long-term perspective, which completely differs from simply pursuing economies of scale.

M  
&  
A

**Implementation of solid,  
faithful management as well as M&A  
in anticipation of synergy  
to be produced in the near future**

## M&A-related efforts

Under the holdings system, M&A is a very effective measure for developing attractive markets, expanding business domains efficiently, and obtaining new know-how. We want to proactively implement M&A activities if they can be expected to create synergy from a broad, long-term perspective.

The Temp Group has two principles for its M&A strategies: One is that M&A should be conducted within the amount of free cash flow, and the other is that synergy should be produced without fail.

Following last autumn's management integration, we have received an increasing number of inquiries concerning M&A. I would now like to introduce some of our major M&A-related efforts.

## As an important function to complement our mainstay businesses

The economic downturn cast a dark shadow over the performance of the temporary staffing, contracting, and recruitment services. However, the outplacement services grew steadily.

Drake Beam Morin-Japan, Inc., a pioneer in Japan's outplacement services, has strong know-how and an excellent track record in the business. The company will help complement our mainstay businesses particularly at a time when the overall economy is deteriorating.





### Mid-term Management Strategy 5

#### Expanding our presence in the global market

We will concentrate human resources in branch offices and subsidiaries in Asia, including China, Hong Kong, South Korea, Taiwan, Singapore, and Indonesia, aiming to establish an operating platform and aggressively expand our operations in the global market.

President's Message

As of April 1, 2009, we operate 11 networks overseas. Our corporate vision is to become the "foremost Asian human resource service provider." We will continue to work to expand our presence worldwide.

### Mid-term Management Strategy 4

#### Improving management efficiency

We will increase our business efficiency through urgent implementation of measures such as centralization of back office operations, improvement of work flow, and integration of systems. In addition, we will maintain steady profit growth and a sound financial position.

**April 1, 2009**  
We concentrated our back office operations into Tempstaff Integration Co., Ltd.

**April 1, 2009**  
We integrated overlapping organizations and businesses mainly in the Tokyo, West Japan and Tokai regions.

President's Message

The entire Temp Group will streamline its organizations and implement full force cost management. To this end, we will optimize labor costs and personnel placement, reduce advertising expenses, and improve operational efficiency.

### Mid-term Management Strategy 3

#### Providing job assistance to women

We will provide comprehensive support to women, who hold the key to labor shortages arising from the declining birth rate and aging workforce. This includes job search support for child-raising mothers and expanding the sales of staffing services for women who wish to work close to home and/or wish to work part-time.

**October 2008**  
Comprehensive Women's Support Center: Temp Up  
In commemoration of its first anniversary, Temp Up, our comprehensive support center for women, expanded its training content and strengthened job search support for child-raising mothers.

**May 2009**  
We were awarded the "2nd Best Mother Award 2009, Corporate Sector" for our efforts to help women who wish to continue working.

President's Message

In the prime of their working life, child-raising mothers are potential and attractive human resources for companies. We will create opportunities for women who wish to work but are restricted by time to be able to work near their home and/or work part-time and strive to match the needs of such women and corporations.



### Mid-term Management Strategy 2

#### Developing business in specialized fields

We will improve our service structure and network in response to demand for specialized staff in segments such as bio-medical, finance, IT-related work, public agencies, and local governments in order to better satisfy a broad range of staffing needs.

**December 2008**  
We launched the training program *BIM Pro* for 3-D construction CAD operators.

**March 2009**  
We began offering cashier staffing/outsourcing services based on the know-how accumulated by People Staff Co., Ltd. (presently Tempstaff People Co., Ltd.).

**March 2009**  
To further our know-how of various tasks, we undertook operations related to the government subsidy program, in which 12,000 yen is given to every citizen (20,000 yen for those 18 or younger and those 65 or older).

President's Message

For the staffing business, it is, of course, important to expand the coverage area of specialized jobs. However, we also would like to focus on increasing the number of tasks and build up know-how about them. The undertaking of operations related to the government subsidy program is a good example of our such initiatives. Furthermore, we consider M&A as one of the ways by which we can expand our coverage of specialized fields.

We will continue to move forward steadily under an unshakable strategy.

# Strategy FOCUS 3

### Mid-term Management Strategy 1

#### Strengthening localized services

Under the holdings system, each local operating company will provide meticulous services that closely meet the needs of local customers and accelerate expansion of our local market share.

**Fiscal Year ended March 2009**  
Number of new office openings: 14

**As of April 1, 2009**  
Number of domestic networks: 271

President's Message

Our marketing system has been solidified by combining the nationwide network of Tempstaff Co., Ltd. with the solid business base in the Tokai region held by Tempstaff People Co., Ltd. Every local operating company will aim to be number 1 in its region.



Aiming for stable growth under our mid-term management strategy

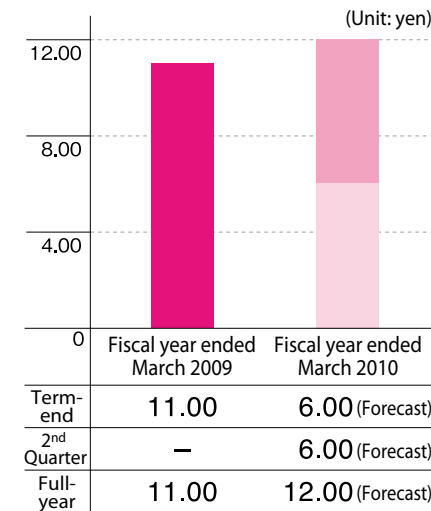
When Temp Holdings Co., Ltd. was established, we formulated a mid-term management strategy. Under this strategy, we will conduct business while maintaining steady growth in profits and a sound financial structure with an aim to achieving stable growth for the entire Group.

## Overview of Consolidated Financial Results

### Per-share Dividend

The term-end dividend was 11 yen per share (1,100 yen per 100 shares).

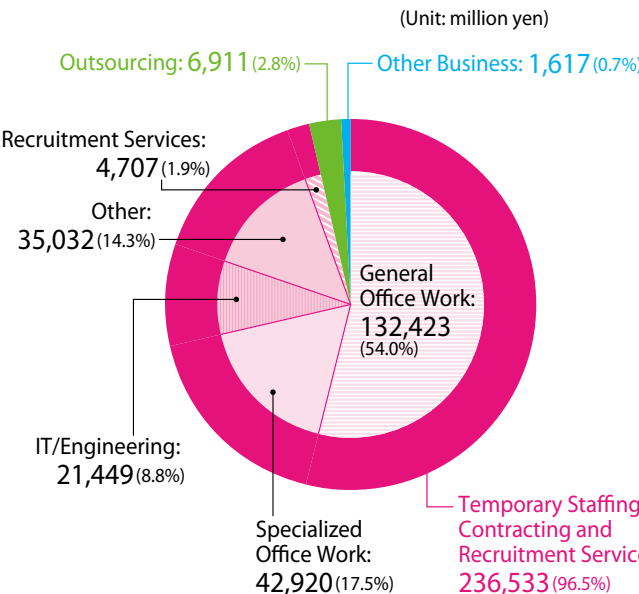
The Articles of Incorporation stipulates that the Company may pay interim dividends to its shareholders. This means we, in principle, pay dividends to shareholders twice a year.



Both Tempstaff Co., Ltd. and People Staff Co., Ltd. paid interim dividends for the fiscal year ended March 2009.

### Sales by Segment

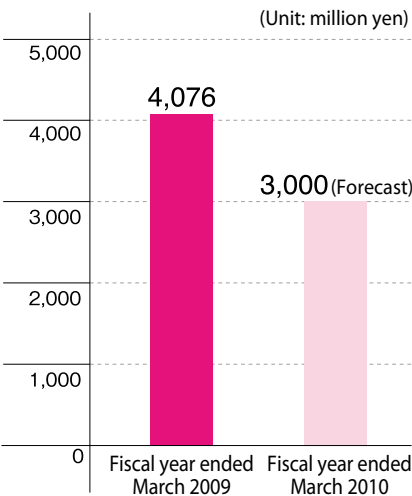
The temporary staffing, contracting services for general office work, specialized office work, IT/engineering and other, which consist mainly of marketing, accounted for 94.6% of total sales. These businesses and the recruitment services represent 96.5% of total sales.



### Net Income

**4,076** million yen

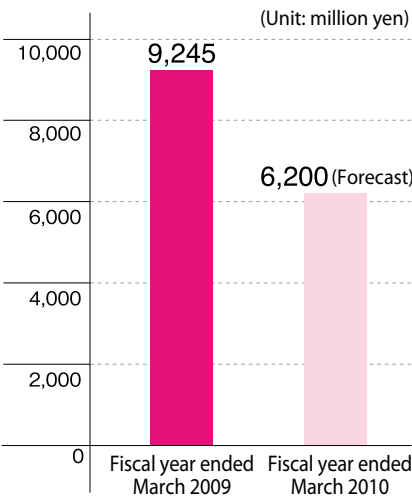
Net income was 4,076 million yen, reflecting extraordinary losses caused by a loss on disposal of systems, instruments, and fixtures related to management integration.



### Ordinary Income

**9,245** million yen

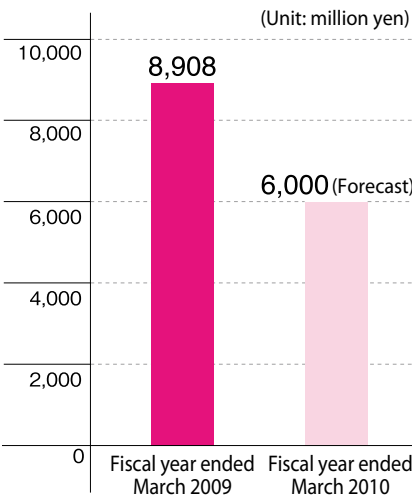
Ordinary income was 9,245 million yen, reflecting subsidy income and profit on equity method investments.



### Operating Income

**8,908** million yen

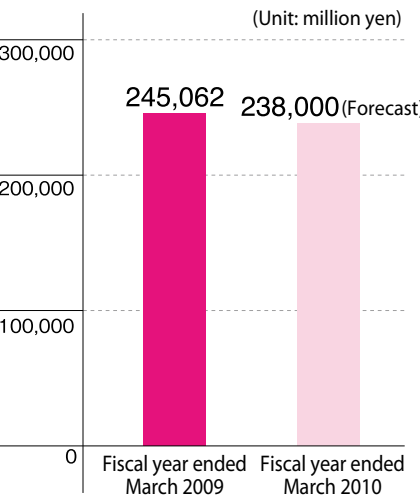
Operating income was 8,908 million yen, reflecting a sharp rise in social insurance premium contributions by employers due to the reform of the national medical insurance system, and an increase in paid-holidays taken by temporary staff due to employment adjustment at client corporations.



### Sales

**245,062** million yen

Sales of Temp Holdings Co., Ltd., were 245,062 million yen in its first fiscal year of its establishment, reflecting strong performance in the mainstay temporary staffing business during the first half, while the adverse effects of the rapid economic slowdown in the second half.



Note: Temp Holdings Co., Ltd. was established on October 1, 2008, as a joint holding company through the management integration of Tempstaff Co., Ltd. and People Staff Co., Ltd. (presently Tempstaff People Co., Ltd.). The Company began to prepare financial statements from the fiscal year under review, and thus, results for the previous term and changes in figures from the previous term are not stated.

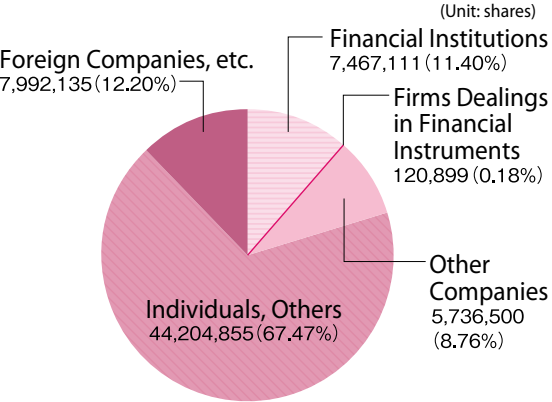


# Information

## Information

### Distribution of Shareholders

As of March 31, 2009



### Shareholder Information

- Business year:  
From April 1 to March 31 of the following year
- Annual general meeting of shareholders:  
June every year
- Record dates:  
Annual general meeting of shareholders March 31  
Term-end dividend March 31  
2nd quarter dividend September 30
- Administrator of shareholders' register /  
Special account management institution:  
Mitsubishi UFJ Trust and Banking Corporation
- Contact:  
Mitsubishi UFJ Trust and Banking Corporation  
Custody Service Department  
7-10-11 Higashisuna, Koto-ku, Tokyo 137-8081, JAPAN  
Tel: 0120-232-711 (toll-free number available only within Japan)
- Stock Listing:  
Tokyo Stock Exchange, First Section
- Website address of public notice:  
<http://www.temp-holdings.co.jp/>  
When electronic public notices are not possible due to incidents or other unavoidable circumstances, announcements will appear in the Nihon Keizai Shimbun newspaper.

### Stock Information

As of March 31, 2009

- Authorized number of shares: 240,000,000
- Total number of shares issued: 65,521,500
- Shareholders: 10,955

#### ● Major shareholders (top 10)

Name of shareholders	Shares held (shares)	Percentage of voting rights(%)
Yoshiko Shinohara	31,077,200	47.43
State Street Bank and Trust Company	3,892,700	5.94
Kelly Services Japan, Inc.	3,000,000	4.57
Yoshimi Iyadomi	1,812,800	2.76
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,760,000	2.68
Japan Trustee Services Bank, Inc. (Trust Account)	1,563,311	2.38
Temp-Holdings employee shareholders association	1,334,000	2.03
Nikko Cordial Securities Investment Enterprise Partnership	1,300,000	1.98
Woman Staff Ltd.	1,206,000	1.84
Japan Trustee Services Bank, Inc. (Trust Account 4G)	1,149,500	1.75

### Company Outline

As of March 31, 2009

Company Name: Temp Holdings Co., Ltd.

Established: October 1, 2008

President: Yoshiko Shinohara

Head Office: 2-1-1 Yoyogi, Shibuya-ku, Tokyo, JAPAN

Type of Business: Management planning, administration, and operations related to subsidiary and group companies that handle temporary staffing and recruitment services.

Capital: 2,000 million yen

### Board of Members

As of June 25, 2009

President: Yoshiko Shinohara

Vice-President: Mikihiko Hibino

Executive Director: Masamichi Mizuta

Executive Director: Toshio Saburi

Director: Takao Wada

Director: Carl T. Camden

Full-time Auditor: Izuki Hiraga

Auditor: Naotaka Saeki

Auditor: Haruo Shimada

Auditor: Kaoru Arai

## We will make steady progress with our commitment to CSR by taking over the former Tempstaff Group's corporate vision.

"Matching the needs of corporations and workers" is a primary and essential condition to keeping the human resource service industry healthy. Contributing to society by creating jobs and supporting the growth of individuals through work; this is our corporate vision and our way of business.

The provision of human resource services is a highly public business. Given this, we will continue to conduct businesses with the highest priority given to fulfilling social responsibility.



## Notice

### 1. Notes Concerning the Introduction of the Electronic Share Certificate System

(1) As a result of introducing the electronic share certificate system, various procedures for shareholders such as address changes, and requests for repurchase will in principle be handled by account management institutions (such as securities companies), with which the shareholders have opened accounts. Hence, shareholders are required to ask such institutions about the above procedures. It should be noted that the administrator of shareholders' register (Mitsubishi UFJ Trust and Banking Corporation) does not handle such procedures.

(2) As Mitsubishi UFJ Trust and Banking Corporation is the account management institution for special accounts as described below, please ask the bank about the procedures for shares recorded in special accounts. These procedures are also handled at the bank's branches nationwide.

(3) The dividend transfer designation form should be submitted through each account management institution when designating an account to which to transfer dividends. Starting with this notice, we have stopped enclosing the Dividend Transfer Designation Form. For further information on procedures for transfer designation, contact your account management institution.

(4) Dividends that you have not received will be paid by the head office and branches of Mitsubishi UFJ Trust and Banking Corporation.

### 2. About the Dividend Statement

Beginning this year, a Dividend Statement will be enclosed with a letter to shareholders who have made receipts for dividends as well as shareholders who have designated payment of dividends into their accounts. This statement can be used for confirming the amount of dividends after payment as well as reference materials when filing a tax return.

## Procedures for Shares

### ■ Shares recorded in the special account

Procedures, inquiries, etc.	Contact	
<ul style="list-style-type: none"> <li>○ Requests for transfer from a special account to a general account</li> <li>○ Requests for purchase/additional purchase of shares less than one unit</li> <li>○ Changes in address, name, etc.</li> <li>○ Account balance inquiries</li> <li>○ Designation of method for receiving dividends*</li> </ul>	Special account management institution	Custody Service Department Mitsubishi UFJ Trust and Banking Corporation 7-10-11, Higashisuna, Koto-ku, Tokyo 137-8081, JAPAN Tel: 0120-232-711 (toll-free number available only within Japan)
<ul style="list-style-type: none"> <li>○ Inquiries about the sending and returning of mails</li> <li>○ Inquiries about dividends after completion of the payment period</li> <li>○ General inquiries about administrative work related to shares</li> </ul>	Administrator of shareholders' register	<div>           [Method for requesting procedural documents]           <ul style="list-style-type: none"> <li>○ Request through the automatic answering system: 0120-244-479 (toll-free number available only within Japan)</li> <li>○ Download online: <a href="http://www.tr.mufg.jp/daikou/">http://www.tr.mufg.jp/daikou/</a></li> </ul> </div>

\*Shareholders who own shares recorded in the special account may not choose the method for receiving dividends in proportion to the amount of shares held.

### ■ Shares recorded in the accounts of securities companies

Procedures, inquiries, etc.	Contact	
<ul style="list-style-type: none"> <li>○ Inquiries about the sending and returning of mails</li> <li>○ Inquiries about dividends after completion of the payment period</li> <li>○ General inquiries about administrative work related to shares</li> </ul>	Administrator of shareholders' register	Custody Service Department Mitsubishi UFJ Trust and Banking Corporation 7-10-11, Higashisuna, Koto-ku, Tokyo 137-8081, JAPAN Tel: 0120-232-711 (toll-free number available only within Japan)
○ Procedures and inquiries not included above	Please contact your securities company.	

# TEMP HOLDINGS CO., LTD.

Shinjuku Maynds Tower, 2-1-1 Yoyogi, Shibuya-ku, Tokyo 151-0053, JAPAN Tel: +81-(0)3-3375-2220

\*The items in this report include descriptions of future plans and forecasts. Actual performances may differ substantially due to various factors.



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