

To Shareholders and Investors

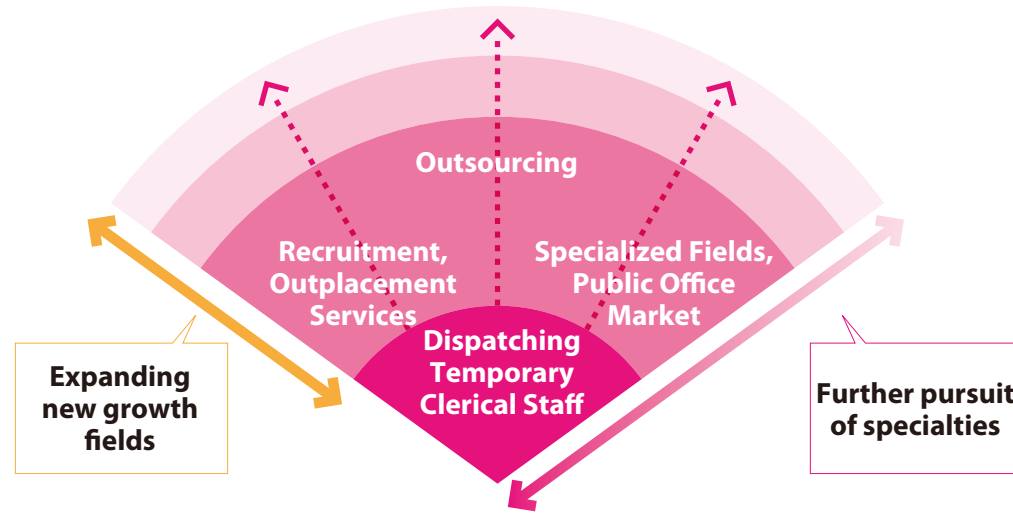
Business Report

Interim report for
the fiscal year
ending March 2010

April 1, 2009 -
September 30, 2009

TEMP HOLDINGS CO., LTD.

Securities code: 2181



Based on its achievements in dispatching temporary clerical staff, Temp Holding Co., Ltd. is aiming to expand its business field to markets including outsourcing, recruitment / outplacement services, specialized fields / public office market as its marketing theme in the future. To this end, we will establish a dedicated outsourcing team within Tempstaff Co., Ltd. in the second half of the period under review.

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 10 consecutive years. She was awarded the Kigyoka Prize in 2007.



“Operating Results”

**Flexible management –
Quickness and
flexibility for readily
accommodating
changes in the market**

Interim Highlights of the fiscal year ending March 2010

- Sales **112.1** billion yen
- Operating Income **2.7** billion yen
- Ordinary Income **2.8** billion yen
- Second Quarter Dividend per Share **6** yen

Turning changes into chances

Developing businesses by accommodating changes in the market

With the economic environment remaining in difficulties, corporations are facing the task of improving management efficiency. Under such circumstances, one of the effective measures for solving the issue is the utilization of business outsourcing. Temp Group will establish a theme of enhancing the outsourcing business and aim at obtaining contracts for various operations ranging from development to business processing.

At the same time, we will energetically promote the expansion of recruitment services and business in the public office market. In addition, we will optimally accommodate the balance of business to changes in the market in an effort to achieve a further increase in earnings. Moreover, we will expand the specialized fields including IT, biotechnology and medical based on our core business of dispatching temporary clerical staff, in order to give support to the career development of job seekers and expand employment opportunities.

We believe that the key for management to survive market competition in the future is to recognize changes responsibly and respond to them speedily and flexibly, and we will make efforts for developing businesses.

Favorable factors in new business fields that look ahead to the future

Despite sluggish demand for human resources against the backdrop of corporate performance deterioration and downsizing, we were able to secure sales of 112.1 billion yen and ordinary income of 2.8 billion yen in the interim period of the fiscal year under review.

In the interim period under review, outplacement services remained firm on the strength of requests from corporations for outplacement assistance. In May 2009, we turned Drake Beam Morin-Japan, Inc. into our subsidiary. In addition, we enhanced our competitiveness and achieved sales of about 2.2 billion yen in other business, which mainly includes outplacement services, exceeding the actual result of the business in the previous fiscal year of approximately 1.6 billion yen and making a contribution to securing of profits in the entire group.

In the public office market, we received contracted business related to fixed-amount financial benefit programs and emergency job creation business, and sales in this market increased significantly. Meanwhile, there are moves among public agencies to proactively utilize the know-how of private-sector corporations against the backdrop of efforts for improving operational efficiency and cost reduction. Under such circumstances, we will make use of our management know-how and high value-added planning and proposal abilities which we have cultivated through our wealth of hands-on experience as means of differentiation from other corporations, and we will focus on acquiring new contract businesses and strive to cultivate the market while placing an emphasis on profitability.

Pursuing responses to changes in working people, corporations, and society

Temp Group is committed to support women.

May
2009

Received the 2nd Best Mother Award 2009, Corporate Sector

Our efforts for supporting women who want to continue working through measures including assisting outplacement of women and operating day-care centers were regarded highly and we received the 2nd Best Mother Award 2009, Corporate Sector, sponsored by the NPO Japan Mothers Society. We will continue to support women who wish to continue working.

July
2009

Started "Networking Seminar for Promoting Women's Success"

Tempstaff Learning Co., Ltd., a Temp Group company which provides various training courses, launched settings for information exchange among persons in charge of promoting women's success in corporations. We will continue to support activities to promote the success of women through various measures such as holding seminars and sharing know-how.

Achieving the planned operating income in the interim period under review

Amid the difficult business environment, we steadily attained the profit plan by applying the industry's highest-level control capability. Specifically, we thoroughly eliminated waste and made optimal investment to overachieve the planned value of operating income by 13.9% in the interim period under review. In the future, we will aim at further improving management efficiency.

Events in the interim period under review

Executed two large-scale M&A transactions to make them a driving force for earnings.

May
2009

Turned **Drake Beam Morin-Japan, Inc.** into a subsidiary.

In the interim period under review, we executed M&A of two companies, Drake Beam Morin-Japan, Inc. and Fuji Xerox Careernet Co., Ltd. (presently TEMPSTAFF CROSS CO., LTD.). In particular, Drake Beam Morin-Japan, which is engaged in outplacement services, made a significant contribution to earnings of the Temp Group in the interim period under review.

July
2009

Turned **Fuji Xerox Careernet Co., Ltd.** into a subsidiary and started its operation under a new company name: TEMPSTAFF CROSS CO., LTD.

In the meantime, we are aiming at forming a capital and business alliance with Japan Tecseed Co., Ltd., which has an advantage in R&D outsourcing, as part of our efforts for reinforcing the specialist staffing and outsourcing businesses.

September
2009

Passed a resolution to enter into a capital and business alliance with Japan Tecseed Co., Ltd. and embarked on friendly TOB.

Promoting M&A based on emphasis on field sites, realism, and cash base.

We will aggressively press ahead with realistic M&A based on the following definite principles:

Emphasis on field sites: Valuing the viewpoint of the market (field site) as an information source

Realism: Ensuring that expected synergistic effects are clear and realistic.

Cash base: M&A will be executed within the limits of free cash flow.

Delving further into specialist fields

In the interim period under review, we launched new efforts in specialized fields including security support, IT infrastructure monitoring engineer, cosmetics sales, over-the-counter sale of bank. In August, we obtained contract for "long-term unemployed people support business" of the Ministry of Health, Labour and Welfare in 12 districts across the nation. We will accumulate know-how in the public agency market and delve further into the market.



Developing IT engineers for dispatch to corporations

Expanding our presence in the global market

We will focus human resources into the global network mainly in Asia with the aim of establishing operational foundations and aggressively expanding businesses.

Improving management efficiency

We strived to thoroughly reduce costs in all aspects as represented by improving operational efficiency by adopting a holding company system. We will firmly maintain steady profit growth and a healthy financial standing.

Providing job assistance to women

We will enhance employment support and part-time dispatching of child-raising mothers. We will totally support employment of women by providing seminars and counseling services.

Developing business in specialized fields

We will work on expanding job / industry specialized services and networks to respond to needs in the market which is getting increasingly specialized.

Strengthening localized services

Local operating companies provide well-thought-out local community-based services and pursue an increasing market share in each region.

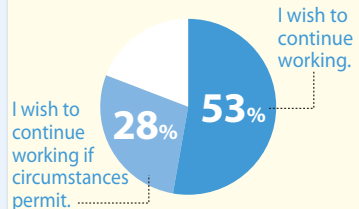
Mid-term Management Strategy

Striving to support each and every person, as well as the growth of Japan

Some forms of employment are made possible only with temporary staffing services

More than 80 percent of women indeed wish to continue working after delivery.

■ Do you wish to continue working if the conditions listed in the right column are met?



However, some conditions must be met to continue working.

■ Working style and conditions desired after delivery

First	Work at my convenience	366
Second	No overtime work	222
Third	Short commuting time	115
Fourth	Stable income	114
Fifth	Equipped with child support system	108

* Method of compilation: Ranking was determined in descending order of points, which were calculated by assigning three points to the first choice, two points to the second choice, and one point to the third choice, and aggregating the total.

Temporary staffing service is a way of employment that allows persons who wish to work but are under constraints to work.

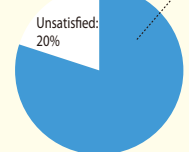
Source: Questionnaire on the website "Haken Job (temporary staffing job)" in 2008, provided by Opinion Co., Ltd.

Temporary staff enjoy various benefits from the temporary staffing working style.

■ Please describe your reason for deciding to work as temporary staff.

46.4%	I can decide the working period and time on my own.
37.1%	I can use my time effectively.
34.7%	I could not find a company to work at as permanent employee.
30.9%	I can choose the work location on my own (to make commuting time short)
30.7%	I can choose the work I desire from among many choices.

Level of temporary staffing job satisfaction: 80%



Level of temporary staffing job satisfaction in Japan

Source: Temporary Staffing Data Book 2009 compiled by the Japan Staffing Services Association

Roles of temporary staffing services

As this case shows, temporary staffing service will open up employment possibilities for both workers and corporations. In addition, it facilitates the smooth mobilization of employment to realize better-matching of needs of both parties. Moreover, workers are allowed to work comfortably with the temporary staffing service through social insurance systems including health insurance, welfare pension, and employment insurance, as well as welfare programs such as workers' accident compensation liability insurance, paid leave, and health checkups.

While the decrease in workforce is expected with the decrease in birthrate, employment mobilization will be an indispensable prerequisite for revitalizing the Japanese economy and enhancing its competitiveness. Temp Group will continue to facilitate the immobilization of employment through the provision of a wide variety of human resource services.

The mobilization of employment is essential for the economic growth.

Temp Group helps match persons searching for jobs and corporations seeking workers and assumes the role of facilitating the mobilization of employment.

Changing employment needs

The economic structure is changing in response to the changes in economic condition and the introduction of new technologies and services. For economic growth it is essential to mobilize human resources into growth industries considering the shortage of engineers caused by new technology development and of manpower engaged in nursing services.

Worker needs are becoming diversified with the maturation of Japanese society. At the same time, human resource needs of corporations are highly specialized and shifting constantly amid the economic environment, which is changing at an ever-increasing speed. In this age, it is difficult to match the needs of workers with those of corporations.

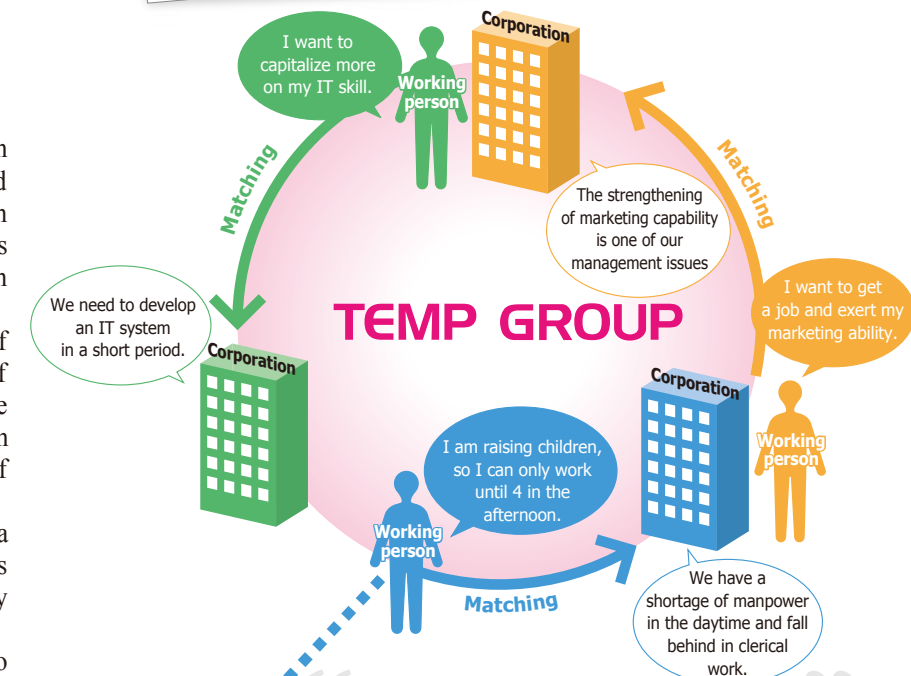
For example, persons who have highly specialized skills search for a workplace where they can make the best possible use of their abilities while corporations sometimes need human resources who are readily employable on a timely basis.

In the meantime, there are people such as child-raising mothers who wish to work under constraints. For instance, some of them are seeking to work for a certain period of time or for a short time. These people are valuable workforce to cover manpower shortages, but recruiting costs and man-hours required for recruitment become a burden to corporations.

However, temporary staffing services meet such variety of needs.

Mobilization of employment

Immobilizing employment without gaining consensus between the needs of workers and those of corporations will lead to economic stagnation. The significance of a temporary staffing service is to flexibly mobilize employment.

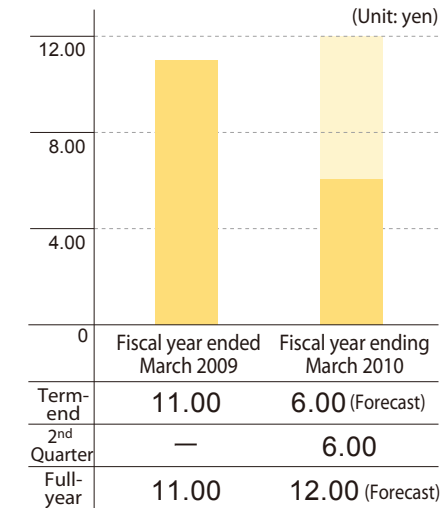


What is the mission of a temporary staffing company?

Overview of Consolidated Financial Results

Per-share Dividend

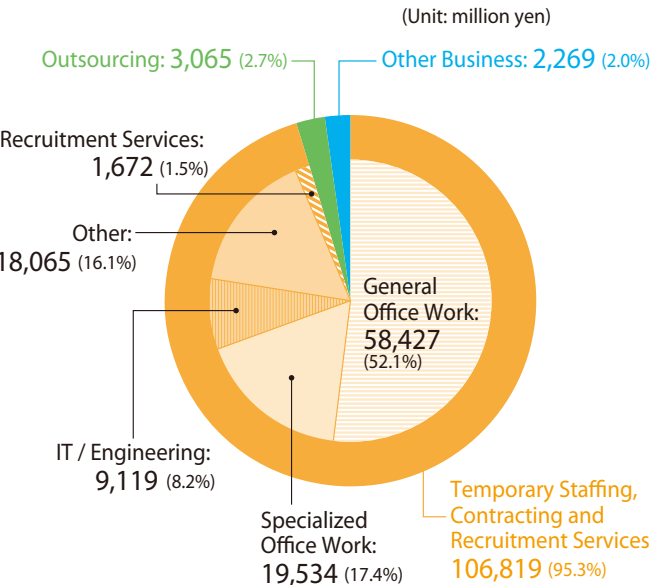
We paid out interim dividends of 6 yen per share (600 yen per 100 shares) in the period under review. Temp Holdings intends to pay a year-end dividend of 6 yen per share (600 yen per 100 shares) to shareholders as with the interim period.



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

Sales by Segment

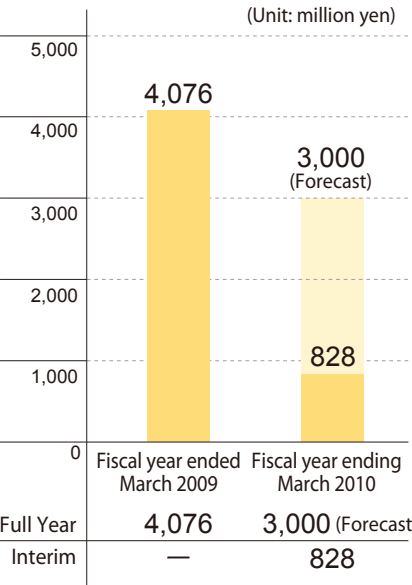
The Group's mainstay temporary staffing, contracting and placement services accounted for 95.3% of sales, which did not change significantly compared with the end of the previous fiscal year. With regard to other business sales, sales of outplacement business were strong, with the composition ratio increasing by 1.3 percentage points to 2.0%.



Net Income

828 million yen

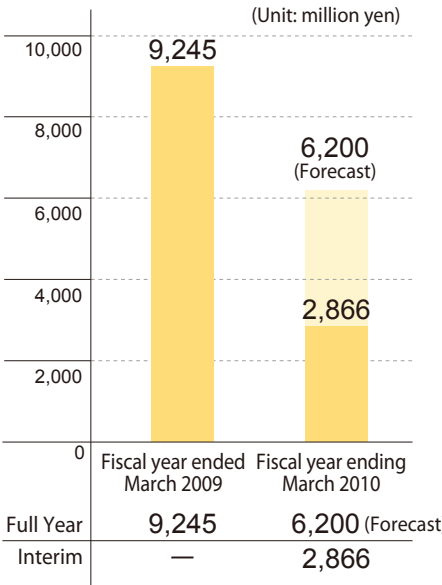
We cautiously studied the collectibility of deferred tax assets of consolidated subsidiaries and partially reversed such assets. As a result, net income amounted to 828 million yen.



Ordinary Income

2,866 million yen

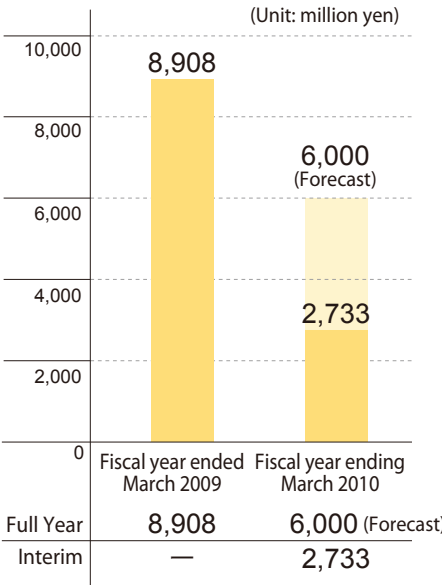
Non-operating income increased 132 million yen due to income from subsidies and equities in earnings of affiliates. As a result, ordinary income amounted to 2,866 million yen, overachieving the budget by 14.7%.



Operating Income

2,733 million yen

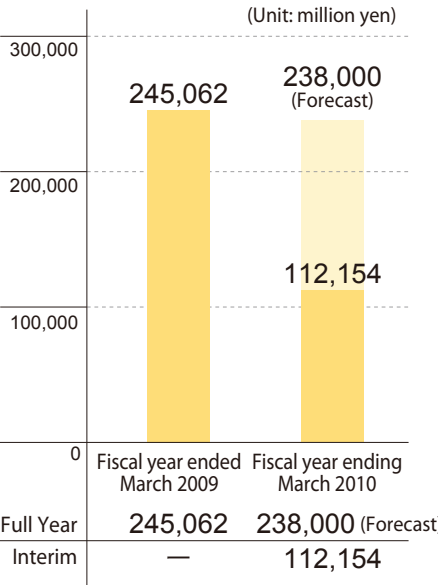
The number of paid leave days taken by temporary staff increased in response to employment adjustment by client corporations. However, we posted operating income of 2,733 million yen, overachieving the budget by 13.9%, due to efforts including thorough elimination of wastes, optimal investment in recruitment advertising that is controllable, and promoting in-house production.



Sales

112,154 million yen

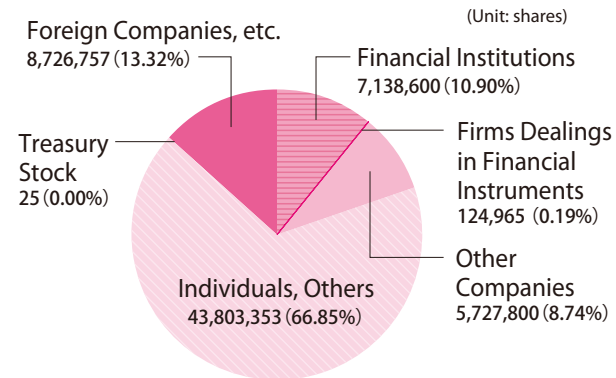
The job-opening-to-application ratio remained low against the backdrop of moves among corporations for employment adjustment, leading to unprecedented difficult environment for the Group's mainstay temporary staffing, contracting and outplacement businesses. However, we were able to achieve sales almost in line with the plan because we proactively strived to capture demand in the public agency market, including demand for fixed-amount financial benefit related operations, and we also had good sales in the outplacement business.



Information

As of September 30, 2009

Distribution of shareholders



Shareholder Information

- Business year:
From April 1 to March 31 of the following year
- Annual general meeting of shareholders:
June every year
- Record date:
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

- Authorized number of shares: 240,000,000
- Total number of shares issued: 65,521,500
- Shareholders: 10,459

● 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	4,036,900	6.16
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
Nikko Cordial Securities Investment Enterprise Partnership	1,300,000	1.98
Japan Trustee Services Bank, Inc. (Trust Account)	1,260,700	1.92
Temp-Holdings employee shareholders association	1,245,500	1.90
Woman Staff Ltd.	1,206,000	1.84
Nanako Yamamoto	1,108,800	1.69
Taro Iyadomi	1,108,800	1.69

Company Outline

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

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

All our efforts will lead to happiness in society.

“CSR”

Corporate Philosophy

Creating jobs
Individual growth
Contributing to societ

Social Contribution Activities

Helping to create jobs and add value to the individual

- Support for disabled persons
- Scholarship program

Business Activities

We create job opportunities and provide support for individual growth through the promotion of human resource services business.

Our corporate vision is to contribute to the development of society through individual growth and the creation of job opportunities by promoting human resource services. We believe that we are practicing CSR through our business of connecting workers and corporations to create new job opportunities. In the meantime, we will take on a challenge in various efforts to make greater contributions to the benefit of society.

Operating childcare business

We can make a significant contribution to the employment expansion of child-raising mothers by eliminating the shortage of childcare facilities. In Temp Group, Tempstaff Co., Ltd. operates three childcare centers in Shibuya-ku and Tempstaff Wish Co., Ltd. runs two in Yokohama, Kanagawa.



Facilitating the employment of disabled people

Thankstemp Co., Ltd., which provides support for the employment of disabled people, employs about 200 disabled persons in-house. The Group also practices “Challenged Athlete Support”, in which we assist Group employees who overcome their disabilities to take part in sports to achieve balance between their competitive careers and work. Temp Group will continue to work on expanding possibilities for disabled people.

September 2009

Successfully achieved the first external sales in Yokohama Yume Kobo

Yokohama Yume Kobo, a cookie-baking studio operated by Thankstemp in which 50 intellectually disabled persons work, succeeded in selling cookies on the campus of Kanagawa University.

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. 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	
<input type="radio"/> Requests for transfer from a special account to a general account <input type="radio"/> Requests for purchase/additional purchase of shares less than one unit <input type="radio"/> Changes in address, name, etc. <input type="radio"/> Account balance inquiries <input type="radio"/> Designation of method for receiving dividends (*)	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)
<input type="radio"/> Inquiries about the sending and returning of mails <input type="radio"/> Inquiries about dividends after completion of the payment period <input type="radio"/> General inquiries about administrative work related to shares	Administrator of shareholders' register	<div> [Method for requesting procedural documents] <input type="radio"/> Request through the automatic answering system: 0120-244-479 (toll-free number available only within Japan) <input type="radio"/> Download online: http://www.tr.mufig.jp/daikou/ </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	
<input type="radio"/> Inquiries about the sending and returning of mails <input type="radio"/> Inquiries about dividends after completion of the payment period <input type="radio"/> General inquiries about administrative work related to shares	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)
<input type="radio"/> 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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