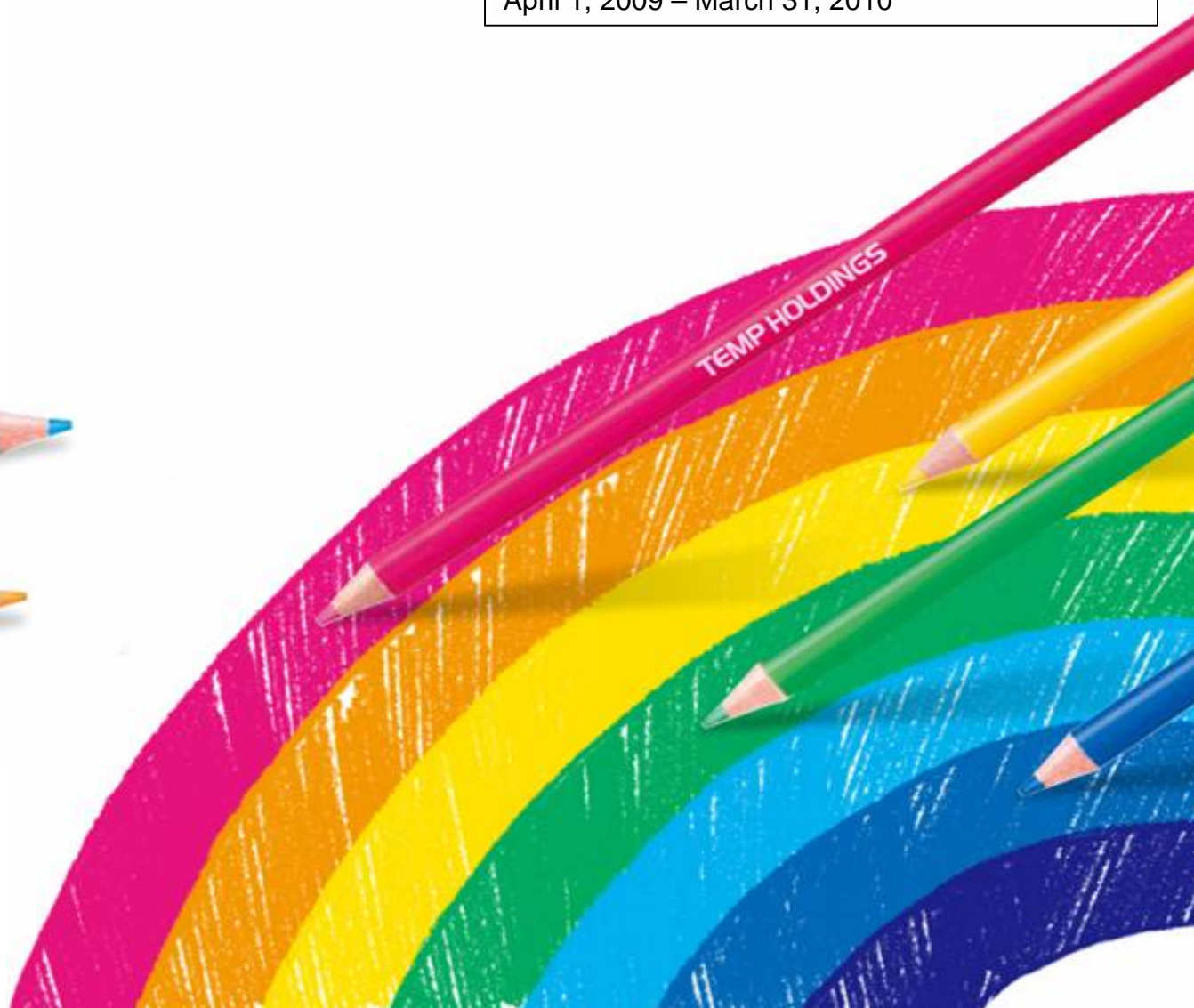


TEMP REPORT

To Shareholders and Investors Business Report

Report for the fiscal year ended March 2010
April 1, 2009 – March 31, 2010



TEMP HOLDINGS CO.,LTD.

(Securities code: 2181)

We will continue to connect people and jobs while responding to changes in the market and society.

Steady progress to reinforce the outsourcing business

With demand for human resources remaining sluggish, sales were 224.6 billion yen and ordinary income was 6.7 billion yen for the fiscal year ended March 2010.

Companies' needs are changing reflecting the recent economic situation. Under such circumstances, we steadily made efforts to ensure new growth potential during the period under review.

One of these efforts was to enhance the outsourcing business, one of our key themes. In the fiscal year under review, we converted JAPAN TECSEED CO., LTD., which has strong know-how about the R&D outsourcing business, into our subsidiary, solidifying the foundation for expanding the outsourcing business. In April 2010, the headquarters of the outsourcing business was set up in Tempstaff Co., Ltd. We will develop the said business as a new pillar, aiming to provide a comprehensive outside human resource service that is excellent in the balance of business.

Our business meeting society's needs

Thirty-seven years ago, we proposed a new option of working through a staffing agency to the Japanese society. Since then, we have continued to create job opportunities thanks to the support of both people hoping work more flexibly and companies wishing to leverage these people's power. The business of the Temp Group is to contribute to society by meeting society's needs, creating job opportunities, and helping people grow.

It is very regrettable that negative rumors have recently spread about the temporary staffing industry. However, we are rather pleased that taking this opportunity, a trend to implement stricter compliance is growing in the industry. We believe this is a valuable business opportunity for us who have pursued compliance.

Highlights of the fiscal year ended March 2010

•Sales	224.6 billion yen
•Operating Income	6.3 billion yen
•Ordinary Income	6.7 billion yen
•Term-End Dividend per Share	6 yen

For People, Corporations and Society

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.



Temp Holdings Mid-term Management Strategy

Strengthening localized services

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

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.

Providing job assistance to women

We will totally support employment of women, who hold the key to labor shortages arising from the declining birth rate and aging workforce, by offering job search support for child-raising mothers and providing seminars and counseling services.

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.

Expanding our presence in the global

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

With operations added, growth fields are further expanding and deepening

We will introduce our efforts regarding the centerpieces of mid-term management strategy, that is, “developing business in specialized fields” and “expanding our presence in the global market,” as well as one of new pillars for our growth: the “outsourcing business.”

Deepening specialized fields

November 2009

Turning R&D outsourcing company JAPAN TECSEED into a subsidiary

In November 2009, we turned JAPAN TECSEED CO., LTD. into a consolidated subsidiary through a takeover bid. JAPAN TECSEED, as a group of R&D experts, provides R&D outsourcing services primarily for the automobile and aircraft industries. JAPAN TECSEED trains excellent engineers and has a reputation for its high-quality services. From now on, we will aggressively develop the R&D outsourcing business, by leveraging the synergy from combination with the Temp Group's strengths, including high recruitment abilities and nationwide marketing capabilities.

► JAPAN TECSEED

Two companies' strengths and synergy from M&A

JAPAN TECSEED

R&D outsourcing and know-how on specialist staffing
Strong training know-how and abundant opportunities of practical jobs

+

TEMP GROUP

Acquisition of human resources using brand power
Extensive customer bases and marketing network

Desired synergy

Expansion in business areas and improvement in earnings
Promotion of engineer training
Further improvement in customer satisfaction

May 2010

Turning IT support company HOWCOM into a subsidiary

Tempstaff Co., Ltd. turned HOWCOM Co., Ltd., an IT support company that provides help desk service and operations of IT infrastructure, into its subsidiary. Using HOWCOM's operations know-how and infrastructure, we will launch the help desk business and focus on training human resources.

► HOWCOM

In the fiscal year ended March 2010, we conducted two more large-scale M&A transactions, strengthening our business foundation.

Outplacement service

May 2009

Drake Beam Morin-Japan, Inc. became a subsidiary

Comprehensive staffing services

July 2009

Fuji Xerox Career Net Co., Ltd. became a subsidiary and changed its trade name to TEMPSTAFF CROSS CO., LTD.

Spread of outsourcing

Sales

January 2010

Established a team specialized in entrusted sales operations for in-shop outlets that sell fashion clothing, sundries and Japanese- and Western-style confectionery

Amid the sluggish consumption, in-shop outlets within commercial facilities are in want of know-how about personnel assignment, operations and management to reduce personnel expenses and promote efficient sales. To cope with growing demand, we set up a team dedicated to entrusted sales operations, which is consisted mainly of those who have worked in the retail industry. The team provides comprehensive support for outlet operations in such areas as: planning of operations for the sales space; recruitment, training and assignment of staff; labor management; and proposal of sales improvement measures.

▶ Tempstaff Marketing

▶ Personal

Public sector

April 2010

Selected by the Shinjuku-ku Ward Office as designated manager of local cultural exchange centers and children's halls

Tempstaff Wish Co., Ltd., a provider of childcare and children's day-care services, was selected as designated manager of local cultural exchange centers and children's halls in Shinjuku-ku, Tokyo. We will aim to operate these facilities in a homelike and warm manner, while ensuring the safety and security of users.

▶ Tempstaff Wish

Global market expanding

Asia

December 2009

Started distributing the "Asian HRM Report" that contains information on the employment trend in Asia

We began to distribute the "Asian HRM Report" in a tie-up with JobStreet.com, which has information on 6.0 million job seekers and 80,000 companies in Asia.

▶ Tempstaff

Global

May 2010

Acquired shares in Kelly Services, a major U.S. human resource service company

To accelerate an active expansion into the global market, Temp Holdings acquired shares in Kelly Services Inc., a leading U.S. provider of human resources. The two companies will join hands in raising their competitiveness in the global market, while aiming to establish a system that can respond flexibly to the diverse needs of corporations and job seekers.

▶ Temp Holdings

Overview of Consolidated Financial Results

POINT 1

Business performance began to pick up gradually in the second half of the fiscal year ended March 2010. However, demand remained generally weak hurt chiefly by the effects of economic slowdown started in the second half of the fiscal year ended March 2009.

POINT 2

Earnings of JAPAN TECSEED CO., LTD. which was turned into a consolidated subsidiary on November 30, 2009 through a takeover bid, for the period between January and March were booked under a new business segment.

POINT 3

Sales rose substantially year on year due to a strong performance of the reemployment support business, and the effects of converting Drake Beam Morin-Japan, Inc., which operates the said business, into a subsidiary.

POINT 4

Efforts were made to thoroughly reduce costs such as recruiting expenses and advertising expenses, but this failed to offset a decline in profits caused by weakened sales. As a result, ordinary income decreased 27.2%.

Statement of Income

(Unit: million yen)

	2009/3	2010/3	Change	2011/3 (Forecast)
Sales	245,062	224,613	8.3%	229,500
① Temporary Staffing, Contracting and Recruitment Services	236,533	211,018	10.8%	
General Office Work	132,423	114,628	13.4%	
Specialized Office Work	42,920	38,364	10.6%	
IT / Engineering	21,449	18,335	14.5%	
Other	35,032	36,603	4.5%	
Recruitment Services	4,707	3,086	34.4%	
② R&D Outsourcing	-	2,281	-	
Outsourcing	6,911	6,132	11.3%	
③ Other Business	1,617	5,180	220.4%	
④ Ordinary Income	9,245	6,734	27.2%	6,750
Net Income	4,076	2,950	27.6%	3,000
Dividend per Share (yen)	11.00	12.00	-	12.00

Balance Sheet

(Unit: million yen)

POINT 1

The size of assets increased due to tender offer for JAPAN TECSEED CO., LTD. and M&A conducted in the fiscal year ended March 2010.

POINT 2

Temp Holdings Co., Ltd. issued convertible bond-type bonds with stock acquisition rights while acquiring its own shares. This is a method for procuring funds at a zero coupon rate by issuing bonds with stock acquisition rights while improving capital efficiency through acquisition of treasury shares. This is a capital strategy designed to improve earnings per share until stock acquisition rights are executed, and allocate treasury shares in case of the execution of the rights to prevent cash out, maintaining the healthy financial system.

	2009/3	2010/3	Change
1 Assets	73,982	75,912	1,929
Current assets	62,324	61,644	680
Cash and deposits	29,610	28,545	1,064
Noncurrent assets	11,658	14,268	2,609
Liabilities	23,122	27,595	4,473
Current liabilities	21,434	20,094	1,339
Noncurrent liabilities	1,688	7,500	5,812
Convertible bond-type bonds with subscription rights to shares	-	5,000	5,000
Net assets	50,860	48,317	2,543
Shareholders' equity	49,581	45,778	3,803
2 Treasury stock	-	5,636	5,636
Valuation and translation adjustments	32	46	78
Minority interests	1,310	2,492	1,181

The Temp Group has steadily expanded its business fields by responding to the needs of corporations and workers that change with the times. You can see our presence in all fields related to your daily life. We will introduce some of them.

Developing business in specialized fields

Providing job assistance to women

At customer consultation counters

Telemarketing staff

A call center, which needs to be well staffed to reply to phone calls from customers at any time, is one of the business fields where demand for human resources is high. There, the staff is required to have deep knowledge of merchandise. Hence, for example, food processors may look for specialists such as national registered dietitians. With the capability to provide a broad range of human resources, the Temp Group meets such needs, too.

Developing business in specialized fields

By the elderly

Licensed nursing care worker

Helpers

Care managers

Nursing care is a field that is expected to continue growing. However, it is said that the field is in chronic shortage of human resources. The Temp Group provides temporary staffing and outplacement services for the nursing care industry, and supports the employed in obtaining the 2nd Grade Helper License. We are also making every effort to create jobs and eliminate the shortage of human resources, while advancing staff's career.

At cosmetics counters in department stores

Cosmetics staff

At hospitals

Receptionists
(medical administrative work),
nurses, etc.

In metabolic examination

Operations of
medical examinations



Temp's Capabilities Seen Around You

At nearby financial institutions

Various financial institution staff

The financial industry is one of the fields where the Temp Group has a good track record. At bank outlets, many temporary staff are carrying out a wide range of operations, from account opening to investment consultation. In the fiscal year ended March 2010, Tempstaff Life Advisory Co., Ltd. launched specialist staffing service for dispatching temporary staff with experience in the insurance industry to banks, which aim at further reinforcing retailing services. We will expand business areas for these staff.

Providing job assistance to women

By children

Child carers

The Temp Group, which aims to provide job search support for women, is focusing on various efforts in the child care field. We are actively expanding temporary staffing and outplacement services for child care facilities. In addition, Tempstaff runs day-care centers at three locations in Shibuya-ku, Tokyo, and Tempstaff Wish at two locations in Yokohama, Kanagawa Prefecture.

Pure Temp Yoyogi-Uehara's Manager

Children try to tell something by crying. We pay close attention so that we can catch their messages promptly. It is an important job for children to play with all their might. We accept what they want to do, and provide individuals with care that is suitable for each of them, through which we are growing together with children every day. Pure Temp Yoyogi-Uehara is a workplace where we practice the corporate philosophy "Individual growth."

At shopping centers

Promotion of card membership application

At places to send out new fashions

Apparel sales clerks

At food selling areas

Salesclerks at stores selling Japanese- and Western-style confectionery, beverage stores, etc.



For the disabled

October 2009

Certified as a “Model Employer of the Physically Challenged” by the Ministry of Health, Labor and Welfare

Temp Holdings Co., Ltd. and Thanks Temp Co., Ltd. were awarded the “Certification Mark for the Model Employer of the Physically Challenged (Heartfelt Ribbon Mark),” whose winner is recognized as a company that implements particularly superior measures for promoting employment of the challenged.

The Temp Group supports physically challenged employees in their sports and athletic activities by providing both employment and financial assistance. We will continue to help the challenged expand their possibilities.

For Women

May 2009

Received the “2nd Best Mother Award 2009, Corporate Sector”

We were awarded the “2nd Best Mother Award 2009, Corporate Sector” for operating day-care centers and implementing various activities to help women find a job and reinstate women in their former office. We will continue to support women who wish to continue working.

2008 - 2009

Implementation of the Pink Ribbon Campaign to help eradicate breast cancer

The Temp Group, which supports the “Pink Ribbon Campaign” to encourage and promote breast cancer examination, donated contributions of 225,154 yen collected through sales of original cookies to the “Japan Fund for Breast Cancer.”

For individual growth

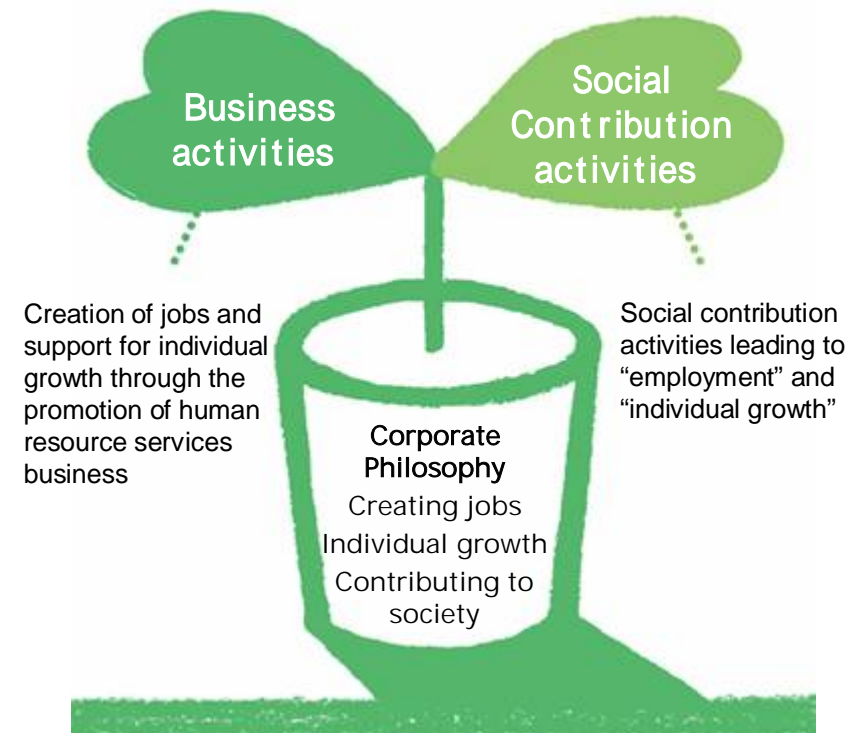
March 2010

Invitation to “20th Temp Group Youth International Scholarship”

The Temp Group offers an overseas study scholarship program for students and working adults every year. The fiscal year ended March 2010 marked the 20th anniversary of the program, through which we had sent 1,115 people out into the world. We will continue to support individual growth from the global perspective.

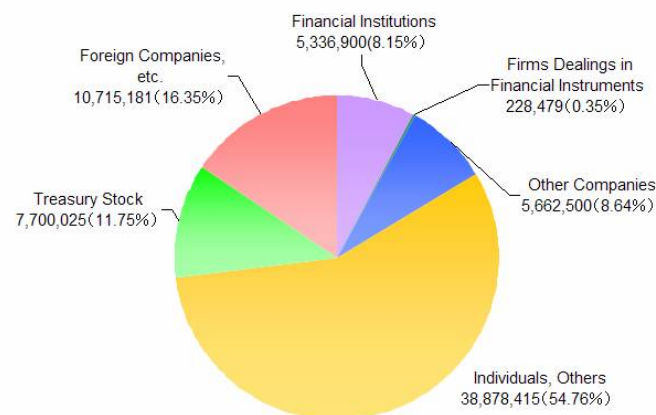
For society

Our business aims to contribute to society by creating jobs and supporting individual growth. Hence, our business itself is one of corporate social responsibility (CSR) activities. We will continue to promote the human resource services business, and pursue CSR by conducting various social contribution activities.



Distribution of shareholders As of March 31, 2010

(Unit: shares)



Shareholder Information As of March 31, 2010

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 As of March 31, 2010

Authorized number of shares: 240,000,000

Total number of shares issued: 65,521,500

Shareholders: 10,045

Major shareholders (top 10)

Name of shareholders	Shares held (shares)	Percentage of voting rights (%)
Yoshiko Shinohara	31,077,200	47.43
Temp Holdings Co., Ltd.	7,700,025	-
State Street Bank and Trust Company	5,547,900	9.59
Kelly Services Japan Inc.	3,000,000	5.18
Yoshimi Iyadomi	1,812,800	3.13
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,760,000	3.04
Nikko Cordial Securities Investment Enterprise Partnership	1,300,000	2.24
Temp Holdings employee shareholders association	1,264,700	2.18
Woman Staff Ltd.	1,206,000	2.08
Nanako Yamamoto	1,108,800	1.91
Taro Iyadomi	1,108,800	1.91

* 7,700,025 shares of the Temp Holdings Co., Ltd. ownership do not have the voting rights for the treasury stock.

Company Outline As of March 31, 2010

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 24, 2010

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	Haruo Shimada
Auditor	Kaoru Arai
Auditor	Ryosuke Tamakoshi

Procedures for Shares

Shares recorded in the accounts of securities companies		
Procedures, inquiries, etc.	Contact	
<ul style="list-style-type: none"> ●Inquiries about the sending and returning of mails ●Inquiries about dividends after completion of the payment period ●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)
●Procedures and inquiries not included above	Please contact your securities company.	

Shares recorded in the special account		
Procedures, inquiries, etc.	Contact	
<ul style="list-style-type: none"> ●Requests for transfer from a special account to a general account ●Requests for purchase/additional purchase of shares less than one unit ●Changes in address, name, etc. ●Account balance inquiries ●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)
<ul style="list-style-type: none"> ●Inquiries about the sending and returning of mails ●Inquiries about dividends after completion of the payment period ●General inquiries about administrative work related to shares 	Administrator of shareholders' register	Method for requesting procedural documents <ul style="list-style-type: none"> ●Request through the automatic answering system: 0120-244-479 (toll-free number available only within Japan) ●Download online: http://www.tr.mufg.jp/daikou/

(*) 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.