

To Shareholders and Investors Business Report

Interim report for the fiscal year ending March 2011
April 1, 2010 – September 30, 2010

TEMP REPORT

TEMP HOLDINGS CO.,LTD.

(Securities code: 2181)

A step toward a full-scale recovery Now fostering the capability to make a further leap forward

Enhancement of the outsourcing business and operations in the global market

With companies' earnings recovering, demand for human resources has increased, and our human resource services business has begun to show signs of a moderate recovery. Consolidated sales were 111.7 billion yen for the interim period of the current fiscal year ending March 2011. Ordinary income was 3.0 billion yen, exceeding both forecast at the beginning of the current fiscal year and results for the corresponding period of the previous fiscal year.

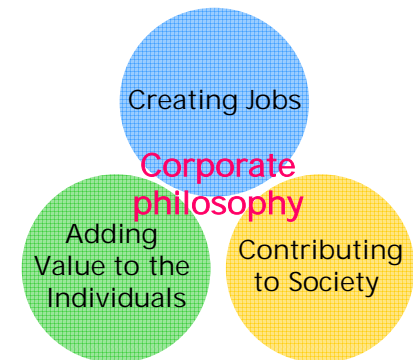
During the period, the Company established the headquarters of the outsourcing business in Tempstaff Co., Ltd. to respond to changes in the market needs. We also acquired shares in Kelly Services Inc., the world's leading human resource services company. The resultant strategic alliance with Kelly Services is expected to play a key role to strengthen our competitiveness particularly in the Asian markets.

We will strive to further expand the market share in our mainstay temporary staffing business, while developing the outsourcing business and global operations as the two key businesses for new growth, aiming to become the foremost human resource services provider in Asia.

Aiming at a further creation of jobs to protect working people

Due to the recent economic slowdown, we have been facing difficulties in continuously providing employment opportunities for many job seekers. Behind our initiative to enhance the outsourcing business is our sincere wish to secure continued employment opportunities for job seekers and provide a wide range of working styles for them.

Through the creation of jobs, we support people in growing and contribute to society. This is our corporate principle and mainstay operations. We will fulfill social missions by further pursuing human resource services.



Aiming for a Human Resource Services Company Representing Asia

Interim Highlights of
the fiscal year ending March 2011

Sales **111.7** billion yen
Ordinary Income **3.0** billion yen
Net Income **0.8** billion yen
Second Quarter Dividend per Share **6** yen

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.

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.

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.



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. Ms. Shinohara was ranked by only Japanese and the 37th as one of “the Most Powerful Women in Business” in FORTUNE. It has been 11 consecutive years since 2000.

Management and leaders talk about “Temp Group Today”

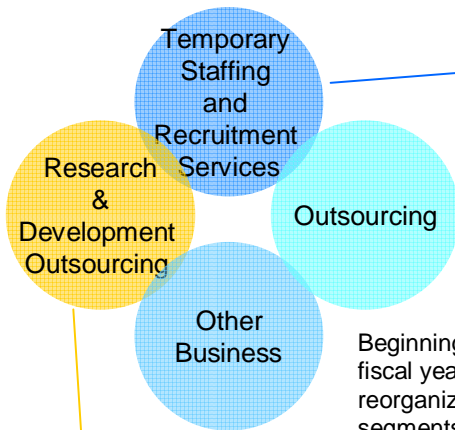
Environment surrounding
the industry

Regarding changes in the business environment as a good business opportunity

Although outlook for the Japanese economy is still uncertain, companies now run short of personnel as a reaction to reduction in their workforce for the past several years, and their demand for external human resources is picking up gradually. Meanwhile, the Ministry of Health, Labor and Welfare announced the “Optimization Plan for 26 Types of Work” in February 2010, resulting in stricter interpretation and application of the Worker Dispatching Law. In addition, compliance is regarded as important by companies which use human resource services. Up until now, they have used several human resource services companies, but now they are increasingly reducing the number of such companies to one or two while choosing highly reliable ones.

Currently, the human resource services industry is facing an era of change. Under such circumstances, we will further thoroughly carry out compliance management, the “strength” of the Company, aiming to become a “company to be chosen.”





Beginning in the current fiscal year, the Company reorganized its business segments by introducing management approach. We now have the following four business segments: "Temporary Staffing and Recruitment Services" "R&D Outsourcing," "Outsourcing" and "Other business."

Segment 1

Temporary Staffing and Recruitment Services

Supporting appropriate and smooth operations; further expanding the market share

Corporations, which are minimizing the number of human resource services companies, choose such companies with a stress on the capability to support "appropriate and smooth operations" of temporary staffing. Such demand is further growing due to a strict application of the Worker Dispatching Law. The Temp Group provides corporations that receive temporary staff with information for encouraging appropriate operations and optimum proposals through sales activities and seminars. Thus, we are leading our customers to perform appropriate operations. Our such sales style has been highly rated, resulting in a recover in the number of orders received. We will aim to become a business partner of our clients that is relied on and expected by them. For this, we will leverage the Temp Group's strengths: faithful and steady sales abilities and the capability to meet corporate needs.



Segment 2

Research & Development Outsourcing

Improving customer satisfaction by pursuing "symbiotic evolution of outsourcing"

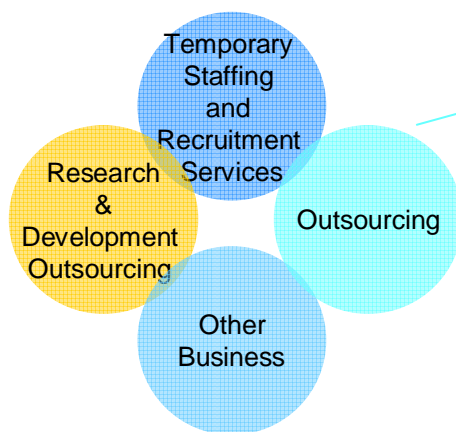
The Company provides services that meet various needs for R&D support in the upstream process of manufacturing, including machinery design and development, electric and electronic design and development, and software development. Recently, needs for R&D support have begun to pick up among customer industries such as automobile, aircraft and software, and they are promoting outsourcing against the backdrop of technological innovation, shortening of development cycles, reduction in development costs, etc. Responding to such trend, we will shift our business models from dispatching staff to subcontracting works, from stationing workers to undertaking works, become the best partner in customers' development projects with "symbiotic evolution of outsourcing" as a strategy, and comprehensively support customers in the sophisticated and efficient development of products.



Executive Vice President
Masamichi Mizuta



President, JAPAN TECSEED
Kazuomi Morimoto



Segment 3

Outsourcing

Launching full-scale operations of the outsourcing business as a core for the next growth

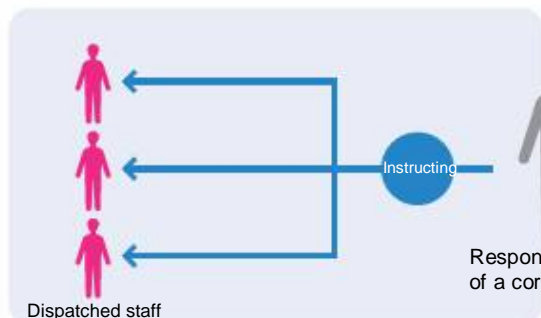
Needs for outsourcing are increasing as a new option for the use of external resources. Amid this backdrop, in April 2010, the Company set up the headquarters of the outsourcing business in Tempstaff Co., Ltd. To substantiate the outsourcing business, we turned HOWCOM Co., Ltd., a company specializing in planning and operations of help desk service, a subsidiary through M&A in May. Under the structure in which HOWCOM is engaged in planning and management while Temp Group firms dispatch operators, we are obtaining substantial orders. By combining HOWCOM that holds excellent know-how and the Temp Group whose supply capability is abundant, synergy effects are being generated. From now on, we will provide sophisticated and comprehensive services not only through cooperation between Group firms, but also under alliances with external companies which hold professional know-how.

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Differences between temporary staffing and outsourcing

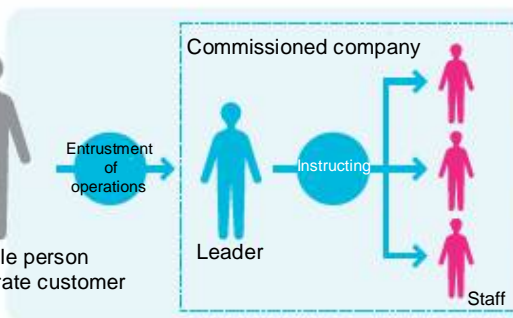
Temporary staffing

Operations are conducted by directly instructing dispatched staff.



Outsourcing

Operations are entrusted to a commissioned company. Customer's load of administering operations can be reduced.



Director
Takao Wada



**Executive Director
Toshio Saburi**

Global strategy increasing its momentum!

Noteworthy topics

Enhancing the base in the Asian markets with strong growth potential

Under the mid-term management strategy, “expanding our presence in the global market,” the Company formed a strategic alliance with Kelly Services Inc., the world’s leading human resource services company, in May 2010. More and more Japanese, European and U.S. companies are moving into the Asian markets, and needs are increasing year by year for human resource services firms which can cover the Asian region. The said alliance is expected to expand the covering area in the Asian region, significantly reinforce the capability to supply human resources, and increase marketing opportunities. In China, our operations are becoming active. Suzhou Tempstaff Data Co., Ltd. aggressively conducts administrative works on consignment, and Tempstaff Shanghai Co., Ltd. has established the job search website “360gongzuo.com.” We will further raise our competitiveness in the Asian markets whose growth potential is strong.

What type of workers will you hire first when the economy recovers?



(Note) Research targets: 171 large U.S. companies with over 1,000 employees

(Source) “Temporary Staffing Data Book 2010” compiled by the Japan Staffing Services Association

Present situation of the world's human resource services business

Era of a golden chance

The global demand for flexible labor is steadily increasing. With shortages in skilled labor supply again emerging, companies are turning to firms like Temp Holdings to provide them with critical labor. As workers balance their childcare and elder care responsibilities, they are turning to Temp Holdings to meet their life goals. This will be a decade of opportunity for our industry.



**Director
Carl T. Camden**

Overview of Consolidated Financial Results

POINT 1

Although uncertainties remained over future economic trends, orders received, which had been weak, began to pick up gradually due to a moderate recovery of business sentiment. As a result, sales were almost the same as our forecast.

POINT 2

As our priority strategy for the current fiscal year, we are expanding sales in the outsourcing business by bringing together the Group firms' know-how. In May 2010, we turned HOWCOM Co., Ltd., a company with strength in the IT support business focusing on help-desk service, our subsidiary. This added a new service menu to our business, strengthening our capability of providing comprehensive proposals.

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

Extraordinary loss was 569 million yen reflecting the application of the accounting standard for asset retirement obligations. However, net income rose 4.2% from a year earlier.

Statement of Income

Upper: Actual

Bottom: Forecast released on May 11, 2010

2011/3 2Q

(Unit: million yen)

Ratio (%)

1	Sales	111,791 112,000	100.0
	Temporary Staffing, Contracting and Recruitment Services	96,686	86.5
	General Office Work	32,842	29.4
	Specialized Office Work	40,827	36.5
	IT / Engineering	8,627	7.7
		3,589	3.2
	Other	9,200	8.3
	Recruitment Services	1,598	1.4
	R&D Outsourcing	4,287	3.8
2	Outsourcing	8,681	7.8
	Other Business	2,135	1.9
3	Ordinary Income	3,085 2,550	Recurring margin(%) 2.8
4	Net Income	863 950	Net margin(%) 0.8
	Dividend per Share (yen)	6.00 6.00	Dividend ratio(%) 40.2

Beginning in the current fiscal year (ending March 2011), the Company adopted the "Accounting Standard for Disclosures about Segment of an Enterprise and Related Information," and changed its segment information. In addition, as for job classification in the "Temporary Staffing and Recruitment Services Business," we fractionalized and redefined necessary skills, and changed the actual classification and name according to characteristics of skills. Consequently, we did not compare segments' figures with those for the corresponding period of the previous fiscal year.

Balance Sheet

(Unit: million yen)

POINT 1

In May 2010, the Company acquired a 4.8% share in Kelly Services Inc., a U.S. human resource services firm. By forming a cooperative relationship between Kelly Services, which has abundant infrastructures overseas and a great stock of know-how, and the Company, which has endeavored to establish operational foundations mainly in Asia, we will forcefully implement one of the mid-term management strategies: “expanding our presence in the global market.”

POINT 2

The Company's financial structure is still sound, with shareholders' equity ratio at 61.0%, up 0.6 point from the end of March 2010.

	2010/3	2011/3 2Q	Change
Assets	75,912	75,114	797
Current assets	61,644	59,968	1,675
Cash and deposits	28,545	30,920	2,374
Noncurrent assets	14,268	15,146	877
1 Investment securities	1,839	3,267	1,427
Liabilities	27,595	26,788	806
Current liabilities	20,094	19,218	876
Noncurrent liabilities	7,500	7,570	70
2 Net assets	48,317	48,325	8
Shareholders' equity	45,778	46,294	516
Treasury stock	5,636	5,636	0
Valuation and translation adjustments	46	445	492
Minority interests	2,492	2,476	15

Further more contributing to society

CSR

The Temp Group practices corporate social responsibility (CSR) through the human resource services business, while conducting varied social contribution activities, with an aim to realize the world in which everyone can live happily.

August 2010

Certified as “Supporter for the Promotion of Cancer Examination in Tokyo Metropolis”

The Temp Group, making efforts to promote the examination of five major cancers, has actively implemented the pink ribbon campaign that is intended to promote especially breast cancer examination. Such practice was highly evaluated and the Group was certified as “Supporter for the Promotion of Cancer Examination in Tokyo Metropolis.” Taking advantage of this, we will enlighten more women on the importance of cancer examination, striving to contribute to the realization of a society where women can work lively.

Supporting women



May 2010

Invitation to “20th Temp Group Youth International Scholarship”

The Temp Group every year provides the overseas study scholarship program for students 18 years old or older. Through this program, we will continue to support the training of personnel who can play important roles globally.

Supporting growth

July 2010

Update of the information website for skill improvement “Manabi Campanella”!

The information website for skill improvement “Manabi Campanella,” which supports temporary staff in growing, was fully updated. In the site, the character “Mana BEE the Worker Bee” merrily tells visitors information useful for jobs.

Supporting the disabled

Backing up physically challenged athletes

The Temp Group supports physically challenged employees in their sports activities by providing both employment and financial assistance. Such practice came to fruition in various forms in the fiscal year under review, too.

April 2010

Yusuke Hatsuse (with visual impairment) given the “Sasebo City Special Award for Culture and Sports” for the third consecutive year

Yusuke Hatsuse at Thanks Temp Co., Ltd. participated in the judo competition at the Beijing 2008 Paralympic Games, and at the 4th IBSA World Championships and Games held in Turkey in 2010. Highly evaluated his achievements in the competitions, Sasebo City, from which he is, awarded him the above prize.

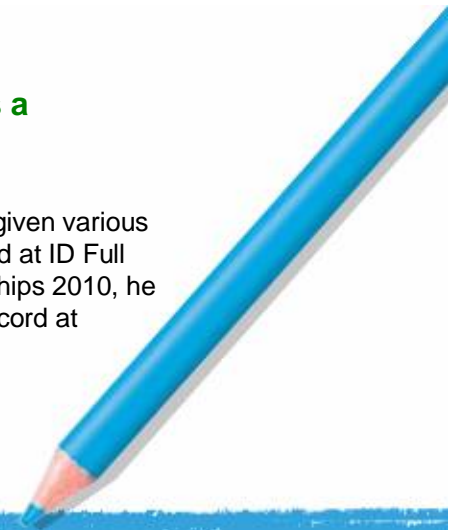
April 2010

Yuya Kimura (with mental retardation) sets a new record in the “Track and Field Meet at Japan Paralympic Championships 2010”

Yuya Kimura at Thanks Temp Co., Ltd., who has been given various awards in athletic sports, established a new world record at ID Full Marathon in 2009. At the Japan Paralympic Championships 2010, he took part in a 1,500-meter run and made a new meet record at 4:07.23, winning a silver medal.

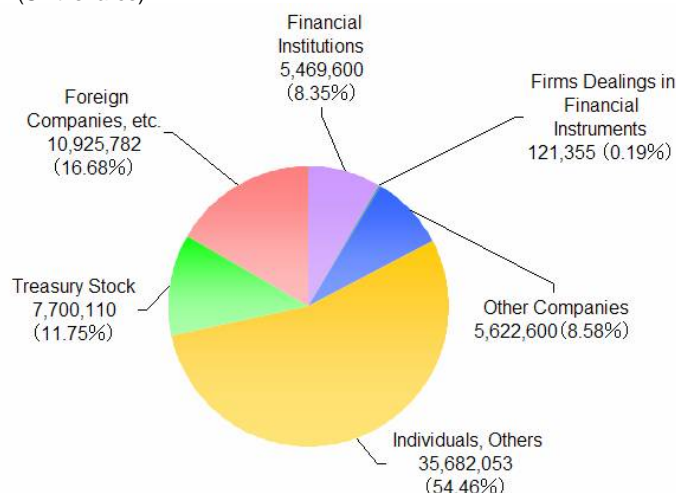


Temp Holdings Co., Ltd. and the special subsidiary Thanks Temp Co., Ltd. have received the “Heartful Ribbon Mark,” a certification mark for blue chip employers of disabled people.



Distribution of shareholders As of September 30, 2010

(Unit: shares)



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 As of September 30, 2010

Authorized number of shares: 240,000,000

Total number of shares issued: 65,521,500

Shareholders: 9,617

Major shareholders (top 10)

Name of shareholders	Shares held (shares)	voting rights (%)
Yoshiko Shinohara	23,377,200	40.23
State Street Bank and Trust Company	5,255,200	9.08
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	1,274,000	2.20
Woman Staff Ltd.	1,206,000	2.08
Nanako Yamamoto	1,108,800	1.91
Taro Iyadomi	1,108,800	1.91

* The voting rights is calculated based on the number of shares (57,821,800) in which the treasury stock is deducted from the all issued stocks.

Company Outline As of September 30, 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 September 30, 2010

President	Yoshiko Shinohara
Executive Vice President	Mikihiko Hibino
Executive Vice President	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 ●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.