To Shareholders and Investors Business Report

Report for the fiscal year ended March 2011 April 1, 2010 – March 31, 2011

TEMPREPORT

TEMP HOLDINGS

TEMP HOLDINGS CO., LTD.

(Securities code: 2181)

For Japan's tomorrow We continue connecting people to work

We would like to extend our heartfelt sympathy to those who were affected by the Great East Japan Earthquake and Tsunami. We sincerely hope for the earliest possible recovery from the tragedy.

The Earthquake fortunately had only one-off and limited effects on the business results of the Temp Group. Damage from the Earthquake and subsequent rolling blackouts, however, forced our client companies to temporarily suspend their operations, temporary staff to take paid holidays and projects to be put off. We have offered financial assistance to some hard-hit franchisees.

Under such circumstances, consolidated sales amounted to 225.2 billion yen with ordinary income coming in at 6.2 billion yen.

New page turned in FY ended March 2011

The Temp Group is working to expand new service menus to meet the drastically changing market needs. Playing a role in this approach, the Outsourcing business had its operating foundations dramatically reinforced during the current fiscal year. HOWCOM Co., Ltd. and TOYO SOFTWARE ENGINEERING CO., LTD. were included in the list of subsidiaries of the Group through M&As conducted under a consistent strategy. In collaboration with these companies and Group companies, a one-stop system has been established to meet needs for IT solutions.

Another part of the approach is the Group's presence in markets around the world. The Group actively expanded its services by forming a strategic alliance with a word-class staffing services company, Kelly Services, Inc. In addition, Group companies overseas achieved excellent results.

Realizing afresh our missions

Many people lost various things critical to their daily life in the Earthquake. One such thing is their employment. The Group set up a project called "Temp Group Let's Work! Reconstruction Project (*)" for those who are looking for a job in the affected areas or temporary places of residence. We will do our best to support those people by offering them job opportunities.

What we can do for disaster reconstruction is to connect people and work. Helping people grow and contributing to society by creating jobs — with this corporate vision in mind we will continue to carry out our social missions.



Temp Holdings Mid-term Management Strategy

Strengthening localized services

Regional companies will provide community-based, finely tuned services.

We will work to expand our market share in each region.

Developing business in specialized fields and new job categories

To meet sophisticated and diversified needs, we will expand new job categories, services and networks.

Expanding our presence in the global market

We will concentrate our resources on global networks, particularly in Asia, to establish bases and actively develop our businesses.

Providing job assistance to women

Women are the key to eliminating labor shortages in this aging society with fewer children.

We will offer overall support their employment by supporting childraising mothers, holding seminars and giving counseling.

Improving management efficiency

position.

We have increased the efficiency of our operations by building a holding company system and reduced costs radically. We will firmly maintain solid earnings growth and a sound financial



Yoshiko Shinohara, Chairman & President

Sets up Tempstaff Co., Ltd. in 1973; Ranked among the "50 Most Powerful Women in Business: International" by the US magazine "Fortune" for the 11th consecutive year since 2000; Invited to "ADVANCE WOMEN'S LEADERSHIP SUMMIT" in Australia as one of the 50 FOR THE FUTURE in March 2011.

Corporate
philosophy
Adding
Value to the
Individuals

Contributing
to Society

Introduction of Business Segments

One step forward with practicality

Companies are looking to make more efficient use of outside personnel given the gradual economic recovery after the protracted recession. Meanwhile interpretations and applications of the Worker Dispatching Act have been getting stricter and stricter, as seen in the Ministry of Health, Labour and Welfare's "Plan for Proper Dispatching in 26 Specialist Jobs."

To change these shifts in the business environment into good opportunities, the Temp Group offers services centered on four business segments. The Group has steadily moved forward with efforts to expand its service menus and has started enjoying the results.



(*) The segment structure was changed in the fiscal year ended March 2011 for segment disclosure under the management approach. Figures for the fiscal year ended March 2010 are recalculated after the change in segment structure.

Spurred on by trust

In accordance with the Plan for Proper Dispatching in 26 Specialist Jobs, the Temp Group checked the appropriateness of services for all contracts and received confirmation from the Labor Department. We have won the trust of client companies and expanded our business opportunities by maintaining our stance that places top priority on compliance. We enjoyed this trust again in the current fiscal year, and it led us to purchasing businesses from multiple companies. We were on a gradual recovery track until the third quarter, focusing on developing small and medium-sized clients to expand our customer base. However, sales of this segment totaled only 193.8 billion yen, dragged down by rolling blackouts and suspensions of recruiting activities after the Earthquake.



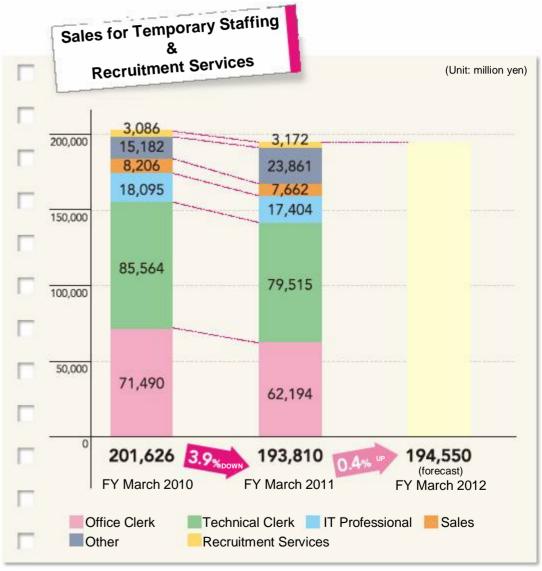
Global Presence

Ready to win in Asia

We established networks in Asian countries from early on. Now with Asian markets increasing their presence, such approach has emerged as one of our strengths. These bases predominantly promote sales activities, as they deepen cooperation, smoothly share information on market trends and support recruitment activities across national boundaries.

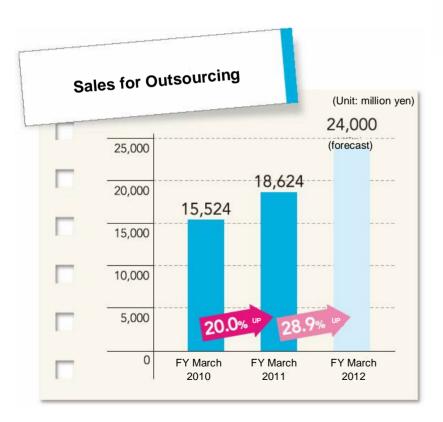
To further bolster our competitiveness in Asia, we started a strategic alliance with Kelly Services, Inc., one of the world's leading staffing services companies, in May 2010. We expect this will broaden our service areas, enhance our capabilities to supply personnel and expand our business opportunities.

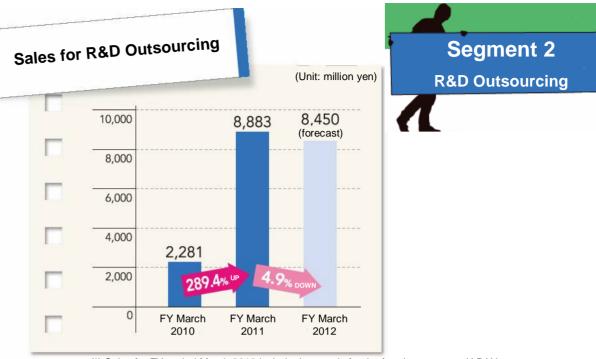






Strength of next generation starts gaining momentum

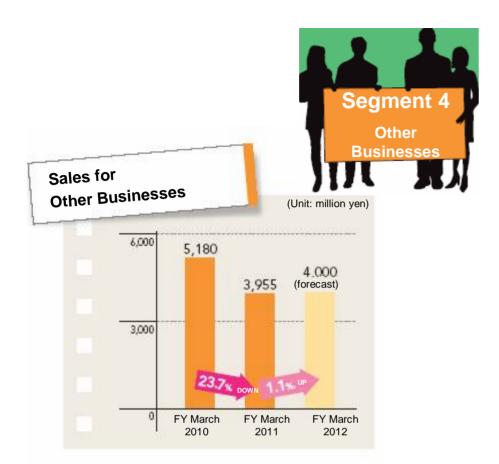




(*) Sales for FY ended March 2010 include those only for the fourth quarter as JAPAN TECSEED became a consolidated subsidiary in November 2009.

Complete change: Toward an era of activeness

Full-term sales of JAPAN TECSEED, which is engaged in the specialized R&D outsourcing business, were 8.8 billion yen for the fiscal year ended March 2011, remaining at about the same level as the previous year. However, demand for design development has recovered steadily. Utilization, an indicator of profitability of specified worker dispatching, recovered as well to the level before the economic crisis that began in 2008. For the fiscal year ending March 2012, we expect profitability to increase despite seeing little growth in sales. This is attributable to the selling off of one of the subsidiaries of the TECSEED Group in May 2011 as part of business restructuring within the group. After the TECSEED Group becomes a wholly owned subsidiary, scheduled to take place in August 2011, we will promote business management coupled with companies in specialized fields within the Temp Group and increase our competiveness and presence in technological fields.

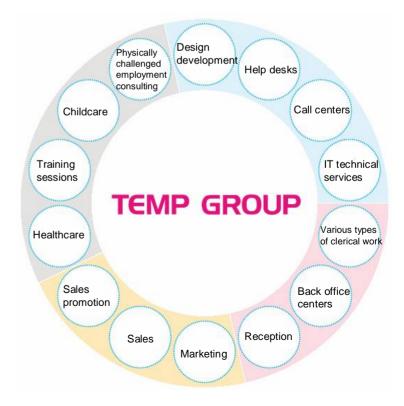


System restructuring; Decision in anticipation of changes

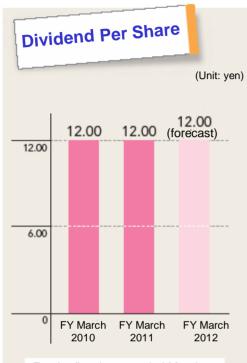
Demand for outplacement, which picked up during past recessions, has slowed down with the improvement of corporate earnings. Meanwhile, needs for outplacement are tending to become diversified as companies begin permanently establishing voluntary early retirement programs. In February 2011, Tempstaff Career Transition merged with Japan Drake Beam Morin to start as a new company called Tempstaff Drake Beam Morin. We will improve competitiveness by combining the expertise of both companies while increasing business efficiency.

We have been working to form the foundations of the outsourcing business since the previous fiscal year, and this is now yielding results. Companies shifting from staffing to outsourcing and more medium- and long-term contracts drastically boosted our business performances. Sales advanced 20% YoY to 18.6 billion yen. We have also actively promoted M&As to add HOWCOM, which is engaged in planning and management of help desks services, and TOYO SOFTWARE ENGINEERING, which has abundant experience in outsourced software development, to the list of our subsidiaries in May 2010 and January 2011, respectively. We will expand the areas of services offered by the Group through cross-segmental combinations with the R&D outsourcing business. The call center business will also be reinforced by setting up a new call center in Miyazaki Prefecture in October 2011. We will strive to expand our businesses through proactive sales activities.

Temp Group Outsourcing Services

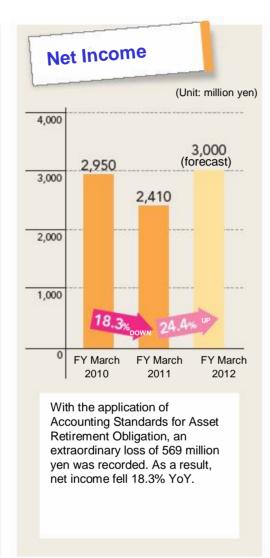


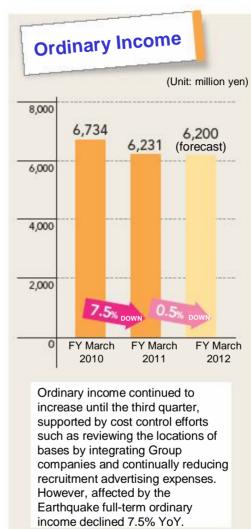
Overview of Consolidated Financial Results

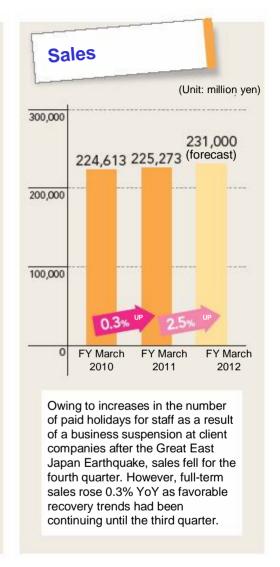


For the fiscal year ended March 2011, we paid an interim dividend of 6 yen per share as initially planned, making for a term-end dividend of 6 yen per share.

Similarly, for the fiscal year ending March 2012, we will pay 6 yen per share each at the interim and term-end, making for a full-year dividend of 12 yen per share.







[Reference]

The Temp Group applied "Accounting Standards for Presentation of Comprehensive Income" in the fiscal year ended March 2011. "Comprehensive Income" is calculated by marking assets and liabilities to market and adding the profits or losses to net income.

Comprehensive Income	FY ended March 2010	FY ended March 2011
	3,076 million yen	2,825 million yen



(Unit: million yen)

POINT 1

HOWCOM joined the Group in May 2010, and TOYO SOFTWARE ENGINEERING did so in January 2011. This helped us expand the lineups of services in the outsourcing business and improve services through cooperation among groups. We will continue to actively promote M&As which will improve our corporate value and customer satisfaction.

POINT 2

We acquired a 4.8% equity stake in Kelly Services, Inc., one of the world's leading staffing services companies, in May 2010, followed by the conclusion of a global sales & marketing contract in September. A cooperative system in sales has started between Kelly Services, with sufficient infrastructure and know-how overseas, and the Company, which has established operating bases mainly in Asia. Through this cooperative relationship, we will continue to strongly promote "Expanding our presence in the global market," which is one of the med-term management strategies.

2010/3		Change
75,912	79,336	3,423
61,644	63,124	1,479
28,545	31,448	2,902
14,268	16,212	1,943
1,839	4,589	2,749
27,595	29,015	1,420
20,094	21,224	1,130
7,500	7,791	290
48,317	50,320	2,003
45,778	47,495	1,716
5,636	5,636	-
2,492	2,528	36
	75,912 61,644 28,545 14,268 1,839 27,595 20,094 7,500 48,317 45,778 5,636	75,912 79,336 61,644 63,124 28,545 31,448 14,268 16,212 1,839 4,589 27,595 29,015 20,094 21,224 7,500 7,791 48,317 50,320 45,778 47,495 5,636 5,636



For more detailed IR information, please visit our website.

For the sake of a happy society

Through its staffing business, the Temp Group will fulfill its corporate social responsibilities (CSR) and make efforts in various social action programs to realize a world where everyone feels happy.

Contributing to women's health

The Temp Group is actively engaged in activities that help women detect cancer to realize a society where women can work with vigor and enthusiasm.



August 2010

Our various efforts were appreciated and we were certified as a "Supporter for Tokyo Cancer Detection".



September 2010

The "Breast Cancer Palpation Model Caravan" was held as part of the pink ribbon campaign.

For the future

Increasing contacts with society

The Temp Group is working to improve cooperation with local communities and unique social action programs in the childcare and welfare fields.

February 2011

Work experience in producing cookies was offered to community kindergarten children at "Yokohama Dream Factory," which is the Thanks Temp's facility that employs challenged people.

February 2011

"Tempstaff Children Fiesta", where nursery school toddlers, parents and local residents can participate, was held in Shibuya-ku, Tokyo.

Supporting studying overseas

We have offered overseas study scholarship programs for students and working people for

many years. We will continue to support the development of human resources who will be able to work globally.

October 2010

"The 20th Temp Group Worldwide Scholarship" was offered as a short-term study abroad program for working people.

For

March 2011

"The 21st Temp Group Youth International Scholarship" was offered for students aged 18 and over.

Supporting challenged athletes

We provide jobs and funds to support physically challenged employees engaged in sport.

Two athletes from Thanks Temp performed brilliantly in the current fiscal year.

Yusuke Hatsuse (judo, visually impaired)

December 2010

Won a gold medal at the Guangzhou 2000 Asia Paralympic Games.

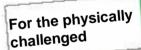
March 2011

Won a Sasebo City Culture & Sports Special Award for the fourth consecutive

Yuya Kimura (track & field, mentally impaired)

August 2010

Won second prize, posting a meet record at the Japan Paralympic track and field meet (1,500 meters).

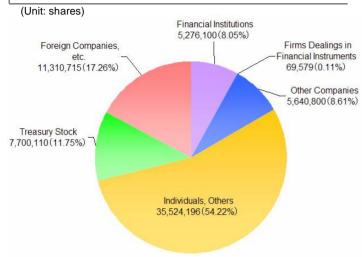


personal growth



Information

Distribution of shareholders As of March 31, 2011



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 March 31, 2011

Authorized number of shares: 240,000,000 Total number of shares issued: 65,521,500

Shareholders: 9,227

Major shareholders (top 10)

Name of shareholders	Shares held (shares)	% of voting rights
Yoshiko Shinohara	23,377,200	40.43
State Street Bank and Trust Company	5,692,100	9.84
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	1,263,500	2.18
Woman Staff Ltd.	1,206,000	2.08
Nanako Yamamoto	1,108,800	1.91
Taro Iyadomi	1,108,800	1.91

^{*} Voting rights is calculated based on the number of shares (57,821,390) excluding shares in the treasury stock from the total number of shares outstanding.

Company Outline As of March 31, 2011		
Temp Holdings Co., Ltd.		
October 1, 2008		
Yoshiko Shinohara		
2-1-1 Yoyogi, Shibuya-ku, Tokyo, JAPAN		
Management planning, administration, and operations related to subsidiary and group companies that handle temporary staffing and recruitment services.		
2,000 million yen		

Board of Members	As of June 22, 2011
board of Members	AS OF June 23, 2011

Chairman & President	Yoshiko Shinohara
Executive Vice-President	Mikihiko Hibino
Executive Vice-President	Masamichi Mizuta
Executive Director	Toshio Saburi
Director	Takao Wada
Director	Kazuomi Morimoto
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	
 Inquiries about the sending and returning of mails Inquiries about dividends after completion of the payment period General inquires 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	
 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)
 Inquiries about the sending and returning of mails Inquiries about dividends after completion of the payment period General inquires about administrative work related to shares 	Administrator of shareholders' register	Method for requesting procedural documents 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.