

To Shareholders and Investors **Business Report**

Interim report for the fiscal year ending March 2013

April 1, 2012 – September 30, 2012

TEMP HOLDINGS CO.,LTD.
(Securities code: 2181)



TEMP REPORT

Hoping for stable employment and economic development in Japan

Globally, uncertainty over the future outlook is increasing due to concern that the world economy would slow. Meanwhile, in the domestic market, demand for outside personnel is recovering gradually. Against the backdrop, the Temp Group is proactively conducting sales activities to acquire new clients. In the first half of the fiscal year ending March 2013, the Group operated businesses while making the best use of its strengths such as the capability of providing proposals and extensive service menus, in order to meet the growing needs of companies to review their assignment and use of outside personnel. As a result, consolidated sales for the six-month period were 121.4 billion yen and operating income was 4.5 billion yen, marking record highs for any first half since the establishment of Temp Holdings Co., Ltd. ("Temp Holdings").

Our mission becoming more important

In 2012, various labor-related laws were revised, which increased people's interest in the state of employment. In April, the revised "Workers Dispatch Law" was enacted, which was followed by the enactment in August of the revised Labor Contract Act and the revised Law Concerning Stabilization of Employment of Older Persons.

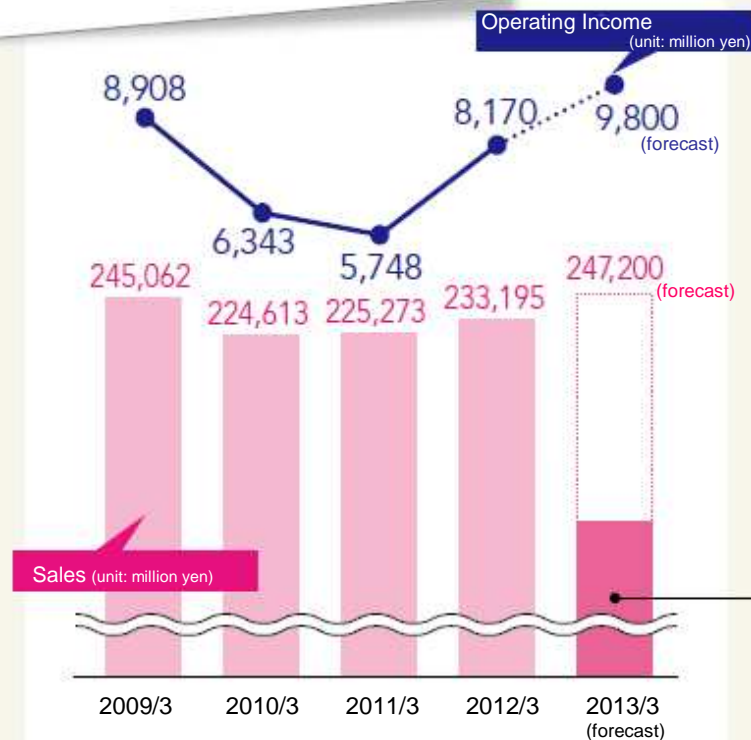
Stabilization of employment is society's demand and our wish as well. However, the business environment surrounding Japanese companies has become severer than ever, given they are being required to enhance competitiveness not only in the domestic market but also in the global market. To help Japanese companies, which provide employment opportunities, grow continuously, it is indispensable to implement flexible human-resources strategies.

Our outside personnel service has an extremely important function to support both companies' human-resources strategies and stabilization of employment. We will continue to fulfill our mission, hoping that employment will be stabilized and the Japanese economy will develop.

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 12th consecutive year since 2000; Invited to "ADVANCE WOMEN'S LEADERSHIP SUMMIT" in Australia as one of the 50 FOR THE FUTURE in March 2011.

Operating results for five years



Record highs in both sales and profits for any first half since the establishment of Temp Holdings

Consolidated earnings forecast for the fiscal year ending March 2013 was revised upward.

Interim highlights of the FY ending March 2013

- **Sales:** 121.4 billion yen **UP 7.3%** from a year earlier
- **Operating Income:** 4.5 billion yen **UP 30.8%**
- **Net Income:** 2.6 billion yen **UP 105.9%**
- **Interim Dividend per Share:** 8 yen

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**

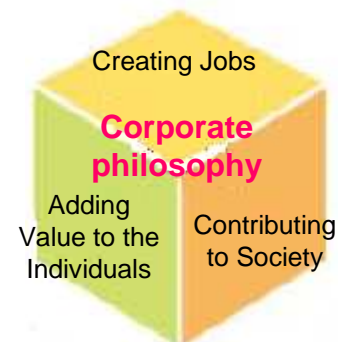
We will concentrate our resources on global networks, particularly in Asia, to establish bases and actively develop our businesses.

● **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 child-raising mothers, holding seminars and giving counseling.

● **Improving management efficiency**

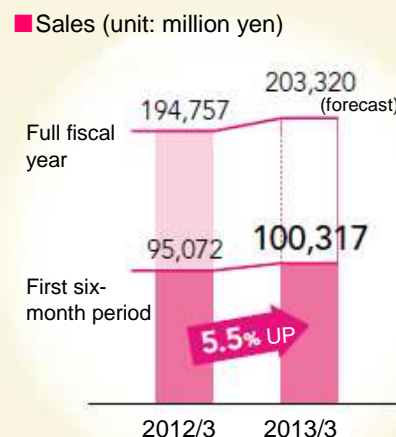
We have increased the efficiency of our operations by building a holding company system and reduced costs radically. We will firmly maintain solid earnings growth and a sound financial position.



Temporary Staffing and Recruitment Services

Both sales and profits continued to increase, which became the driving force of earnings.

In the first half of the fiscal year ending March 2013, we strengthened the bases of regional customers as a result of thoroughly conducting sales activities toward small and midsize companies. At some leading companies, demand for temporary staffing picked up. Due to the revision of the Workers Dispatch Law, uncertainty over the future outlook for the system of temporary staffing was removed, which was also a favorable factor for this business segment. Tempstaff Media Co., Ltd. and Kobelco Personnel Co., Ltd., which became group members in the previous fiscal year, expanded their businesses. This also contributed significantly to boosting earnings of this segment. As a result, sales of the segment for the first half increased 5.5% year-on-years to 100,317 million yen.



Aiming for Further Leap Forward

The Temp Group is expected to post record-high earnings since the establishment of Temp Holdings in 2008, thanks to strong demand for outside personnel and companies' review of their assignment and use of human resources. We are reporting our efforts and earnings results for the current fiscal year ending March 2013.



TS Kelly Workforce Solutions launched: Core of the North Asia Region Strategy

A JV contract was signed with Kelly Services, Inc. that aims to grow the business in North Asia. Tempstaff Hong Kong Limited will change its name to "TS Kelly Workforce Solutions Limited". Both Kelly and TS will continue to operate under their own brands. In future, existing Kelly branches will be utilized and it will be possible to approach Japanese firms in regions that could not be covered previously. Business opportunities will be expanded by growing outsourcing services (RPO etc) and sharing Kelly's know-how, client base and candidate pool.

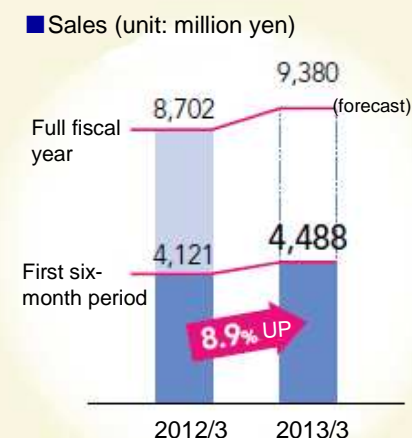




R&D Outsourcing

Developed strongly on the back of the active auto industry

In the first half, orders received rose along with a recovery in earnings of auto manufacturers, our major customers, and thus operating man-hours also increased. Forecasting such demand growth, we had recruited a large number of staff. Of those, we smoothly assigned new graduate staff, who were recruited this fiscal year, to respective work locations. As a result, earnings for the first half continued to expand. Sales for this segment were 4,488 million yen, up 8.9% from a year earlier. Given the persistently robust demand from auto manufacturers for human resources, it is urgently needed to secure personnel including mid-career staff.



Establishment of TECSEED SHANGHAI CO., LTD., a subsidiary specializing in automobile design and development, in China

In the first half, we established TECSEED SHANGHAI CO., LTD. ("TECSEED SHANGHAI") as the key base to develop the R&D outsourcing market in China. Japan's technologies are being highly regarded in China, which has become the world's largest auto market. Operating a design studio and development center locally, TECSEED SHANGHAI, as a comprehensive automobile design and development company, will conduct business while aiming at differentiation from competitors. Targeting both Japanese and Chinese auto makers, TECSEED SHANGHAI will meet their needs for outsourcing of any automobile development processes, ranging from design development to mass-production design.



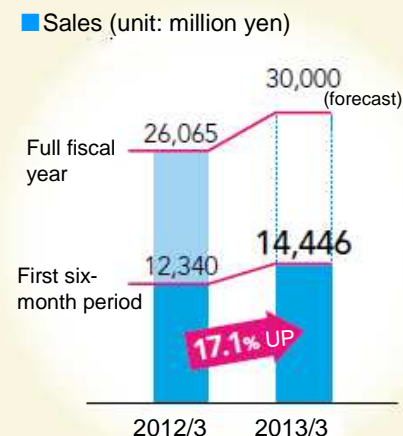
* Sales for each business segment are those after eliminating internal transactions.

* Beginning in the fiscal year ending March 31, 2013, we changed business segment classification, and earnings results for the previous fiscal year were also calculated based on the reclassification of the business segment.

Outsourcing

More and more group synergies are being generated.

To cope with changes in the employment system, an increasing number of companies are reviewing the assignment and use of outside personnel. These companies put strong confidence in the Temp Group, which has proposed the comprehensive use of outside personnel for years. This, combined with rises in demand for human resources and needs for outsourcing of operations, is increasing sales for the Outsourcing Business. Group companies' efforts to strengthen cooperation with each other are finally about to pay off, and we now can provide attractive proposals that are based on their combined know-how. We will increase service lineups that can satisfy more needs, and pursue outsourcing effects that corporate customers want, aiming to further expand earnings.



Tempstaff Medical Co., Ltd. plans to merge with Asahi Kasei Life Support Co., Ltd.

As part of its efforts to strengthen the Outsourcing Business, Tempstaff Medical Co., Ltd. ("Tempstaff Medical"), which operates businesses in the healthcare field, has decided to merge with Asahi Kasei Life Support Co., Ltd. ("Asahi Kasei Life Support"), which provides various unique services, such as a specific health guidance program. The two companies' markets and operational characteristics are highly complementary, and high synergy effects are expected from the merger by using nationwide sales networks of the Temp Group. In November 2012, Tempstaff Medical, the surviving company, will change its name to Tempstaff Life Support Co., Ltd. and begin operations.

PV NEXT Co., Ltd., a contracting firm in the pharmaceutical field, was established in May 2012.

As for outside personnel, pharmaceutical companies are shifting from the use of temporary staffing to that of outsourcing. Responding to such change, Tempstaff established a joint venture PV NEXT Co., Ltd. ("PV Next"), specializing in undertaking PV (*) service, with IUK INC. We will promote the "active expansion into specialized fields and new job areas" which is focused on in the medium-term management strategy.

* PV (pharmacovigilance) service compiles cases of side effects, etc. of a new medicine under development.

TOPICS

Other Business

First in the industry!

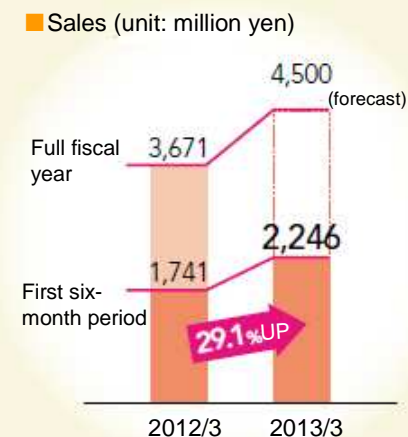
Tempstaff Co., Ltd. won 3 Star in telephone contact service!

Tempstaff Co., Ltd. was granted 3 Star in the "Support Portal/Telephone Contact Service Grading" for fiscal 2012 sponsored by HDI-Japan.

We will try to offer cordial services for customers who make inquiries.

We will accurately capture customer needs.

Demand for outplacement support service is growing due to an increasing number of corporate reorganizations and reconstructions. In response, we are for example establishing offices close to customers, pursuing both operational efficiency and customer satisfaction. As a result, sales of the Other Business for the first half were 2,246 million yen, up 29.1% from the corresponding period of the previous fiscal year.



No. 1 in the industry for three years in a row!

We maintained the industry's top spot in terms of transactions.

We were ranked first in the "Fiscal 2011 Ranking of Earnings in the Human Resource Service Business" by the "Monthly JINZAI BUSINESS" magazine for three straight years.

ICC (international exchange committee) further enhanced language education service.

TOPICS

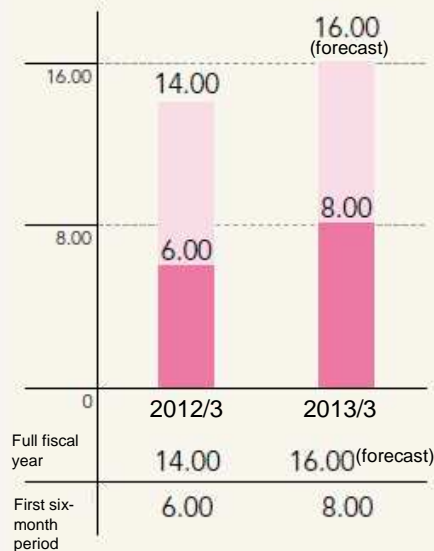
Temp Research Institute Co., Ltd. (International Cross-cultural Committee) opened the "ICC Academy," which is intended to have trainees master high-level English proficiency and communication ability, in March 2012. The institute in September 2012 announced that it would start in fiscal 2013 the high school study abroad "Leadership Training Course" aiming for early training of next-generation leaders. Thus, we will continue to support people's growth.

* Sales for each business segment are those after eliminating internal transactions.

* Beginning in the fiscal year ending March 31, 2013, we changed business segment classification, and earnings results for the previous fiscal year were also calculated based on the reclassification of the business segment.

Dividend Per Share

(unit: yen)

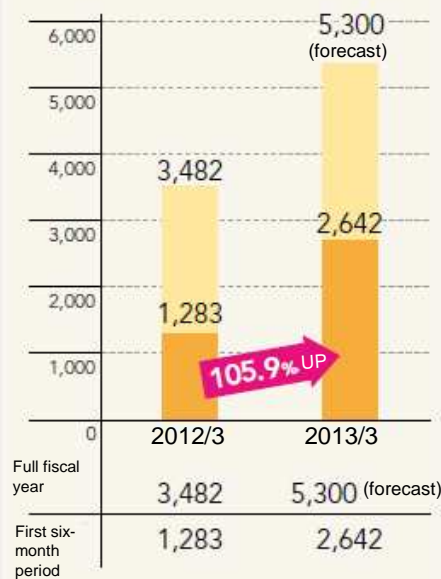


We have decided to pay 8 yen per share as an interim dividend for the current fiscal year ending March 2013, up 2 yen from a year earlier, due to favorable business performance.

As a year-end dividend for the current fiscal year, we also plan to pay 8 yen per share, bringing the annual dividend for the full current fiscal year to 16 yen per share, including the planned interim dividend of 8 yen per share.

Net Income

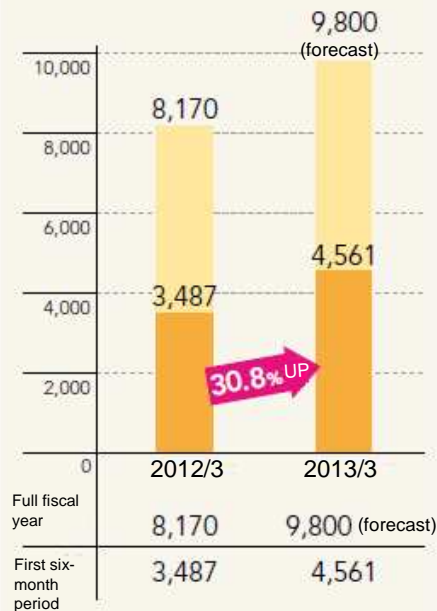
(unit: million yen)



Profits increased substantially in the first half of the fiscal year ending March 2013. Besides, extraordinary loss decreased from the corresponding period of the previous fiscal year, when extraordinary loss rose due to a one-time write-off of goodwill of some subsidiaries. As a result, consolidated net income for the first half increased 105.9% from a year earlier.

Operating Income

(unit: million yen)

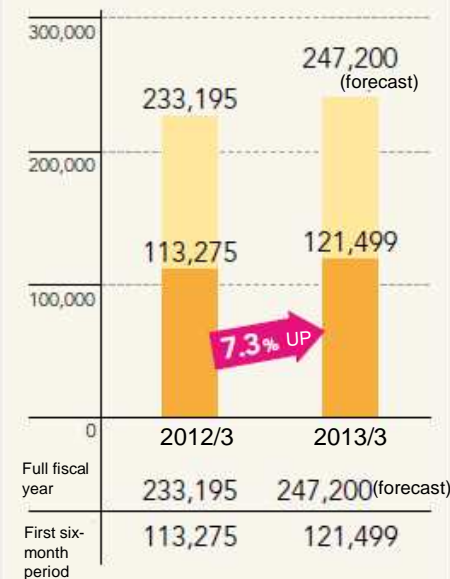


In the mainstay Temporary Staffing and Recruitment Services Business, demand expanded in the first half while we continued to improve operational efficiency. This resulted in a sharp increase in operating income of the segment.

Other business segments also saw operating income rise steadily. As a result, consolidated operating income jumped 30.8% year-on-year, marking a record high for any first half since the establishment of Temp Holdings as was the case for sales.

Sales

(unit: million yen)



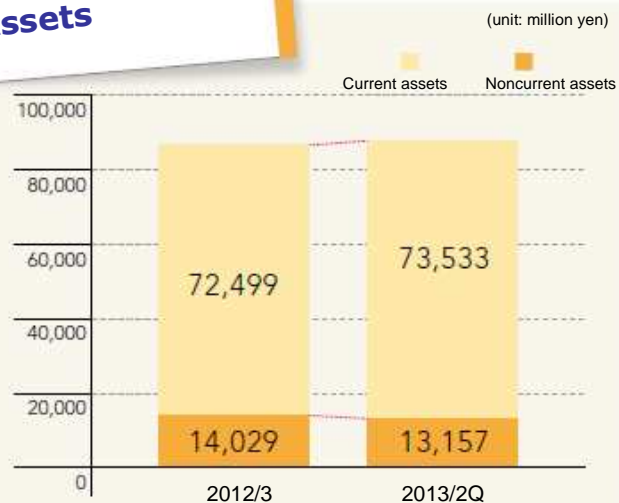
Despite the continued uncertain economic environment, demand for outside personnel remained robust in the first half. At all of the Group's business segments, sales increased from a year ago. As a result, consolidated sales posted a record high for any first half since the establishment of Temp Holdings.



For more detailed IR information, please visit our website.

Website address ▶▶ <http://www.temp-holdings.co.jp>

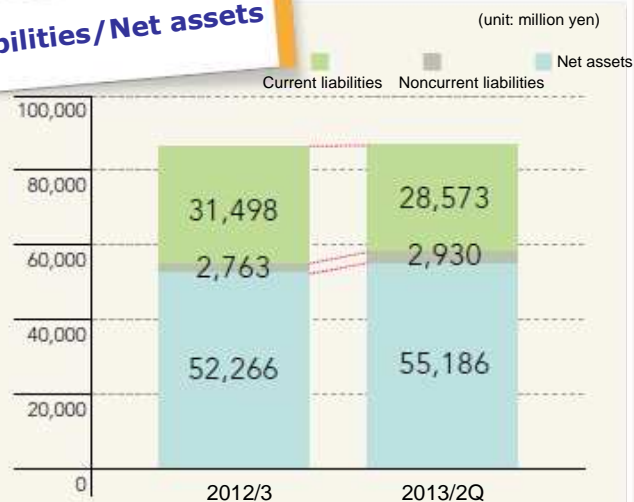
Assets



POINT 1

Cash and deposits increased due to better-than-expected earnings.

Liabilities/Net assets



POINT 2

Convertible bonds-type bonds with stock acquisition rights were exercised, and treasury stock was allotted upon the exercise. As a result, convertible bonds-type bonds with stock acquisition rights and treasury stock decreased.

Balance Sheet

(unit: million yen)

	2012/3	2013/3 2Q	Change
Assets	86,529	86,690	161
Current assets	72,499	73,533	1,033
1 Cash and deposits	38,316	42,014	3,698
Noncurrent assets	14,029	13,157	△872
Liabilities	34,262	31,503	△2,758
2 Current liabilities	31,498	28,573	△2,925
Noncurrent liabilities	2,763	2,930	166
Net assets	52,266	55,186	2,920
Shareholders' equity	50,898	54,392	3,494
2 Treasury stock	△4,977	△3,755	1,222
Minority interests	1,514	1,535	21

【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

	2012/3 2Q	2013/3 2Q
	444 million yen	2,031 million yen

For people's growth

We are backing up study abroad programs.

Hoping to develop personnel who can play a key role globally, the Temp Group supports study abroad programs. Following the previous fiscal year, this fiscal year, we are recruiting new scholarship students to study abroad.

April 2012 We invited students 18 years old or older to the **"22nd IBP Global Scholarship Program for Study Abroad."**

May 2012 We invited working people to the **"21st Temp Group Worldwide Scholarship"** for short-term study abroad.

Sep. 2012 We established the **"Leadership Training Course for ICC High School Students Studying Abroad"** to develop personnel who will play a key role globally.



For the physically and mentally challenged

Yuya Kimura (Thanks Temp Co., Ltd.) participated in the London Paralympic Games.

We support physically and mentally challenged employees so that they can well cope with both their athletic activities and their work. Kimura Yuya, who is continuing sporting activities under this support, participated in the London Paralympic Games. He won the ninth place in the 1,500 meter-race final, recording the season's best time.



Yuya Kimura

For women

Supporting mother designers! We held a design competition.

Tempstaff Technologies Co., Ltd. held a design competition jointly with Combi Corporation ("Combi"), which specializes in baby products, with an aim to increase employment opportunities for mother designers. The competition's theme was baby shoes, and excellent designers were provided opportunities, such as concluding of a business consignment contract with Combi.



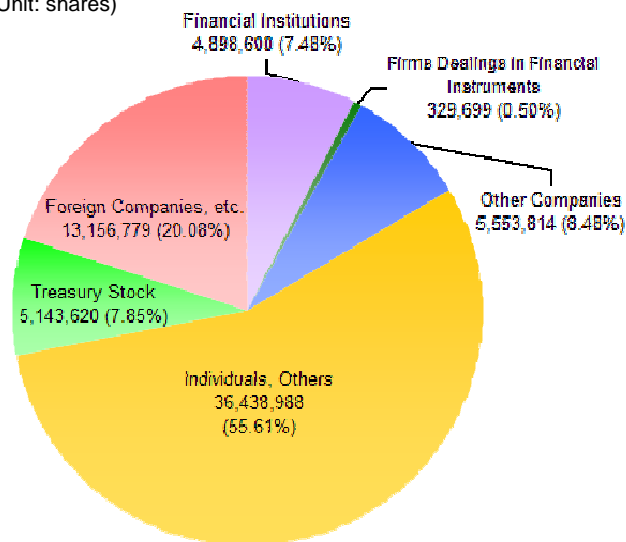
Wishing for a better society

CSR

The Temp Group will fulfill its corporate social responsibility (CSR) through its staffing business, and conduct various social contribution activities to help realize a world where everyone feels happy.

Distribution of shareholders As of September 30, 2012

(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, 2012

- Authorized number of shares: 240,000,000
- Total number of shares issued: 65,521,500
- Shareholders: 8,833

● Major shareholders (top 10)

Name of shareholders	Shares held (shares)	voting rights(%)
Yoshiko Shinohara	23,377,200	38.71
State Street Bank and Trust Company	6,515,500	10.79
Kelly Services Japan Inc.	3,035,600	5.02
Yoshimi Iyadomi	1,812,800	3.00
Temp Holdings Employee Shareholders Association	1,555,782	2.57
Nikko Cordial Securities Investment Enterprise Partnership	1,300,000	2.15
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,232,000	2.04
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB)	1,226,169	2.03
Woman Staff Ltd.	1,206,000	1.99
Nanako Yamamoto	1,108,800	1.83
Taro Iyadomi	1,108,800	1.83

* Voting rights is calculated based on the number of shares (60,377,880) excluding shares in the treasury stock from the total number of shares outstanding.

Company Outline As of September 30, 2012

Company Name	Temp Holdings Co., Ltd.
Established	October 1, 2008
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, 2012

Chairman & President	Yoshiko Shinohara
Representative Vice-President	Mikihiko Hibino
Representative Vice-President	Masamichi Mizuta
Executive Director	Toshio Saburi
Director	Takao Wada
Director	Kazuomi Morimoto
Director	Carl T. Camden
Full-time Auditor	Hiroshi Shimazaki
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.mufig.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.

Internet

“TEMP NAVI for Individual Investors”

<http://www.temp-holdings.co.jp/individual/>

This website publicizes various information such as the Temp Group's businesses and earnings results in an easy-to-understand manner.



TEMP HOLDINGS CO., LTD.

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