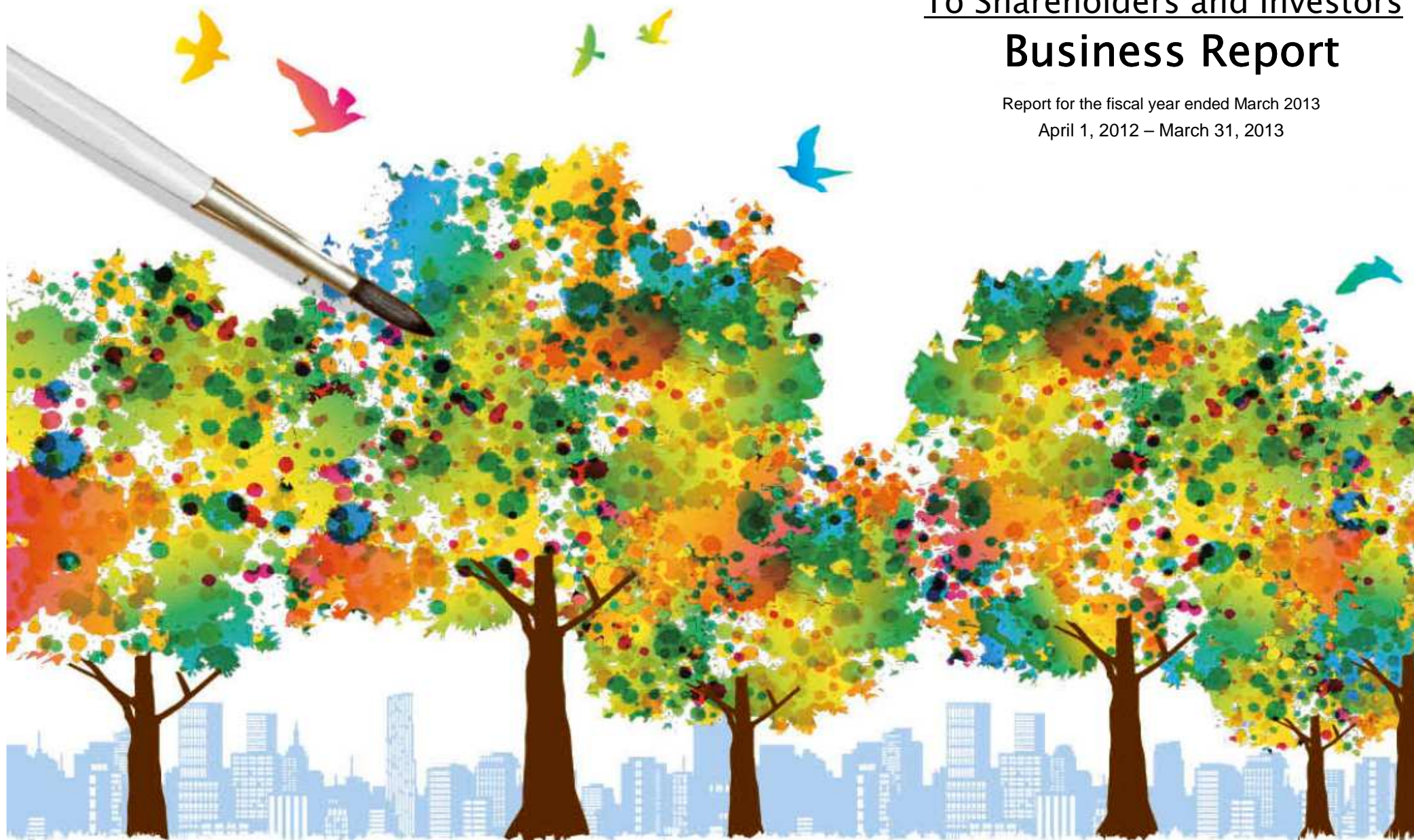


To Shareholders and Investors **Business Report**

Report for the fiscal year ended March 2013

April 1, 2012 – March 31, 2013



TEMP REPORT

TEMP HOLDINGS CO.,LTD.

(Securities code: 2181)

The demand for human resources services in the Japanese domestic market is now on the path to recovery. In particular, since the Revised Worker Dispatch Law was enacted and went into effect, Japanese companies have been able to utilize human resources services without any hesitation.

Under this environment, Temp Group has provided proposal-oriented approaches to our client companies. During the FY March 2013, consolidated net sales and operating income amounted to 247.2 billion yen and 9.8 billion yen, respectively, both of which surpassed the previous records after the establishment of Temp Holdings, Co., Ltd. In addition, all segments could successfully achieve increases both in sales and operating income over the past year. Accordingly, given this robust business performance, we have decided to pay a year-end dividend of 10 yen per share, up 2 yen from the preceding year.

Assisting companies design and implement a hiring policy

In April 2013, Intelligence Holdings, Ltd. joined our group. This integration with Intelligence Holdings, Ltd. will enable our Group to drastically expand the range of services and employment opportunities available to clients, for example, recruitment services for temporary jobs, part-time jobs and full-time jobs, staffing services, outsourcing services, and outplacement support services.

We will seek to create a one-stop “human resources platform” connecting people with various points of view and at various life stages with companies with diversified needs.

Serving as a social infrastructure in employment

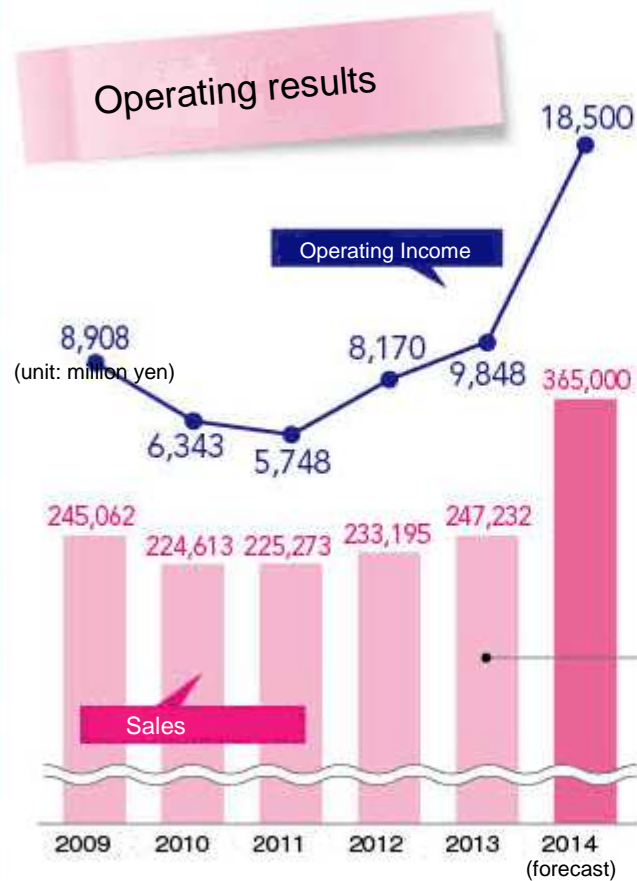


Top Message

Yoshiko Shinohara, Chairman

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.

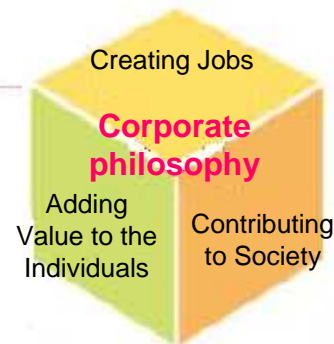
Operating results



- Achieved increases in both net sales and operating income for two consecutive years
- Posted record net sales and operating income after the establishment of Temp Holdings Co., Ltd.
- Increased the year-end dividend per share by 2 yen

Highlights of the FY ended March 2013

Item	Value	Change
Sales	247.2 billion yen	UP 6.0% from a year earlier
Operating Income	9.8 billion yen	UP 20.5%
Net Income	5.8 billion yen	UP 69.1%
Dividend per Share	10 yen	



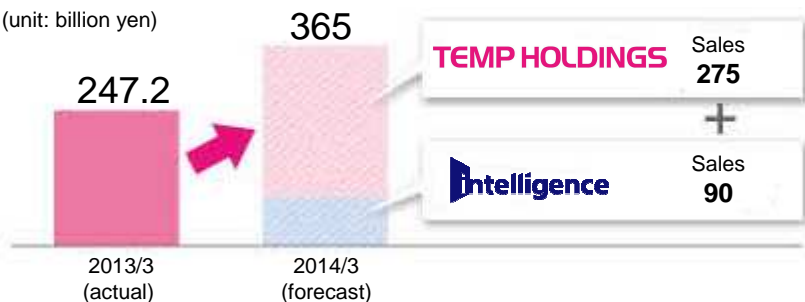
The Council for Industrial Competitiveness suggested at its last meeting that the government should change its employment policy from the conventional style with a focus on excessively fixed and stable employment to a new style that gives support to facilitating a more flexible movement of labor in order to make the Japanese economy more robust in the future. Given the current environment, we have strengthened our sense of responsibility to maintain a vital role as part of the “society infrastructure” to totally support smooth and flexible movement of labor without unemployment.

We will devote ourselves to offering helpful services to both job seekers and clients seeking human resources. We will continue to contribute to society in terms of employment creation and development of human resources.

I am determined to focus entirely on the chairman’s role, taking advantage of the 40th anniversary of the founding of Tempstaff Co., Ltd, and we are determined to promote Masamichi Mizuta, a former Executive Vice President, as the new President responsible for management of Temp Group. I will continue to carry out my task as Chairman wholeheartedly at Temp Group. Your understanding and continuous support for Temp Group would be highly appreciated.

Combination with Intelligence Group, a leading placement agency, to enable Temp Group to significantly expand its business scale

(unit: billion yen)



Creating a new one-stop human resource platform meeting various needs

TEMP HOLDINGS		Intelligence
	Media	Part-timers permanent employee an
	Placement	DODA
TEMPSTAFF TEMPSTAFF PEOPLE	Temporary staffing	Intelligence's staffing service
R&D TECSEED	R&D Outsourcing	
IT & communication TOYO TEMPSTAFF TECHNOLOGIES	Outsourcing	System development in IT & communication fields Intelligence Human Solutions
BPO HOWCOM TEMPSTAFF TECHNOLOGIES 日本テクノ		public service Intelligence BPO SOLUTIONS
TEMPSTAFF CAREER CONSULTING	Outplacement	Outplacement services

Intelligence Holdings, operator of the "an" and "DODA" brands, to become a member of Temp Group

Intelligence Holdings, Ltd. is a highly recognizable, comprehensive human resources service business with one of the nation's best track records especially in the fields of media (job advertisements) and placement services, in which they have edges different from Temp Group. We expect that this business integration will bring about a desirable synergistic effect through the combination of Temp Group's nationwide business network and Intelligence Group's ability to attract clients/jobseekers and match jobseekers with clients. In addition, the complementary relationship between the two groups from different business fields is expected to drastically expand the types of services to be provided for customers, which will eventually lead to the establishment of a one-stop framework to meet diversifying needs for human resources services. We will seek to create a new "human resources platform" that will help companies mobilize and stabilize employment by connecting individuals at different life stages with various companies.

Topics



Developing business in specialized fields and new categories

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



Strengthening localized services

Regional companies will provide community-based, finely tuned services. We will work to expand our market share in each region.

Mid-term Management Strategy

Temp Group will seek to achieve further growth under its mid-term management strategy.



Temp Group has established three new companies in Asia.

We have consistently promoted the creation and enhancement of an Asia-wide framework in order to expand our business scale and reinforce our competitive strength in the Asia market.

August 2012

Temp Group established **TECSEED SHANGHAI CO., LTD.**, a subsidiary specializing in automobile design and development in China.

November 2012

Temp Holdings and Kelly Services, Inc. commenced a joint venture in North Asia (China, Hong Kong, Taiwan and South Korea), and established **TS Kelly Workforce Solutions Limited**.

January 2013

Temp Group established **TEMP VIETNAM CO., LTD.**, which provides HR consulting services to Japanese companies entering the market.



Temp Group is further developing business in special fields and new categories.

Temp Group is promoting the expansion of its special fields and new categories by leveraging mergers and acquisitions effectively.

November 2012

Temp Group enhanced outsourcing business. Tempstaff Life Support Co., Ltd. commenced business operations.

Temp Group aims to enhance its Outsourcing Segment, especially in the healthcare business field through a merger with Asahi Kasei Life Support Co., Ltd., which has unique services.

March 2013

Temp Holdings converted AVC Technology Co., Ltd. and, AVC Multimedia Software Co., Ltd. into subsidiaries.

Both companies have a pool of engineers in the field of design and development of digital AV products. Temp Group aims to enhance this engineering design and development field that is significantly deficient of manpower.

Temp Group to improve enterprise value and HR services, capitalizing on synergistic effects with Intelligence Group



Build a community-based one-stop solution service

We will sell Intelligence Group's placement and media services through the nationwide network of Temp Group.



Provide advanced matching services through linkage of databases held by both parties

We will achieve advanced matching services through combination of the database of employers and placement services held by Intelligence Group and the database of job-seekers held by Temp Group.



Facilitate mobility and fluidity within the cross-border employment market

Temp Group will strongly support Japanese companies entering the overseas market, through collaboration with Intelligence Group's overseas business bases, growing with its strong brand.



Enhance job assistance for women

Integration of the two groups enables us to offer a wider range of options for employment styles, meeting the diversifying needs of women for work according to each life stage.



Promote more effective use of managerial resources

Maximum use of various managerial resources, such as information on job-seekers and employers, will reduce lost opportunities and improve management efficiency.



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.



Providing job assistance to women

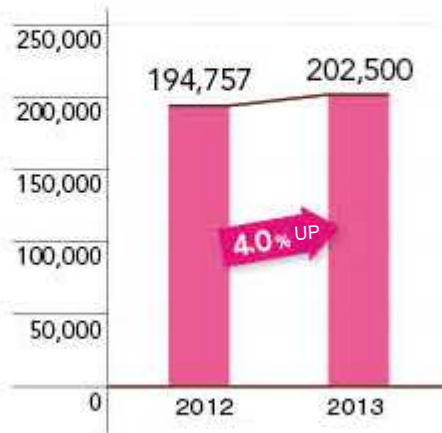
Women are the key to eliminating labor shortages in this aging society with fewer children. We will offer overall support their employment by supporting child-raising mothers, holding seminars and giving counseling.



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.

■ Sales (unit: million yen)



Temporary Staffing and Recruitment Services

Achieved increases in both net sales and operating income for two consecutive years
Attaining further growth by meeting needs

The Revised Worker Dispatch Law came into force in October 2012. This swept away the unclear outlook for demand for temporary staffing services, and recently, the demand for temporary staffing services has been recovering steadily. The Temporary Staffing and Recruitment Services segment accomplished increases in both net sales and operating income for two consecutive years, due to positive factors, such as an expansion in business scale resulting from mergers and acquisitions in the preceding Fiscal Year. In the future, we will focus on improving customer satisfaction in this segment as one of the main services in our HR business portfolio.

■ Sales (unit: million yen)



R&D Outsourcing

Accelerated recovery in operating results thanks to effective achievement and development of human resources

Demand in the design and development fields has been fairly consistent and the personnel operating rate has remained at a high level. It is essential to hire and achieve early cultivation of human resources in order to expand business scale. Under this environment, JAPAN TECSEED CO., LTD. recruited more than 100 new graduate staff and trained them to meet the needs of customers, with the result of achieving early allocation of new graduate engineers to workplaces. At the same time, JAPAN TECSEED CO., LTD. could also achieve profitable and highly advanced job orders for existing engineers. These positive factors contributed to strong business performance in this segment.

Outsourcing

Intensified proposal-based marketing leveraging the law revision

The revision of the Worker Dispatch Law has increasingly driven clients to develop an interest in outsourcing services. Temp Group has proposed Outsourcing Services as part of a human resources strategy to improve productivity, optimize human resource allocation, reduce total costs and achieve other goals. Consequently, we have successfully increased the number of orders received from clients and improved business performance significantly. We have tried to increase orders with industrial sectors that need especially high levels of expertise, such as insurance and finance, IT and communication, or public service agencies, with such success that we have been expanding this business field rapidly.



Other Business

Outplacement Services has continued to be strong.

While the Japanese economy has made a strong recovery, some manufacturers have continuously experienced employment fluctuations. The Outplacement Services, a core business in our Other Business segment, has constantly received new orders of a certain size in conjunction with this social situation. As a result, the Other Business segment solidly increased sales by 26.9% from the preceding Fiscal Year.



Dividend Per Share

(unit: yen)



Full fiscal year	2012	2013	2014 (forecast)
	14.00	18.00	20.00
First six-month period	2012	2013	2014 (forecast)
	6.00	8.00	10.00

At the beginning of FY March 2013, we expected annual dividends of 16 yen, an increase of 2 yen from the preceding Fiscal Year. However, given that the operating results outperformed the earnings forecast that was revised in the second quarter, we decided to pay a year-end dividend of 10 yen per share, an increase of 2 yen from the preceding Fiscal Year. As a result, we will pay cash dividends per share for the FY March 2013 of 18 yen.

With regard to the dividends for the next FY March 2014, we plan to pay cash dividends per share amounting to 20 yen, consisting of an interim dividend of 10 yen per share, an increase of 2 yen from the preceding Fiscal Year, and a year-end dividend of 10 yen per share.

Net Income

(unit: million yen)



Net income for the FY March 2013 improved drastically, due to an increase in net sales and an improvement in efficiency. In addition, extraordinary charges decreased significantly from the large amount allocated to amortization of goodwill posted for the preceding Fiscal Year. As a result, net income for the Fiscal Year increased by 69.1% from the preceding Fiscal Year.

We expect net income for the next FY March 2014 to continue to increase to 9 billion yen.

Operating Income

(unit: million yen)



Operating income increased by 20.5% from the preceding Fiscal Year, due to a rise in operating margin resulting from an improvement in operating efficiency, as well as an increase in income in all segments along with sales. Operating margin improved by 0.5% to 4.0%. We expect that operating income and operating margin for the next FY March 2014 will be 18.5 billion yen and 5.1%, respectively.

Sales

(unit: million yen)

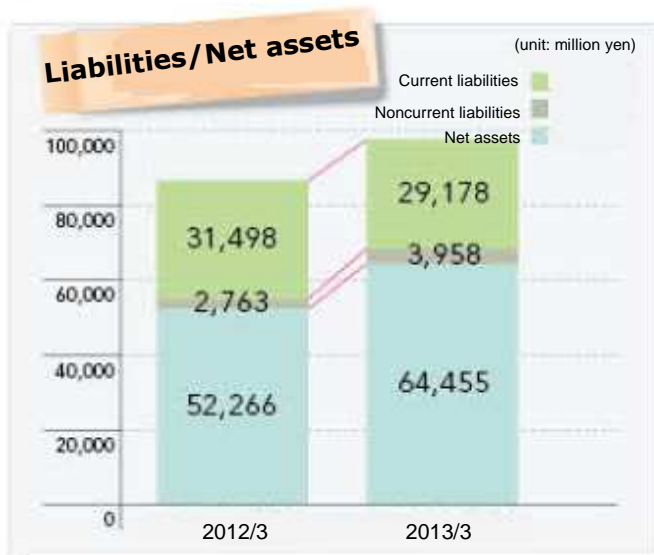
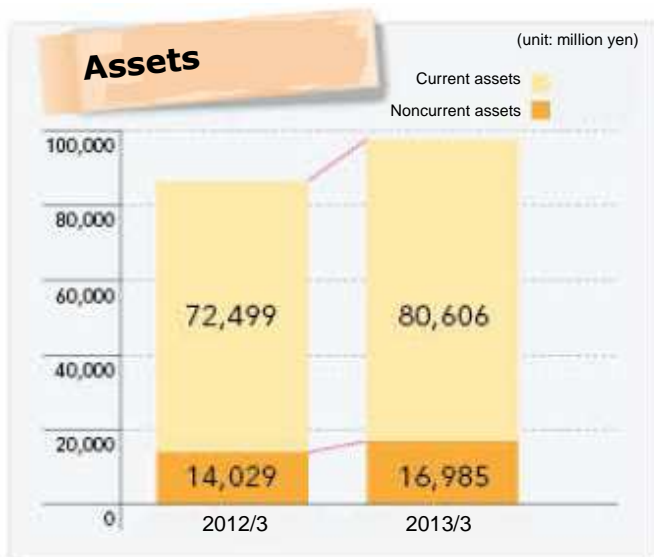


For the full FY March 2013, the demand for external human resources developed consistently. Consequently, we could achieve increases in both net sales and operating income in all segments of Temp Holdings for two consecutive years. In fact, Temp Holdings posted record net sales during this period. We expect consolidated net sales for the next FY March 2014 to be 365 billion yen due to the consolidation of AVC Technology Co., Ltd., AVC Multimedia Software Co., Ltd. and Intelligence Holdings, Ltd.



For more detailed IR information, please visit our website.

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



Balance Sheet

(unit: million yen)

	2012/3	2013/3	Change
Assets	86,529	97,592	11,063
Current assets	72,499	80,606	8,106
Cash and deposits	38,316	44,225	5,909
Noncurrent assets	14,029	16,985	2,956
Liabilities	34,262	33,136	△1,125
Current liabilities	31,498	29,178	△2,320
Convertible bond-type bond with stock acquisition rights	5,000	—	△5,000
Noncurrent liabilities	2,763	3,958	1,194
Net assets	52,266	64,455	12,188
Shareholders' equity	50,898	60,830	9,932
Treasury stock	△4,977	△354	4,623
Minority interests	1,514	2,556	1,041

POINT 1

Cash and deposits increased due to excellent operating results.

POINT 2

Treasury shares were allocated for the issuance of new shares resulting from the exercise of convertible bonds. As a result, the balance of convertible bonds decreased to zero, and the balance of treasury shares also decreased accordingly.

【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	2013/3
	3,131 million yen	7,141 million yen

Thanks for your support for our activities

In 2013, many Temp Group companies celebrate the anniversary of their inauguration, including the 5th anniversary of Temp Holdings Co., Ltd. and the 40th anniversary of Tempstaff Co., Ltd. We will devote ourselves to making a contribution to society in terms of employment creation and development of human resources.

2013 ← 1973

5th anniversary Temp Holdings Co., Ltd.
2008

15th anniversary Tempstaff Singapore Pte Ltd.
Tempstaff Integration Co., Ltd.
Tempstaff Learning Co., Ltd.
1998

20th anniversary Tempstaff (Hong Kong) Limited
(Now TS Kelly Workforce Solutions Limited)
1993

25th anniversary Tempstaff Fukuoka Co., Ltd.
Tempstaff-familie Co., Ltd.
TEMPSTAFF CROSS CO., LTD.
1988

30th anniversary Tempstaff People Co., Ltd.
1983

40th anniversary Tempstaff Co., Ltd.
1973

50th anniversary Personal Co., Ltd.
1963

Temp Group's CSR Activities

Temp Group is engaged in CSR (Corporate Social Responsibility) activities through the human resources business while involving itself in various social action programs.

For the physically and mentally challenged

Yuya Kimura won a prize at the London Paralympics Games

We support physically and mentally challenged employees so that they can participate in both athletic activities and their work. Kimura Yuya, who works at Thankstemp Co. Ltd. and is continuing his sporting activities with this support, participated in the London Paralympics Games. He won ninth place in the 1,500 meter race final, recording his best time for the season.



Yuya Kimura

For people's growth

We back study abroad programs.

Hoping to develop personnel who can play a key role globally, Temp Group supports study abroad programs. In this Fiscal Year, we granted nine working people the "21st Temp Group Worldwide Scholarship" for short-term study abroad.



For women's health

We continued to support the Pink Ribbon Campaign this Fiscal Year.

At a seminar held at "Temp Up," a comprehensive support center for women, in October 2012, Temp Group participated in the "Pink Ribbon Campaign" to encourage and promote breast cancer examination. In addition, we also presented bath salts for self-diagnosis and routine checkups.



For mothers seeking job opportunities

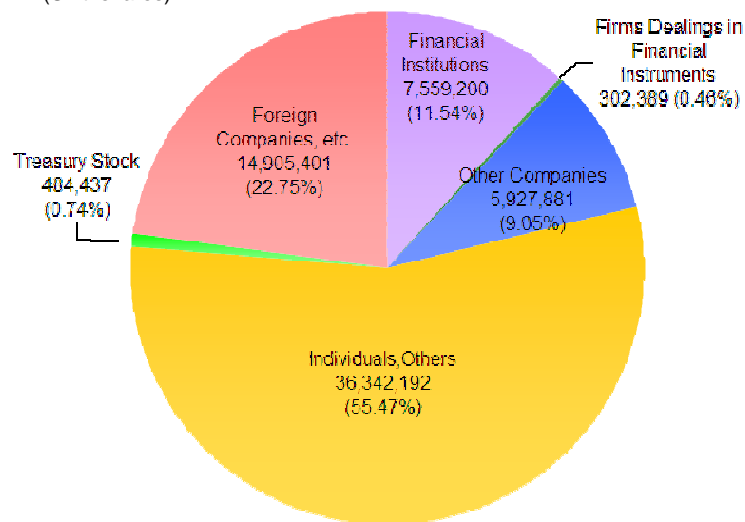
We presented a "guidance seminar" for mothers seeking job opportunities.

In April 2012, we opened "Temp Up," a comprehensive support center for women. We presented seminars and counseling mainly targeting mothers who want to re-enter the workforce or to find new jobs, free from the need for babysitting services.



Distribution of shareholders As of March 31, 2013

(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 March 31, 2013

- Authorized number of shares: 240,000,000
- Total number of shares issued: 65,521,500
- Shareholders: 8,467

● Major shareholders (top 10)

Name of shareholders	Shares held (shares)	voting rights(%)
Yoshiko Shinohara	23,377,200	35.94
State Street Bank and Trust Company	7,282,800	11.19
Kelly Services Japan Inc.	3,035,600	4.66
Yoshimi Iyadomi	1,812,800	2.78
Temp Holdings Employee Shareholders Association	1,527,982	2.34
Japan Trustee Services Bank, Ltd.	1,509,600	2.32
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,232,000	1.89
Woman Staff Ltd.	1,206,000	1.85
Nikko Cordial Securities Investment Enterprise Partnership	1,154,700	1.77
The Master Trust Bank of Japan ,Ltd.	1,128,100	1.73

* Voting rights is calculated based on the number of shares (65,037,063) excluding shares in the treasury stock from the total number of shares outstanding.

Company Outline As of March 31, 2013

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 June 21, 2013

Chairman and Representative Director	Yoshiko Shinohara
Representative Vice Chairman	Mikihiko Hibino
President and Representative Director	Masamichi Mizuta
Executive Vice President	Hirotohi Takahashi
Executive Managing Director	Toshio Saburi
Director	Takao Wada
Director	Kazuomi Morimoto
Director	Carl T. Camden
Full-time Auditor	Hiroshi Shimazaki
Auditor	Kaoru Arai
Auditor	Ryosuke Tamakoshi
Auditor	Naoshige Shindo

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 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	
<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 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.

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