



To Shareholders and Investors

# TEMP REPORT

Full year report for the fiscal year  
ended March 2014

April 1, 2013 – March 31, 2014

**Temp Holdings Co., Ltd.**

(Securities code: 2181)

# Our mission is “mobility” and “stability” of employment



**Yoshiko Shinohara**  
Chairman and Representative Director

Founded Tempstaff in 1973. Has been ranked among the “Most Powerful Women—The International Power 50” (US Fortune Magazine) for 12 consecutive years since 2000. In March 2011, she was invited to the Advance Women’s Leadership Summit in Australia as one of the 50 women expected to make outstanding achievements.

Companies have been operating business aggressively as the economy becomes increasingly expansive on the back of various economic measures. The Japanese economy is currently on a recovery trend. Demand has been growing in the personnel service industry as well, where the ability to supply personnel has become the key to market competition.

In such an environment, the Temp Group has been able to gain the upper hand in the competition by focusing on securing new staff registrations and the improvement in staff operation rates in view of changes in the market environment from an early stage.

In terms of demand, industries and fields such as financial, automotive, IT/smartphone-related, and construction were robust, while the addition of the four companies of Intelligence, AVC Technology, AVC Multi Media Software and DRD also significantly contributed to business results. Business results for FY2013 achieved the largest sales and profit since the establishment of Temp Holdings, with sales reaching 362.4 billion yen and operating income 18.5 billion yen.

## Financial Highlights Highlights of the fiscal year ended March 2014 (FY2013)



Significant progress due to the growth of existing businesses and M&A

Sales  
**362.4** billion yen  
from a year earlier  
UP 46.6%

Operating Income  
**18.5** billion yen  
from a year earlier  
UP 89.2%

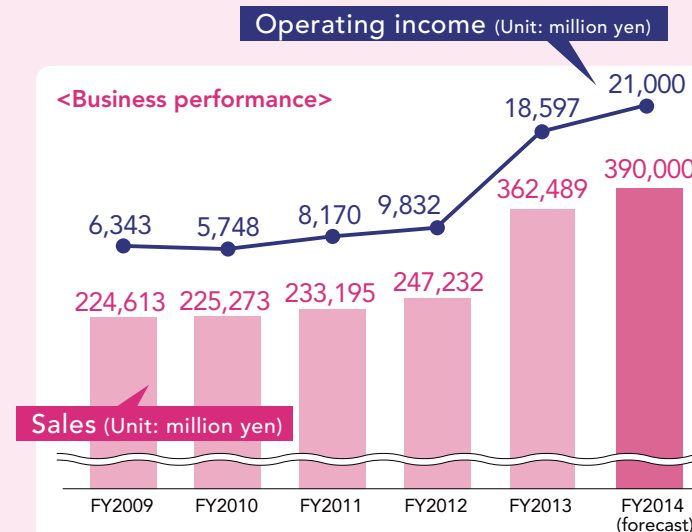
Net Income  
**9.8** billion yen  
from a year earlier  
UP 67.4%

Year-End Dividend per Share  
**14** yen

As a result, we have decided to pay a year-end dividend of 14 yen per share, a 4 yen increase from the previous year.

The Worker Dispatch Law is currently being prepared for amendment, which is targeted for enforcement next spring. The amended Worker Dispatch Law is expected to provide a system that is easy to understand for both the workers and the companies that use the worker dispatch system. On the other hand, the new law will also incorporate obligations to indefinitely hire personnel who have finished their three-year dispatch period. This leads to greater responsibilities for temporary staffing companies. The Temp Group will strive to realize both “mobility” and “stability” of employment by fully addressing such changes in the legal environment as well as improving profitability and offering a wide variety of employment opportunities.

We will continue to “contribute to society” by “creating jobs” and “adding value to individuals.”

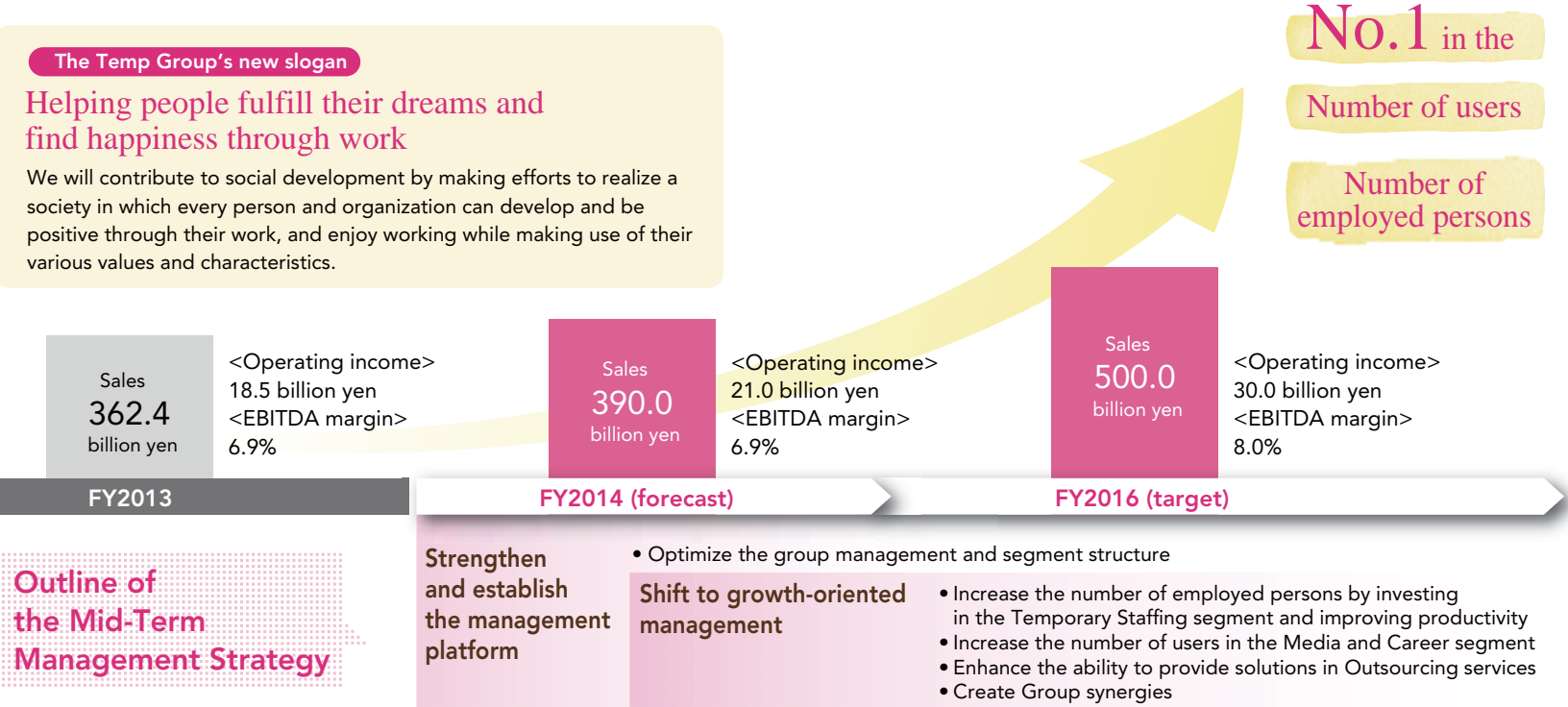


**Masamichi Mizuta**  
President and Representative Director

Joined Tempstaff in 1988. Became Head of the Sales headquarters and Director in 1995, Head of the East Japan Sales headquarters and Executive Managing Director in 2006, Executive Vice President in 2010, and Executive Vice President and Representative Director in 2012. He has been in charge of the sales division throughout his career. In 2013 he assumed the post of President and Representative Director, and in 2014 became chairman of the Japan Staffing Services Association. He also holds the post of council member of the Health Insurance Society for Temporary Workers. His motto is “Little Things Make a Big Difference.”



# A New Three-Year Term of the Temp Group. The Mid-Term Management Strategy is being Formulated



A wide variety of companies and people assemble through the Temp Group. It is necessary for everyone to share a large target so that we can work as one to create the future. Therefore we have set a new slogan, "Helping people fulfill their dreams and find happiness through work," and are formulating a mid-term management strategy for the entire Group.

The "mobility of employment" from mature industries to growth industries is urgently needed for the Japanese economy, which is facing a decline in its labor force population. On the other hand, the "stability of employment" remains a wish of society.

What the Temp Group can do to achieve both "mobility" and "stability" is to offer job opportunities to those who wish to work on a timely basis. In order to do so, we must pursue a certain scale in business.

The Temp Group intends to assume the role of offering services as an infrastructure that is indispensable to society by achieving our mid-term basic policy to become "No.1 in the number of users and the number of employed persons."

\*EBITDA: A benchmark that indicates a company's profit level. It represents profits before deducting interest, taxes and depreciation. EBITDA margin is the percentage of EBITDA to sales.

## Addressing the ever-changing needs of companies and job seekers with a new 7-segment structure

We have reorganized our business segments so that the highly diverse Temp Group companies can take advantage of each of their strengths and promote business by cooperating more organically, in order to further streamline our systems and management. We will strengthen our management platform.

Temporary Staffing segment	Offers temporary staffing services nationwide through Group companies with strengths in localized operations, specialized jobs and specific companies.
BPO segment	Offers a wide range of outsourcing services such as the operation of business processing centers and call centers, as well as the planning/operation of business processing. <small>*BPO: Business Process Outsourcing</small>
ITO segment	Offers a throughout SI service from consulting to development/maintenance and outsourcing services. <small>*ITO: IT Outsourcing</small>
Engineering segment	Responds to needs for automobile design development/testing, digital audio visual equipment, and software development with our wealth of engineers.
Media segment	Operates "an," one of Japan's largest part-time job opening information services.
Career segment	Offers the career change service "DODA," outplacement support services and overseas recruitment services mainly in Asia.
NED segment	Responds to new employment development in various domains such as physically challenged candidates, childcare, nursing care, training, and new graduate introduction. <small>*NED: New Employment Development</small>

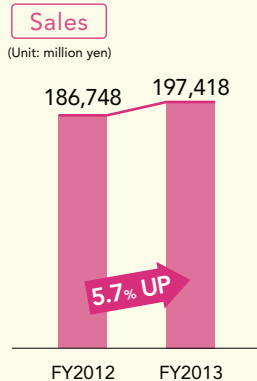
# Continued advance based on large growth.

Effective April 1, 2014, the Temp Group will shift to a seven-segment structure with the aim of optimizing the Group's management. This page includes business results and overviews based on segment classifications of FY2013 (from April 2013 to March 2014).

## Segment 1 Temporary Staffing and Recruitment Services

Demand for personnel is active as the economy expands. Both sales and profits increased for FY2013, with net sales and operating income increasing by 5.7% and 16.8% year on year, respectively, due to the expansion in demand among large companies as well as small/medium companies in the financial industry in particular.

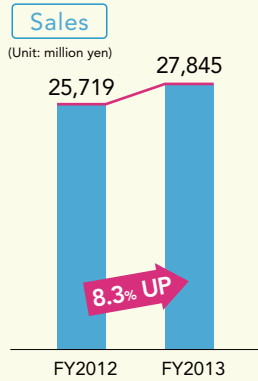
- Topics
- The temporary staffing business transferred from DOCOMO Service.
  - Started various new businesses such as offering support for obtaining securities broker representative licenses and supporting condominium janitors.
  - Opened new offices in Korea, Indonesia and Hong Kong.



## Segment 3 Outsourcing

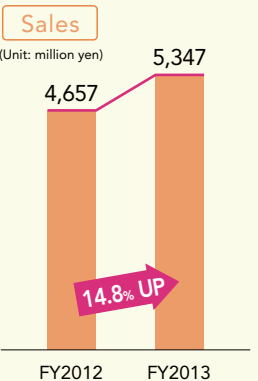
Both sales and profits increased, with net sales and operating income increasing by 8.3% and 21.5% year on year, respectively, due to a rising trend in companies' needs for outsourcing as well as the improvement in know-how.

- Topics
- Aggressively undertook local government work from the Legal Affairs Bureau and city halls.
  - The business processing operations of Tempstaff Data transferred to Japan IDEX.
  - Started a personnel and labor management agency service, which reduces business outsourcing costs of medical institutions.



## Segment 5 Other Businesses

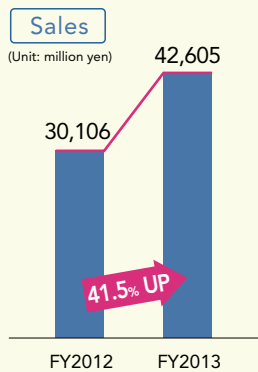
We strengthened our sales activities in services related to the re-employment support business, such as supporting the personnel optimization of customer companies. As a result, net sales increased by 14.8% year on year, while operating income dropped by 4.5% year on year.



## Segment 2 IT & Engineering

Operations expanded due to the addition of AVC Technology, AVC Multimedia Software and DRD. On the back of high utilization rates of engineers, both sales and profits increased, with net sales and operating income increasing by 41.5% and 8.0% year on year, respectively.

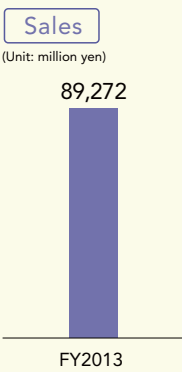
- Topics
- Temp Holdings made AVC Technology, a digital audio visual equipment firm, and AVC Multimedia Software, a software development firm, its subsidiaries.
  - Temp Holdings made DRD, which handles commercial vehicle development, a subsidiary.



## Segment 4 Media and Career (Intelligence Group)

All businesses were robust on the back of a rise in the number of job openings due to economic expansion. Net sales were 89,272 million yen and operating income 7,555 million yen.

- Topics
- Established Intelligence Business Solutions Okinawa.
  - Established a global development office, Intelligence Business Solutions Vietnam in Ho Chi Minh city, Vietnam.
  - Was entrusted with the issuance of application acceptance operations for subsidies for job creation in disaster-affected areas of Miyagi Prefecture.



\* Sales of each segment are those after eliminating internal transactions, and operating income is that before eliminating internal transactions. The segment classifications were changed in FY2013, and the business results of the previous term have been restated according to the new segment classifications.

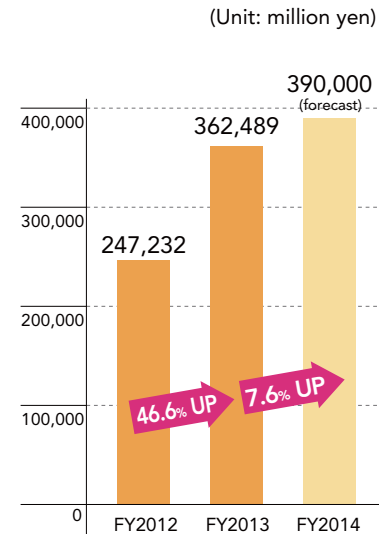
# Overview of Consolidated Financial Results



Please visit our website for more detailed IR information.

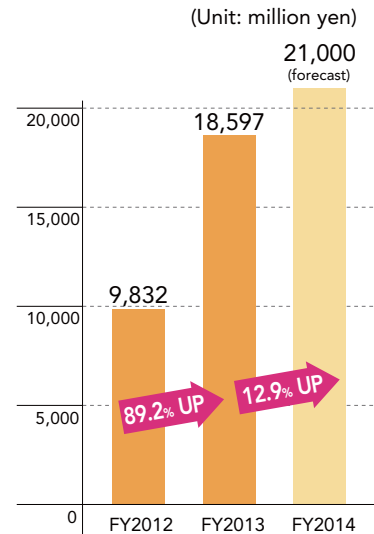
Website ▶▶ <http://www.temp-holdings.co.jp/>

## Sales



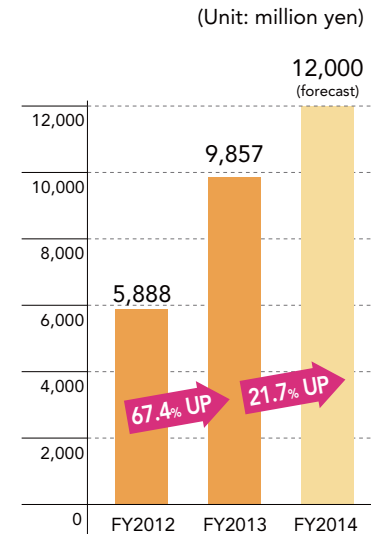
As the economy continued its expansion trend, all segments saw increases in sales. Total sales increased significantly due in part to M&A effects. For FY2014, we expect full year consolidated net sales to reach 390.0 billion yen, up 7.6% year on year, due to efforts to achieve further growth under the new segment structure.

## Operating Income



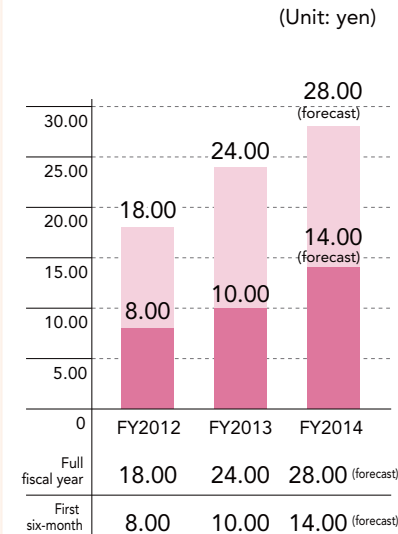
Operating income after goodwill amortization rose significantly by 89.2% year on year, due to the effects of the increase in sales of existing segments as well as the addition of highly profitable companies through M&As. Due to an increase in sales and the improvement in business efficiency, we expect operating income for FY2014 to reach 21.0 billion yen, up 12.9% year on year.

## Net Income



Profit levels for FY2013 rose significantly due to the expansion of existing segments as well as M&As. Net income posted a substantial increase as well, rising 67.4% year on year, despite posting extraordinary losses. Net income for FY2014 is expected to result in 12.0 billion yen, up 21.7%, based on the assumption of a continued robust economic environment.

## Dividend Per Share



We have set year-end dividends per share for this fiscal year at 14 yen, an increase of 4 yen from the previous year-end. As we expect each business to make steady progress, both interim dividends and year-end dividends for FY2014 are scheduled to be 14 yen per share, and full year dividends 28 yen per share.

## Balance Sheet

**POINT 1**  
Significant increases due to M&As

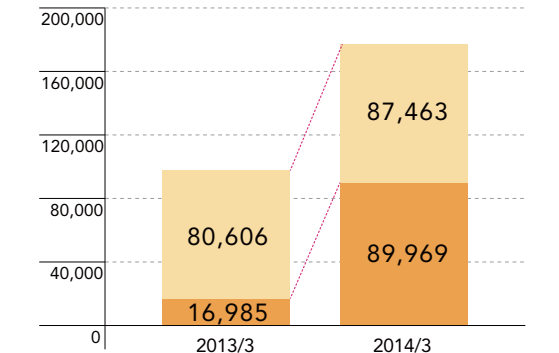
**POINT 2**  
The balance of 35,010 million yen as of the end of Q1 FY2013 decreased as a result of funding through the issuance of convertible bonds and new shares for M&As.

**POINT 3**  
Corporate bonds worth 15,000 million yen were issued in Q2 FY2013.

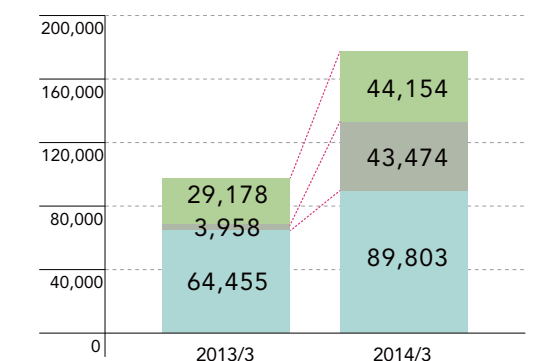
**POINT 4**  
Funding through the issuance of 8 million new shares was carried out in Q2 FY2013.

	2013/3	2014/3	Change
<b>Assets</b>	97,592	177,433	79,840
<b>Current assets</b>	80,606	87,463	6,856
Cash and deposits	44,225	36,292	-7,933
<b>Noncurrent assets</b>	16,985	89,969	72,984
Right of trademark	-	11,660	11,660
Goodwill	2,162	57,089	54,926
<b>Liabilities</b>	33,136	87,629	54,492
<b>Current liabilities</b>	29,178	44,154	14,976
Short-term loans payable	16	143	126
Current portion of long-term loans payable	-	4,640	4,640
<b>Noncurrent liabilities</b>	3,958	43,474	39,516
Convertible bond-type bonds with stock acquisition rights	-	15,000	15,000
Long-term loans payable	-	18,560	18,560
<b>Net assets</b>	64,455	89,803	25,348
<b>Shareholders' equity</b>	60,830	85,380	24,550
Capital stock	2,000	9,980	7,980
Capital surplus	5,501	13,572	8,071
Legal retained earnings	53,682	62,140	8,457
<b>Minority interests</b>	2,556	2,829	273

## Assets



## Liabilities/Net Assets



**[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	2013/3	2014/3
	7,141 million yen	10,543 million yen



# The Temp Group's CSR Activities

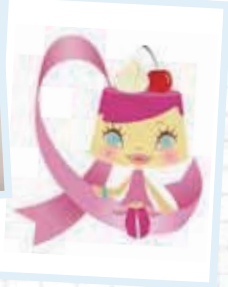
The Temp Group executes CSR (Corporate Social Responsibility) through the personnel business such as employment support for disabled persons.

In addition, we are making efforts in various social contribution activities to help develop a better society and support the growth of individuals, such as offering overseas study support programs for working adults as well as students, and “pink ribbon” activities, in order to give back to the many people and society that have supported the Group.

## For women

### Donated 552,320 yen to the Hohoemi Fund to Eliminate Breast Cancer as part of the pink ribbon activities

Tempstaff People donated 552,320 yen, which is equivalent to 10 yen per actual working hour of temporary staff that operated on October 2 (the Temp Day), in October, Breast Cancer Month, to the Hohoemi Fund to Eliminate Breast Cancer of the Public Interest Foundation Japan Cancer Society, which promotes breast cancer screenings.



## For women and the development of global personnel

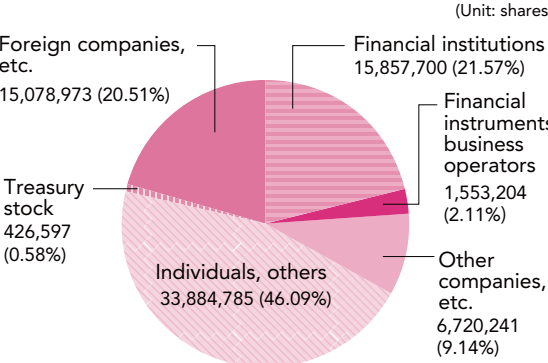
### 10 Temp Group Challenge Woman Scholarship students chosen

The Temp Group Challenge Woman Scholarship sought applications to commemorate the 40th anniversary of Tempstaff. From about 600 applicants, 10 scholarship students were chosen after an interview in English and a presentation evaluation, among other tests. The students started prior domestic training in order to head out to their dreams, whether they be to spread calligraphy to the world or to disseminate a culture of student uniforms.



# Information

## Distribution of Shareholders (As of March 31, 2014)



## Shareholder Information

Business year	From April 1 to March 31 of the following year
Annual general meeting of shareholders	June every year
Record dates	Annual general meeting of shareholders: March 31 Year-end dividend: March 31 Interim 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) URL <a href="http://www.tr.mufg.jp/daikou/">http://www.tr.mufg.jp/daikou/</a>
Stock listing	Tokyo Stock Exchange, First Section
Website of public notices	URL <a href="http://www.temp-holdings.co.jp">http://www.temp-holdings.co.jp</a> (When electronic public notices are not possible due to accidents or other unavoidable circumstances, announcements will appear in the <i>Nihon Keizai Shimbun</i> newspaper.)

## Stock Information (As of March 31, 2014)

- Authorized number of shares: ... 240,000,000
- Total number of shares issued: ... 73,521,500
- Shareholders: ..... 7,795
- Major shareholders (top 10)

Major shareholders (top 10)	Shares held (shares)	Voting rights (%)
Yoshiko Shinohara	23,377,200	31.98
Japan Trustee Services Bank, Ltd. (Trust Account)	3,975,900	5.43
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,923,900	5.36
Kelly Services Japan, Inc.	3,035,600	4.15
NORTHERN TRUST CO. (AVFC) RE 15PCT TREATY ACCOUNT	2,116,800	2.89
Yoshimi Iyadomi	1,812,800	2.48
Temp Holdings Employee Shareholders Association	1,277,682	1.74
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,232,000	1.68
Woman Staff Ltd.	1,206,000	1.64
BNYM Treaty DTT 15	1,133,800	1.55

\* Voting rights are calculated based on the number of shares (73,094,903) excluding shares in the treasury stock from the total number of shares outstanding.

## Company Outline (As of March 31, 2014)

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 placement services.
Capital	9,980,640,000 yen

## Members of the Board (As of March 31, 2014)

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"> <li>• Inquiries about the sending and returning of mails</li> <li>• Inquiries about dividends after completion of the payment period</li> <li>• General inquiries about administrative work related to shares</li> </ul>	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)
<ul style="list-style-type: none"> <li>• Procedures and inquiries not included above including changes in address, name, etc.</li> </ul>	Please contact your securities company.	

### ■ Shares recorded in the special account

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

(\*) Shareholders who own shares recorded in the special account may not choose the method of receiving dividends in proportion to the amount of shares held.

## Internet

### "TEMP NAVI for Individual Investors" <http://www.temp-holdings.co.jp/english/>

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.

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Matters stated in this report include statements concerning the Company's plans and forecasts for the future.

Actual earnings may differ materially from the statements due to a variety of factors, and the statements do not mean that we promise to achieve these figures.



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