



To Shareholders and Investors

# TEMP REPORT

Interim report for the fiscal year  
ending March 2015

April 1, 2014 – September 30, 2014

**Temp Holdings Co., Ltd.**

(Securities code: 2181)

# “Creating Jobs, Adding Value to the Individual, and Contributing to Society”

## Creating the joys of work together

We will contribute to the development of society by becoming a corporate group in which everyone and every organization can feel the joys of work—growing and becoming positive by “working” and through “jobs” while making the most of their diverse values and characters.

**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. He also holds the posts of Chairman of the Japan Staffing Services Association and council member of the Health Insurance Society for Temporary Workers. His motto is “Little Things Make a Big Difference.”



The personnel business market is booming on the back of the mild recovery trend of the Japanese economy. As is evidenced by the rise in the jobs-to-applicants ratio, there is a shortage of personnel depending on the region or type of job.

Under these circumstances, the Temp Group saw robust performances in each business segment, especially in the Temporary Staffing and Career segments, backed by its high ability to supply personnel. Business results for the first six months of the fiscal year ending March 2015 achieved the highest sales and profit since the establishment of Temp Holdings, with sales reaching 192.2 billion yen and operating income 10.2 billion yen.

The Temp Group, which has now become an organization of over 10,000 people, has prepared its three-year mid-term management plan as a roadmap for further growth. This is the first year of the plan. As part of the plan, we will renew our segment structure. We intend to enable swift business developments as well as improve the efficiency of management of the Group by transferring to each segment the functions and authority related to the businesses.

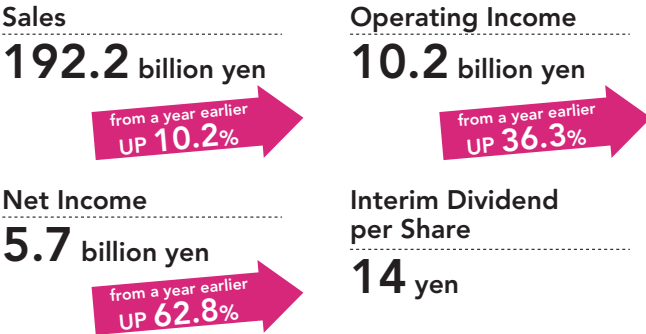
Furthermore, the Temp Group has held “Creating Jobs, Adding Value to the Individual, and Contributing to Society” as its corporate philosophy since its establishment. Its mission is to contribute to society by creating a society where everyone and every organization can feel the joys of work, such as to grow and become positive by “working” and through “jobs” while making the most of their diverse values. We aim to become a “company that offers personnel service as a social infrastructure” that supports the mobility and stability of employment while placing emphasis on a trust relationship with both companies and the people who work.



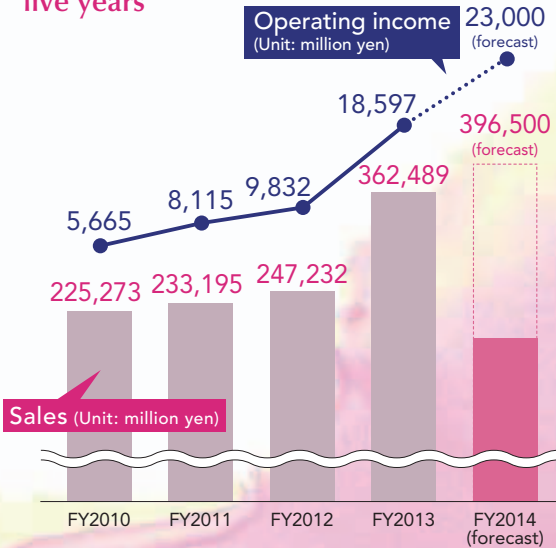
### Financial Highlights

Interim highlights for the first six-month period of the fiscal year ending March 2015

Best performance ever on the back of strong demand



● Trend of business performance of the past five years





# Creating further synergy. Our shift to a seven-segment structure.

We have shifted to a new segment structure based on business units with the aim of maximizing synergy effect. We seek appropriate distribution of managerial resources by consolidating duplicate business domains.

## Topics

2014

**May** Tempstaff

**Awarded first place in “Re-employment Ratio” in the Temporary Staff Satisfaction Survey**

In the 21st Temporary Staff Satisfaction Survey by the Monthly Jinzai Business, Tempstaff was awarded first place in the “Re-employment Ratio,” which is decided by the number of people who replied that they wanted to continue working as staff of the temporary staffing service.

**August** Tempstaff Technologies

**Embarked on developing engineers of 3D CAD software, CATIA with a rise in personnel needs**

Following strong performances of the manufacturing industry, the shortage of CATIA engineers has become prominent. Tempstaff Technologies started offering a new training program that takes advantage of its know-how in CATIA training, which it has been offering to its employees over the years. Tempstaff Technologies aims to develop 100 engineers in the first year.

**September** Tempstaff

**Started a service to support “blank mamas” return to work**

Tempstaff started a “working mother trainee system” that supports the returning to work of so-called “blank mamas,” mothers with work experience, whose participation in the workforce is anticipated. Tempstaff aims to resolve labor shortages by guiding mothers to return to work by supporting skill improvements and providing support amid their psychological anxiety in going back to work.

**September** Tempstaff

**Made CareerRise of the Tepco Group a subsidiary**

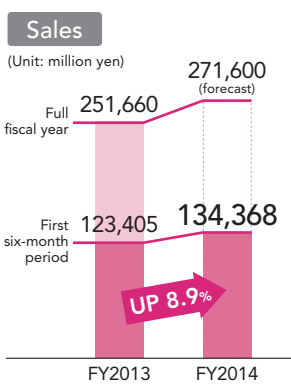
Tempstaff made CareerRise, a temporary staffing service company of the Tepco Group, its subsidiary. We intend to deepen its business by utilizing the Temp Group’s matching know-how and CareerRises’s sales platform.

## Temporary Staffing Segment

In this segment we offer temporary staffing services that are the core business of the Temp Group. Group companies with strengths in localized operations, specialized jobs and specific companies cooperate in offering the service.

Order intake has been rising due to increased corporate activity from the “Abenomics” effect. We have achieved growth in both sales and profits due to endeavors to increase registrants through long-standing efforts in the improvement in staff satisfaction and promoting the introduction of friends, among others.

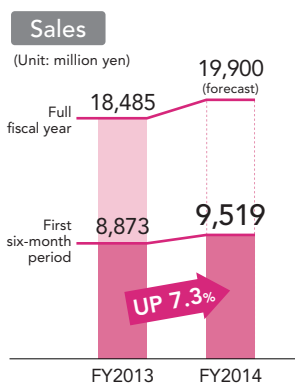
テンプスタッフ   テンプスタッフ・ピープル   インテリジェンスの派遣  
その生き方に、合う仕事



## BPO Segment

In this segment we offer a wide range of outsourcing services mainly in clerical work such as the operation of business processing centers and call centers. We have improved the productivity of outsourced work through advanced expertise, the re-establishment of workflows, and activities to improve work quality. Our service has gained high reputation among our customers. Demand has remained on a rising trend and sales have been robust. Furthermore, our profitability has improved due to continued efforts to improve the quality of projects.

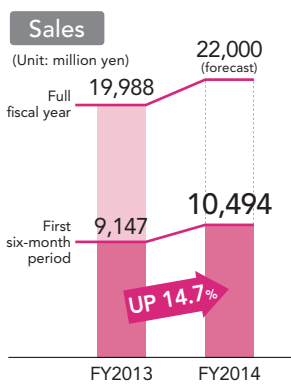
テンプスタッフ   株式会社日本アイデックス JAPAN IDEX CO., LTD.   HOWCOM



## ITO Segment

We offer SI services and outsourcing services from consulting to planning, designing, development, operation and maintenance of companies’ IT systems. Due to the increase in companies’ investment in systems, demand has been robust and our utilization rates have remained high. Sales increased significantly by 14.7% year on year, while operating income surged by 71.5% year on year as a result of higher-value added services.

Intelligence Business Solutions   Relating Man&Computers TOYO SOFTWARE ENGINEERING



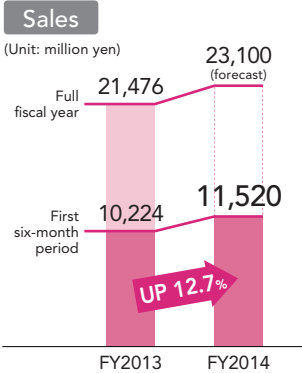
\* BPO: Business Process Outsourcing

\* ITO: IT Outsourcing

\* Sales of each segment are those after eliminating internal transactions. The segment classifications were changed in FY2014, and the business results of the previous term have been restated according to the new segment classifications.

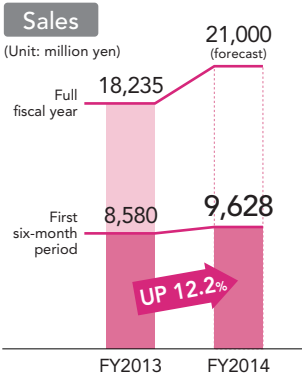
Engineering Segment

On the back of our wealth of engineers, we operate an engineering business in highly specialized fields such as automobile design development/testing, aircraft design, and digital audio visual equipment and software development. Following the expansion of demand in the booming automobile and electronic industries, our utilization rates have remained high. Furthermore, revenues have significantly increased as a result of efforts to improve the utilization of new graduate engineers as a measure to address labor shortage.



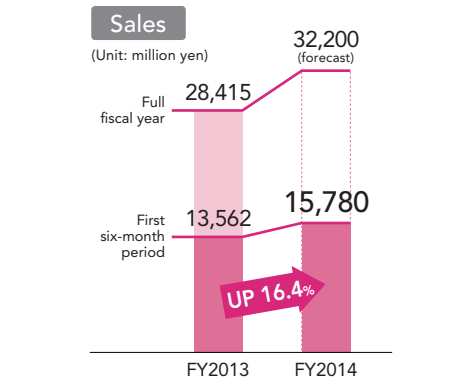
Media Segment

In this segment we operate “an,” one of Japan’s largest part-time job opening information services. Although sales were up 12.2% year on year in the first half on the back of a rise in personnel needs due to the robust economy, we posted an operating loss of 31 million yen owing to continued investment that focused on improvement in the ability to attract individual customers and the ability to develop products. Amid intensified competition, we aim to continuously improve our service as well as our sales capabilities.



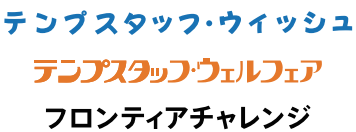
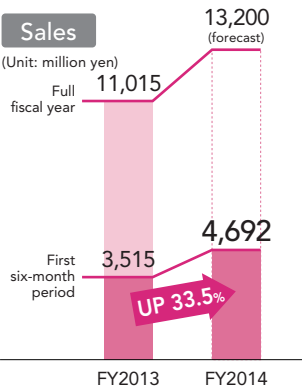
Career Segment

In this segment we offer “DODA,” a career change service through the provision of job opening information and career consultants, outplacement support services and overseas recruitment services mainly in Asia. On the back of the robust domestic economy, we have achieved significant increases in sales and profits due to rising demand at both companies that are accelerating the hiring of personnel and career changers who are seeking jobs that better suit their wishes. Along with the Temporary Staffing segment, the Career segment is a driver of business performance.



NED Segment

In this segment, we utilize the know-how of our personnel business to develop business domains that will lead to the creation of new employment. In addition to employment support for the physically challenged, which we have expanded through business re-organization of the Group, we operate various businesses such as the recruitment of new graduates, personnel services for the childcare, nursing care and training fields, and the operation of childcare facilities, as well as undertaking public works. We will continue to seek new ways of working and employment, and to develop new personnel businesses.



Promoting the re-organization of the business structure

We are making efforts in various re-organizations in order to further deepen the organic collaboration of Group companies and accelerate synergy.

2014

May

Restructuring subsidiaries to strengthen the Asian region

Temp Holdings established TS Intelligence South Asia Holdings, headquarters of the South Asia region. We will seek to restructure our subsidiaries in each region under a two-headquarters structure with TS Kelly Workforce Solutions, to establish a sales platform and reinforce our competitiveness in the Asian region.

May

Merger of Tempstaff Singapore and Intelligence Asia

Two subsidiaries in Singapore were merged, with Intelligence Asia as the surviving company. It has become one of the largest Japanese personnel services company in Singapore.

May

Announced the integration of support business for the physically challenged

Temp Holdings announced the merger in October of Intelligence Benefics and Tempstaff Frontier, both of which have a track record in employment support for the physically challenged, and that the new company will be named Frontier Challenge. By promoting the integration and evolution of know-how of both companies, we will aim to further improve customer satisfaction.

August

Announced the transfer of Intelligence’s temporary staffing business to certain Group companies

A part of Intelligence’s temporary staffing business in the Hokkaido, Chubu, Kansai, Chugoku and Kyushu regions are to be transferred in October to Tempstaff and other Group companies. We will promote optimization of management of the Group to seek further growth.

\* Sales of each segment are those after eliminating internal transactions. The segment classifications were changed in FY2014, and the business results of the previous term have been restated according to the new segment classifications.

\* NED: New Employment Development

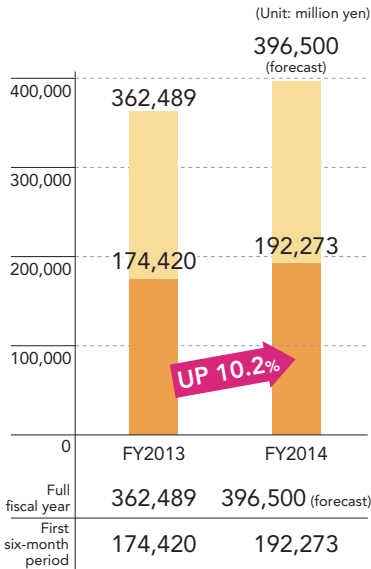
# Overview of Consolidated Financial Results



Please visit our website for more detailed IR information.

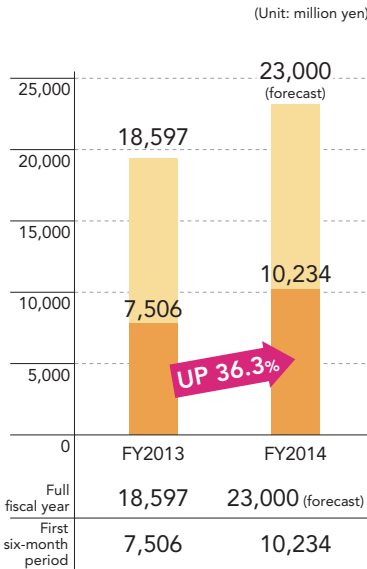
Website ▶ <http://www.temp-holdings.co.jp/>

## Sales



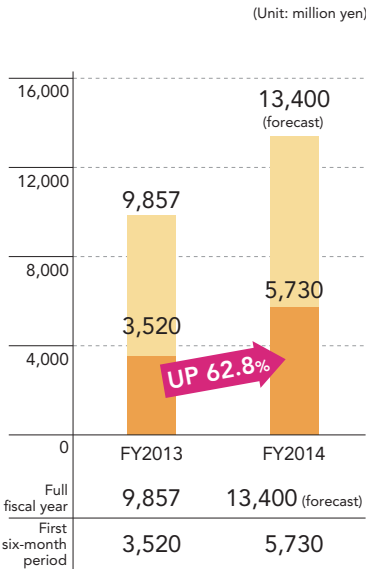
Demand for personnel from client companies continued to be robust. Job seekers were also active and sales increased in all segments. As a result, sales for the first six-month period of the fiscal year ending March 2015 rose 10.2% year on year to 192.2 billion yen, a double-digit growth as in the same period last year.

## Operating Income



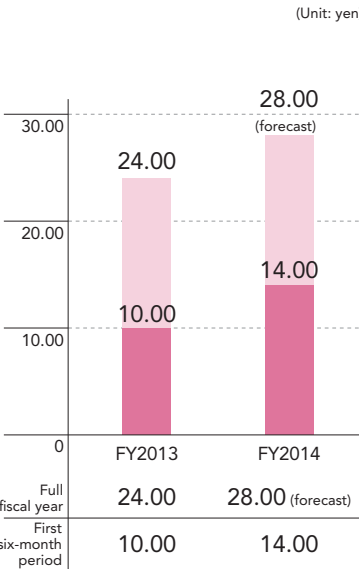
As a result of a substantial increase in sales, profits grew significantly in all major segments. Operating income exceeded 10.0 billion yen for the first time for the first six-month period to reach 10.2 billion yen, up 36.3% year on year. In addition, the operating margin rose 1.0 point year on year to 5.3% on the back of the steady expansion of performance in the high-margin Career and ITO segments.

## Net Income



Although there was an impact of goodwill amortization following the re-organization within the Group in the Asian region, net income also grew significantly to reach 5.7 billion yen, up 62.8% year on year.

## Dividend per Share



We have set dividends per share for the second quarter of this fiscal year at 14 yen, an increase of 4 yen from 10 yen per share for the second quarter last year and as per our initial plan. Year-end dividends for FY2014 are scheduled to be 14 yen per share.

## Balance Sheet

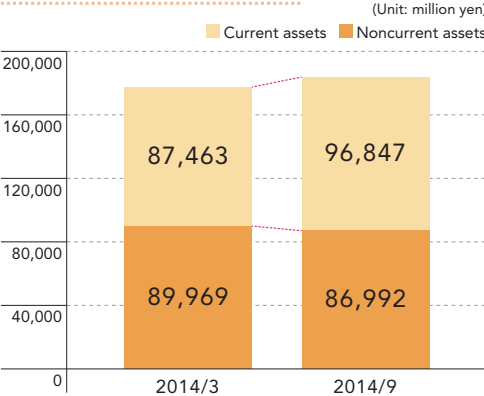
**POINT 1**  
Increases in cash and deposits, notes and accounts receivable-trade, work in progress

**POINT 2**  
Increase in accrued consumption taxes

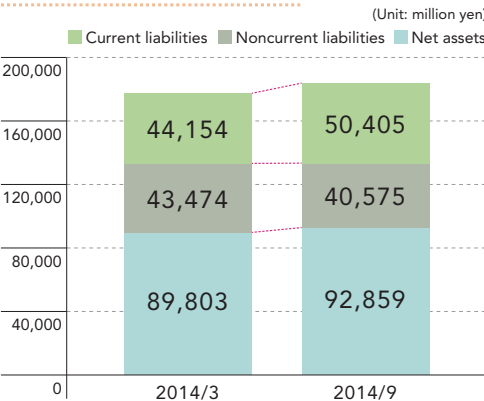
**POINT 3**  
Increase of 5,730 million yen in net profit

	2014/3	2014/9	Change
<b>Assets</b>	177,433	183,840	6,407
<b>Current assets</b>	87,463	96,847	9,384
Cash and deposits	36,292	41,864	5,572
<b>Noncurrent assets</b>	89,969	86,992	-2,976
Right of trademark	11,660	11,353	-307
Goodwill	57,089	56,091	-997
<b>Liabilities</b>	87,629	90,981	3,351
<b>Current liabilities</b>	44,154	50,405	6,251
<b>Noncurrent liabilities</b>	43,474	40,575	-2,899
Convertible bond-type bonds with stock acquisition rights	15,000	15,000	—
Long-term loans payable	18,560	16,240	-2,320
<b>Net assets</b>	89,803	92,859	3,055
<b>Shareholders' equity</b>	85,380	90,070	4,689
Capital stock	9,980	9,980	—
Capital surplus	13,572	13,572	—
<b>Legal retained earnings</b>	62,140	66,830	4,689
<b>Minority interests</b>	2,829	2,017	-812

## 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

First six months of FY ended March 2014  
3,773 million yen

First six months of FY ended March 2015  
5,025 million yen



# The Temp Group's CSR Activities

The Temp Group executes CSR (Corporate Social Responsibility) through its personnel business as well as making various social contribution efforts.

## For women and the development of global personnel



Upper photo: Exclusive English lesson  
Lower photo: At a calligraphy event



### Nine Temp Group Challenge Woman Scholarship students departed

The scholarship program for adults to study abroad, which the Temp Group started in 1991 to commemorate the 40th anniversary of Tempstaff, has been renewed to the Temp Group Challenge Woman Scholarship.

The nine successful applicants who aim to create new values headed out to Seattle, U.S. and Sydney, Australia with their individual hopes in mind, whether to spread calligraphy to the world, create a system of animal protection, or to create a picture book that adults can also enjoy.



## For the physically challenged

### Yuya Kimura (Thanks Temp) achieving excellent performance again this term

Under the support of the Temp Group, Yuya Kimura, who is active in both athletic sports games and work while having disabilities, has been achieving excellent performance again this term.

#### Major achievements of Yuya Kimura during this term

May 2014	15th Championship of the Tokyo Metropolitan Sports Association for the Disabled, 1,500 m, 1st place
July 2014	19th Championship of the Kanto Amateur Association for the Disabled Persons, 5,000 m, 1st place
September 2014	Official IPC 2014 Japan Para Track and Field Championships, 1,500 m, 1st place



Yuya Kimura

# Information

## Company Outline

(As of September 30, 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 subsidiaries and group companies that handle temporary staffing and placement services.
Capital	9,980,640,000 yen

## Members of the Board

(As of September 30, 2014)

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

## Stock Information

(As of September 30, 2014)

- Authorized number of shares: 240,000,000
- Total number of shares issued: 73,521,500
- Shareholders: 7,294
- Major shareholders (top 10)

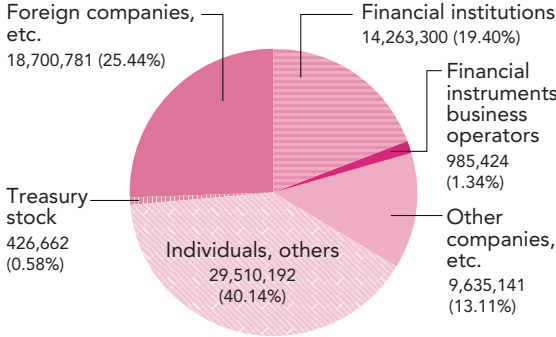
Name of shareholder	Shares held (shares)	Voting rights (%)
Yoshiko Shinohara	19,277,200	26.37
The Yoshiko Shinohara Memorial Foundation	4,100,000	5.60
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,433,600	4.69
Kelly Services Japan, Inc.	3,035,600	4.15
MSIP CLIENT SECURITIES	2,815,860	3.85
Japan Trustee Services Bank, Ltd. (Trust Account)	2,525,800	3.45
Yoshimi Iyadomi	1,812,800	2.48
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,232,000	1.68
Temp Holdings Employee Shareholders Association	1,231,082	1.68
Woman Staff Ltd.	1,206,000	1.64

\* Voting rights are calculated based on the number of shares excluding shares in the treasury stock from the total number of shares outstanding (73,094,838).

## Distribution of Shareholders

(As of September 30, 2014)

(Unit: shares)



## Shareholder Information

Business year	From April 1 to March 31 of the following year
Annual general meeting of shareholders	Late June
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.)

# Procedures for Shares

## Shares recorded in the accounts of securities companies

### ■ Procedures, inquiries, etc.

- ☐ Inquiries about the sending and returning of mail
- ☐ Inquiries about dividends after completion of the payment period
- ☐ General inquiries about administrative work related to shares

### ■ Contact

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, including changes in address, name, etc.

Please contact your securities company.

## Shares recorded in the special account

### ■ Procedures, inquiries, etc.

- ☐ 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 (\*)

### ■ Contact

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 inquiries 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 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.



## August 2014: Temp Holdings was added to the JPX Nikkei Index 400

What is the JPX Nikkei 400?

It is a new stock price index that consists of companies that meet various requirements for global investment, such as the efficient use of capital and a management perspective that is conscious of investors, for the purpose of boosting the appeal of Japanese companies domestically and internationally.

## Temp Holdings Co., Ltd.

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

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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