



To Shareholders and Investors

TEMP REPORT

Full-year business report for the
fiscal year ended March 2015

April 1, 2014 to March 31, 2015

Temp Holdings Co., Ltd.

(Securities code: 2181)



Looking to the future of staffing service based on our information resources and human strength

Creating the joys of work together.
Temp Group

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 has also served as 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."

On the back of the favorable Japanese economy, corporate demand for human resources remains strong. The Temp Group recorded robust performance for the fiscal year ended March 2015 in all the business segments. We achieved record-high net sales and operating income of 401.0 billion yen and 23.4 billion yen, respectively, since the establishment of the Company.

People seeking jobs and companies looking for people—as a personnel company that provides matching services to satisfy the requirements of both parties by handling a huge volume of information, such information is the very source of our competitive edge. People gather where a lot of information is concentrated, and information is concentrated where people gather. We have two keys to maximize our "Information Capability." One is "Scale," to increase the volume of information. And the other is "IT," to make the most of the information. As one of our growth strategies, we have aggressively promoted the pursuit of scale by means of M&A concurrently with IT investments.

However, I want to emphasize that the strength of the Temp Group will remain in "Human Power," regardless of how far the importance of IT might increase. We will continue to care for the feelings of individual job seekers and respond to them with sincerity.

We pursue the goal of becoming "a personnel service company as part of the social infrastructure," so that people may recognize us as a company "capable of resolving any issues relating to work and employment."

Toward the realization of that goal, we will go forward along a sound growth path, looking to the future big dream of becoming "Asia's No. 1 personnel company."

We earnestly seek your continued support.

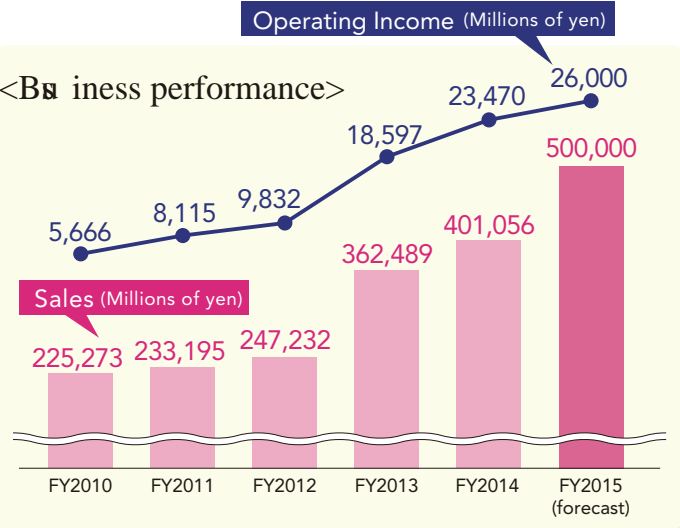


Financial Highlights

Highlights of the consolidated fiscal year ended March 2015 (FY 2014)

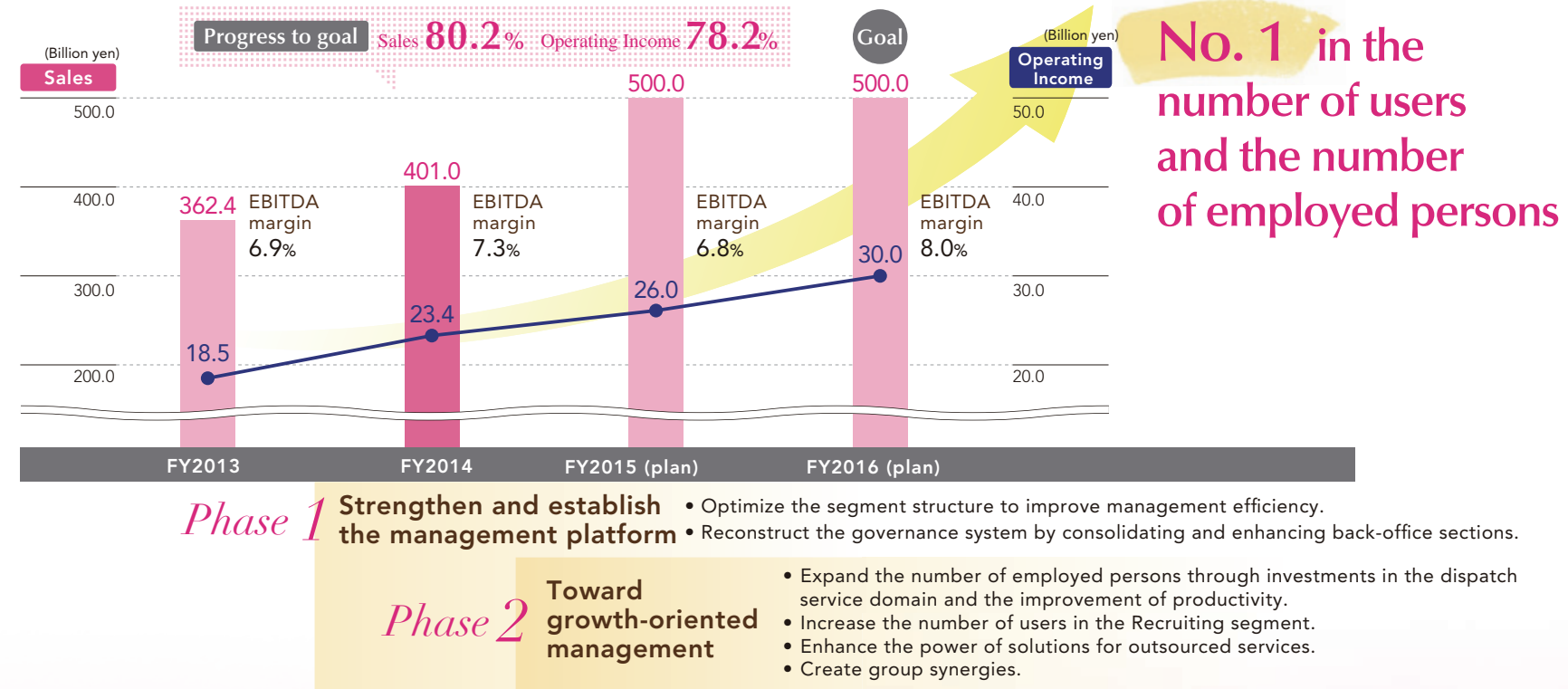
3rd straight year of record-high performance on the back of robust demand

Sales 401.0 billion yen UP 10.6% y/y	Operating Income 23.4 billion yen UP 26.2% y/y
Net Income 13.4 billion yen UP 36.2% y/y	Year-end Dividend per Share 18 yen (32 yen on a full-year basis)



Step forward! The Mid-term Management Strategy

The Mid-term Management Strategy and the Status of Achievement



During the first year of the Mid-term Management Strategy, we implemented a shift to a seven-segment structure, toward the “Optimization of the segment structure,” as the first step of the current fiscal year. Furthermore, as an “investment in dispatch domain,” we converted Panasonic Excel Staff Co., Ltd., which holds a solid management base in the Kansai region, and CareerRise Corporation, into our subsidiaries to expand our business bases. We also established “AUBE,” a joint-venture with LINE Corporation, with the aim of increasing users in the Recruiting segment. AUBE launched “LINE Baito,” a part-timer recruiting information service. We also reached an agreement with Benesse Holdings, Inc. to establish a joint-venture for career support education.

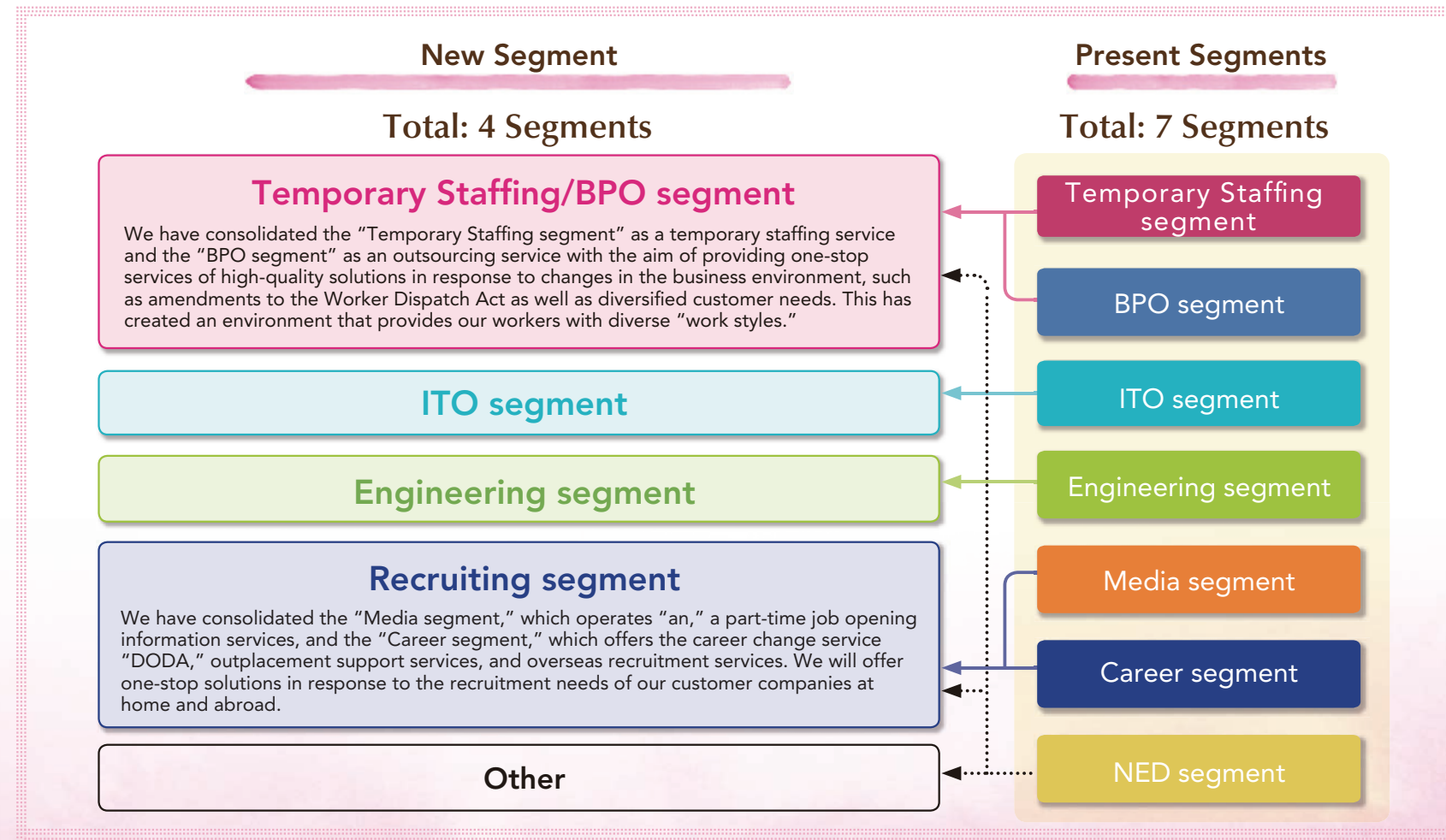
With stable growth observed in the existing businesses, our operating results for the fiscal year ended March 2015 were favorable, significantly exceeding our plan.

We have positioned the fiscal year ending March 2016 as the year of our “Step towards growth,” placing greater emphasis on upfront investments. We will aggressively invest in IT and businesses. Furthermore, we will push forward the “Optimization of the segment structure,” to shift to a four-segment structure. The “consolidation and enforcement of back-office sections” will also be promoted by establishing a shared service center.

Our segment-based management goes into full swing toward the maximization of business values.

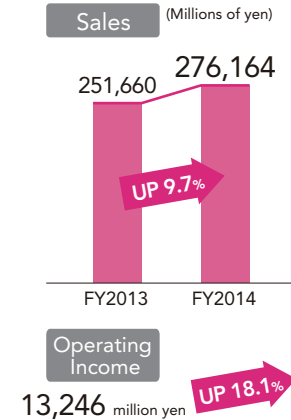
Management lines have been redefined for an accelerated decision-making process and the improvement of efficiency in organizational operation.

More high-quality services are pursued to respond to customer needs by conducting organizational operations based on on-site decisions realized through significant power transfer to the chief of each segment.



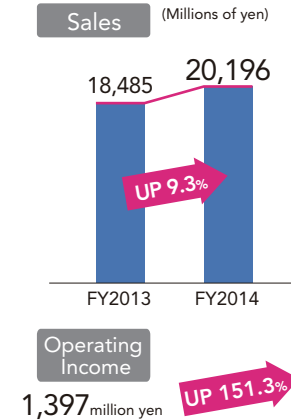
Temporary Staffing segment

Throughout the current fiscal year, temporary staffing demand continued to increase on the back of the robust economy. Our efforts for recruiting temporary staff and enhancing functions to attract customers on our job-seeking website in response to the growth of demand contributed to our success. As Panasonic Excel Staff has joined the Temp Group, we will pursue further improvement of our presence in the next fiscal year.



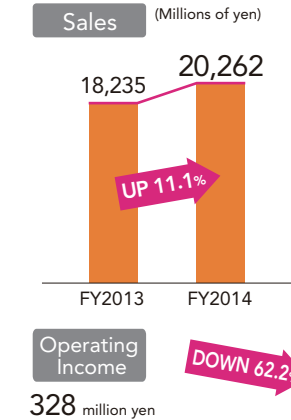
BPO segment

The number of inquiries increased amid the brisk corporate activities. Net sales grew steadily due partly to entrusted large-scale projects. Profits also expanded as a result of shared know-how of the improvement of productivity which had been accumulated earlier in entrusted projects, as well as our efforts to improve the profitability of each project.



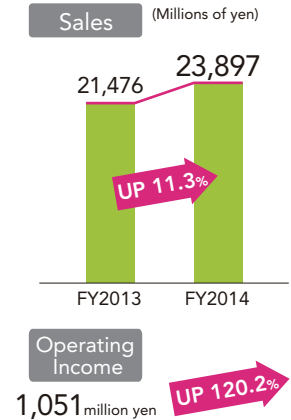
Media segment

Net sales grew on the back of robust part-timer recruitment demand. Operating income was 328 million yen as a result of investments in Internet advertisements with the aim of enhancing product capability as well as improving the awareness of the “an” brand, and diverse investments for differentiation such as a wide variety of print media in the specific regions.



Engineering segment

We received vigorous demand from our main customers in the automobile and electronics industries, mainly for engineers specialized in design, testing and control system-related fields on the back of the brisk development demand. Both sales and profits increased as the utilization rates for the entire business remained high with the stable assignment of newly graduated engineers as well as an increase in contract services in line with the growth in demand.



Shares were acquired, and Panasonic Excel Staff became a consolidated subsidiary

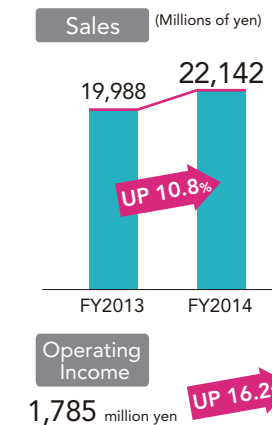
Panasonic Excel Staff Co., Ltd., maintaining a strong presence principally in the Kansai region, became one of the Group companies in March 2015. The combination of services and know-how of Panasonic Excel Staff and the Temp Group will enable us to enhance our regional strategy and improve our capability in community-based propositions for recruiting companies and job seekers.

Established AUBE jointly with LINE Corporation, launching the “LINE Baito” service

In February 2015, as a joint venture with LINE Corporation, we started a part-timer recruitment information service called “LINE Baito,” which is available on an application of “LINE.” Amid harsh competition with competitors, we will continue to improve our product quality by expanding our contact points with individual users.

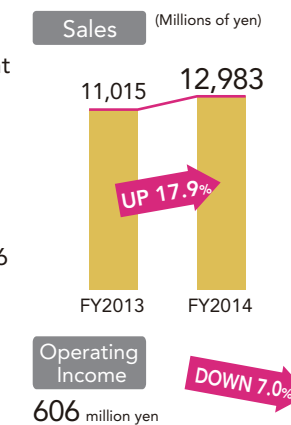
ITO segment

As system-related investments increased among our clients, inquiries for SI-related services and ICT outsourcing expanded, contributing to steady growth in net sales. We also achieved an increase in profits as unit prices of contract services, such as consulting services and projects requiring high levels of technology, rose.



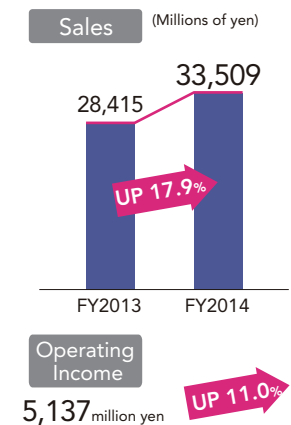
NED segment

Net sales steadily expanded owing to the growth of businesses in this segment such as recruitment support for new graduates, employment support for the physically challenged, support for studying abroad, personnel services for childcare, and operation of childcare facilities, etc. Operating income was 606 million yen, reflecting the effect of further investments in increasing our personnel, etc., toward future growth.



Career segment

In line with brisk business activities, net sales increased due to the robust demand for personnel recruitment. Operating income was 5,137 million yen as a result of investments in advertising such as TV commercials to reinforce the “DODA” brand, and the increase in the number of consultants with the purpose of enhancing the matching system.

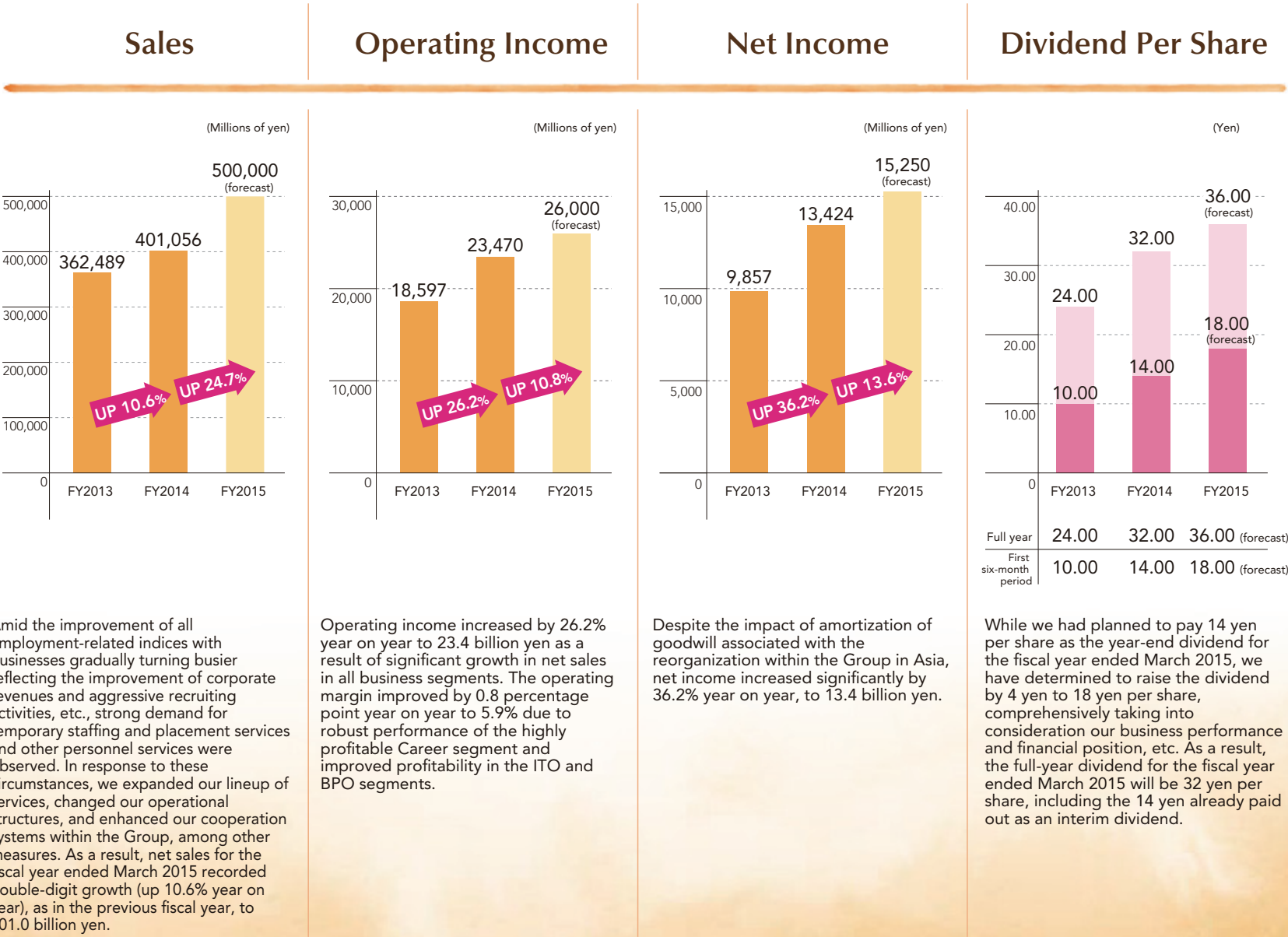


Overview of Consolidated Financial Results



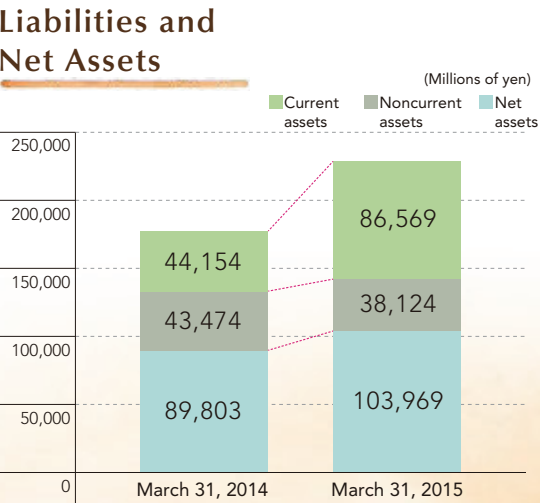
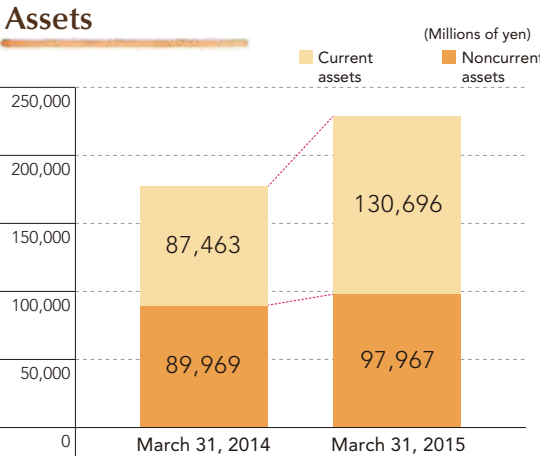
Please visit our website for more detailed IR information.

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



Balance Sheet

	FY2013	FY2014	Change
Assets	177,433	228,663	51,230
1 Current assets	87,463	130,696	43,232
Cash and deposits	36,292	60,645	24,352
Noncurrent assets	89,969	97,967	7,997
Right of trademark	11,660	11,061	(598)
2 Goodwill	57,089	66,023	8,934
Liabilities	87,629	124,694	37,064
3 Current liabilities	44,154	86,569	42,415
Noncurrent liabilities	43,474	38,124	(5,350)
Convertible bond-type bonds with stock acquisition rights	15,000	14,798	(202)
Long-term loans payable	18,560	13,920	(4,640)
Net assets	89,803	103,969	14,165
Shareholders' equity	86,973	98,562	11,588
Capital stock	9,980	10,081	101
Capital surplus	13,572	13,673	101
4 Retained earnings	62,140	73,499	11,359
Minority interests	2,829	5,406	2,576



[Reference]

The Temp Group has applied the “Accounting Standards for the Presentation of Comprehensive Income” since 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.

	FY2013	FY2014
Comprehensive Income	10,543 million yen	13,508 million yen

The Temp Group's CSR Activities

The Temp Group is engaged in CSR (Corporate Social Responsibility) through the personnel business, concurrently with diverse social contribution activities.

For the development of globally active human resources

On November 30, 2014, a presentation conference of the Temp Group Challenge Women Scholarship was held in Nihonbashi, Tokyo.

Six scholarship recipients who had learned English and conducted field works during two months from July to August 2014 gave presentations in English. A get-together was also celebrated, in which 35 old scholarship recipients from the first year of the scholarship in 1991 to the 21st year in last year, as well as other related persons, participated. The scholarship recipients for 2015 have been already fixed, and are preparing to travel abroad.



Support for disabled persons

We offer various job assistance to people with disabilities in expectation of the realization of a comfortable working environment for them.

Thanks Temp Co., Ltd. (an exempt subsidiary) conducts various contract businesses such as providing assistance for administrative works, holding job assistance seminars for disabled persons, etc. Frontier Challenge, Ltd., which is engaged in providing assistance for the employment of disabled persons, started the Challenge Athlete Support program in 2008 to support physically challenged athletes who are employees of Temp Group, by providing financial assistance and flexible working conditions to help them simultaneously pursue work and athletics.

For female workers

“Diversity Sales Department” has been established to further support female workers

The Diversity Sales Department consists of time-pressured female employees. The goal of this department is to realize a working environment in which new working styles free from time constraints are sought and realized so that more diverse human resources will be able to enjoy working actively. This department was first established in three offices of Tempstaff Co., Ltd. in the Tokyo Metropolitan area, and will be expanded to wider areas.

Information

Company Outline

(As of March 31, 2015)

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	10,081.64 million yen

Members of the Board

(As of March 31, 2015)

Chairman and Director:	Yoshiko Shinohara
Vice Chairman:	Mikihiko Hibino
President and Representative Director:	Masamichi Mizuta
Executive Vice President:	Hirotooshi Takahashi
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 March 31, 2015)

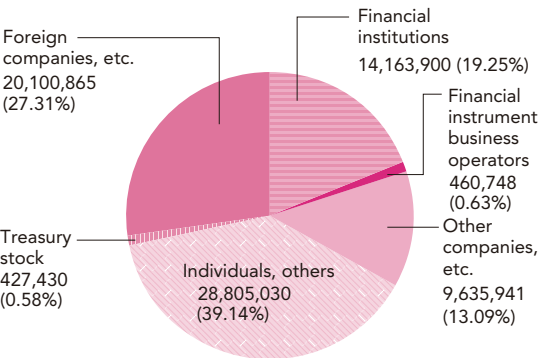
- Authorized number of shares: 240,000,000
- Total number of shares issued: 73,593,914
- Number of shareholders: 6,930
- Major shareholders

Name of shareholders	Number of shares held	Shareholding ratio (%)
Yoshiko Shinohara	19,277,200	26.35
The Yoshiko Shinohara Memorial Foundation	4,100,000	5.60
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,894,500	5.32
Kelly Services Japan, Inc.	3,035,600	4.15
Japan Trustee Services Bank, Ltd. (Trust Account)	1,857,100	2.53
Yoshimi Iyadomi	1,812,800	2.47
BNYM Treaty DTT 15	1,327,686	1.81
MSIP CLIENT SECURITIES	1,265,919	1.73
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,232,000	1.68
Woman Staff Ltd.	1,206,000	1.64

* The shareholding ratio is calculated based on the number of shares (73,166,484) obtained by deducting the number of shares in the treasury stock from the total number of shares outstanding.

Distribution of Shareholders

(As of March 31, 2015)
(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	Custody Service Department Mitsubishi UFJ Trust and Banking Corporation 7-10-11 Higashisuna, Koto-ku, Tokyo 137-8081, JAPAN Telephone: 0120-232-711 (Toll free available only in Japan) URL http://www.tr.mufg.jp/daikou/
Stock listing	Tokyo Stock Exchange, First Section
Website of public notices	URL: http://www.temp-holdings.co.jp/ (When electronic public notices are not possible due to accidents or other unavoidable circumstances, announcements will appear in the Nihon Keizai Shimbun newspaper.)

Procedures for Shares

Shares registered in the accounts of securities companies

■ Procedures, inquiries, etc.

- ☐ Inquiries about the sending and returning of mails
- ☐ Inquiries about dividends after expiration of the payment period
- ☐ General inquiries about administrative work relating 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
Telephone: 0120-232-711 (Toll free available only in Japan)

- ☐ Procedures and inquiries other than those stated above, such as changes in address, name, etc.

Please contact your securities company.

Shares registered in the special account

■ Procedures, inquiries, etc.

- ☐ Requests for transfer from a special account to a general account
- ☐ Changes in address, name, etc.
- ☐ Inquiries about account balance
- ☐ 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
Telephone: 0120-232-711 (Toll free available only in Japan)

- ☐ Inquiries about the sending and returning of mails
- ☐ Inquiries about dividends after expiration of the payment period
- ☐ General inquiries about administrative work relating to shares

Administrator
of shareholders'
register

Method for requesting procedural documents

- ☐ Request using the automatic answering phone system:
0120-244-479 (Toll free available only in Japan)
- ☐ Download documents online: <http://www.tr.mufg.jp/daikou/>

(*) Shareholders holding shares registered in the special account may not choose the method of receiving dividends in proportion to the number of shares held.

Internet

“TEMP NAVI for Individual Investors”

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

Please visit our website for various kinds of information, such as the Temp Group's businesses and earnings results in an easy-to-understand manner.



Temp Holdings was selected as a component of the JPX-Nikkei Index 400 in August 2014.

What is the JPX-Nikkei Index 400?

It is a new stock price index composed of stocks of companies that meet the requirements of global investment standards, including effective use of capital, an investor-conscious management viewpoint, etc., which was established with the aim of promoting the attractiveness of Japanese companies to investors at home and abroad.

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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