

Temp Holdings and Intelligence to partner following share purchase from KKR

Creates a new leader in HR services in Japan and Asia

Tokyo & Hong Kong, March 26, 2013—Temp Holdings, Co. Ltd. (“Temp Holdings”) and Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, “KKR”) today announced the signing of a definitive agreement under which Temp Holdings will acquire all outstanding shares of Intelligence Holdings, Ltd. (“Intelligence”) from KKR and the management and employees of Intelligence, for an enterprise value¹ of JPY68.0 billion (US\$716 million), representing an equity value of approximately JPY 51.0 billion (US\$537million).

Temp Holdings is one of Japan’s largest comprehensive recruitment services companies and has actively expanded its business in Asia. Intelligence is also a leading comprehensive recruitment services provider in Japan, operating multiple business lines including permanent job placement, job advertising media, temporary staffing and outsourcing. Together, Temp Holdings and Intelligence can meet evolving market needs and provide companies and job-seekers with a comprehensive range of high-quality HR services.

Ms. Yoshiko Shinohara, Chairman, President and Representative Director of Temp Holdings, said, “Under the leadership of CEO Takahashi, Intelligence has grown rapidly as a comprehensive recruitment services provider. In particular, by fully utilizing the skills and expertise of KKR over the past few years, Intelligence has achieved a large improvement in the performance and profitability of each of its businesses and significantly strengthened its position in the recruitment services business. We believe labor flexibility and mobility will be an important part of improving the competitiveness of Japanese companies and through this partnership we aim to support our customers’ sustained growth by stimulating inter-industry labor mobility, provide stable employment opportunities to jobseekers, and thereby contribute to job creation and better serve our customers.”

Intelligence President and CEO, Mr. Hirotohi Takahashi said, “By joining together with Temp Holdings we are creating a group that aims to be a new leader in the HR solutions business in Japan and Asia. We are honored to become a part of that team.” Mr. Takahashi added, “Our partnership with KKR has been a great learning experience for me and for staff at all levels of Intelligence. Together, we have achieved real operational improvement and sustained growth. KKR and KKR Capstone teams provided valuable ideas, strategic direction and operational resources that have fundamentally enhanced our management effectiveness and operational efficiency. We are now much better positioned to utilize that experience to develop further, in partnership with Temp Holdings.”

Mr. Shusaku Minoda, Managing Director and CEO of KKR Japan, said, “Over the last three years we have built a highly successful partnership with Takahashi-san and his team at Intelligence. Thanks to their incredible energy and vision, Intelligence has achieved very strong and sustained growth and profitability. The success of this partnership provides a firm foundation for our plans to further develop our business in Japan.”

¹ Enterprise value is calculated as equity value plus net debt.

Note: The US\$ figures used in this release are approximate figures based on an exchange rate of 1 US\$ = JPY 95.

During its three-year partnership with KKR, Intelligence has increased its revenues by 45%, EBITDA by 170%, and operating profit (EBIT) by 431%. The total number of employees at Intelligence also increased from 4,370 to 5,981 (by 37%).

The combination of Temp Holdings and Intelligence will have revenues of more than JPY 320 billion (US\$3,370 million), EBITDA of more than JPY 21 billion (US\$220 million)², employ more than 10,000 people, and create an industry-leading franchise that can capture expanding opportunities in the Japan and Asia HR services markets. The market for HR services in Japan has grown significantly over the last twenty-five years as traditional employment patterns evolved and developed, and companies restructure and expand globally. At the same time, as jobseekers' awareness of opportunities expands and their career planning needs diversify, the number of people changing jobs has steadily increased. These changes have led to growing demand for a wide range of professional HR services which Temp Holdings and Intelligence together will best be able to meet.

The share transfer transaction is subject to customary closing conditions and approval by the Japan Fair Trade Committee and is expected to be completed in late April 2013, or on a date to be agreed by Temp Holdings and KKR.

² Based on the combined figures for Temp Holdings and Intelligence for the 12 months to December 2012.

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Forward-Looking Statements

This release contains certain forward-looking statements. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. Without limiting the foregoing, statements regarding the acquisition of Intelligence and the resulting combined business may constitute forward-looking statements. Such statements are subject to the risk that the terms of such transaction may be modified, the transaction may not be completed at all or the benefits and synergies from such transactions are not realized. The forward-looking statements are based on the beliefs, assumptions and expectations of the parties referenced herein, taking into account all information currently available to them. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to these parties or are within their control. None of the parties undertakes any obligation to update any forward-looking statements to reflect circumstances or events that occur after the date on which such statements were made except as required by law.

About Temp Holdings

Since the establishment of Tempstaff Co., Ltd. in 1973, the firm has developed into an integrated HR services provider supporting contingent labor, placement, outsourcing and outplacement support. The group holding company Temp Holdings Co., Ltd. aims to be a leading HR service provider in Asia and was established in October 2008 and listed on the 1st Section of the Tokyo Stock Exchange (Stock code: 2181). Temp Holdings (President: Yoshiko Shinohara) is headquartered in Shibuya-ku, Tokyo and in the fiscal year ended March 2012 sales were JPY 233,195 million. Please visit www.temp-holdings.co.jp/english for additional information on Temp Holdings.

About Intelligence

Intelligence was established in 1989 and is a leading comprehensive HR services company, providing services including online and classified job advertisement services (under the brand of “an”), permanent placement services (under the brand of “DODA”), temporary staffing services, IT and business process outsourcing services, public solutions services, and IT system development services in Japan, as well as permanent placement services in China and South East Asia. Intelligence was formerly a subsidiary of Usen Corporation and was acquired by KKR in July 2010. Since then, in partnership with KKR and KKR Capstone, Intelligence has implemented wide-ranging initiatives to enhance management effectiveness and operational efficiency. Please visit <http://www.inte.co.jp/en/> for additional information on Intelligence.

About KKR

Founded in 1976 and led by Henry Kravis and George Roberts, KKR is a leading global investment firm with US\$75.5 billion in assets under management as of December 31, 2012. With offices around the world, KKR manages assets through a variety of investment funds and accounts covering multiple asset classes. KKR Japan, established in 2006, is an integral part of KKR’s Asia Pacific team, which consists of more than 90 executives in seven offices across the region. In 2010, KKR completed an investment in a leading Japanese recruitment services firm Intelligence Ltd. from Usen Corporation. In 2011, KKR and Itochu Corporation were co-investors in Samson Investment Company, one of the largest private exploration and production companies in the United States. Also that year, KKR, Google and Recurrent Energy, a U.S. subsidiary of Sharp Corporation, formed a venture to invest in solar projects in the US. KKR has pan-Asian pool of capital of more than US\$5 billion invested in 28 companies across the region. KKR’s portfolio is mixed by country, industry and sector and includes both minority and control investments. KKR seeks to create value by bringing operational expertise to its portfolio companies and through active oversight and monitoring of its investments. KKR Capstone is a team of more than 60 operating executives across North America, Europe, and Asia who work exclusively with KKR portfolio companies to drive operational improvements. KKR Capstone has operational consultants that are dedicated to delivering management expertise in functional areas such as pricing, organizational design, sales force effectiveness, and operational efficiency. KKR & Co. L.P. is publicly traded on the New York Stock Exchange (NYSE: KKR), and “KKR,” as used in this release, includes its subsidiaries, their managed investment funds and accounts, and/or their affiliated investment vehicles, as appropriate. For additional information on KKR, please visit KKR's website at www.kkr.com.

The Partnership between Intelligence and KKR

Value creation through sustainable operational improvement and growth

Established in 1989, Intelligence is one of the leading comprehensive recruitment service providers in Japan, operating multiple business lines including permanent job placement, job advertising media, temporary staffing and outsourcing. It was acquired in July 2010 by funds advised by Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, "KKR") from Usen Corporation, a Japanese cable broadcaster and media content provider.

How growth was achieved

Immediately following the transaction's close, Intelligence's management team invited KKR Capstone, a dedicated operations team that works exclusively with KKR's portfolio companies, to identify and launch operational improvement initiatives including the:

- Introduction of a number of operational key performance indicators (KPIs) to enable management to make prompt and informed judgments;
- Design and implementation of productivity improvement programs at the sales representative level to help frontline salespeople clearly identify actions they can take to improve performance; and
- Promotion of cross-divisional sales initiatives and expansion into growth areas in Japan, such as i-common, a senior advisor matching service, and overseas, including a joint venture in Southeast Asia.

The results

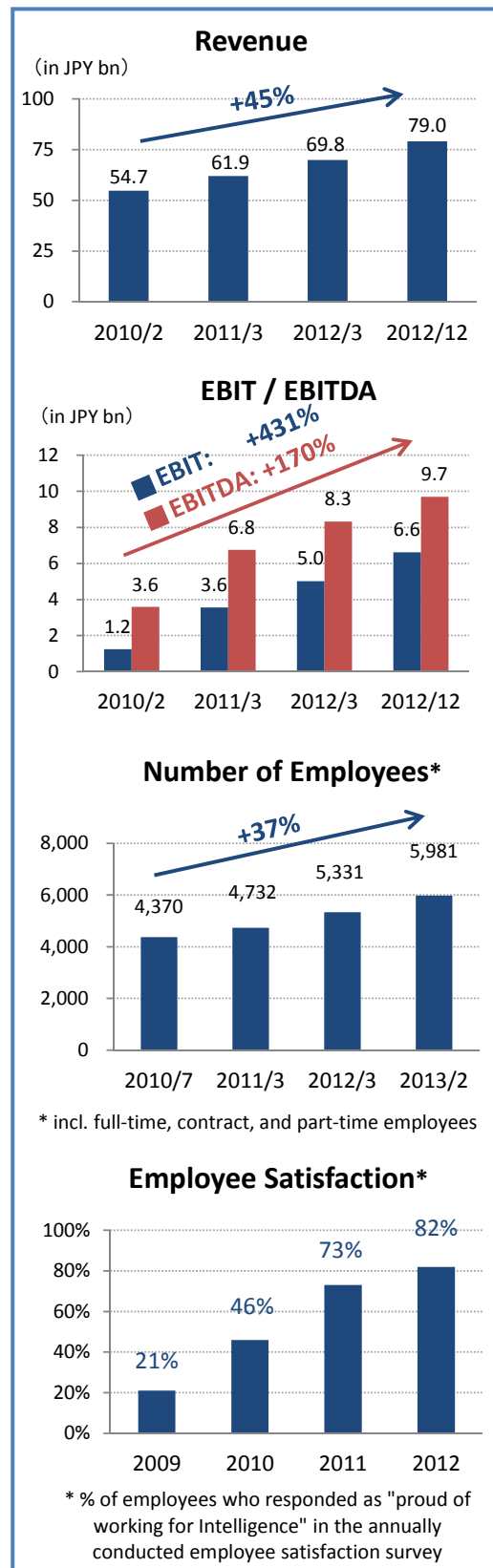
- During the three-year period of KKR's partnership with Intelligence, revenues grew by 45%, and EBITDA increased by 170% as Intelligence's management team and employees at all levels of the organization worked in partnership with the teams from KKR Japan and KKR Capstone.
- Over the same three-year period, the number of employees increased by 37% and employee surveys indicated a tremendous improvement in job satisfaction, a testament to the depth and sustainability of the results that were achieved.

The keys to success

Several key factors that contributed to the successful partnership of KKR and Intelligence include:

- The excellent management team at Intelligence led by CEO Hirotoashi Takahashi and the company's strong willingness to accept new ideas and to achieve success;
- The highly-talented and well-trained employees of Intelligence who learned to rapidly and successfully implement change;
- The local knowledge and experience of KKR Japan and the operational value-add of the KKR Capstone team that were deployed on the ground, side-by-side with Intelligence employees; and
- KKR's 36 years of global experience in achieving growth and operational improvement in a broad range of industries and localizing that experience to achieve sustainable growth.

Performance in Numbers



[JAPANESE \(日本語\)](#)