

# **Results for the Third Quarter of the Fiscal Year Ending May 31, 2018**

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**9M FY2017 (June 1, 2017 - February 28, 2018)**

**Pasona Group Inc.**

**First Section TSE (2168)**

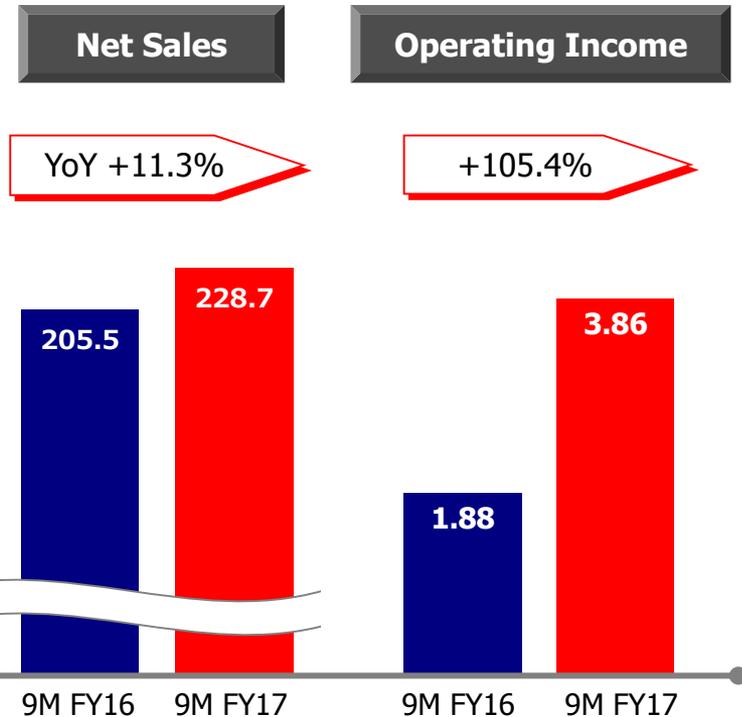
**April 6, 2018**

**[www.pasonagroup.co.jp/english/](http://www.pasonagroup.co.jp/english/)**

# Consolidated Results

(Billions of yen)

(Millions of yen)	9M FY16	(%)	9M FY17	(%)	VS FY16 Increase/Decrease
Net sales	205,480	100.0	228,690	100.0	+23,210 +11.3%
Cost of sales	164,950	80.3	180,675	79.0	+15,725 +9.5%
Gross profit	40,530	19.7	48,015	21.0	+7,484 +18.5%
SG&A expenses	38,652	18.8	44,157	19.3	+5,505 +14.2%
Operating income	1,877	0.9	3,857	1.7	+1,979 +105.4%



## Major Item of Increase/Decrease

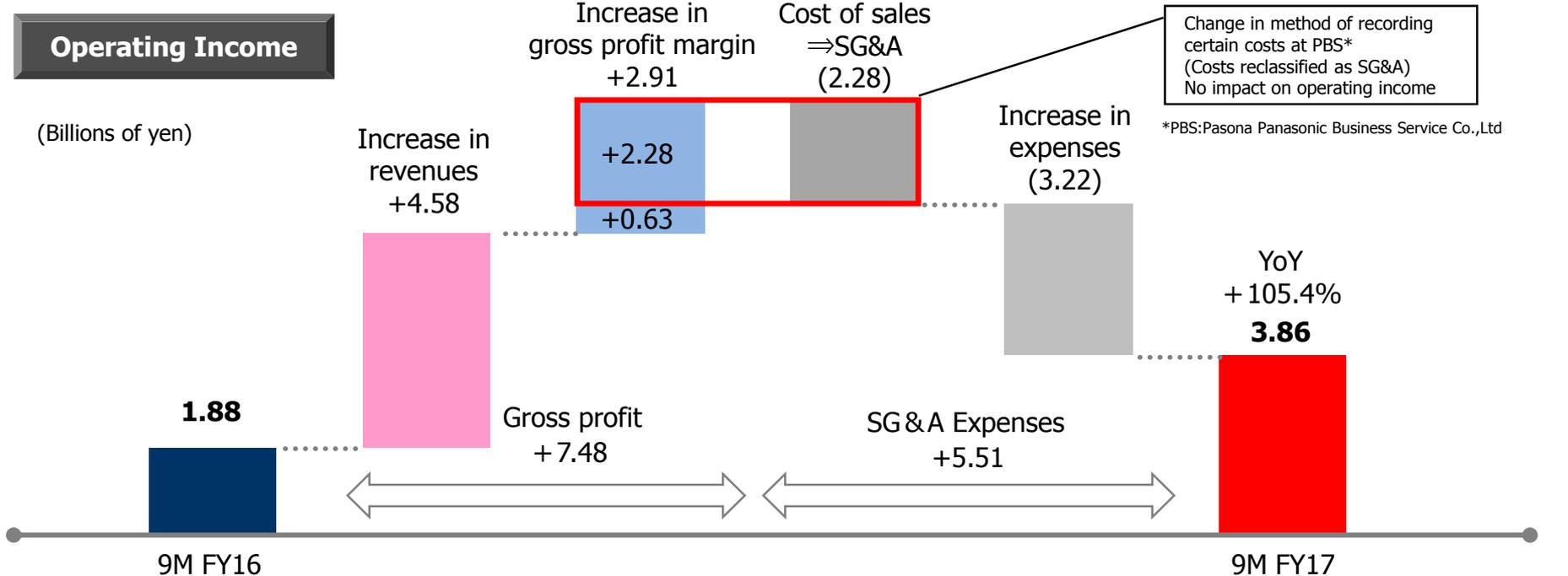
### ● Net Sales

- Revenue increase in all segments due to steady growth in personnel needs.
- Growth in BPO and Placement/Recruiting businesses, including insourcing and outsourcing.

### ● Operating Income

- Considerable increase in earnings due to lower retirement benefits costs, and greater efficiency in adoption of a common IT infrastructure.

# Operating Income



	FY10	FY11	FY12	FY13	FY14	FY15	FY16	9M FY16	9M FY17	*Reference 9M FY17
Gross Profit margin	18.8%	18.6%	19.3%	19.3%	20.3%	20.0%	20.2%	19.7%	21.0%	20.0%
SG&A margin	17.4%	17.5%	17.8%	17.7%	18.7%	18.6%	18.6%	18.8%	19.3%	18.3%

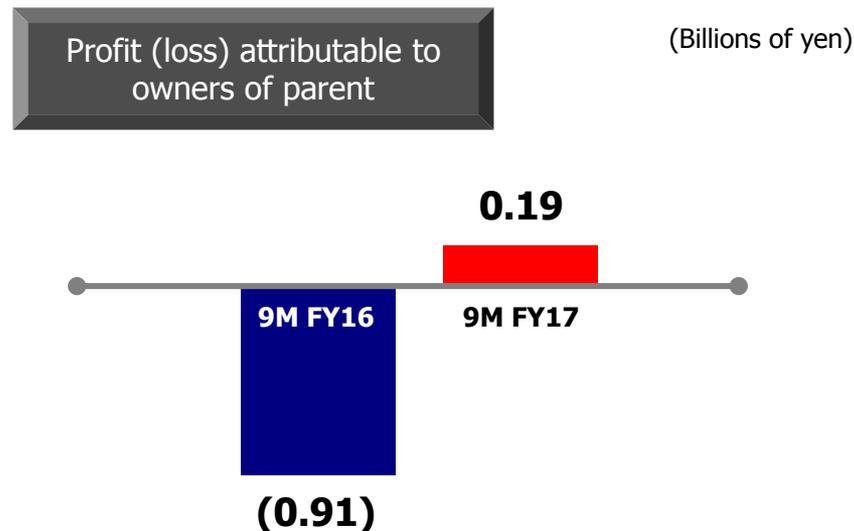
## Major Item of Increase/Decrease

- **Gross profit** increase due to higher revenue, and gains in Insourcing and Career Solutions businesses.
- **SG&A expenses** decrease due to standardiizing of IT infrastructure. Reduction in retirement benefit costs, which had a substantial impact on profit in the previous fiscal year. (YoY -¥480 million)

# Consolidated Results

## (Non-operating/Extraordinary income and loss)

(Millions of yen)	9M FY16	9M FY17	Increase/ Decrease	YoY
Operating income	1,877	3,857	+1,979	+105.4%
Non-operating income	239	682	+442	+185.0%
Non-operating expenses	318	591	+273	+85.8%
Ordinary income	1,798	3,947	+2,148	+119.5%
Extraordinary income	31	601	+570	+1818.5%
Extraordinary loss	204	371	+166	+81.3%
Income before income taxes	1,625	4,178	+2,552	+157.1%
Income taxes - current	1,664	2,144	+480	+28.9%
Income taxes - deferred	(253)	593	+847	-
Income taxes	1,410	2,738	+1,327	+94.1%
Profit attributable to non-controlling interests	1,129	1,245	+115	+10.2%
Profit and loss attributable to owners of parent	(914)	194	+1,109	-



### Major Items of Increase/Decrease (YoY)

- **Non-operating income and expenses**  
Increase due to subletting of portion of head office building
  - Real estate rents                    432 million (+402million)
  - Real estate leasing costs        336 million (+316million)
- **Extraordinary income**
  - Gain on bargain purchase from M&A (Q1)    601 million
- **Extraordinary loss**
  - Impairment loss on fixed assets at a certain subsidiary (Q3)        173 million

# Consolidated Results by Segment

(Millions of yen)

Segment		Net sales				Operating income (loss)				Operating income margin		
		9M FY16	9M FY17	Increase/ Decrease	YoY	9M FY16	9M FY17	Increase/ Decrease	YoY	9M FY16	9M FY17	Increase/ Decrease
①	Expert Services (Temporary Staffing)	105,767	118,715	+12,948	+12.2%							
②	Insourcing (Contracting)	55,421	60,445	+5,023	+9.1%							
③	HR Consulting, Education, Training, etc.	4,584	5,113	+528	+11.5%	833	3,059	+2,225	+267.0%	0.5%	1.6%	+1.1pt
④	Global Sourcing (Overseas)	4,577	5,345	+768	+16.8%							
Subtotal		170,350	189,620	+19,269	+11.3%							
⑤	Career Solutions (Placement/ Recruiting, Outplacement)	10,785	12,129	+1,344	+12.5%	1,093	2,115	+1,022	+93.5%	10.1%	17.4%	+7.3pt
⑥	Outsourcing	21,953	24,367	+2,413	+11.0%	4,141	4,272	+130	+3.1%	18.9%	17.5%	(1.4)pt
⑦	Life Solutions	3,392	3,781	+388	+11.5%	140	187	+46	+33.2%	4.1%	5.0%	+0.9pt
⑧	Public Solutions	1,270	1,761	+491	+38.7%	(352)	(1,072)	(720)	-	-	-	-
⑨	Eliminations and Corporate	(2,272)	(2,970)	(698)	-	(3,979)	(4,704)	(725)	-	-	-	-
Total		205,480	228,690	+23,210	+11.3%	1,877	3,857	+1,979	+105.4%	0.9%	1.7%	+0.8pt

# Balance sheet

(Billions of yen)

Major Item of Increase/Decrease	May 31,2017	Feb 28,2018	Increase/ Decrease
<b>Assets</b>	<b>94.6</b>	<b>99.1</b>	<b>+4.5</b>
Current assets	64.6	64.2	(0.4)
Cash and deposits	21.8	18.6	(3.2)
Notes and accounts receivable – trade	34.2	36.7	+2.5
Other	8.7	9.0	+0.3
Non-current assets	30.0	34.9	+4.9
Property, plant and equipment	9.3	13.7	+4.4
Intangible assets	9.1	9.6	+0.5
Investments and other assets	11.6	11.6	(0.0)
<b>Liabilities</b>	<b>66.5</b>	<b>70.8</b>	<b>+4.3</b>
Current liabilities	49.8	50.5	+0.7
Accounts payable	5.9	3.3	(2.6)
Short-term loans payable	5.4	8.4	+3.0
Accrued expenses	14.1	15.6	+1.5
Other	24.5	23.2	(1.2)
Non-current liabilities	16.7	20.3	+3.6
Long-term loans payable	12.0	14.1	+2.1
<b>Net assets</b>	<b>28.1</b>	<b>28.3</b>	<b>+0.2</b>
Shareholders' equity	18.6	18.4	(0.2)
Valuation and translation adjustments	0.5	0.5	+0.1
Non-controlling interests	9.0	9.4	+0.4
Capital adequacy ratio	20.1%	19.0%	(1.1)pt

## Major Item of Increase/Decrease

### [Current assets]

Decrease cash and deposits (M&A)      ¥(1.4) billion  
Increase accounts receivable (M&A)      +¥3.2 billion

### [Property, plant and equipment]

New businesses      +¥3.8 billion  
Head office relocation      +¥0.7 billion

### [Non-controlling interests]

Profit attributable to owners of parent      +¥0.19 billion  
Cash dividends paid      ¥(0.4) billion

### [Non-controlling interests]

Benefit One earnings distribution      +¥1.3 billion  
Cash dividends paid of Benefit One      ¥(0.9) billion

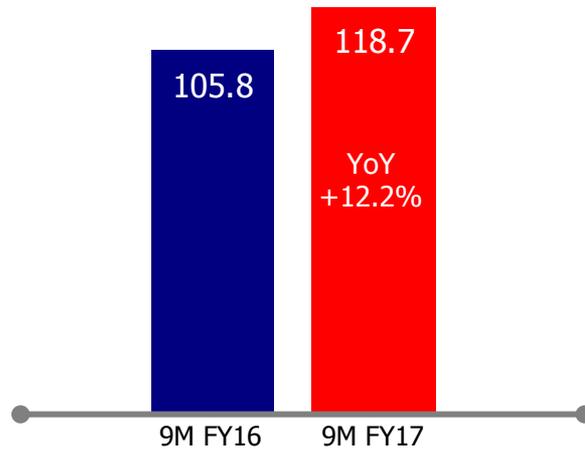
# Segment information

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# Expert Services (Temporary staffing)

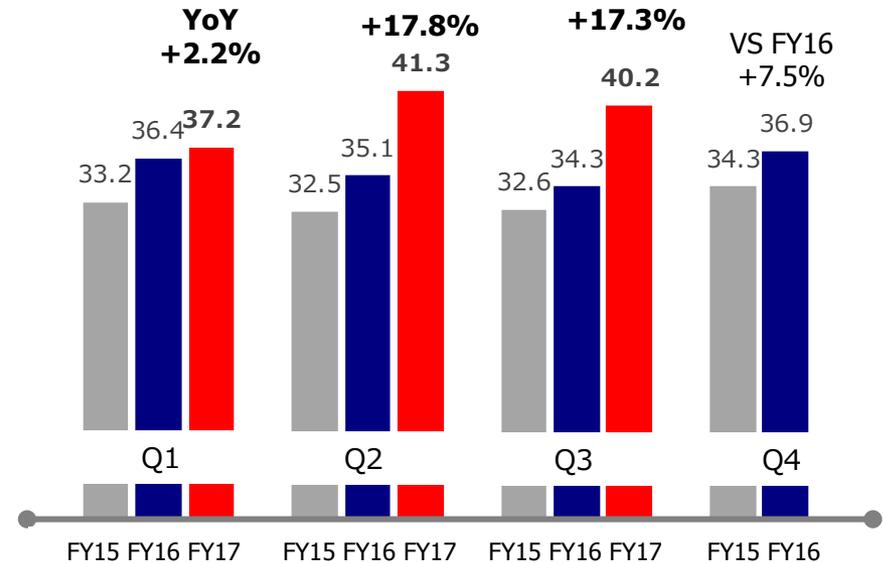
## Net Sales

(Billions of yen)



## Sales Trends

(Billions of yen)



## Business Conditions

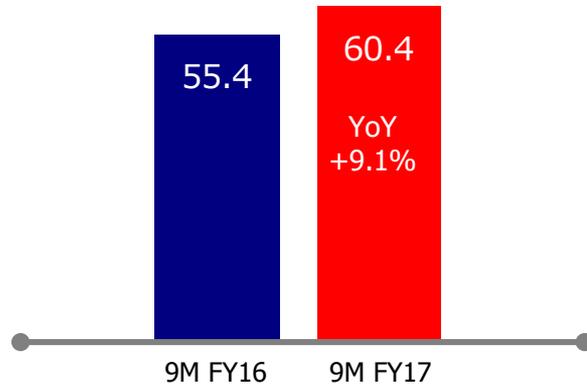
- **9M result**

- Expansion in direct hiring by client companies partly due to the application of Labor Contract Act.
- Steady growth in new positions such as robotic process automation (RPA), and specialist personnel training.
- Gain on business from human resource companies, and two subsidiaries of the NTT Group which transferred to us.

# In sourcing (Contracting)

## Net Sales

(Billions of yen)



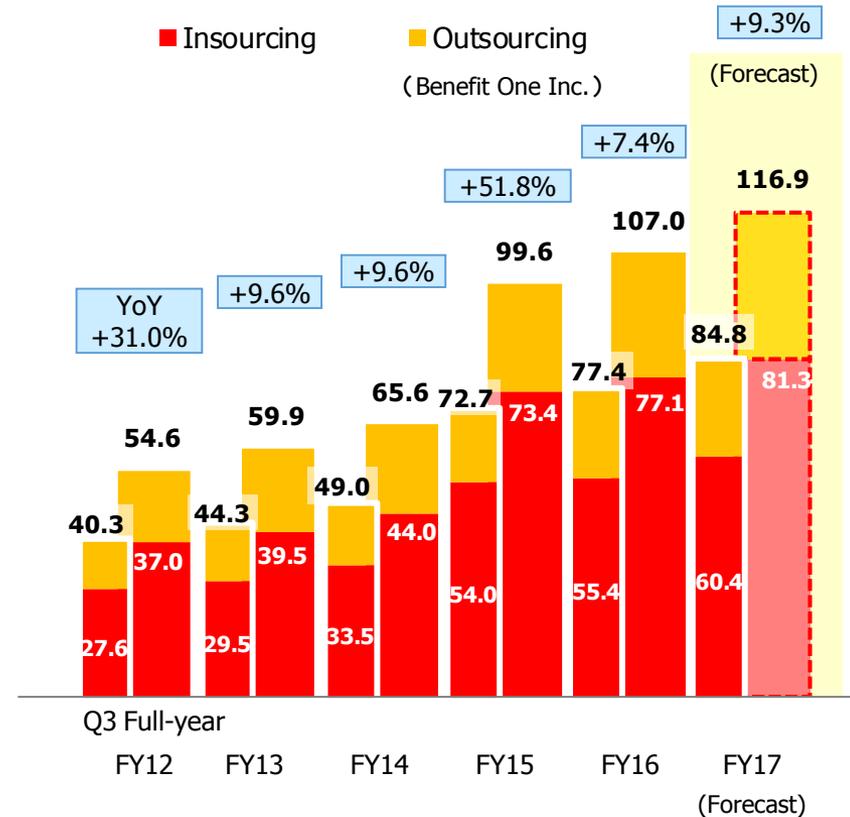
## Business Conditions

### 9M result

- Growth in administrative affairs representation although a large-scale project of the central government ministries decreased.
- At PBS\*, revenue increase in new services such as office renovation to develop the workplace environment as part of working style reforms.

## BPO Sales

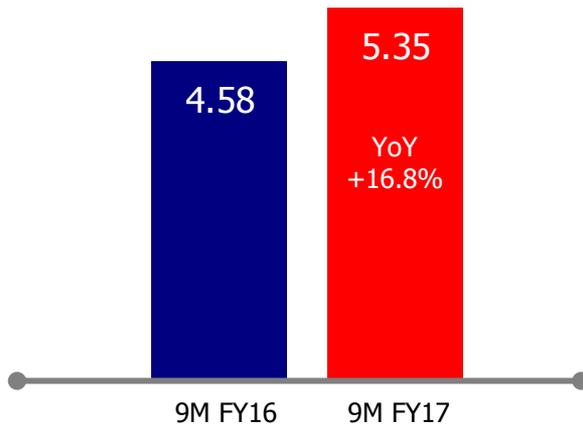
(Billions of yen)



# Global Sourcing (Overseas)

## Net Sales

(Billions of yen)



## Business Conditions

### 9M result

- Growth in temporary staffing centered on North America and Indonesia DGS.
- In Vietnam, results boosted by training of engineers for industry-academia collaborations.
- Holding "JOB Haku" to introduce global human resources to Japanese company at home and abroad.

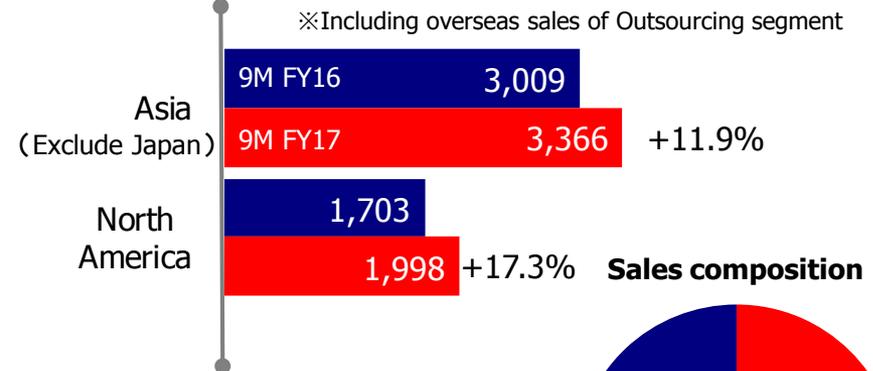
## Sales by Business Segment

(Millions of yen)

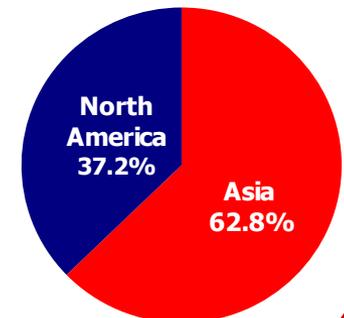
	9M FY16	9M FY17	YoY
Temporary Staffing	1,995	2,414	+21.0%
Placement / Recruiting	1,249	1,421	+13.7%
Contracting (Payroll, others)	826	965	+16.7%
Others	505	544	+7.9%
<b>Total</b>	<b>4,577</b>	<b>5,345</b>	<b>+16.8%</b>

## Sales by Region

(Millions of yen)



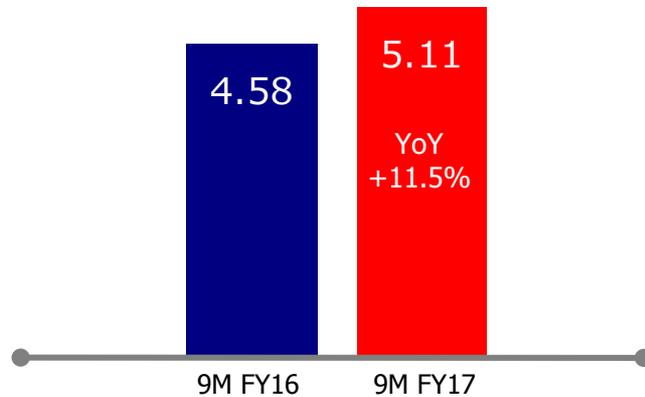
## Sales composition



# HR Consulting, etc. / Operating Income by Segments

## Net Sales (HR Consulting, education, training, etc.)

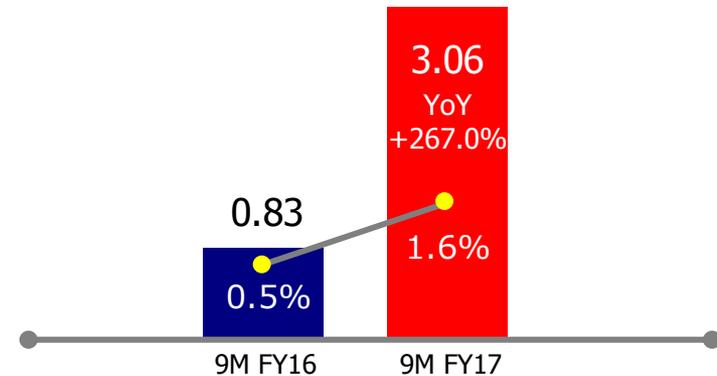
(Billions of yen)



## ES~GS Operating Income

※ES~GS: Expert Service, Insourcing, HR Consulting, Global Sourcing

(Billions of yen)



### Business Conditions

#### ● 9M result

- Proactive development of service menu to allow for total support due to increase in new corporate training menus related to working style reforms.
- Expansion in direct hiring by clients companies, because of placement fees increase.

### Business Conditions

#### ● 9M result

- Insourcing contribute to income.
- Significant increase in earnings due to cost reductions from standardization of back office operations, and lower retirement benefits expenses.

# Career Solutions (Placement/Recruiting, Outplacement)

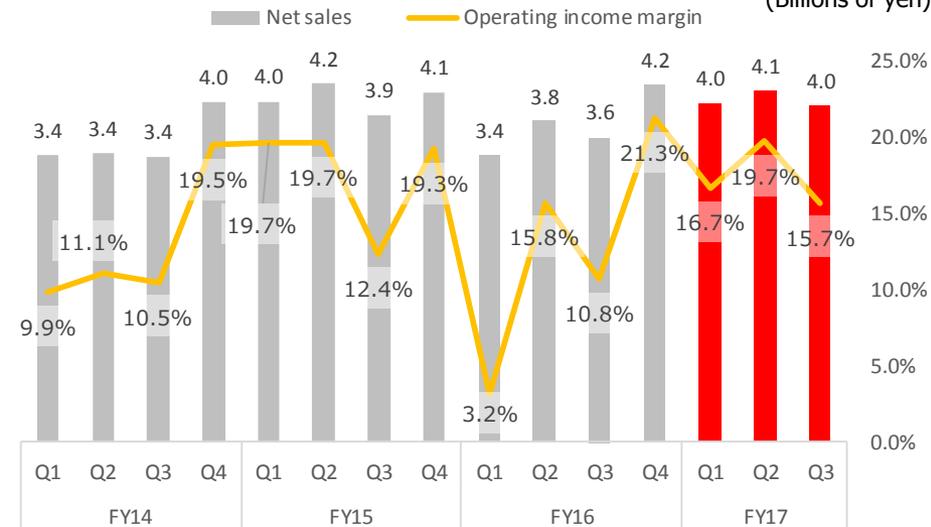
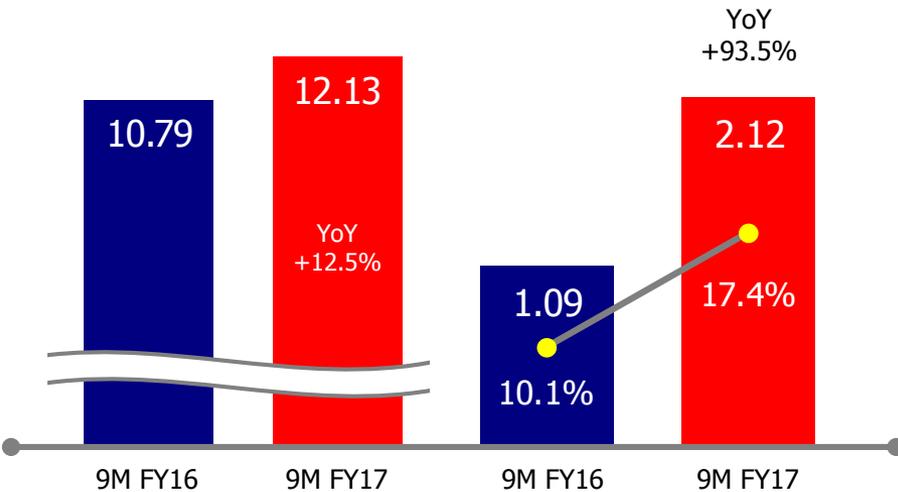
## Net Sales

## Operating Income, Operating Income Margin

(Billions of yen)

## Active opening ratio by occupation (Full-time employees including part-time workers)

(Billions of yen)



※FY2014 are reference figure before change of segment classification.

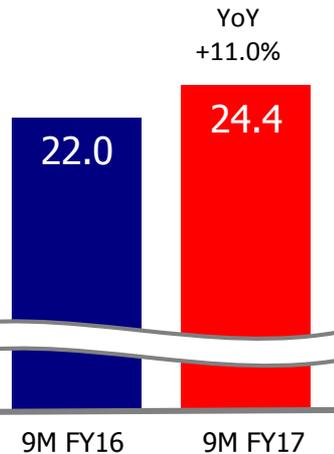
## Business Conditions

### ● 9M result

- In Placement/Recruiting, growth in a wide range of positions, centered on active recruitment by manufacturers and IT companies.
- The market for outplacement support seems to have bottomed out. The general sales structure with outplacement support consultants also offering placement/recruiting and advisory services has been successful, leading to significant gains in Placement/Recruiting.
- Strengthening an employee attitude survey services such as "Yoi Kaisha Survey" reflecting strong demand for retention consulting.

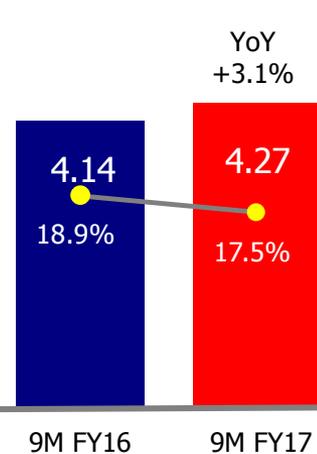
# Outsourcing (Benefit One Inc.)

## Net Sales



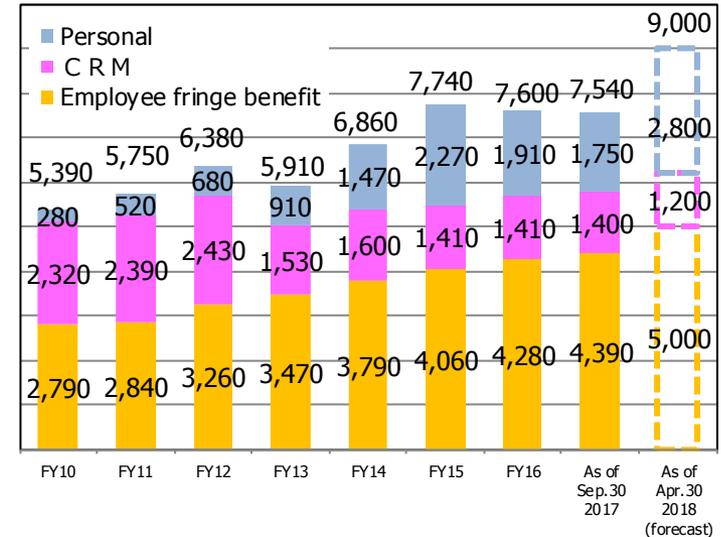
## Operating Income, Operating Income Margin

(Billions of yen)



## Benefit One Membership

(Thousands people)

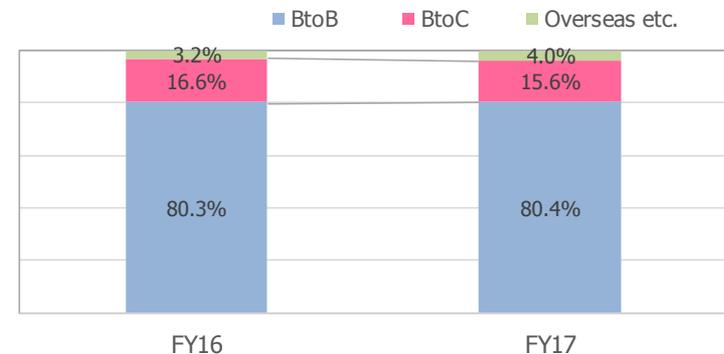


## Business Conditions

### ●9M result

- In employee fringe benefit services, up-front expenditures in 1H have led to earnings in line with the increase in corporate members. Trend is toward introducing fringe benefits to provide working style reforms.
- In the Personal business providing service to individual members, although the number of members has declined, we have begun working with promising new partners.

## Sales Composition



B to B ...The employee fringe benefit business , Incentive , Healthcare , BTM , Cost down  
B to C ... Personal , CRM , Inbound

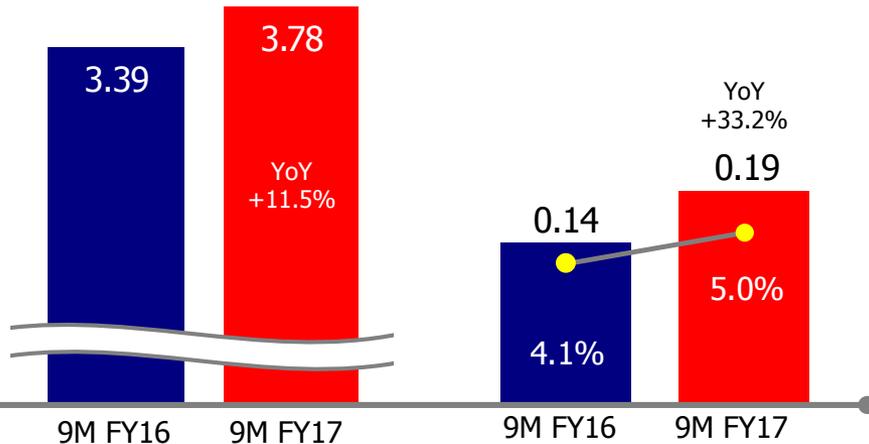
# Life Solutions/Public Solutions

## Life Solutions (Childcare, Nursing care)

### Net Sales

### Operating Income, Operating Income Margin

(Billions of Yen)



### Business Conditions

#### ● 9M result

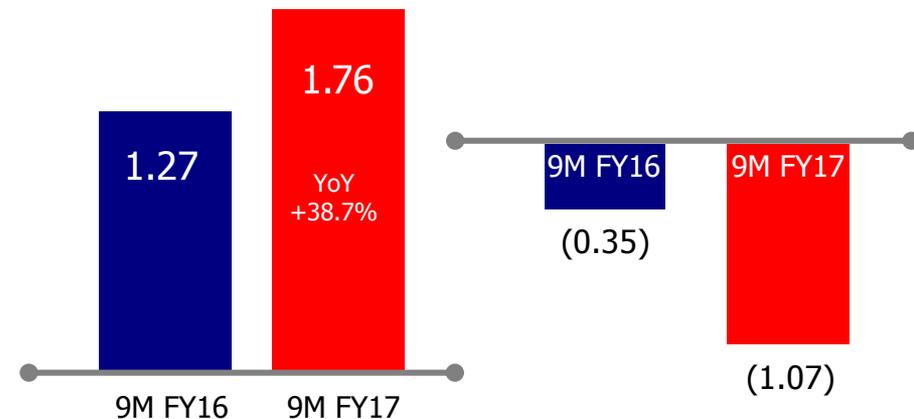
- Pasona Foster Care Inc.: Results higher due to steady increase in contracts for daycare facilities and in-company childcare.
- Pasona Life Care Inc.: Increase in use of nursing care and housekeeping services, with stable provision of Support Service for Balancing of Work and Nursing Care.
- Increase in revenue and earnings with efforts to streamline intra-segment operations.

## Public Solutions (Regional Revitalization, etc.)

### Net Sales

### Operating Income

(Billions of Yen)



### Business Conditions

#### ● 9M result

- Nijigennomori Inc.: Attracting visitors as a new tourism spot in Awaji Island, but start-up costs expanding.
- Tango Kingdom Inc.: Increase in sales and steady improvement in earnings from expanded sales channels as a regional company, and greater operating efficiency.

# Elimination/Corporate Segment Costs

## Net Sales

## Operating Income

(Billions of yen)

## Costs Trends

9M FY16

9M FY17

(2.27)

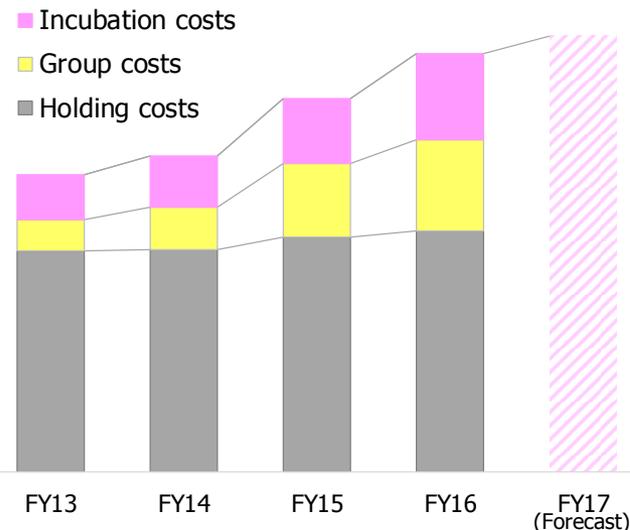
(2.97)

9M FY16

9M FY17

(3.98)

(4.70)



## Main Reasons for Cost Increase

- 9M result

**Holding costs:** Management costs as holding company

- Slight decline year on year.

**Group costs:** Costs to maximize group synergies

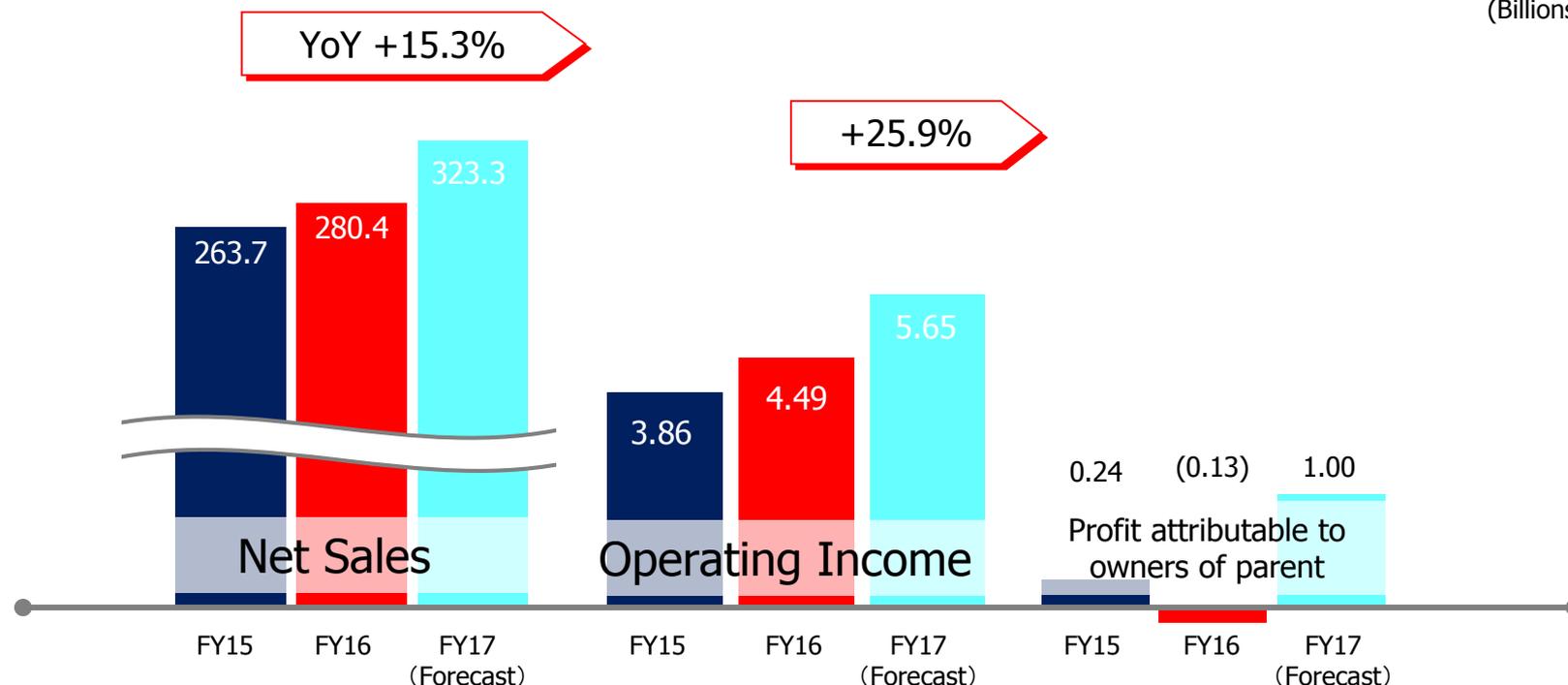
- +0.56 billion YoY due to one-time costs from relocation of Tokyo head office building, recurrent education, and IT infrastructure.

**Incubation costs:** Costs for development and launch of new businesses

- +0.17 billion YoY due to new business startup costs.

# FY2017 Consolidated Forecasts

(Billions of yen)



(Millions of yen)	FY15	to net sales %	FY16	to net sales %	FY17 Forecast	to net sales %	vs FY16 Increase/Decrease	YoY
Net sales	263,728	100.0	280,395	100.0	323,300	100.0	+42,904	+15.3%
Cost of sales	210,919	80.0	223,778	79.8	254,770	78.8	+30,991	+13.8%
Gross profit	52,808	20.0	56,617	20.2	68,530	21.2	+11,912	+21.0%
SG&A expenses	48,948	18.6	52,128	18.6	62,880	19.4	+10,751	+20.6%
Operating income	3,860	1.5	4,488	1.6	5,650	1.7	+1,161	+25.9%
Ordinary income	3,855	1.5	4,319	1.5	5,600	1.7	+1,280	+29.6%
Profit attributable to owners of parent	243	0.1	(129)	-	1,000	0.3	+1,129	-

# FY2017 Consolidated Forecasts by Segment

(Millions of yen)

Segment	Sales				Operating income (loss)				Operating income margin		
	FY16	FY17 Forecast	VS FY16 Increase/Decrease	VS FY16 %	FY16	FY17 Forecast	VS FY16 Increase/Decrease	VS FY16 %	FY16	FY17 Forecast	VS FY16 Increase/Decrease
Expert Services (Temporary Staffing)	142,662	169,600	+26,937	+18.9%	2,297	3,030	+732	+31.9%	1.0%	1.1%	+0.2pt
Insourcing (Contracting)	77,100	81,300	+4,199	+5.4%							
HR Consulting, Education, Training, etc.	6,133	6,940	+806	+13.1%							
Global Sourcing (Overseas)	6,388	7,060	+671	+10.5%							
Subtotal	232,285	264,900	+32,614	+14.0%							
Career Solutions (Placement/Recruiting, Outplacement)	15,008	16,500	+1,491	+9.9%	1,992	2,150	+157	+7.9%	13.3%	13.0%	(0.2)pt
Outsourcing	29,893	35,620	+5,726	+19.2%	5,782	6,970	+1,187	+20.5%	19.3%	19.6%	+0.2pt
Life Solutions	4,657	5,260	+602	+12.9%	237	150	(87)	(36.7)%	5.1%	2.9%	(2.2)pt
Public Solutions	1,670	3,690	+2,019	+120.9%	(450)	(1,090)	(639)	-	-	-	-
Elimination/Corporate	(3,119)	(2,670)	+449	-	(5,370)	(5,560)	(189)	-	-	-	-
Consolidated	280,395	323,300	+42,904	+15.3%	4,488	5,650	+1,161	+25.9%	1.6%	1.7%	+0.1pt

# Reference

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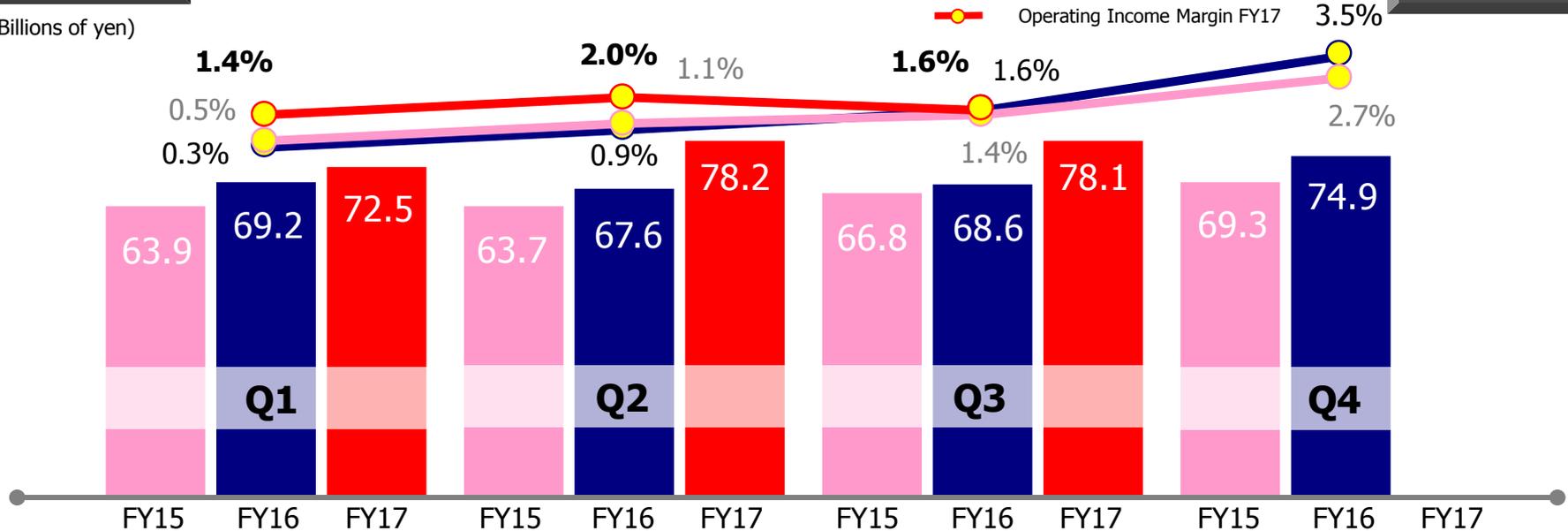
# Quarterly Earnings Trends

## Net Sales

(Billions of yen)

## Operating Income Margin

- Operating Income Margin FY15
- Operating Income Margin FY16
- Operating Income Margin FY17



(Millions of yen)

	Q1 (June to August)					Q2 (September to November)					Q3 (December to February)					Q4 (March to May)		
	FY15	FY16	YoY	FY17	YoY	FY15	FY16	YoY	FY17	YoY	FY15	FY16	YoY	FY17	YoY	FY15	FY16	YoY
Net sales	63,891	69,231	+8.4%	72,458	+4.7%	63,710	67,636	+6.2%	78,160	+15.6%	66,827	68,613	+2.7%	78,070	+13.8%	69,297	74,915	+8.1%
Gross profit	13,412	13,372	(0.3)%	15,256	+14.1%	12,023	13,628	+13.3%	16,675	+22.4%	13,041	13,529	+3.7%	16,083	+18.9%	14,331	16,086	+12.3%
SG&A expenses	13,061	13,156	+0.7%	14,222	+8.1%	11,300	13,048	+15.5%	15,090	+15.6%	12,111	12,446	+2.8%	14,844	+19.3%	12,473	13,476	+8.0%
Operating income	350	215	(38.5)%	1,033	+378.9%	722	579	(19.8)%	1,585	+173.8%	929	1,083	+16.5%	1,238	+14.4%	1,857	2,610	+40.5%
Ordinary income	256	174	(32.1)%	1,006	+476.5%	720	585	(18.8)%	1,628	+178.3%	956	1,039	+8.7%	1,313	+26.4%	1,921	2,520	+31.2%
Profit (Loss) attributable to owners of parent	(323)	(539)	-	533	-	(10)	(276)	-	(62)	-	(119)	(98)	-	(275)	-	697	785	+12.6%
Gross profit margin	21.0%	19.3%	(1.7)pt	21.1%	+1.8pt	18.9%	20.1%	+1.2pt	21.3%	+1.2pt	19.5%	19.7%	+0.2pt	20.6%	+0.9pt	20.7%	21.5%	+0.8pt
SG&A expense ratio	20.4%	19.0%	(1.4)pt	19.6%	+0.6pt	17.7%	19.3%	+1.6pt	19.3%	+0.0pt	18.1%	18.1%	+0.0pt	19.0%	+0.9pt	18.0%	18.0%	+0.0pt
Operating income margin	0.5%	0.3%	(0.2)pt	1.4%	+1.1pt	1.1%	0.9%	(0.2)pt	2.0%	+1.1pt	1.4%	1.6%	+0.2pt	1.6%	+0.0pt	2.7%	3.5%	+0.8pt
Ordinary income margin	0.4%	0.3%	(0.1)pt	1.4%	+1.1pt	1.1%	0.9%	(0.2)pt	2.1%	+1.2pt	1.4%	1.5%	+0.1pt	1.7%	+0.2pt	2.8%	3.4%	+0.6pt
Profit attributable to owners of parent margin	-	-	-	0.7%	-	-	-	-	-	-	-	-	-	-	-	1.0%	1.0%	+0.0pt

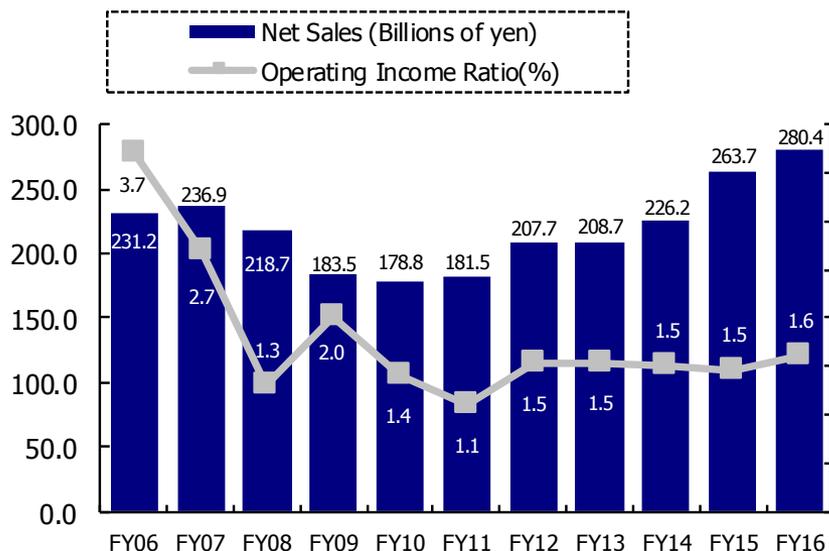
# Quarterly Earnings Trends by Segment

(Millions of yen)

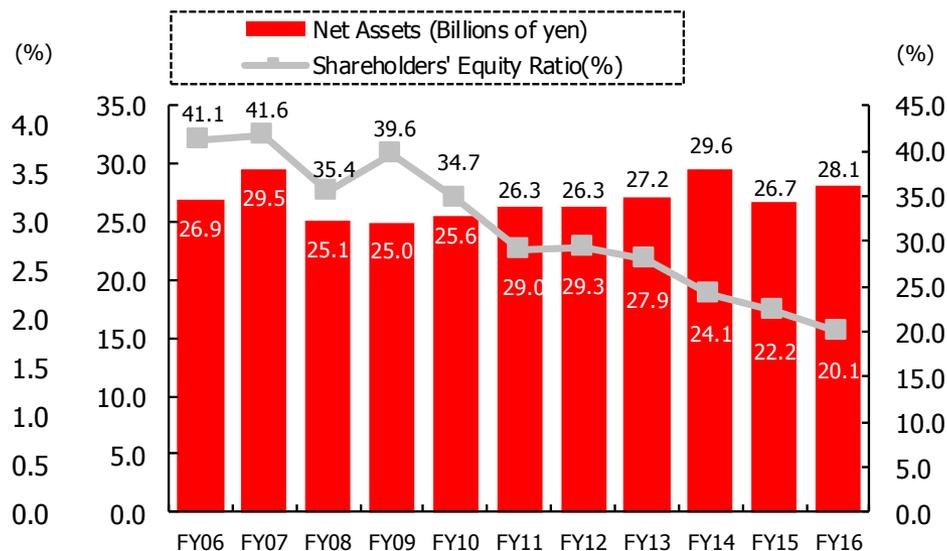
Segment	Sales								Operating income (loss)							
	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17	YoY	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17	YoY
Expert Services (Temporary Staffing)	36,378	35,090	34,298	36,894	37,172	41,319	40,224	+17.3%								
In sourcing (Contracting)	18,174	17,908	19,338	21,679	19,449	19,747	21,248	+9.9%								
HR Consulting, Education, Training, etc.	1,541	1,376	1,666	1,548	1,580	1,656	1,876	+12.6%	380	56	397	1,463	851	1,479	729	+83.5%
Global Sourcing (Overseas)	1,536	1,530	1,509	1,811	1,724	1,781	1,839	+21.8%								
Subtotal	57,631	55,905	56,813	61,934	59,926	64,505	65,188	+14.7%								
Career Solutions (Placement/Recruiting, Outplacement)	3,386	3,791	3,607	4,223	4,004	4,147	3,978	+10.3%	107	597	388	899	670	819	626	+61.4%
Outsourcing	7,478	7,066	7,408	7,939	7,775	8,473	8,118	+9.6%	1,134	1,348	1,659	1,640	1,184	1,330	1,757	+5.9%
Life Solutions	1,116	1,138	1,137	1,264	1,250	1,260	1,270	+11.7%	40	34	65	96	49	61	76	+16.0%
Public Solutions	391	459	418	399	462	735	563	+34.6%	(140)	(95)	(116)	(98)	(124)	(607)	(340)	-
Eliminations and Corporate	(773)	(726)	(772)	(846)	(961)	(962)	(1,047)	-	(1,305)	(1,361)	(1,311)	(1,391)	(1,597)	(1,496)	(1,610)	-
Total	69,231	67,636	68,613	74,915	72,458	78,160	78,070	+13.8%	215	579	1,083	2,610	1,033	1,585	1,238	+14.4%

# Full-Year Key Indicators

## Net Sales and Operating Income Ratio



## Net Assets and Shareholders' Equity Ratio



## Results

Key Indicators	'07/05	'08/05	'09/05	'10/05	'11/05	'12/05	'13/05	'14/05	'15/05	'16/05	'17/05
Net Sales	231,231	236,945	218,699	183,515	178,806	181,498	207,685	208,660	226,227	263,728	280,395
Gross Profit Margin	20.3%	20.8%	19.9%	20.0%	18.8%	18.6%	19.3%	19.3%	20.3%	20.0%	20.2%
SG&A Expenses	38,542	42,925	40,735	33,070	31,125	31,840	36,898	37,029	42,381	48,948	52,128
SG&A Expense Ratio	16.6%	18.1%	18.6%	18.0%	17.4%	17.5%	17.8%	17.7%	18.7%	18.6%	18.6%
Operating Income	8,507	6,444	2,850	3,660	2,432	1,964	3,176	3,210	3,490	3,860	4,488
Operating Income Ratio	3.7%	2.7%	1.3%	2.0%	1.4%	1.1%	1.5%	1.5%	1.5%	1.5%	1.6%
Ordinary Income	8,807	6,637	3,361	4,044	2,571	2,091	3,187	3,135	3,343	3,855	4,319
Ordinary Income Ratio	3.8%	2.8%	1.5%	2.2%	1.4%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%
Net Income *4	4,198	2,962	312	204	412	29	610	526	214	243	(129)
Net Income Ratio	1.8%	1.3%	0.1%	0.1%	0.2%	0.0%	0.3%	0.3%	0.1%	0.1%	—
Total Assets	54,425	58,513	55,468	52,269	60,564	70,889	71,276	75,615	88,641	85,356	94,584
Net Assets *1	26,904	29,468	25,148	24,979	25,642	26,295	26,253	27,181	29,620	26,735	28,062
Shareholders' Equity Ratio *2	41.1%	41.6%	35.4%	39.6%	34.7%	29.0%	29.3%	27.9%	24.1%	22.2%	20.1%
Return on Equity *2	18.2%	12.7%	1.4%	1.0%	2.0%	0.1%	2.9%	2.5%	1.0%	1.2%	(0.7)%
Number of Employees (exclude contract workers)	3,126	3,647	3,671	3,643	3,956	4,452	4,778	5,022	6,584	7,144	7,238

Notes: 1. Presentation of shareholders' equity amended to a net assets basis in line with changes to accounting standards and policies. Non-controlling interests included in presentation of net assets since the fiscal year ended May 31, 2007.

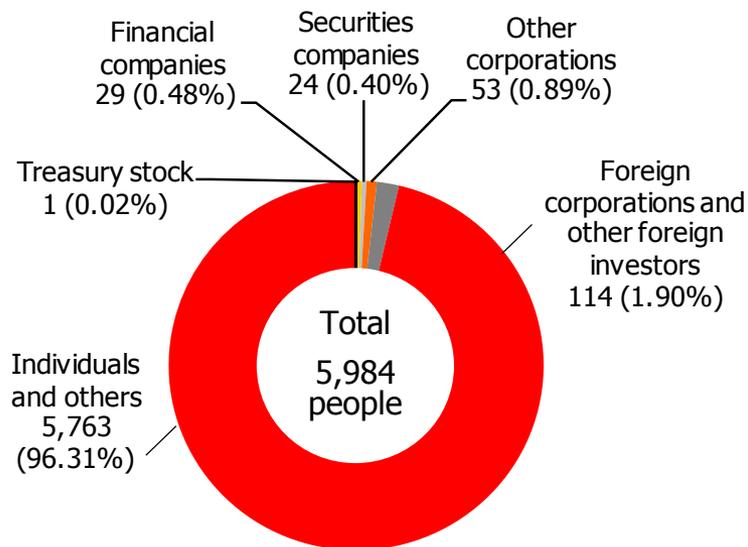
2. Despite changes in calculation methods for net assets following the introduction of changes to accounting standards and policies, the shareholders' equity ratio since the fiscal year ended May 31, 2007 is calculated utilizing an amount equivalent to net assets applicable to common shares.

3. The data for the periods up to and including the fiscal year ended May 31, 2007 are consolidated data for Pasara Inc. The data for the periods commencing the fiscal year ended May 31, 2008 and beyond are consolidated data for Pasara Group Inc.

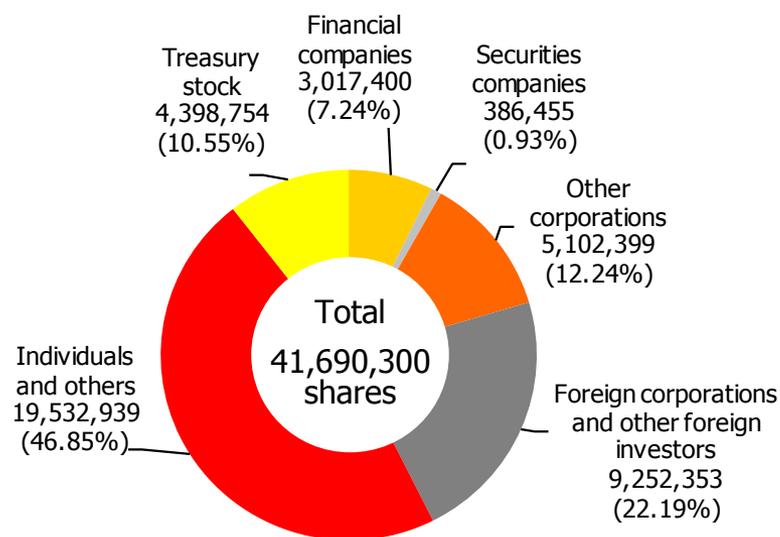
4. Since the fiscal year ended on May 31, 2016, net income has been referred to profit attributable to owners of parent.

# Stock Information (As of Nov. 30, 2017)

## Breakdown of Shareholders by Type



## Breakdown of Shareholders by Number of Share Held



## Principal Shareholders

	No. of Shares Held	%
Yasuyuki Nambu	14,763,200	35.41%
Pasona Group Inc.	4,398,754	10.55%
Nambu Enterprise Inc.	3,737,800	8.97%
BNYM NON – TREATY DTT	1,986,600	4.77%
Credit Suisse AG Hong Kong Trust A/C Client	1,081,200	2.59%
State Street Bank and Trust Company 505004	976,832	2.34%
CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW	933,521	2.24%
Pasona Group Employees' Shareholding Association	695,600	1.67%
Gratitude Inc.	596,600	1.43%
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE	548,819	1.32%

1. The Company's treasury stock (4,398,754 shares, 10.55% of total issued shares) ranked second. In accordance with Article 308.2 of the Corporations Law, there are no voting rights attached to treasury stock.
2. Pasona Group received a notification from Tempered Investment Management LTD. , that it held 2,114,600 shares as of April 6, 2017 outlined the delivery of a Substantial Shareholding Report submitted to the Kanto Local Finance Bureau on April 11, 2017. As the Company is unable to confirm the number of shares held as of 30 November, 2017, Tempered Investment Management LTD. has been omitted from the list of major shareholders identified.

# Group Companies (by segment)

## Expert Services, Insourcing HR Consulting, Education and Training, Others

Pasona Inc.	CAPLAN Corporation
Pasona Tech, Inc.	YASKAWA BUSINESS STAFF CORPORATION
Pasona Okayama Inc.	Bewith, Inc.
PASONA LOGICOM Inc.	Asahi Beer Communications Co, Ltd.
Pasona Marketing, Inc.	Pasona Panasonic Business Service Co.,Ltd
Pasona Agri-Partners Inc.	Smart Style Co.,Ltd.
ECOLOVE Inc.	iBRID.Co.Ltd
Nihon Employment Creation Organization Inc.	
Pasona Tech Systems Inc.	Pasona Knowledge Partner Inc.
Shin nihon kogyo Co.,Ltd.	Pasona Human Solutions Inc.
Pasona Tquila Inc.	e-Staffing Co., Ltd.*
Pasona Job Support Inc.	

## Global Sourcing

Pasona N A, Inc.	PASONA CANADA, INC.
Pasona Taiwan Co., Ltd.	Pasona Singapore Pte. Ltd.
PASONA ASIA CO., LIMITED	PT Pasona HR Indonesia
Pasona Korea Co., Ltd.	Pasona Education Co. Limited
Pasona India Private Limited	PT. Dutagriya Sarana
MGR Consulting Co., Ltd	
Pasona Human Resources (Shanghai) Co., Ltd.	
Pasona HR Consulting Recruitment (Thailand) Co., Ltd.	
Pasona Tech Vietnam Co., Ltd.	
Pasona HR Malaysia Sdn. Bhd.	
CAPLAN (Thailand) Co., Ltd.	Other

## Career Solutions

Pasona Inc.	Pasona Fortune Inc.	Others
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## Outsourcing

Benefit One Inc.		
Benefit one Health care Inc.		
Benefit One Solutions Inc.		
Benefit One Payroll Inc.		
Benefit One ASIA PTE. LTD.		
贝那商务咨询（上海）有限公司		
Benefit ONE USA, INC.		
Benefit One (THAILAND) COMPANY LYMITED		
PT. BENEFIT ONE INDONESIA		
Benefit One Deutschland GmbH		
REWARDZ PRIVATE LIMITED		
DG1 Inc.		
National Examination Center Inc.*		Others *

## Life Solutions

Pasona Foster Inc.
Pasona Life Care Inc.

## Public Solutions

Pasona Heartful Inc.	
Pasona Furusato Incubation Inc.	
Tango Kingdom Inc.	
Pasona Tohoku Sousei Inc.	
Nijigennomori Inc.	Others

- Consolidated subsidiaries 63
- Equity-method affiliates 4\*

(As of Feb. 28, 2018)

# Corporate Data

Tokyo Stock Exchange, 1st Section 2168

<b>Corporate Name</b>	Pasona Group Inc.	
<b>Headquarters</b>	Shin Marunouchi Bldg. 1-5-1, Marunouchi, Chiyoda-ku, Tokyo 100-6514	<u>Comprehensive Group office</u> Otemachi 2-6-2 Chiyoda-ku, Tokyo 100-8228 Phone 03-6734-0200
<b>Established</b>	December 3, 2007 (Founding February 1976)	
<b>Paid-in Capital</b>	5,000 million yen	
<b>Representative</b>	Yasuyuki Nambu	
<b>Business Activities</b>	Expert Services (Temporary staffing), Insourcing (Contracting), HR Consulting, education and training, others Global Sourcing (Overseas) Career Solutions (Placement/Recruiting, Outplacement ) Outsourcing Life Solutions, Public Solutions	
<b>Number of Employees</b>	8,682 (Consolidated, including contract workers) (As of May 31, 2017)	
<b>Consolidated Group Companies</b>	Subsidiaries 63 , Affiliates 4	
<b>URL</b>	<a href="http://www.pasonagroup.co.jp/english/">www.pasonagroup.co.jp/english/</a>	

(As of Feb. 28, 2018)