

Results for the Third Quarter of the Fiscal Year Ending May 31, 2019

9M FY2018 (June 1, 2018 - February 28, 2019)

Pasona Group Inc.

First Section TSE (2168)

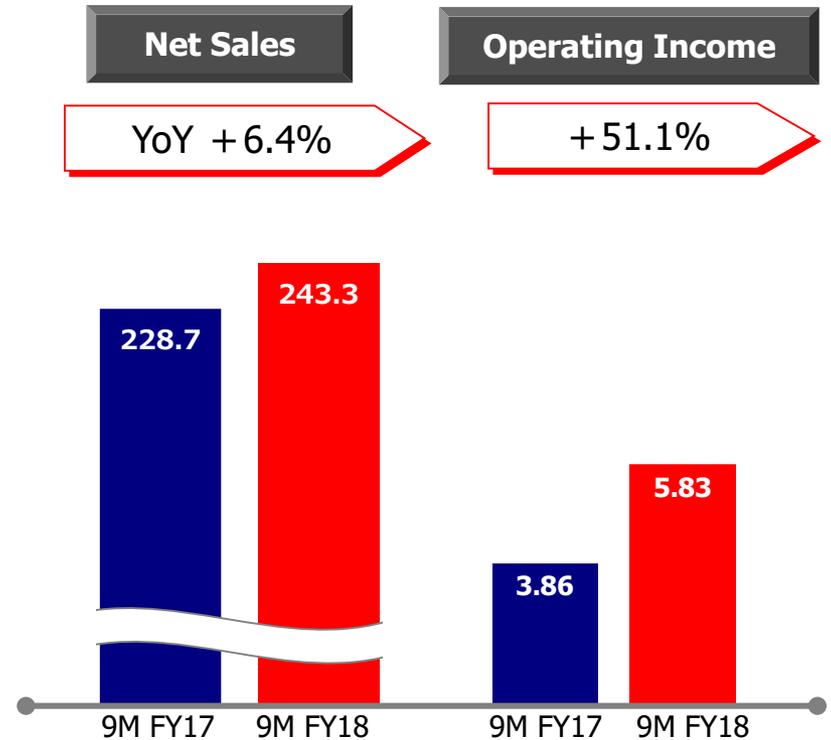
April 10, 2019

www.pasonagroup.co.jp/english

Consolidated Results

(Billions of yen)

(Millions of yen)	9M FY17	(%)	9M FY18	(%)	Increase /Decrease
Net sales	228,690	100.0	243,295	100.0	+14,605 +6.4%
Cost of sales	180,675	79.0	189,059	77.7	+8,383 +4.6%
Gross profit	48,015	21.0	54,236	22.3	+6,221 +13.0%
SG&A expenses	44,157	19.3	48,408	19.9	+4,250 +9.6%
Operating income	3,857	1.7	5,827	2.4	+1,970 +51.1%



Major Items of Increase/Decrease

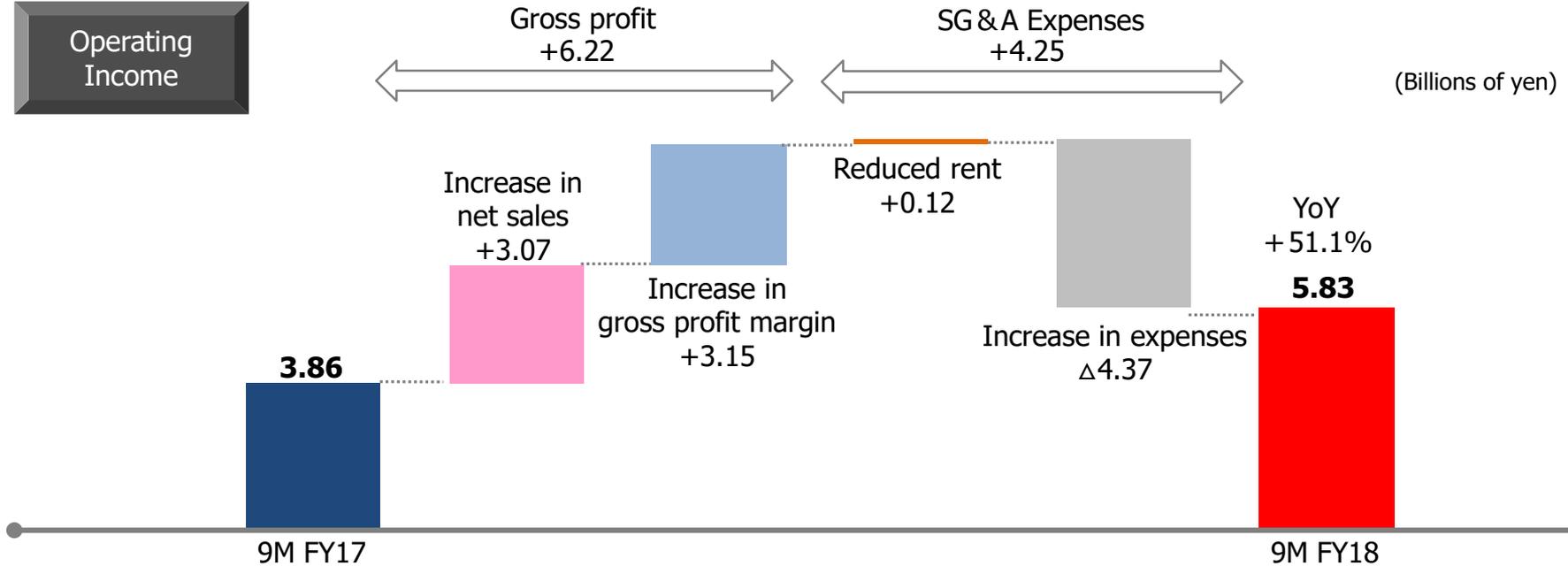
● Net sales

- Increasing of net sales in BPO services in the Insourcing and the Outsourcing.
- Companies that were acquired through M&A in the previous year also contributed to increase net sales.

● Operating income

- In the Insourcing and the Outsourcing, as a result of increased sales and gross margin, a significant increase in profits was achieved.

Operating Income



	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17*	9M FY17	9M FY18
Gross Profit margin	18.8%	18.6%	19.3%	19.3%	20.3%	20.0%	20.2%	21.5%	21.0%	22.3%
SG&A ratio	17.4%	17.5%	17.8%	17.7%	18.7%	18.6%	18.6%	19.4%	19.3%	19.9%
Operation Income ratio	1.4%	1.1%	1.5%	1.5%	1.5%	1.5%	1.6%	2.1%	1.7%	2.4%

*Change in method of recording costs (from cost of sales to SG&A) at Pasona · Panasonic Business Services. No impact on operating income ratio.

Major Item of Increase/Decrease

- **Gross profit** increased as the Insourcing sales grew and the efficiency progressed.
- Although **SG&A** expenses increased due to higher sales and dedicated newly consolidated companies, **operating income ratio** improved.

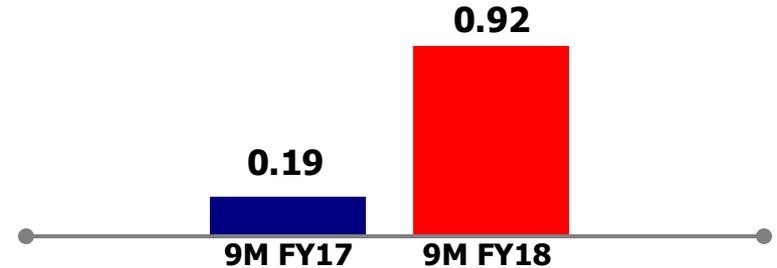
Consolidated Results

(Non-operating/Extraordinary income (loss), Others)

(Millions of yen)	9M FY17	9M FY18	Increase/ Decrease	YoY
Operating income	3,857	5,827	+1,970	+51.1%
Non-operating income	682	815	+133	+19.5%
Non-operating expenses	591	1,025	+433	+73.2%
Ordinary income	3,947	5,618	+1,670	+42.3%
Extraordinary income	601	17	(584)	(97.1)%
Extraordinary loss	371	46	(324)	(87.5)%
Income before income taxes	4,178	5,589	+1,411	+33.8%
Income taxes - current	2,144	1,560	(584)	(27.3)%
Income taxes - deferred	593	1,183	+589	+99.3%
Income taxes	2,738	2,743	+5	+0.2%
Profit attributable to non-controlling interests	1,245	1,928	+683	+54.9%
Profit attributable to owners of parent	194	917	+722	+371.6%

Profit (loss) attributable to owners of parent

(Billions of yen)



Major Item of Increase/Decrease

- **Non-operating income** (YoY)
 - Real estate rents ¥563million (+¥131million)
- **Non-operating expenses**
 - Real estate leasing costs ¥447million (+¥110million)
 - Commission fee for sales of shares of Benefit One ¥236million (+¥236million)
- **Extraordinary income**
 - Previous year (Q1) gain on bargain purchase (¥(601)million)
- **Extraordinary loss**
 - Previous year impairment loss on fixed assets at a certain subsidiary (¥(173)million)
 - Previous year retirement of fixed assets from head office relocation (¥(61)million)
- **Profit attributable to non-controlling interests**
 - Increasing profit in Benefit One (+¥683million)

Consolidated Results by Segment

(Millions of yen)

Segment		Net sales				Operating income (loss)				Operating income margin		
		9M FY17	9M FY18	Increase/ Decrease	YoY	9M FY17	9M FY18	Increase/ Decrease	YoY	9M FY17	9M FY18	Increase/ Decrease
①	Expert Services (Temporary Staffing)	118,715	120,638	+1,923	+1.6%	3,106	4,517	+1,410	+45.4%	1.6%	2.2%	+0.6pt
②	Insourcing (Contracting)	62,244	70,410	+8,166	+13.1%							
③	HR Consulting, Education, Training, etc.	5,419	6,490	+1,071	+19.8%							
④	Global Sourcing (Overseas)	5,345	5,872	+527	+9.9%							
Subtotal		191,724	203,413	+11,689	+6.1%							
⑤	Career Solutions (Placement/ Recruiting, Outplacement)	10,075	11,196	+1,121	+11.1%	2,063	2,408	+344	+16.7%	20.5%	21.5%	+1.0pt
⑥	Outsourcing	24,367	25,696	+1,328	+5.5%	4,272	5,441	+1,169	+27.4%	17.5%	21.2%	+3.7pt
⑦	Life Solutions	3,781	4,129	+348	+9.2%	187	131	(56)	(30.0)%	5.0%	3.2%	(1.8)pt
⑧	Public Solutions	1,761	2,349	+588	+33.4%	(1,072)	(999)	+72	-	-	-	-
⑨	Eliminations and Corporate	(3,019)	(3,490)	(470)	-	(4,700)	(5,671)	(971)	-	-	-	-
Total		228,690	243,295	+14,605	+6.4%	3,857	5,827	+1,970	+51.1%	1.7%	2.4%	+0.7pt

- New segment classification method has been adopted since the third quarter of FY2018, in which the public contract business and the human resource consulting business which were conventionally included in the Career Solutions are included in the Insourcing and HR Consulting, etc.
- The segment information in the previous year was recorded in the way of new segment classification method.

Balance sheet

(Billions of yen)			
Major Item of Increase/Decrease	May 31,2018	Feb 28,2019	Increase/Decrease
Assets	112.5	108.2	(4.3)
Current assets	74.0	69.7	(4.3)
Cash and deposits	25.4	22.8	(2.6)
Notes and accounts receivable – trade	40.1	37.7	(2.4)
Other	8.5	9.2	+0.6
Non-current assets	38.5	38.5	+0.0
Property, plant and equipment	15.4	16.7	+1.3
Intangible assets	9.6	8.7	(0.9)
Investments and other assets	13.5	13.1	(0.4)
Liabilities	78.6	69.8	(8.8)
Current liabilities	57.6	48.5	(9.1)
Accounts payable	6.5	3.9	(2.6)
Short-term loans payable	6.2	6.7	+0.5
Accrued expenses	16.6	14.4	(2.2)
Other	28.3	23.5	(4.8)
Non-current liabilities	21.0	21.2	+0.3
Long-term loans payable	14.1	14.1	(0.0)
Net assets	33.9	38.4	+4.5
Shareholders' equity	23.2	26.9	+3.7
Valuation and translation adjustments	0.4	0.2	(0.2)
Non-controlling interests	10.3	11.3	+1.0
Capital adequacy ratio	21.0%	25.1%	+4.1pt

Major Item of Increase/Decrease

【 Cash and deposits 】

Selling the shares of Benefit One	+¥4.9billion
Purchase of Fixed assets	¥(4.1)billion
Payment of Income tax	¥(3.8)billion

【 Property, plant and equipment 】

New businesses · Office Relocation related	+¥1.3billion
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【 Current liabilities 】

Provision for bonuses	¥(1.4)billion
Income taxes payable	¥(1.0)billion
Accrued consumption taxes	¥(0.9)billion

【 Capital surplus 】

Selling the shares of etc. Benefit One	¥(3.3)billion
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【 Non-controlling interests 】

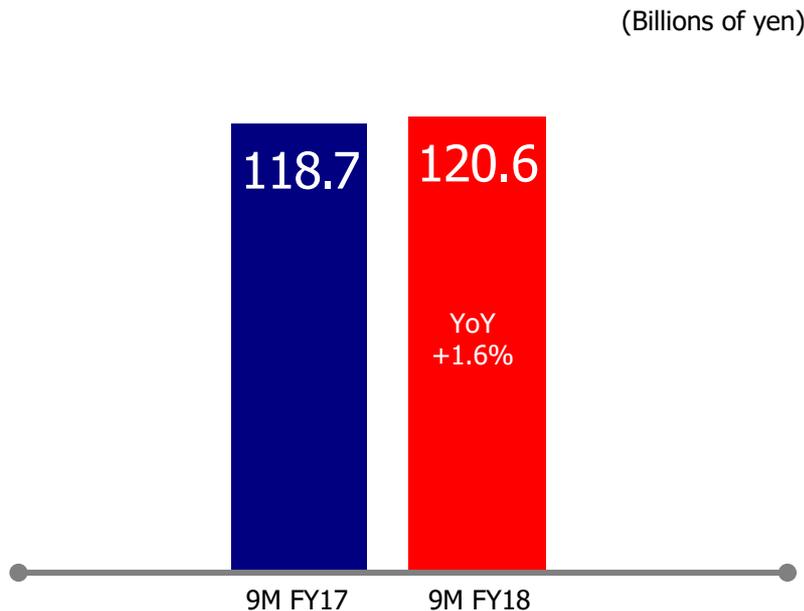
Benefit One earnings distribution	+¥1.7billion
Dividends paid by Benefit One	¥(1.0)billion
Due to selling the shares of Benefit One	+¥0.3billion

※The figures for the previous fiscal year were processed by the method of revised the Accounting Standard for Tax Effect Accounting.

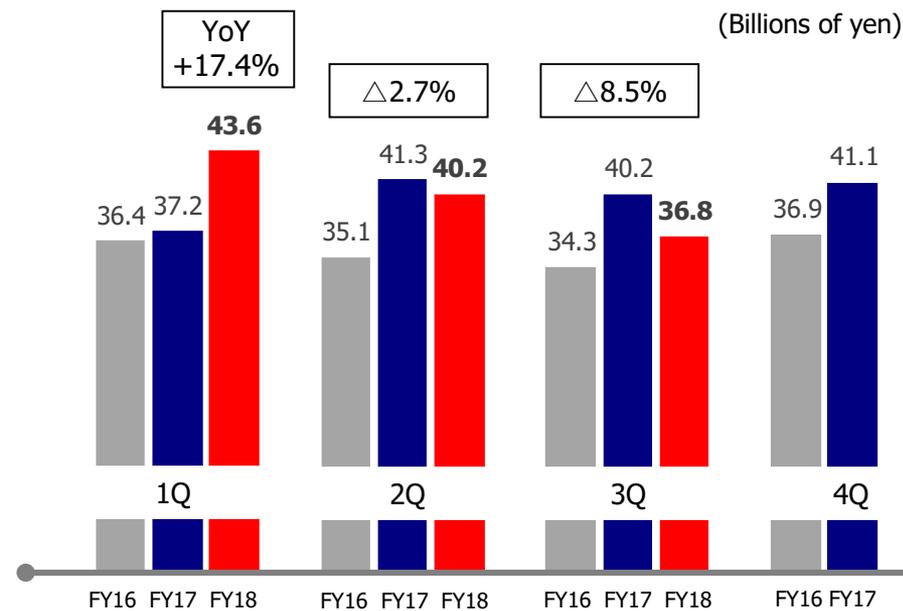
Segment information

Expert Services (Temporary staffing)

Net Sales



Sales Trends



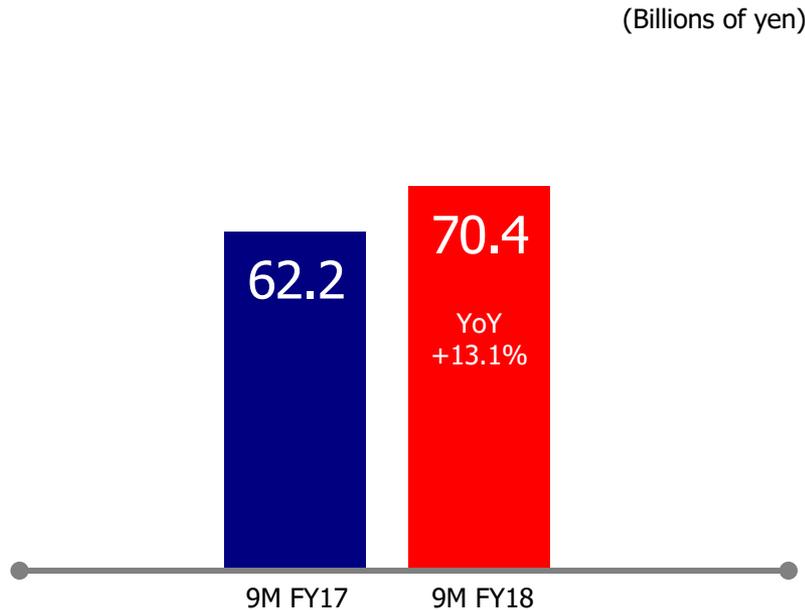
Business Conditions

●9M FY18 result

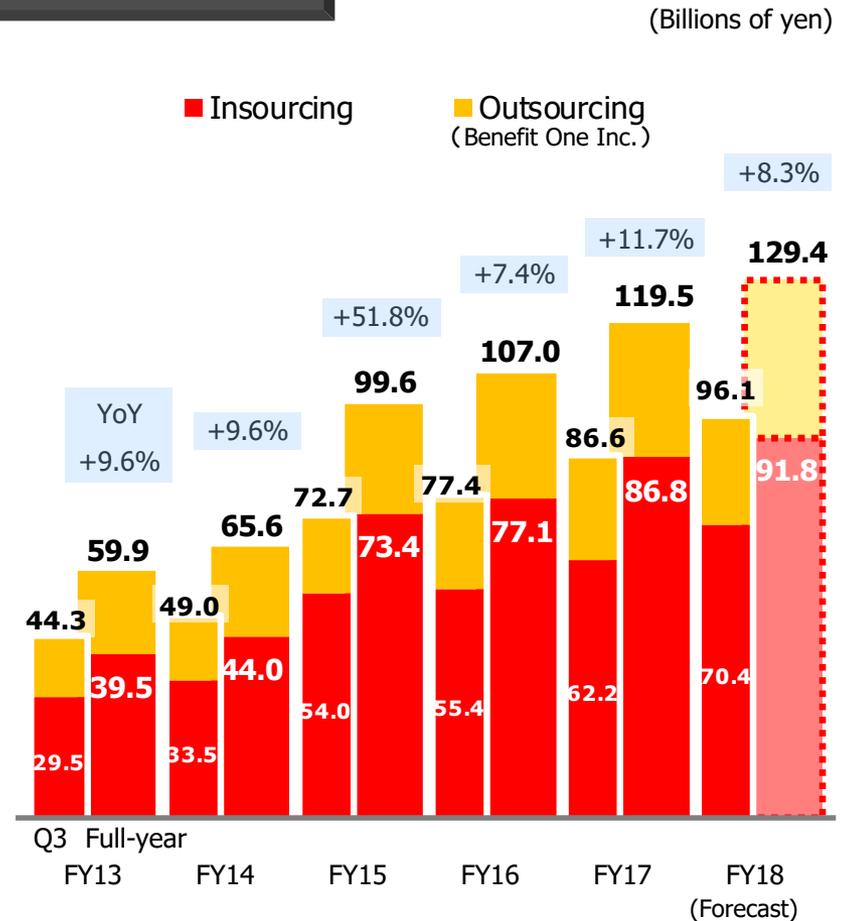
- Direct employment advanced in dispatched companies due to the influence of the revised Worker Dispatch Law.
- Gross margin ratio improved due to revision of price level and progress for efficiency in the business.
- Two NTT Group companies and the Nagasaki Diamond Staff which were acquired in the previous year contributed to our net sales. Two NTT Group companies recorded operating results for 11 months due to change in accounting period.

Insourcing (Contracting)

Net Sales



BPO Sales



Business Conditions

● 9M FY18 result

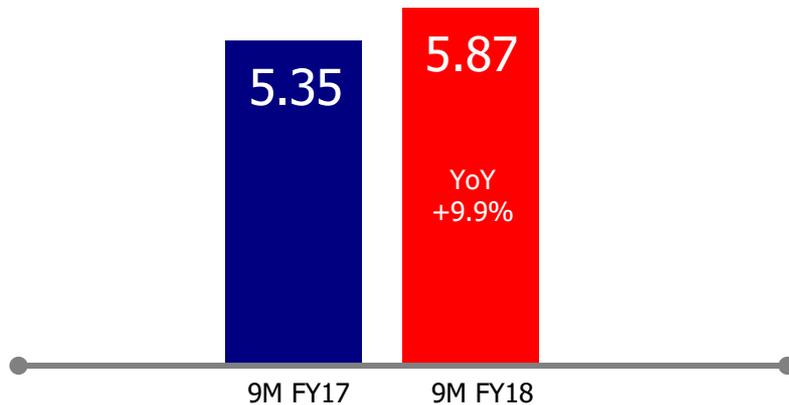
- Using the AI technology and operation know-how, Bewith Inc. continued to contribute to our business.
- Pasona Panasonic Business Services continued to perform well.
- Pasona knowledge partner performed in patent / intellectual property field full-scale operation.
- Know-how of projects accumulated, and profitability improved.

- New segment classification method has been adopted since the third quarter of FY2018, in which the public contract business which were conventionally included in the Career Solutions are included in the Insourcing.
- The segment information in the previous year was recorded in the way of new segment classification method.

Global Sourcing (Overseas)

Net Sales

(Billions of yen)



Business Conditions

● 9M FY18 result

- Temporary staffing expanded significantly especially in Indonesia and Vietnam.
- Opening the fifth branch in Da Nang in Vietnam. Collaboration with local universities etc. to strengthen high-level human resources development and recruitment support services for local companies.
- Conducted a corporate event aimed at securing foreigners in line with the revision of the immigration control act.

Sales by Business Segment

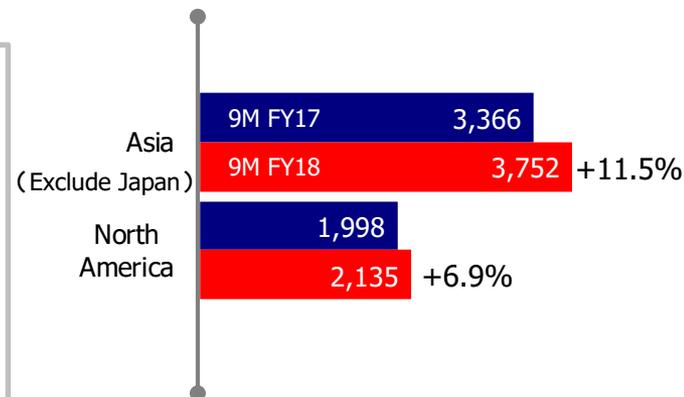
(Millions of yen)

	9M FY17	9M FY18	YoY
Temporary Staffing	2,414	2,928	+21.3%
Placement / Recruiting	1,421	1,496	+5.3%
Contracting (Payroll, others)	965	977	+1.3%
Others	544	470	(13.6)%
Total	5,345	5,872	+9.9%

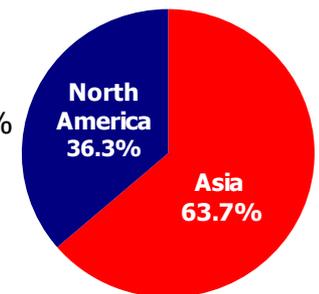
Sales by Region

(Millions of yen)

※Including overseas outsourcing



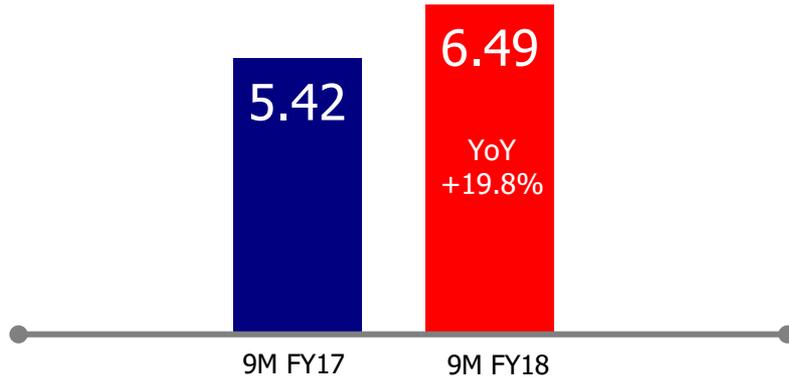
Sales composition



HR Consulting, etc. / Operating Income by Segments

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

(Billions of yen)



Business Conditions

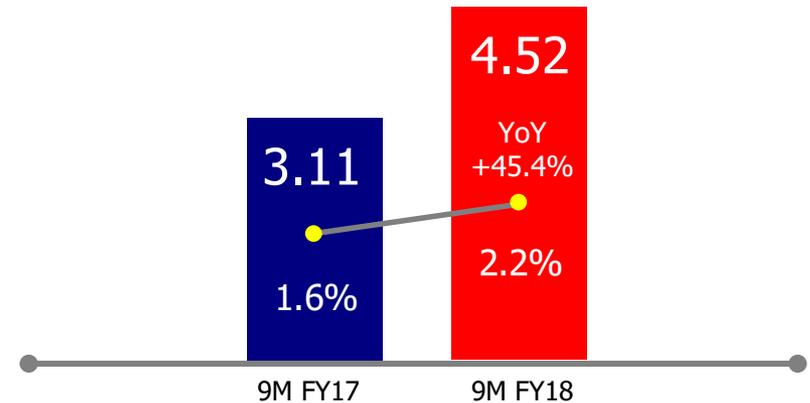
●9M FY18 result

- Large public projects utilizing group synergy contributed to net sales.
- Increasing in placement fees due to direct hiring by client companies.

ES~GS Operating Income

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

(Billions of yen)



Business Conditions

●9M FY18 result

- Improving profit ratio in the Insourcing.
- Increasing in placement fees due to direct hiring by client companies.
- New segment classification method has been adopted since the third quarter of FY2018, in which the public contract business and the human resource consulting business which were conventionally included in the Career Solutions are included in the Insourcing and HR Consulting, etc.
- The segment information in the previous year was recorded in the way of new segment classification method.

Career Solutions (Placement/Recruiting, Outplacement)

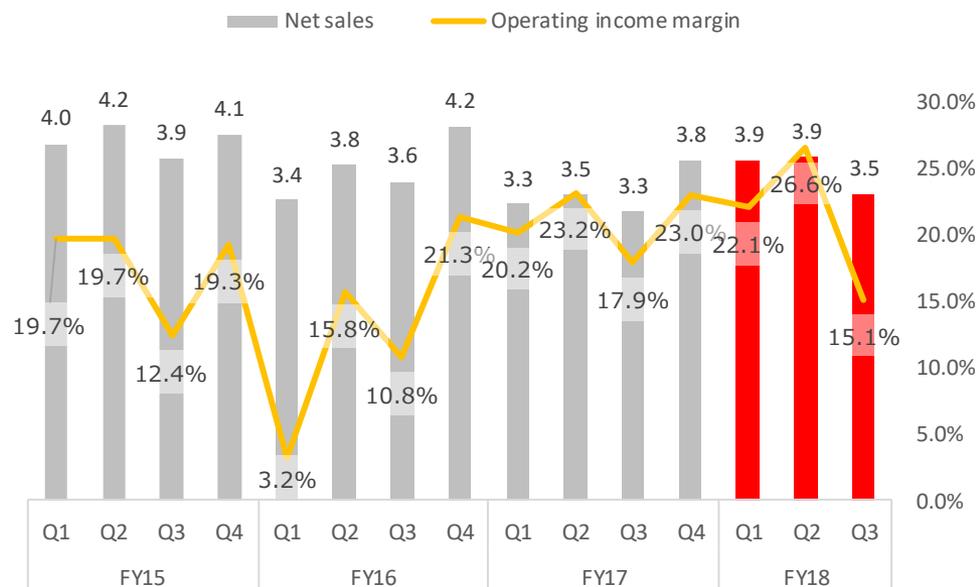
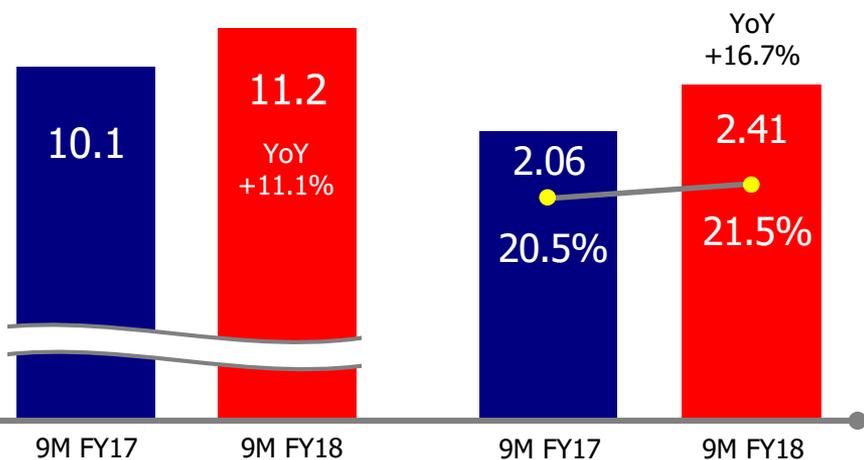
Net Sales

Operating Income, Operating Income Margin

(Billions of yen)

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

(Billions of yen)



Business Conditions

●9M FY18 result

- In the Recruiting, the demand for human resources continues to grow.
- Selected as No. 1 overall in Oricon customer satisfaction ranking.
- In the Outplacement, conducting joint sales promotion with the Recruiting business following the previous year.

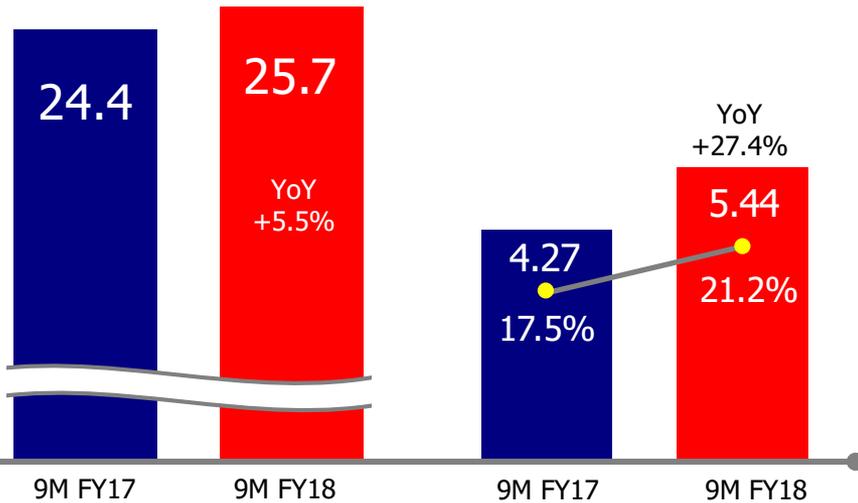
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Outsourcing (Benefit One Inc.)

Net Sales

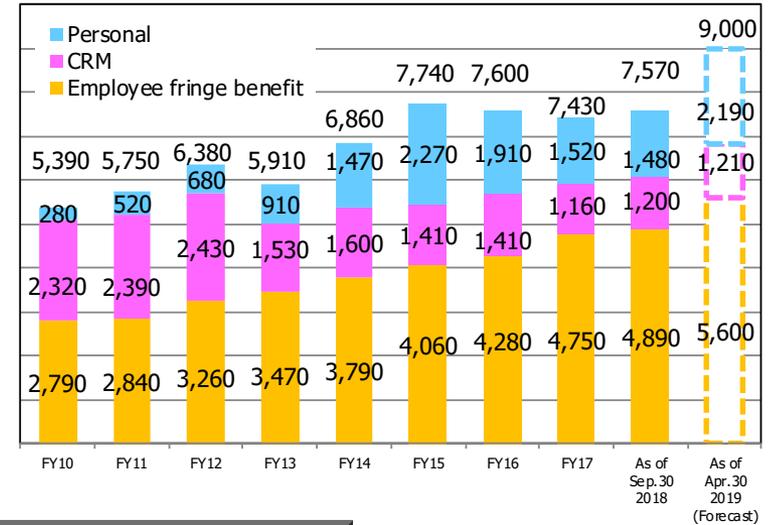
Operating Income, Operating Income Margin

(Billions of yen)

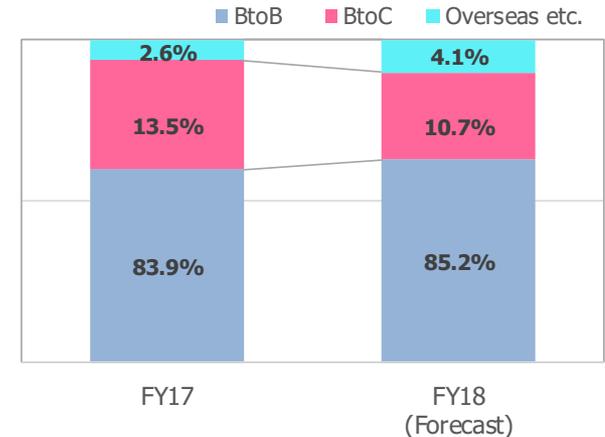


Benefit One Membership

(Thousands people)



Sales Composition



Business Conditions

● 9M FY18 result

- Welfare services and healthcare businesses expanded the business due to work style reforms.
- In the Personal business, building a foundation for regrowth, such as new customer development and sales promotion measures.

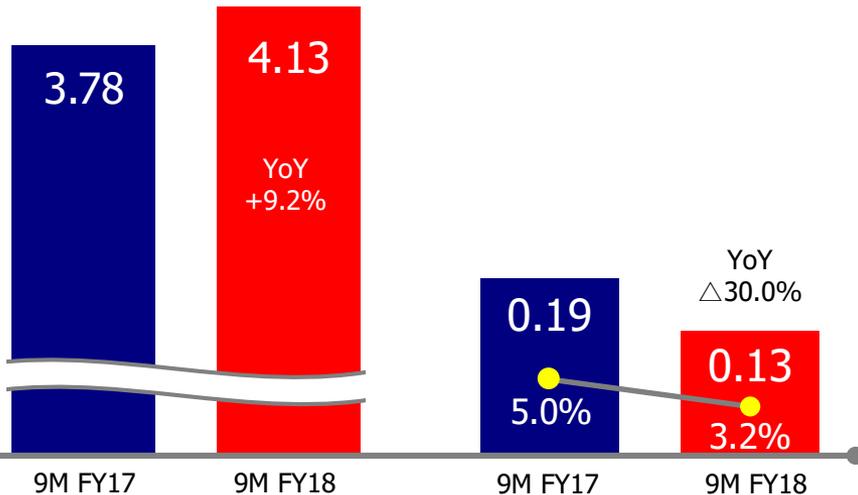
*B to B: Employee fringe benefit, Incentive, Health care, BTM, Cost reduction
B to C: Personal, CRM, Inbound

Life Solutions (Childcare, Nursing care)

Net Sales

Operating Income, Operating Income Margin

(Billions of yen)



Business Conditions

●9M FY18 result

- In the Nursing care, services related to housework agency services and support for balancing work and nursing care were expanding.
- In the Childcare, expansion of child care support facilities.
- Improving the treatment for childminder, increasing hiring costs, and increasing upfront costs at startup by in-house nursery schools.

Pasona Foster

- Holding "Miracle Kids" school children program for elementary school 1st and 6th graders for winter vacation.
- Holding a course "Childcare Academy" for those who wish to work in the Childcare industry.



【 The number of facilities (YoY) 】

※As of Feb.28, 2019

- Daycare facilities 40 (YoY +7)
- After-school children's clubs 42 (YoY +5)

Pasona Life Care

- Holding seminars on long-term care insurance system and balance between work and nursing care, mainly at major companies.
- Established "KITAKATATEI", offering day service and home care support to Ichikawa City, Chiba Prefecture.



In Action

【 The number of facilities (YoY) 】

※As of Feb.28, 2019

- Nursing care facilities 26 (YoY (1))

Public Solutions (Regional Revitalization, etc.)

Net Sales

Operating Income

(Billions of yen)

1.76

2.35

YoY
+33.4%

9M FY17

9M FY18

(1.07)

(1.00)

9M FY17

9M FY18

Business Conditions

●9M FY18 result

- In Tango Kingdom Inc., increasing sales by regional trading company business and profitability by improving operational cost efficiency.
- In NIJIGENNOMORI, glamping facilities and restaurants are beginning full-scale operations to attract customers by linking these facilities.

Tango Kingdom Inc.

- Tango Craft Beer was awarded "The Japan Great Beer Awards 2019", a screening committee specializing in beer brewed in Japan.



- Expand sales of regional specialty products through the antenna shop "Tango Kingdom Seaside Bar".



Others

- At the "Jump Festa 2019" held in December, we carry out an advance promotion of the new attraction "NARUTO & BORUTO (SHINOBI-ZATO)", which will open in April.



Elimination/Corporate Segment Costs

Net Sales

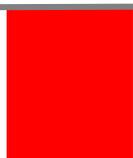
Operating Income

(Billions of yen)

9M FY17 9M FY18



(3.02)



(3.49)

9M FY17 9M FY18



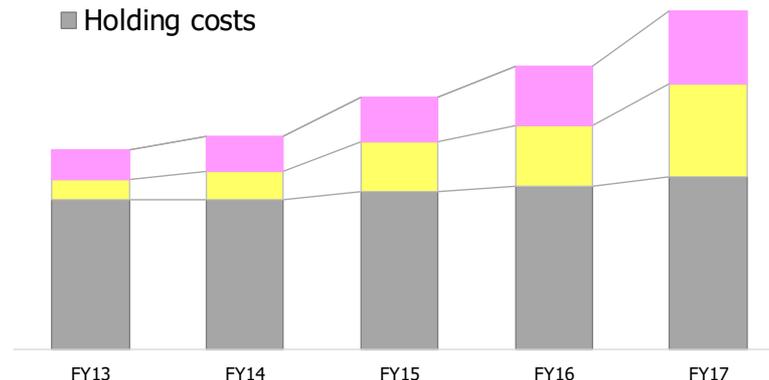
(4.70)



(5.67)

Costs Trends

- Incubation costs
- Group costs
- Holding costs



Main Reasons for Cost Increase

●9M FY18 result

Holding costs : Management costs as holding company

- Increasing in expenses due to strengthening of group management structure, etc. YoY +0.61billions

Group costs : Costs to maximize group synergies

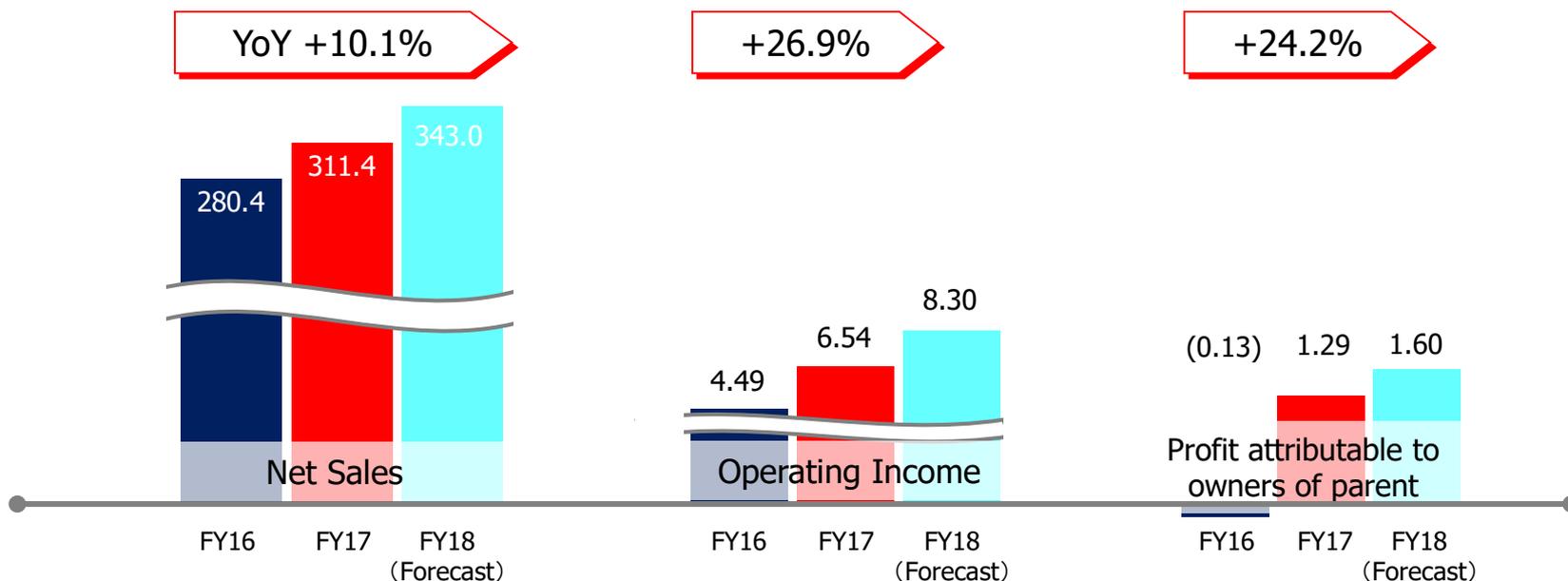
- Decreasing in temporary expenses due to relocation of group base, Increasing Olympic and Paralympic sponsorship money etc. YoY +0.04billions

Incubation costs : Costs for development and launch of new businesses

- Incubating the New businesses. YoY +0.32billions

FY2018 Consolidated Forecasts

(Billions of yen)



(Millions of yen)	FY16	to net sales %	FY17	to net sales %	FY18 Forecast	to net sales %	vs FY17 Increase/Decrease	YoY
Net sales	280,395	100.0	311,410	100.0	343,000	100.0	+31,589	+10.1%
Cost of sales	223,778	79.8	244,382	78.5	267,000	77.8	+22,617	+9.3%
Gross profit	56,617	20.2	67,028	21.5	76,000	22.2	+8,971	+13.4%
SG&A expenses	52,128	18.6	60,489	19.4	67,700	19.7	+7,210	+11.9%
Operating income	4,488	1.6	6,539	2.1	8,300	2.4	+1,760	+26.9%
Ordinary income	4,319	1.5	6,631	2.1	8,400	2.4	+1,768	+26.7%
Profit (Loss) attributable to owners of parent	(129)	-	1,288	0.4	1,600	0.5	+311	+24.2%

FY2018 Consolidated Forecasts by Segment

(Millions of yen)

Segment	Sales				Operating income (loss)				Operating income margin		
	FY17	FY18 Forecast	VS FY17 Increase/Decrease	VS FY17 %	FY17	FY18 Forecast	VS FY17 Increase/Decrease	VS FY17 %	FY17	FY18 Forecast	VS FY17 Increase/Decrease
Expert Services (Temporary Staffing)	159,851	172,800	+12,948	+8.1%	5,075	5,900	+824	+16.3%	2.0%	2.1%	+0.1pt
Insourcing (Contracting)	84,429	91,800	+7,370	+8.7%							
HR Consulting, Education, Training, etc.	7,283	8,900	+1,616	+22.2%							
Global Sourcing (Overseas)	7,216	8,100	+883	+12.2%							
Subtotal	258,781	281,600	+22,818	+8.8%							
Career Solutions (Placement/Recruiting, Outplacement)	16,638	18,800	+2,161	+13.0%	3,020	2,880	(140)	(4.7)%	18.2%	15.3%	(2.8)pt
Outsourcing	32,656	37,600	+4,943	+15.1%	6,211	7,540	+1,328	+21.4%	19.0%	20.1%	+1.0pt
Life Solutions	5,129	5,900	+770	+15.0%	268	170	(98)	(36.7)%	5.2%	2.9%	(2.4)pt
Public Solutions	2,277	3,200	+922	+40.5%	(1,536)	(1,300)	+236	-	-	-	-
Elimination/Corporate	(4,071)	(4,100)	(28)	-	(6,500)	(6,890)	(389)	-	-	-	-
Consolidated	311,410	343,000	+31,589	+10.1%	6,539	8,300	+1,760	+26.9%	2.1%	2.4%	+0.3pt

Reference

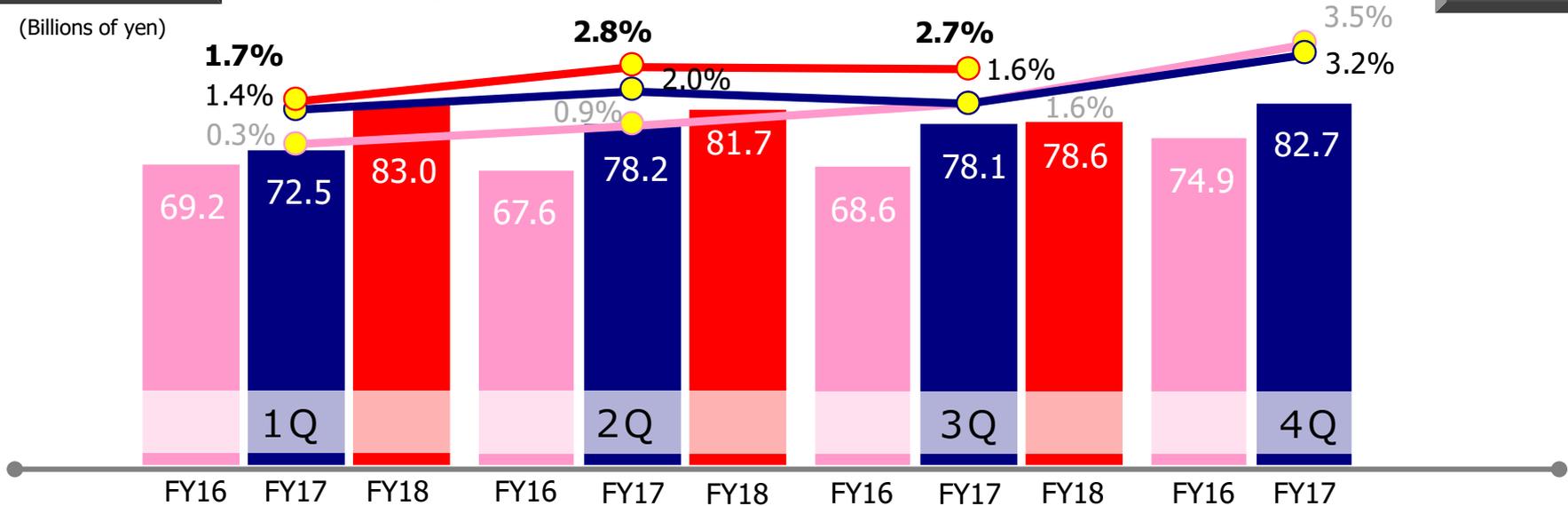
Quarterly Sales and Income Trends

Net Sales

(Billions of yen)

- Operating Income Margin FY16
- Operating Income Margin FY17
- Operating Income Margin FY18

Operating Income Margin



(Millions of yen)

	Q1 (June to August)					Q2 (September to November)					Q3 (December to February)					Q4 (March to May)		
	FY16	FY17	YoY	FY18	YoY	FY16	FY17	YoY	FY18	YoY	FY16	FY17	YoY	FY18	YoY	FY16	FY17	YoY
	Consolidated																	
Net sales	69,231	72,458	+4.7%	82,997	+14.5%	67,636	78,160	+15.6%	81,694	+4.5%	68,613	78,070	+13.8%	78,603	+0.7%	74,915	82,720	+10.4%
Gross profit	13,372	15,256	+14.1%	18,051	+18.3%	13,628	16,675	+22.4%	18,107	+8.6%	13,529	16,083	+18.9%	18,078	+12.4%	16,086	19,013	+18.2%
SG&A expenses	13,156	14,222	+8.1%	16,599	+16.7%	13,048	15,090	+15.6%	15,826	+4.9%	12,446	14,844	+19.3%	15,983	+7.7%	13,476	16,331	+21.2%
Operating income	215	1,033	+378.9%	1,451	+40.5%	579	1,585	+173.8%	2,280	+43.9%	1,083	1,238	+14.4%	2,094	+69.1%	2,610	2,681	+2.7%
Ordinary income	174	1,006	+476.5%	1,222	+21.4%	585	1,628	+178.3%	2,316	+42.3%	1,039	1,313	+26.4%	2,079	+58.4%	2,520	2,683	+6.5%
Profit (Loss) attributable to owners of parent	(539)	533	-	△ 7	-	(276)	(62)	-	638	-	(98)	(275)	-	286	-	785	1,093	+39.3%
Gross profit margin	19.3%	21.1%	+1.8pt	21.7%	+0.6pt	20.1%	21.3%	+1.2pt	22.2%	+0.8pt	19.7%	20.6%	+0.9pt	23.0%	+2.4pt	21.5%	23.0%	+1.5pt
SG&A expense ratio	19.0%	19.6%	+0.6pt	20.0%	+0.4pt	19.3%	19.3%	+0.0pt	19.4%	+0.1pt	18.1%	19.0%	+0.9pt	20.3%	+1.3pt	18.0%	19.7%	+1.7pt
Operating income margin	0.3%	1.4%	+1.1pt	1.7%	+0.3pt	0.9%	2.0%	+1.1pt	2.8%	+0.8pt	1.6%	1.6%	+0.0pt	2.7%	+1.1pt	3.5%	3.2%	(0.3)pt
Ordinary income margin	0.3%	1.4%	+1.1pt	1.5%	+0.1pt	0.9%	2.1%	+1.2pt	2.8%	+0.7pt	1.5%	1.7%	+0.2pt	2.6%	+0.9pt	3.4%	3.2%	(0.2)pt
Profit attributable to owners of parent margin	-	0.7%	-	-	-	-	-	-	0.8%	-	-	-	-	0.4%	-	1.0%	1.3%	+0.3pt

Quarterly Sales and Income Trends by Segment

(Millions of yen)

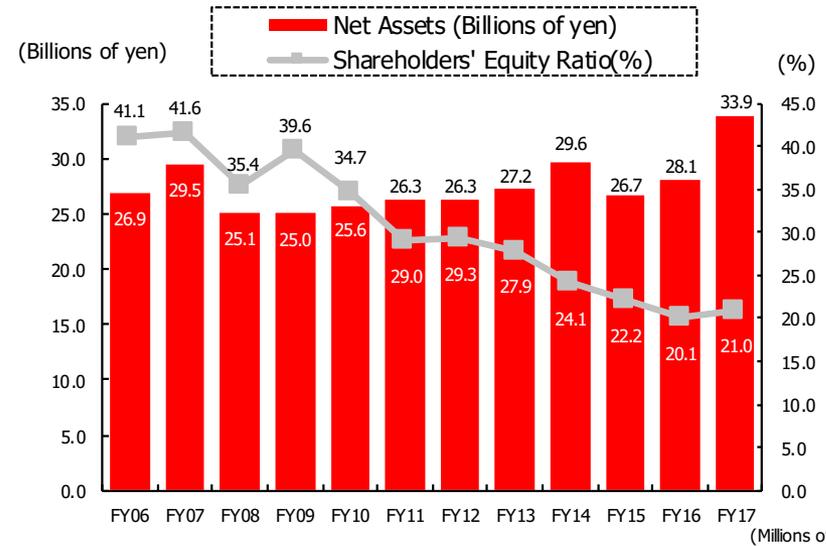
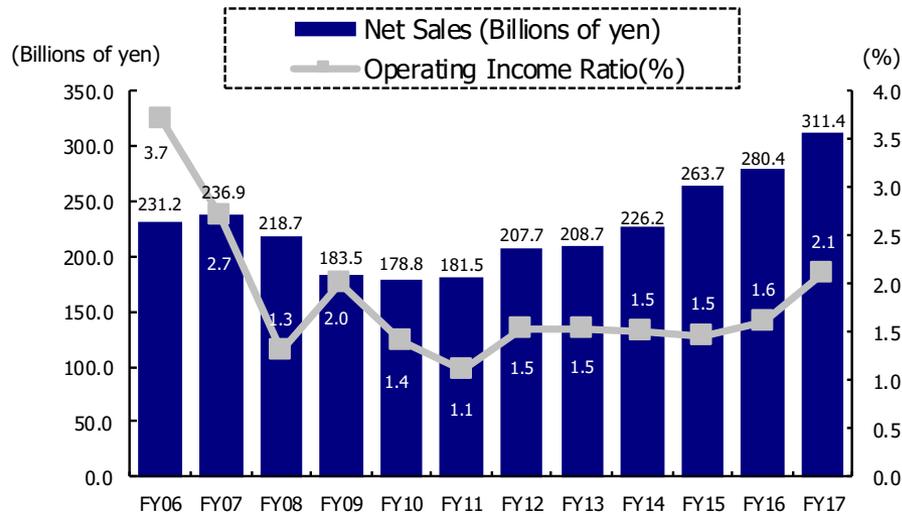
Segment	Sales								Operating income (loss)							
	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	Q1 FY18	Q2 FY18	Q3 FY18	YoY	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	Q1 FY18	Q2 FY18	Q3 FY18	YoY
Expert Services (Temporary Staffing)	37,172	41,318	40,224	41,135	43,626	40,201	36,811	(8.5)%								
Insourcing (Contracting)	20,039	20,349	21,856	24,599	22,719	23,683	24,007	+9.8%								
HR Consulting, Education, Training, etc.	1,661	1,778	1,979	2,284	1,959	2,086	2,444	+23.5%	844	1,495	766	2,028	1,163	1,685	1,668	+117.6%
Global Sourcing (Overseas)	1,724	1,781	1,839	1,870	1,961	1,962	1,948	+6.0%								
Subtotal	60,598	65,227	65,898	69,890	70,268	67,933	65,211	(1.0)%								
Career Solutions (Placement/Recruiting, Outplacement)	3,348	3,458	3,268	3,848	3,851	3,882	3,462	+5.9%	677	802	584	883	851	1,033	524	(10.3)%
Outsourcing	7,775	8,473	8,118	8,288	7,933	8,830	8,933	+10.0%	1,184	1,330	1,757	1,939	1,684	1,690	2,067	+17.7%
Life Solutions	1,250	1,260	1,270	1,347	1,355	1,388	1,386	+9.1%	49	61	76	81	18	46	65	(13.7)%
Public Solutions	462	735	563	515	756	855	737	+30.9%	(124)	(607)	(340)	(463)	(389)	(296)	(314)	-
Eliminations and Corporate	(977)	(994)	(1,047)	(1,170)	(1,168)	(1,195)	(1,127)	-	(1,597)	(1,496)	(1,605)	(1,787)	(1,875)	(1,878)	(1,917)	-
Total	72,458	78,160	78,070	82,720	82,997	81,694	78,603	+0.7%	1,033	1,585	1,238	2,681	1,451	2,280	2,094	+69.1%

- New segment classification method has been adopted since the third quarter of FY2018, in which the public contract business and the human resource consulting business which were conventionally included in the Career Solutions are included in the Insourcing and HR Consulting, etc.
- The segment information in the previous year was recorded in the way of new segment classification method.

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	'18/05
Net Sales	231,231	236,945	218,699	183,515	178,806	181,498	207,685	208,660	226,227	263,728	280,395	311,410
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%	21.5%
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	60,489
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%	19.4%
Operating Income	8,507	6,444	2,850	3,660	2,432	1,964	3,176	3,210	3,490	3,860	4,488	6,539
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%	2.1%
Ordinary Income	8,807	6,637	3,361	4,044	2,571	2,091	3,187	3,135	3,343	3,855	4,319	6,631
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%	2.1%
Net Income *4	4,198	2,962	312	204	412	29	610	526	214	243	(129)	1,288
Net Income Ratio	1.8%	1.3%	0.1%	0.1%	0.2%	0.0%	0.3%	0.3%	0.1%	0.1%	—	0.4%
Total Assets *5	54,425	58,513	55,468	52,269	60,564	70,889	71,276	75,615	88,641	85,356	94,584	112,477
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	33,889
Shareholders' Equity Ratio *2 *5	41.1%	41.6%	35.4%	39.6%	34.7%	29.0%	29.3%	27.9%	24.1%	22.2%	20.1%	21.0%
Return on Equity *3	18.2%	12.7%	1.4%	1.0%	2.0%	0.1%	2.9%	2.5%	1.0%	1.2%	(0.7)%	6.0%
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	7,716

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.

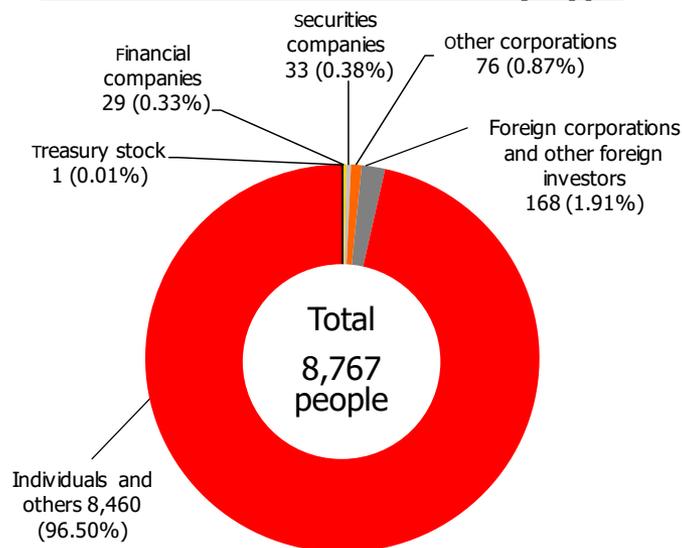
3. The data for the periods up to and including the fiscal year ended May 31, 2007 are consolidated data for Pasona Inc. The data for the periods commencing the fiscal year ended May 31, 2008 and beyond are consolidated data for Pasona Group Inc.

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

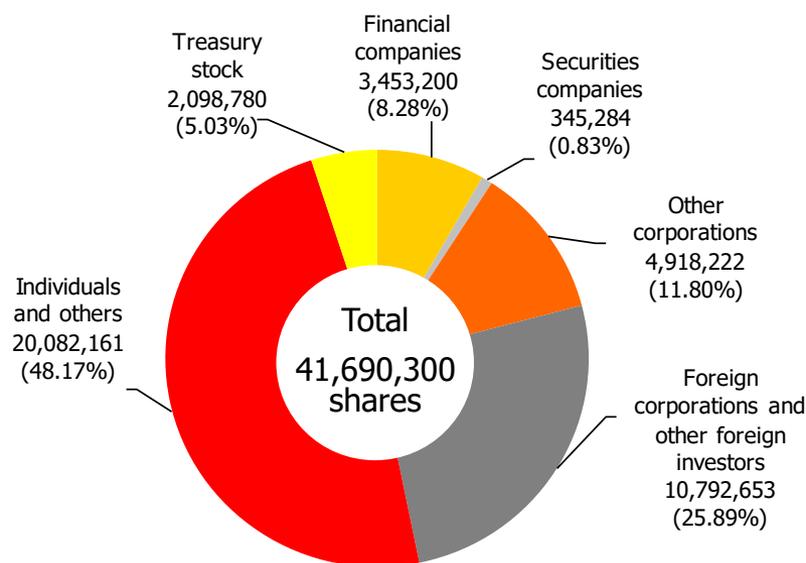
5. As the Company adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" from the beginning of the first quarter of FY2018. As for the financial position, the figures for the previous consolidated fiscal year were processed by the method.

Stock Information (As of Nov. 30, 2018)

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%
Nambu Enterprise Inc.	3,737,800	8.97%
Pasona Group Inc.	2,098,780	5.03%
BNYM NON-TREATY DT	2,063,600	4.95%
SOCIETE GENERALE PARIS/BT REGISTRATIN MARC/OPT	1,230,700	2.95%
BRITISH EMPIRE TRUST PLC	917,500	2.20%
CREDIT SUISSE AG HONG KONG TRUST A/C CLIENT	690,800	1.66%
Pasona Group Employees' Shareholding Association	614,000	1.47%
Gratitude Inc.	596,600	1.43%
The Master Trust Bank of Japan, Ltd (Trust Account)	503,600	1.21%

- The Company's treasury stock (2,098,780 shares, 5.03% of total issued shares) ranked third. In accordance with Article 308.2 of the Corporations Law, there are no voting rights attached to treasury stock.
- Pasona Group received a notification from Tempered Investment Management LTD., that it held 2,550,800 shares as of June 12, 2018 outlined the delivery of a Substantial Shareholding Report submitted to the Kanto Local Finance Bureau on June 14, 2018. As the Company is unable to confirm the number of shares held as of 31 May, 2018, 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 Masters Inc.	ECOLOVE Inc.	
Pasona Marketing, Inc.	Pasona Panasonic Business Service Co.,Ltd	
Pasona Agri-Partners Inc.	Pasona Knowledge Partner Inc.	
Pasona Tech Systems Inc.	Pasona Job Support Inc.	
Shin nihon kogyo Co.,Ltd.	Pasona Human Solutions Inc.	
Pasona Tquila Inc.	Smart Style Co.,Ltd.	
Nagasaki diamond staff	Pasona JOB HUB Inc.	Others *

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 India Private Limited	
MGR Consulting Co., Ltd	Pasona Tech Vietnam Co., Ltd.	
Pasona Human Resources (Shanghai) Co., Ltd.		
Pasona HR Consulting Recruitment (Thailand) Co., Ltd.		
Pasona Education Co. Limited		
Pasona HR Malaysia Sdn. Bhd.		
PT. Dutagriya Sarana		
CAPLAN (Thailand) Co., Ltd.		Others

Career Solutions

Pasona Inc.	Pasona Fortune Inc.	Other
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Outsourcing

Benefit One Inc.		
Benefit One Health care Inc.		
Benefit One Payroll Inc.		
BENEFIT ONE INTERNATIONAL PTE. LTD.		
贝那商务咨询（上海）有限公司		
Benefit One USA,INC.		
Benefit One (THAILAND) Co., Ltd.		
PT. BENEFIT ONE INDONESIA		
Benefit One Deutschland GmbH		
REWARDZ PRIVATE LIMITED		
BENEFITONE ENGAGEMENT TECHNOLOGIES PROVATE 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 69
Equity-method affiliates 11*

(As of Feb. 28, 2019)

Corporate Information

Tokyo Stock Exchange, 1st Section 2168

Corporate Name	Pasona Group Inc.	
Headquarters	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
Established	December 3, 2007 (Founding February 1976)	
Paid-in Capital	5,000 million yen	
Representative	Yasuyuki Nambu	
Business Activities	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	
Number of Employees	8,980 (Consolidated, including contract workers)	
Consolidated Group Companies	Subsidiaries 69 , Affiliates 11	
URL	www.pasonagroup.co.jp/english/	

(As of Feb. 28, 2019)