

# Results for the First Half of the Fiscal Year Ending May 31, 2017

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H1 FY2016 (June 1, 2016 - November 30, 2016)

**Pasona Group Inc.**

First Section TSE (2168)

January 19, 2017

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

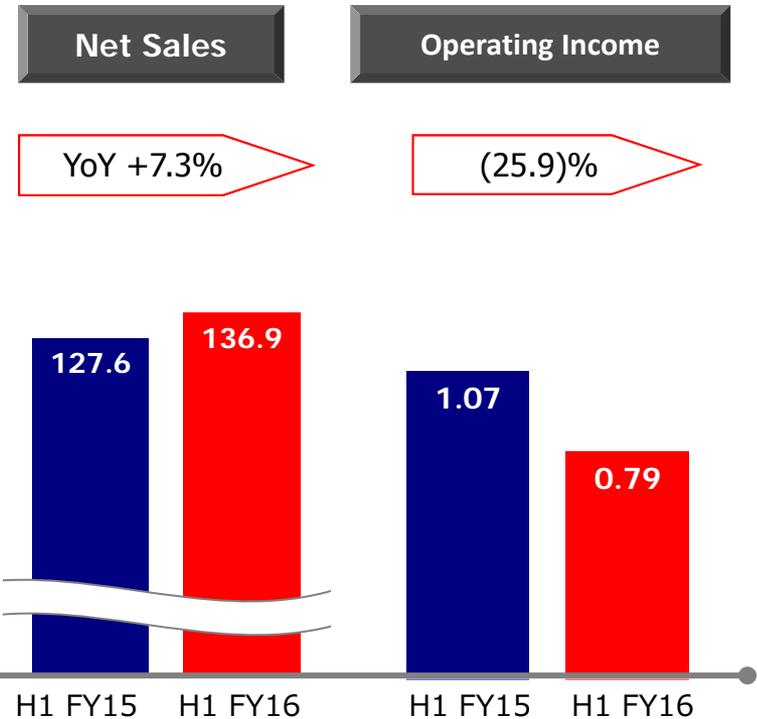
# Overview of H1 First Half of the Fiscal Year Ending May 31, 2017

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# Consolidated Results

(Billions of yen)

(Millions of yen)	H1 FY15	(%)	H1 FY16	(%)	VS FY15 Increase/Decrease
Net sales	127,602	100.0	136,867	100.0	+9,264 +7.3%
Cost of sales	102,167	80.1	109,867	80.3	+7,699 +7.5%
Gross profit	25,435	19.9	27,000	19.7	+1,564 +6.2%
SG&A expenses	24,362	19.1	26,205	19.1	+1,842 +7.6%
Operating income	1,072	0.8	794	0.6	(277) (25.9)%



## Major Item of Increase/Decrease

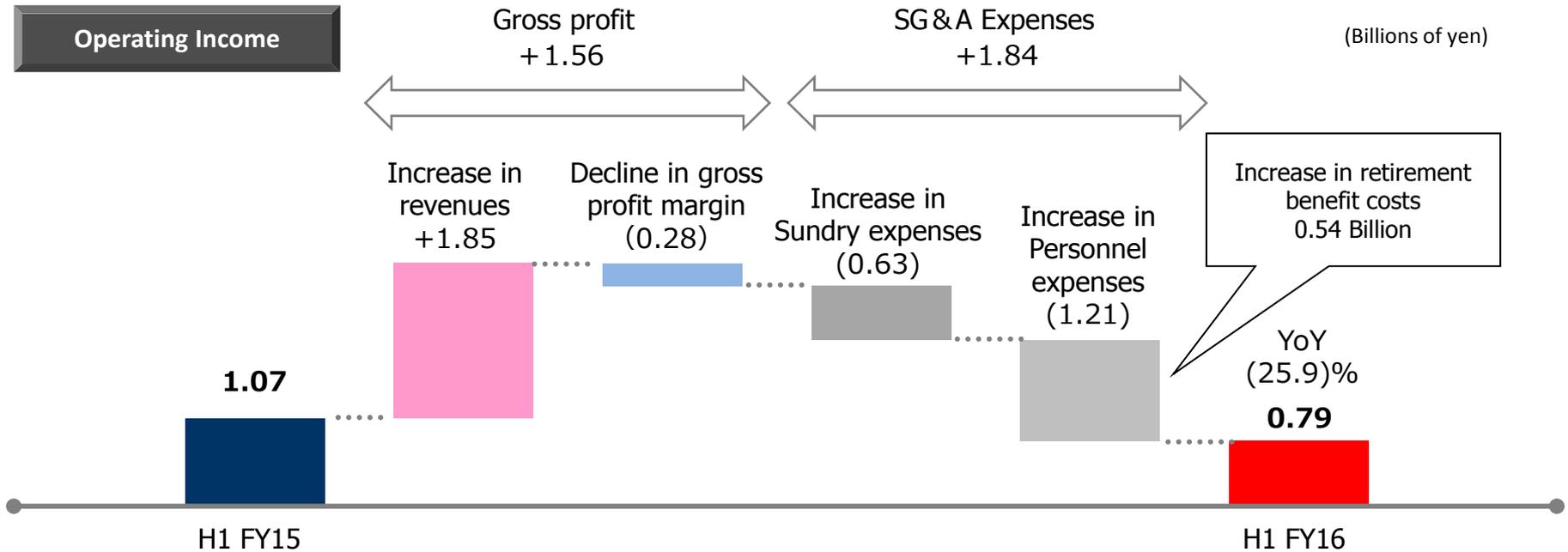
### ● Net Sales

- Net sales increased in most segments, especially the Expert services and BPO(business process outsourcing) businesses, and sales grew organically without consideration to M&A and irregular fiscal year

### ● Operating Income

- Earnings declined as a result of a rise ¥540 million in retirement benefit costs

# Operating Income



	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	H1 FY15	H1 FY16
Gross Profit	19.9%	20.0%	18.8%	18.6%	19.3%	19.3%	20.3%	20.0%	19.9%	19.7%
Gross Profit margin	18.6%	18.0%	17.4%	17.5%	17.8%	17.7%	18.7%	18.6%	19.1%	19.1%
Operating Income margin	1.3%	2.0%	1.4%	1.1%	1.5%	1.5%	1.5%	1.5%	0.8%	0.6%

## Major Item of Increase/Decrease

- Gross profits expanded as a decline in the Outplacement segment was offset by other segments
- SG&A expenses rose mainly due to higher personnel costs, including a ¥540 million increase in retirement benefit costs

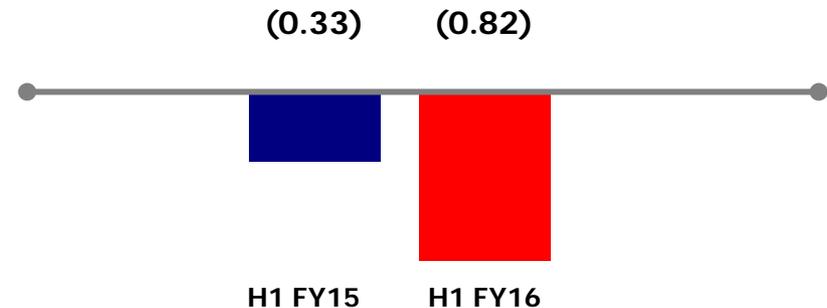
# Consolidated Results

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

(Billions of yen)

(Millions of yen)	H1 FY15	H1 FY16	Increase/ Decrease	YoY
Operating income	1,072	794	(277)	(25.9)%
Non-operating income	163	176	+13	+8.1%
Non-operating expenses	258	211	(47)	(18.2)%
Ordinary income	977	759	(217)	(22.3)%
Extraordinary income	85	9	(76)	(88.6)%
Extraordinary loss	77	44	(32)	(42.3)%
Income before income taxes	985	724	(260)	(26.5)%
Income taxes - current	973	1,098	+124	+12.8%
Income taxes - deferred	(9)	(229)	(219)	-
Income taxes	964	868	(95)	(9.9)%
Profit attributable to non-controlling interests	355	672	+316	+89.1%
Loss attributable to owners of parent	(334)	(816)	(482)	-

Loss attributable to owners of parent



Major Item of Increase/Decrease

- **Non-operating expenses**  
Share of loss of entities accounted for using equity method  
¥40 million (YoY -¥43million)

# Consolidated Results by Segment

(Millions of yen)

Segment		Net sales				Operating income (loss)				Operating income margin		
		H1 FY15	H1 FY16	Increase/ Decrease	YoY	H1 FY15	H1 FY16	Increase/ Decrease	YoY	H1 FY15	H1 FY16	Increase/ Decrease
①	Expert Services (Temporary Staffing)	65,708	71,469	+5,760	+8.8%	755	436	(319)	(42.2)%	0.7%	0.4%	(0.3)pt
②	Insourcing (Contracting)	34,375	36,082	+1,706	+5.0%							
③	HR Consulting, others	2,924	2,918	(6)	(0.2)%							
④	Global Sourcing (Overseas)	2,809	3,067	+257	+9.2%							
Subtotal		105,818	113,536	+7,718	+7.3%							
⑤	Career Solutions (Placement/ Recruiting, Outplacement)	8,267	7,178	(1,089)	(13.2)%	1,628	704	(924)	(56.7)%	19.7%	9.8%	(9.9)pt
⑥	Outsourcing	11,952	14,545	+2,592	+21.7%	1,481	2,482	+1,000	+67.5%	12.4%	17.1%	+4.7pt
⑦	Life Solutions Public Solutions	2,734	3,107	+372	+13.6%	(356)	(161)	+195	-	-	-	-
⑧	Eliminations and Corporate	(1,171)	(1,500)	(329)	-	(2,437)	(2,667)	(230)	-	-	-	-
Total		127,602	136,867	+9,264	+7.3%	1,072	794	(277)	(25.9)%	0.8%	0.6%	(0.2)pt

# Balance sheet

(Billions of yen)			
Major Item of Increase/Decrease	May 31,2016	Nov 30,2016	Increase/ Decrease
<b>Assets</b>	85.4	80.5	(4.8)
<b>Current assets</b>	56.2	51.8	(4.3)
Cash and deposits	16.8	12.6	(4.2)
Notes and accounts receivable –trade	32.0	31.5	(0.5)
<b>Non-current assets</b>	29.2	28.7	(0.5)
Property, plant and equipment	8.7	8.5	(0.2)
Intangible assets	9.9	9.2	(0.7)
Investments and other assets	10.6	11.0	+0.4
<b>Liabilities</b>	58.6	54.9	(3.7)
<b>Current liabilities</b>	45.2	43.1	(2.1)
Accounts payable	5.0	3.1	(1.9)
Short-term loans payable	4.9	6.0	+1.2
Accrued expenses	13.0	13.5	+0.5
Accrued income taxes	1.6	1.4	(0.2)
Other	17.5	15.8	(1.7)
<b>Non-current liabilities</b>	13.4	11.8	(1.6)
Long-term loans payable	8.8	7.1	(1.7)
<b>Net assets</b>	26.7	25.6	(1.1)
Shareholders' equity	19.2	17.9	(1.3)
Valuation and translation adjustments	(0.2)	(0.1)	+0.1
Non-controlling interests	7.8	7.8	+0.0
Equity stock ratio	22.2%	22.1%	(0.1)pt

## Major Item of Increase/Decrease

### [Cash and deposits]

Decrease in unearned revenue	¥(0.8) billion
Accounts payable payment	¥(1.9) billion
Cash dividends paid	¥(1.1) billion

### [Current liabilities]

Decrease in unearned revenue	¥(0.8) billion
Decrease in accounts payable-other	¥(0.5) billion
Accrued consumption taxes	¥(0.3) billion

### [ Retained earnings ]

Loss attributable to owners of parent	¥(0.8) billion
Cash dividends paid	¥(0.4) billion

### [ Non-controlling interests ]

Non-controlling interests and others in Benefit One	¥0.8 billion
Cash dividends paid at Benefit One	¥(0.6) billion

# Cash Flows

(Billions of yen)

Major Item of Increase/Decrease	H1 FY15	H1 FY16	Increase/Decrease
Cash flows from operating activities	(4.9)	(0.5)	+4.4
Income before income taxes	1.0	0.7	(0.3)
Depreciation and amortization	1.6	1.6	+0.0
Amortization of goodwill	0.5	0.5	+0.0
Retirement benefits	(0.3)	0.4	+0.7
Decrease (increase) in notes and accounts receivable—trade	0.4	0.4	+0.0
Increase (decrease) in operating debt	(2.7)	(1.2)	+1.4
Increase (decrease) in accrued consumption taxes	(3.6)	(0.3)	+3.3
Income tax paid	(1.1)	(1.3)	(0.2)
Other	(0.8)	(1.4)	(0.6)
Cash flows from investing activities	(0.5)	(2.0)	(1.5)
Purchase of property, plant and equipment	(0.6)	(0.7)	(0.1)
Purchase of intangible fixed assets	(0.7)	(0.6)	+0.1
Purchase of investment securities	(0.5)	(0.2)	+0.3
Other	1.3	(0.6)	(1.8)
Cash flows from financing activities	(1.3)	(2.0)	(0.7)
Proceeds from long-term loans payable	3.0	0.0	(3.0)
Repayment of long-term loans payable	(2.3)	(2.5)	(0.3)
Dividends paid to non-controlling interests	(0.5)	(0.7)	(0.1)
Other	(1.5)	1.3	+2.7
Net increase (decrease) in cash and cash equivalents	(6.8)	(4.7)	+2.1
Cash and cash equivalents at beginning of the period	20.3	16.4	(3.9)
Cash and cash equivalents at the end of the period	13.6	11.8	(1.8)
Free cash flows	(5.4)	(2.6)	+2.9

## Major Item of Increase/Decrease

【 Profit before amortization 】  
¥2.8 billion (YoY -¥0.3 billion)

【 Retirement benefits 】  
Increase in retirement benefits ( +¥0.5 billion)

【 Accrued consumption taxes 】  
【H1 FY15】 Increase in payments due to the consumption tax hike

【 Proceeds from sales of property, plant and equipment 】  
【H1 FY15】 Proceeds from sales of Benefit One facilities ¥0.9 billion

【 Proceeds from long-term loans payable 】  
【H1 FY15】 Procurement of long-term working capital -¥3.0 billion

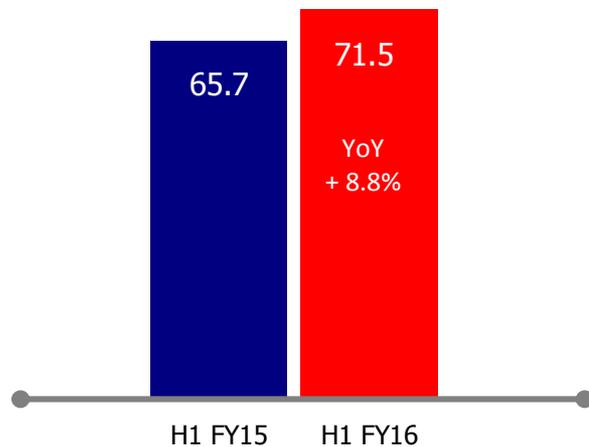
# Segment information

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# Expert Services (Temporary staffing)

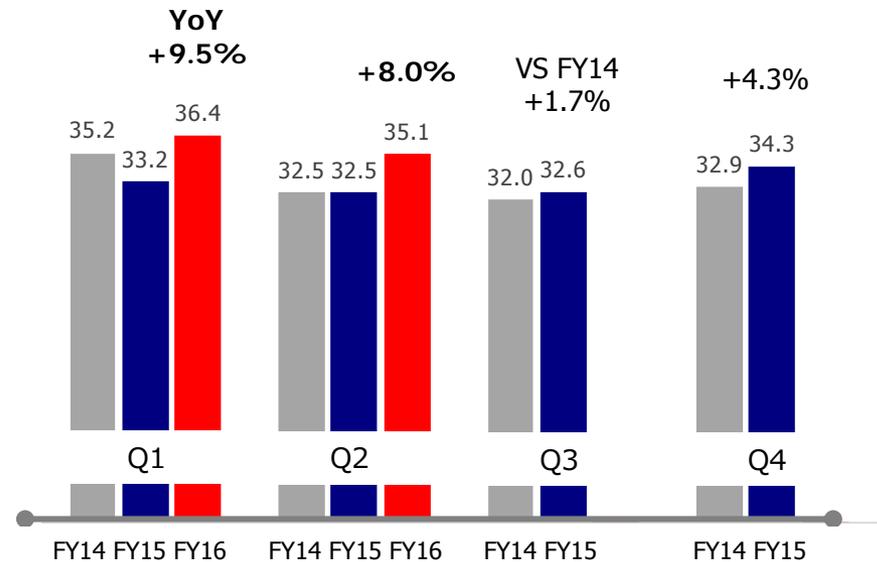
## Net Sales

(Billions of yen)



## Sales Trends

(Billions of yen)



## Business Conditions

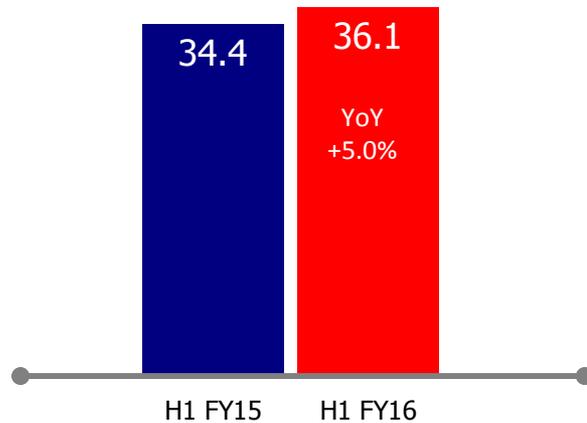
- **H1 result**
  - Specialized work, such as foreign languages and accounting, grew in addition to marketing
  - Number of long-term temporary staff at work and new registered staff increased as operations were sped up with IT
- **H2 plan**
  - Focus on training personnel for new fields including cyber security and digital marketing

Some subsidiaries combined five-month results in Q1 FY2014 following the change of their fiscal year end from March 31 to May 31.

# In sourcing (Contracting)

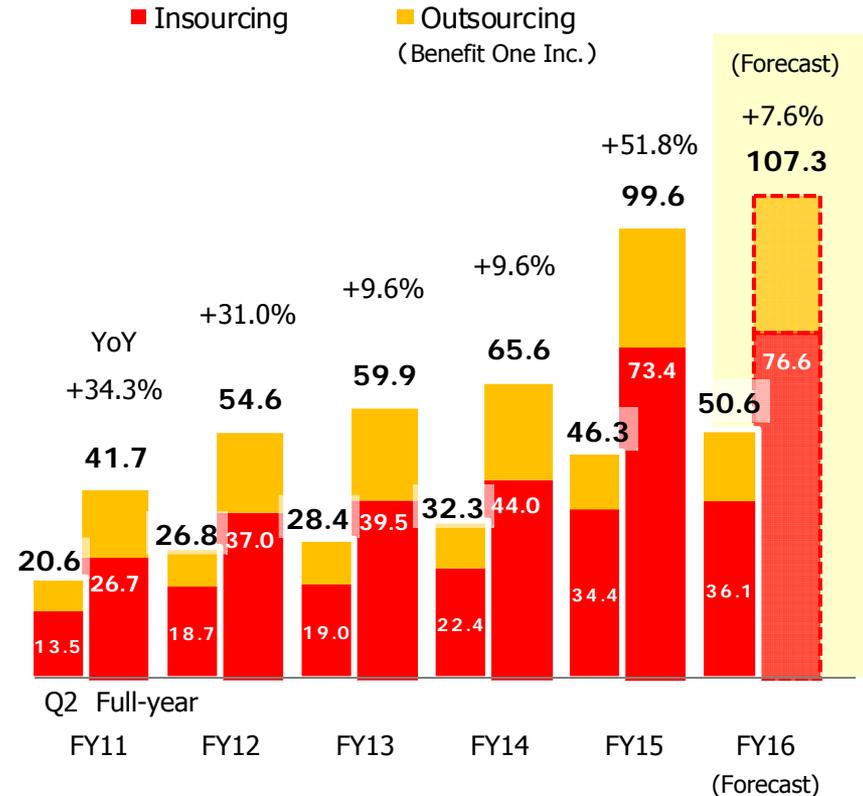
## Net Sales

(Billions of yen)



## BPO Sales

(Billions of yen)



## Business Conditions

### H1 result

- Insourcing grew in new fields, such as administration of health management departments
- In the public sector, growth continued in public affairs work, such as one-stop service counters

### H2 plan

- Focus on the public sector and switch from horizontal to vertical growth in services

# Global Sourcing (Overseas)

## Net Sales

(Billions of yen)



## Business Conditions

- **H1 result**
  - Sales of temporary staffing grew at Indonesian firm PT. Dutagriya Sarana (DGS) due to increase in Japanese clients
  - Net sales increased on contribution from payroll and other outsourcing, offsetting negative impact of exchange rates
- **H2 plan**
  - Strengthen local operations and focus on fortifying earnings foundation
  - Expand regions where full service line is provided

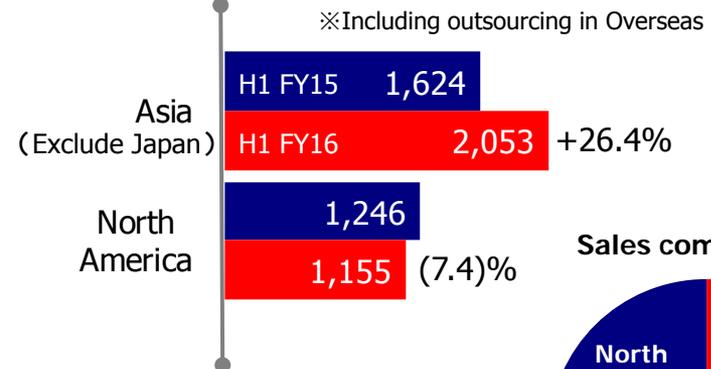
## Sales by Business Segment

(Millions of yen)

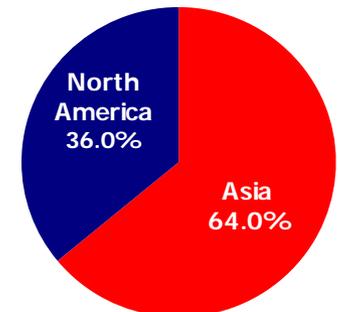
	H1 FY15	H1 FY16	YoY
Temporary Staffing	914	1,315	43.8%
Placement / Recruiting	1,087	875	(19.5)%
Contracting (Payroll, others)	564	535	(5.2)%
Others	243	341	40.4%
<b>Total</b>	<b>2,809</b>	<b>3,067</b>	<b>9.2%</b>

## Sales by Region

(Millions of yen)



## Sales composition



# Career Solutions (Placement/Recruiting, Outplacement)

## Net Sales

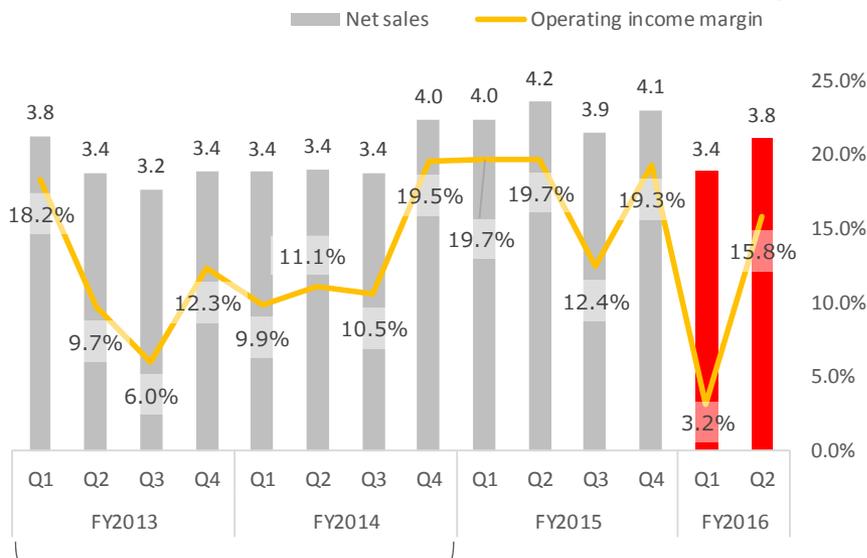
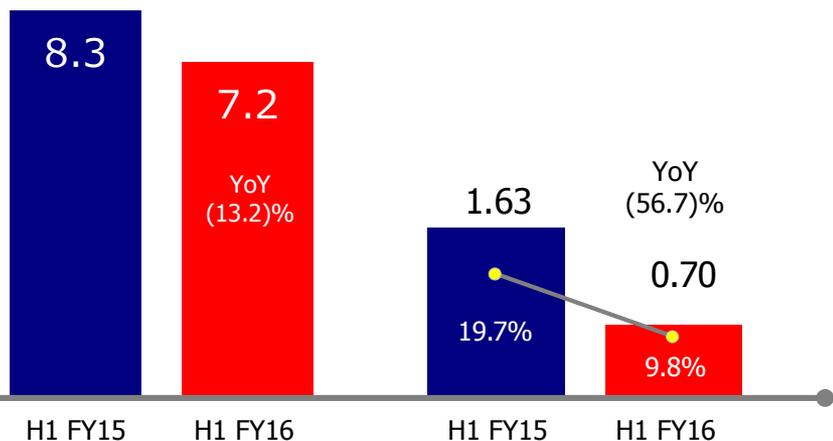
## Operating Income, Operating Income Margin

(Billions of yen)

## Active opening ratio by occupation

(Full-time employees including part-time workers)

(Billions of yen)



※FY2013-2014 are reference figure before change of segment classification.

## Business Conditions

### Placement / Recruiting

#### ● H1 result

- Signed contracts grew amid high volume of job openings
- Sales growth restrained by temporary worsening in work efficiency during switch to new backbone system in Q1

#### ● H2 plan

- Embed personnel and expand education and other services

### Outplacement

#### ● H1 result

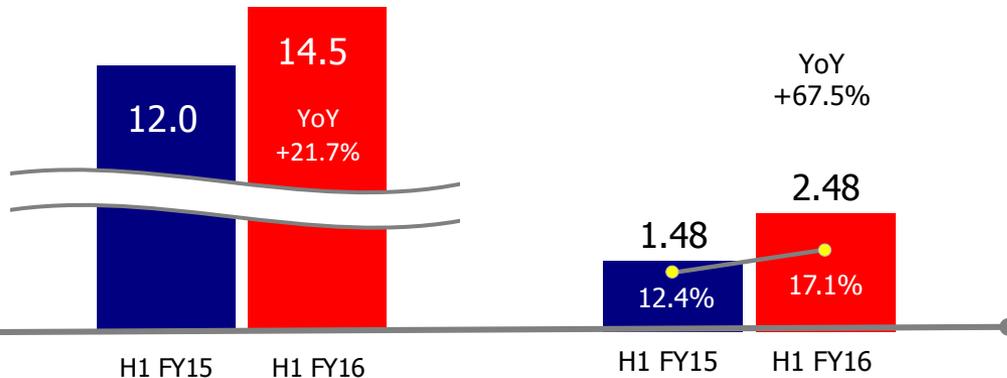
- Demand dropped due to economic recovery and signs of labor shortages
- Tough business conditions persisted with higher order receipt ratio and quicker definitive turnaround in placements

#### ● H2 plan

- Aim to enhance abilities of consultants and increase efficiency

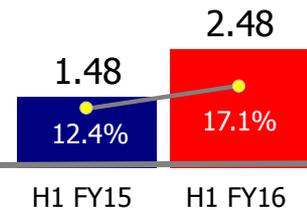
# Outsourcing (Benefit One Inc.)

## Net Sales



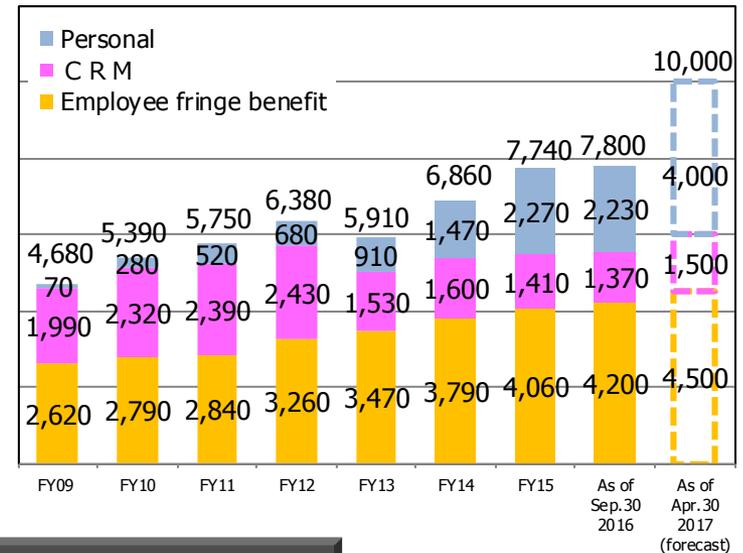
## Operating Income, Operating Income Margin

(Billions of yen)



## Benefit One Membership

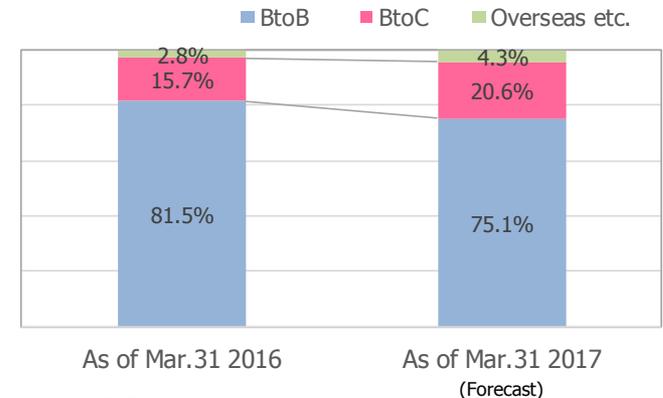
(Thousands people)



## Business Conditions

- **H1 result**
  - Steady growth in number of participating companies in the employee fringe benefit business
  - Inside sales succeeded, advanced customer development
- **H2 plan**
  - Strengthen membership foundation through alliances with companies
  - Boost profitability with cost controls

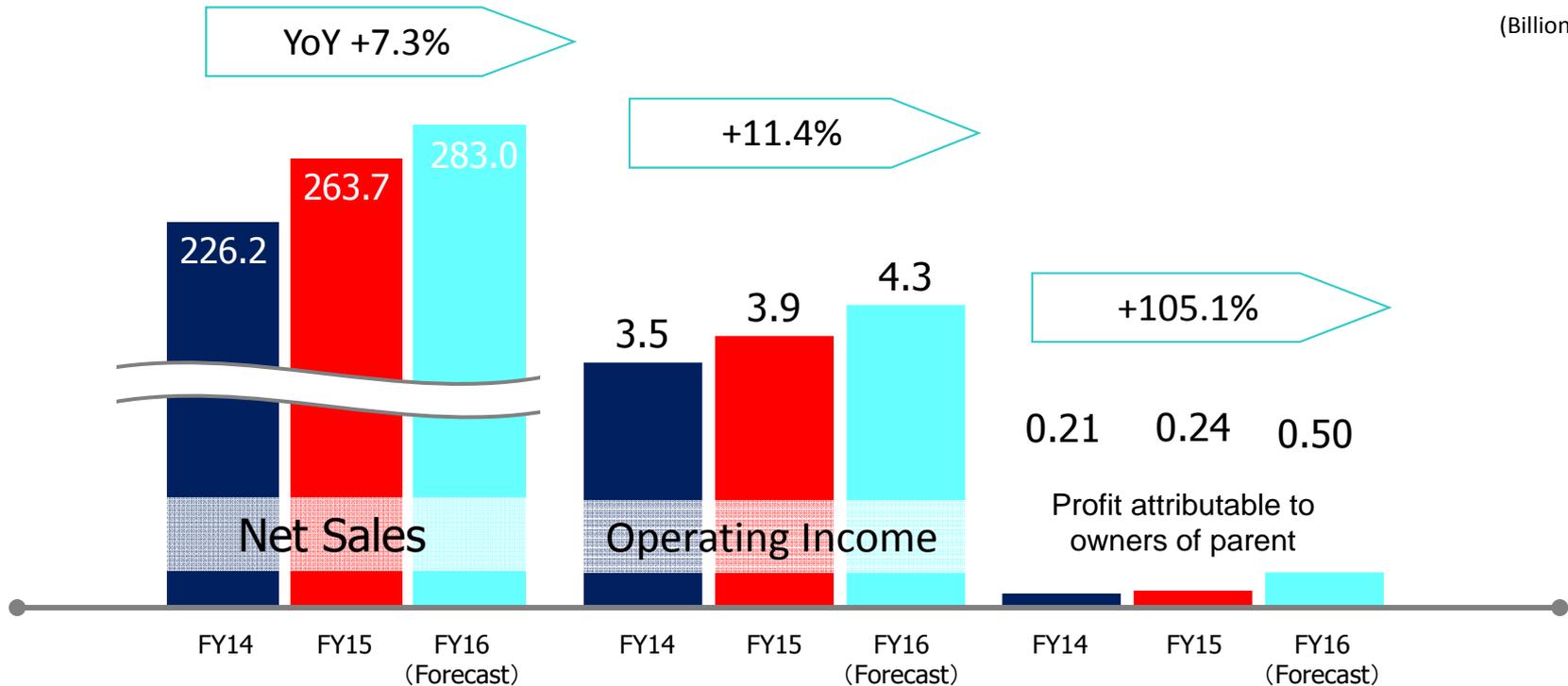
## Sales Composition



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

# FY2016 Consolidated Forecasts

(Billions of yen)



(Millions of yen)	FY14	to net sales %	FY15	to net sales %	FY16 Forecast	to net sales %	vs FY15 Increase/Decrease	YoY
Net sales	226,227	100.0	263,728	100.0	283,000	100.0	+19,271	+7.3%
Cost of sales	180,355	79.7	210,919	80.0	224,900	79.5	+13,980	+6.6%
Gross profit	45,871	20.3	52,808	20.0	58,100	20.5	+5,291	+10.0%
SG&A expenses	42,381	18.7	48,948	18.6	53,800	19.0	+4,851	+9.9%
Operating income	3,490	1.5	3,860	1.5	4,300	1.5	+439	+11.4%
Ordinary income	3,343	1.5	3,855	1.5	4,200	1.5	+344	+8.9%
Profit attributable to owners of parent	214	0.1	243	0.1	500	0.2	+256	+105.1%

# FY2016 Consolidated Forecasts by Segment

(Millions of yen)

Segment	Sales				Operating income (loss)				Operating income margin		
	FY15	FY16 Forecast	VS FY15 Increase/Decrease	VS FY15 %	FY15	FY16 Forecast	VS FY15 Increase/Decrease	VS FY15 %	FY15	FY16 Forecast	VS FY15 Increase/Decrease
Expert Services	132,588	141,660	+9,071	+6.8%	1,959	2,270	+310	+15.9%	0.9%	1.0%	+0.1%pt
Insourcing	73,417	76,580	+3,162	+4.3%							
HR Consulting, others	6,044	6,770	+725	+12.0%							
Global Sourcing	6,180	6,870	+689	+11.2%							
Subtotal	218,231	231,880	+13,648	+6.3%							
Career Solutions	16,265	16,250	(15)	(0.1)%	2,904	2,040	(864)	(29.8)%	17.9%	12.6%	(5.3)%pt
Outsourcing	26,229	30,670	+4,440	+16.9%	4,276	5,250	+973	+22.8%	16.3%	17.1%	+0.8%pt
Life Solutions Public Solutions	5,618	6,370	+751	+13.4%	(477)	(160)	+317	-	-	-	-
Eliminations and Corporate	(2,617)	(2,170)	+447	-	(4,802)	(5,100)	(297)	-	-	-	-
Consolidated	263,728	283,000	+19,271	+7.3%	3,860	4,300	+439	+11.4%	1.5%	1.5%	+0.1%pt

# Reference

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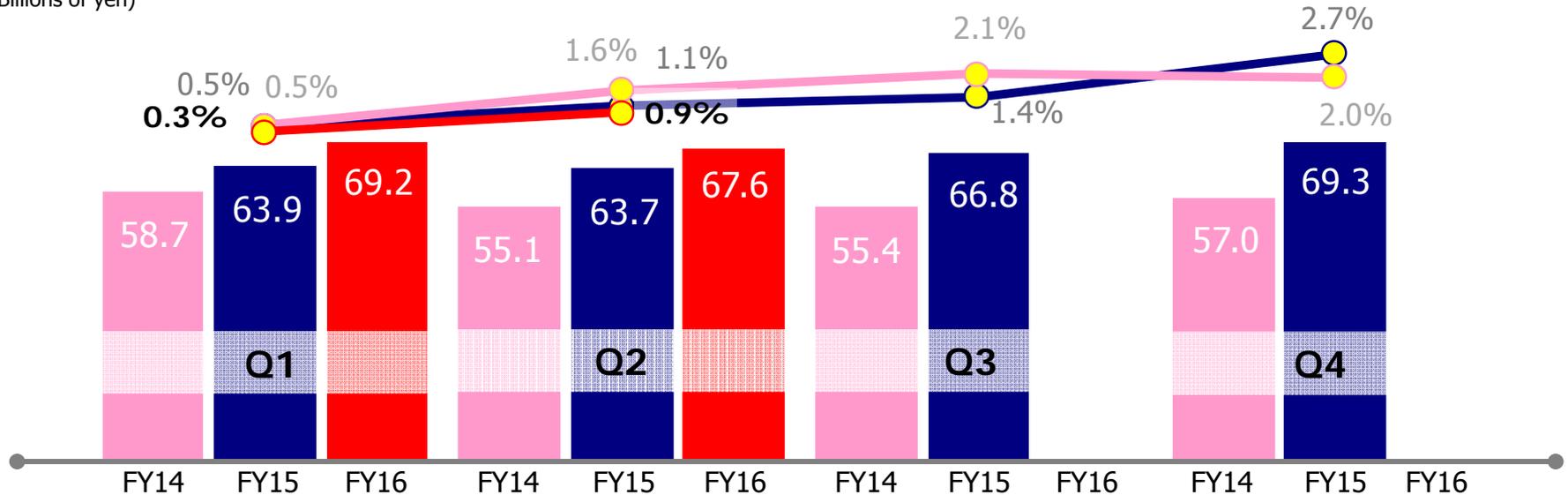
# Quarterly Earnings Trends

## Net Sales

(Billions of yen)

## Operating Income Margin

- Operating Income Margin FY14
- Operating Income Margin FY15
- Operating Income Margin FY16



	Q1 (June to August)					Q2 (September to November)					Q3 (December to February)			Q4 (March to May)		
	FY14	FY15	YoY	FY16	YoY	FY14	FY15	YoY	FY16	YoY	FY14	FY15	YoY	FY14	FY15	YoY
Net sales	58,727	63,891	+8.8%	69,231	+8.4%	55,078	63,710	+15.7%	67,636	+6.2%	55,379	66,827	+20.7%	57,042	69,297	+21.5%
Gross profit	11,450	13,412	+17.1%	13,372	(0.3)%	11,010	12,023	+9.2%	13,628	+13.3%	11,319	13,041	+15.2%	12,090	14,331	+18.5%
SG&A expenses	11,130	13,061	+17.4%	13,156	+0.7%	10,135	11,300	+11.5%	13,048	+15.5%	10,180	12,111	+19.0%	10,934	12,473	+14.1%
Operating income	320	350	+9.5%	215	(38.5)%	875	722	(17.5)%	579	(19.8)%	1,139	929	(18.4)%	1,155	1,857	+60.8%
Ordinary income	286	256	(10.2)%	174	(32.1)%	832	720	(13.5)%	585	(18.8)%	1,132	956	(15.6)%	1,092	1,921	+76.0%
Profit (Loss) attributable to owners of parent	(253)	(323)	-	(539)	-	97	(10)	-	(276)	-	163	(119)	-	206	697	+237.6%
Gross profit margin	19.5%	21.0%	+1.5pt	19.3%	(1.7)pt	20.0%	18.9%	(1.1)pt	20.1%	+1.2pt	20.4%	19.5%	(0.9)pt	21.2%	20.7%	(0.5)pt
SG&A expense ratio	19.0%	20.4%	+1.4pt	19.0%	(1.4)pt	18.4%	17.7%	(0.7)pt	19.3%	+1.6pt	18.4%	18.1%	(0.3)pt	19.2%	18.0%	(1.2)pt
Operating income margin	0.5%	0.5%	+0.0pt	0.3%	(0.2)pt	1.6%	1.1%	(0.5)pt	0.9%	(0.2)pt	2.1%	1.4%	(0.7)pt	2.0%	2.7%	+0.7pt
Ordinary income margin	0.5%	0.4%	(0.1)pt	0.3%	(0.1)pt	1.5%	1.1%	(0.4)pt	0.9%	(0.2)pt	2.0%	1.4%	(0.6)pt	1.9%	2.8%	+0.9pt
Profit attributable to owners of parent margin	-	-	-	-	-	0.2%	-	-	-	-	0.3%	-	-	0.4%	1.0%	+0.6pt

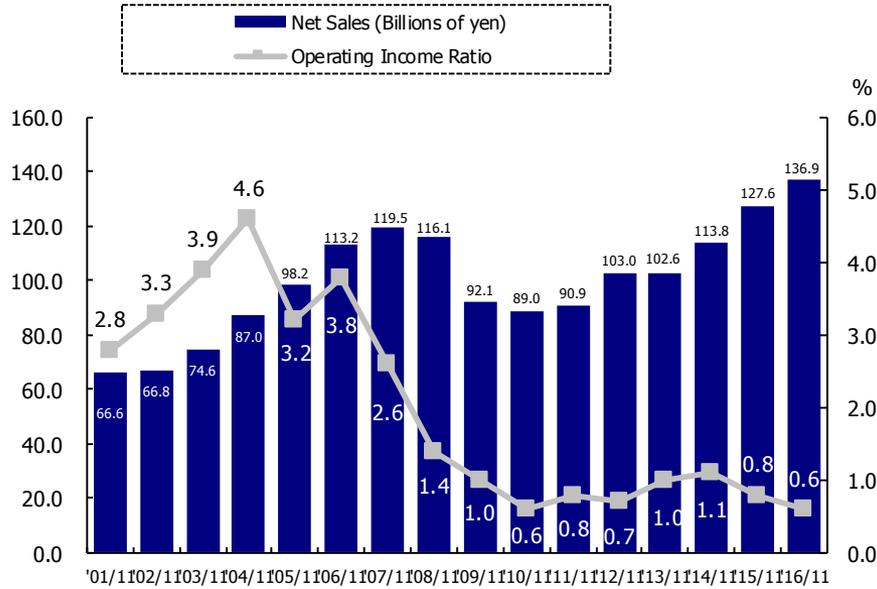
# Quarterly Earnings Trends by Segment

(Millions of yen)

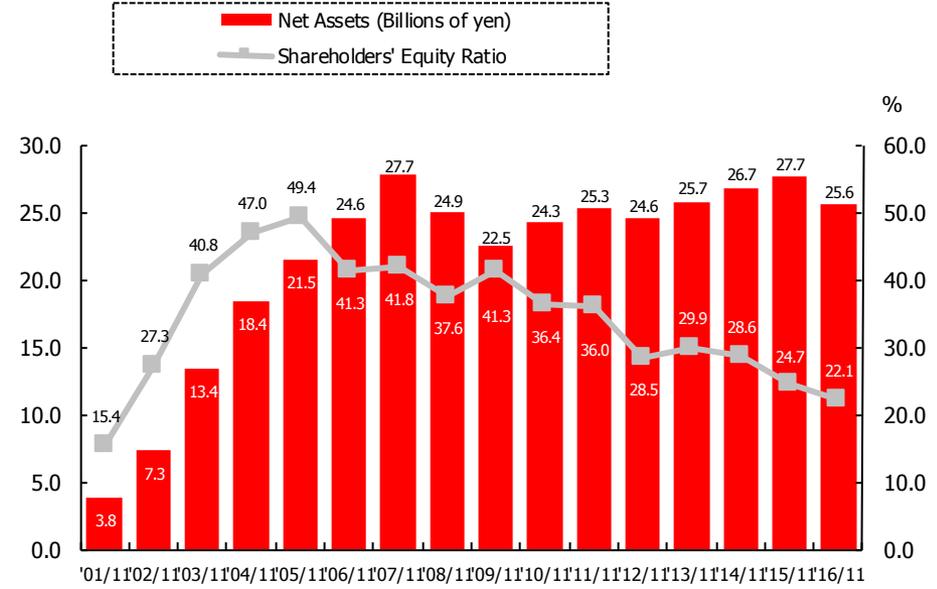
Segment	Sales							Operating income (loss)						
	Q1 FY15	Q2 FY15	Q3 FY15	Q4 FY15	Q1 FY16	Q2 FY16	YoY	Q1 FY15	Q2 FY15	Q3 FY15	Q4 FY15	Q1 FY16	Q2 FY16	YoY
Expert Services (Temporary Staffing)	33,221	32,487	32,562	34,317	36,378	35,090	8.0%							
Insourcing (Contracting)	16,925	17,450	19,620	19,421	18,174	17,908	2.6%							
HR Consulting, others	1,504	1,420	1,698	1,421	1,541	1,376	(3.1)%	325	430	330	872	380	56	(86.9)%
Global Sourcing (Overseas)	1,420	1,389	1,645	1,725	1,536	1,530	10.1%							
Subtotal	53,070	52,747	55,527	56,885	57,631	55,905	6.0%							
Career Solutions (Placement/Recruiting, Outplacement)	4,032	4,235	3,865	4,132	3,386	3,791	(10.5)%	794	834	479	796	107	597	(28.3)%
Outsourcing	5,971	5,981	6,719	7,557	7,478	7,066	18.1%	641	840	1,382	1,412	1,134	1,348	60.4%
Life Solutions Public Solutions	1,342	1,392	1,377	1,505	1,508	1,598	14.8%	(192)	(164)	(116)	(5)	(100)	(61)	-
Eliminations and Corporate	(524)	(646)	(662)	(783)	(773)	(726)	-	(1,218)	(1,218)	(1,146)	(1,218)	(1,305)	(1,361)	-
Total	63,891	63,710	66,827	69,297	69,231	67,636	6.2%	350	722	929	1,857	215	579	(19.8)%

# H1 Key Indicators

## Net Sales and Operating Income Ratio



## Net Assets and Shareholders' Equity Ratio



## First Half Results

Key Indicators	'01/11	'02/11	'03/11	'04/11	'05/11	'06/11	'07/11	'08/11	'09/11	'10/11	'11/11	'12/11	'13/11	'14/11	'15/11	'16/11
Net Sales	66,593	66,822	74,641	87,016	98,247	113,202	119,516	116,086	92,069	88,994	90,880	102,976	102,619	113,805	127,602	136,867
Gross Profit Margin	17.6%	18.9%	20.1%	20.6%	19.8%	20.3%	20.4%	20.0%	19.2%	18.2%	18.3%	18.5%	18.9%	19.7%	19.9%	19.7%
SG&A Expenses	9,823	10,386	12,091	13,905	16,290	18,654	21,274	21,598	16,784	15,640	15,922	18,355	18,372	21,265	24,362	26,205
SG&A Expense Ratio	14.8%	15.6%	16.2%	16.0%	16.6%	16.5%	17.8%	18.6%	18.2%	17.6%	17.5%	17.8%	17.9%	18.7%	19.1%	19.1%
Operating Income	1,878	2,211	2,892	3,982	3,123	4,314	3,071	1,598	905	533	724	714	1,038	1,195	1,072	794
Operating Income Ratio	2.8%	3.3%	3.9%	4.6%	3.2%	3.8%	2.6%	1.4%	1.0%	0.6%	0.8%	0.7%	1.0%	1.1%	0.8%	0.6%
Ordinary Income	1,738	2,086	2,707	3,990	3,103	4,392	3,145	1,803	933	580	744	692	961	1,118	977	759
Ordinary Income Ratio	2.6%	3.1%	3.6%	4.6%	3.2%	3.9%	2.6%	1.6%	1.0%	0.7%	0.8%	0.7%	0.9%	1.0%	0.8%	0.6%
Net Income (Loss)	822	931	1,272	2,319	1,482	2,073	1,063	203	(1,696)	(549)	75	(454)	(25)	(155)	(334)	(816)
Net Income Ratio	1.2%	1.4%	1.7%	2.7%	1.5%	1.8%	0.9%	0.2%	-	-	0.1%	-	-	-	-	-
Total Assets	24,808	26,796	32,759	39,150	43,526	49,918	55,216	52,670	42,866	55,084	57,480	68,768	68,524	72,357	80,164	80,517
Net Assets *1	3,824	7,316	13,374	18,381	21,509	24,573	27,736	24,939	22,497	24,260	25,295	24,619	25,743	26,744	27,702	25,591
Shareholders' Equity Ratio *2	15.4%	27.3%	40.8%	47.0%	49.4%	41.3%	41.8%	37.6%	41.3%	36.4%	36.0%	28.5%	29.9%	28.6%	24.7%	22.1%
Current Ratio	117.0%	122.7%	146.9%	177.2%	182.0%	152.3%	150.8%	136.4%	148.1%	190.7%	172.4%	144.4%	139.0%	125.3%	129.0%	120.2%

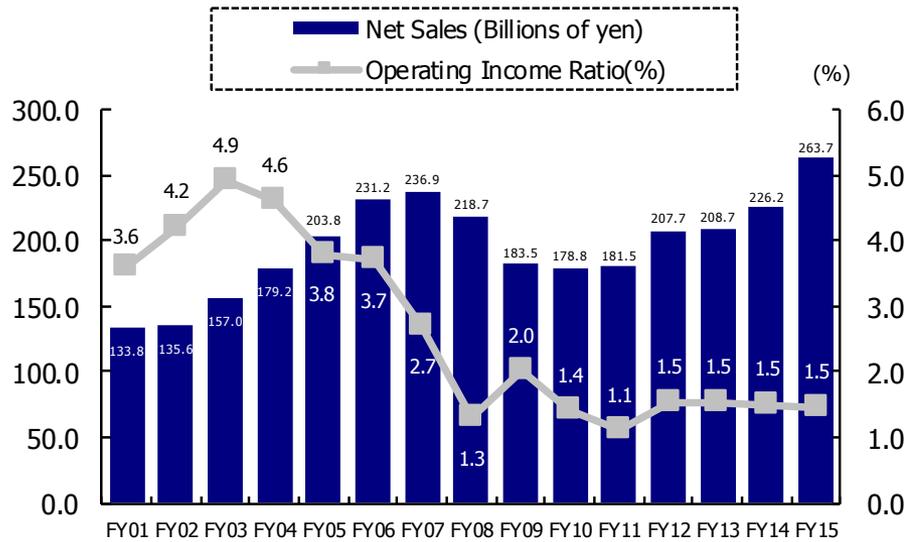
Notes: 1. Presentation of shareholders' equity amended to a net assets basis in line with changes to accounting standards and policies. Minority interests included in presentation of net assets since the fiscal year ended May 31, 2007.

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.

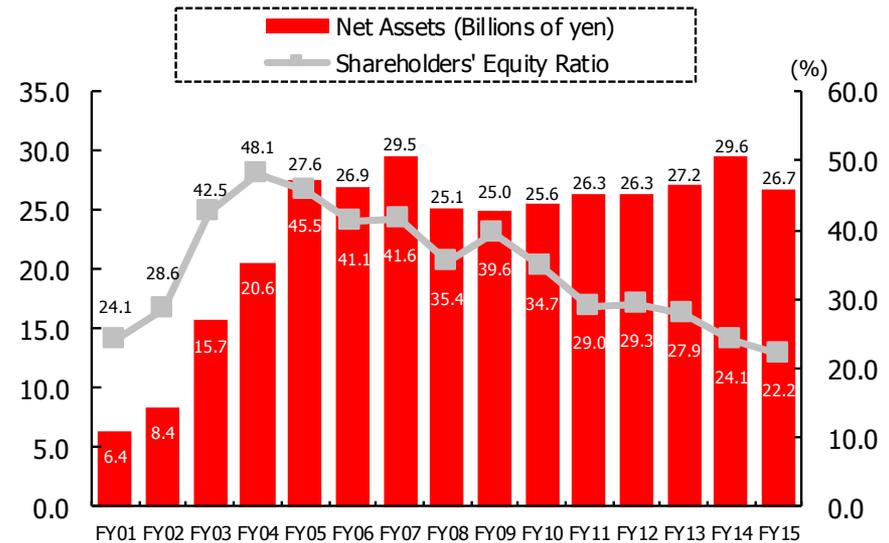
3. For '01/11-'06/11, Pasona Inc. consolidated business results have been used for comparative purposes.

# Full-Year Key Indicators

## Net Sales and Operating Income Ratio



## Net Assets and Shareholders' Equity Ratio



## Results

Key Indicators	'02/05	'03/05	'04/05	'05/05	'06/05	'07/05	'08/05	'09/05	'10/05	'11/05	'12/05	'13/05	'14/05	'15/05	'16/05
Net Sales	133,822	135,625	156,979	179,156	203,815	231,231	236,945	218,699	183,515	178,806	181,498	207,685	208,660	226,227	263,728
Gross Profit Margin	18.2%	19.7%	20.9%	20.8%	20.2%	20.3%	20.8%	19.9%	20.0%	18.8%	18.6%	19.3%	19.3%	20.3%	20.0%
SG&A Expenses	19,557	21,058	25,104	28,992	33,491	38,542	42,925	40,735	33,070	31,125	31,840	36,898	37,029	42,381	48,948
SG&A Expense Ratio	14.6%	15.5%	16.0%	16.2%	16.4%	16.6%	18.1%	18.6%	18.0%	17.4%	17.5%	17.8%	17.7%	18.7%	18.6%
Operating Income	4,786	5,687	7,648	8,238	7,745	8,507	6,444	2,850	3,660	2,432	1,964	3,176	3,210	3,490	3,860
Operating Income Ratio	3.6%	4.2%	4.9%	4.6%	3.8%	3.7%	2.7%	1.3%	2.0%	1.4%	1.1%	1.5%	1.5%	1.5%	1.5%
Ordinary Income	4,222	5,373	7,329	8,289	7,844	8,807	6,637	3,361	4,044	2,571	2,091	3,187	3,135	3,343	3,855
Ordinary Income Ratio	3.2%	4.0%	4.7%	4.6%	3.8%	3.8%	2.8%	1.5%	2.2%	1.4%	1.2%	1.5%	1.5%	1.5%	1.5%
Net Income	1,974	2,027	3,647	4,363	3,588	4,198	2,962	312	204	412	29	610	526	214	243
Net Income Ratio	1.5%	1.5%	2.3%	2.4%	1.8%	1.8%	1.3%	0.1%	0.1%	0.2%	0.0%	0.3%	0.3%	0.1%	0.1%
Total Assets	26,526	29,425	37,004	42,884	51,931	54,425	58,513	55,468	52,269	60,564	70,889	71,276	75,615	88,641	85,356
Net Assets *1	6,388	8,418	15,732	20,644	27,634	26,904	29,468	25,148	24,979	25,642	26,295	26,253	27,181	29,620	26,735
Shareholders' Equity Ratio *2	24.1%	28.6%	42.5%	48.1%	45.5%	41.1%	41.6%	35.4%	39.6%	34.7%	29.0%	29.3%	27.9%	24.1%	22.2%
Current Ratio	121.6%	122.3%	160.2%	182.8%	170.8%	152.1%	154.2%	129.6%	163.3%	175.2%	154.7%	141.8%	131.3%	125.6%	124.3%
Number of Employees (exclude contract workers)	1,537	1,687	1,979	2,204	2,608	3,126	3,647	3,671	3,643	3,956	4,452	4,778	5,022	6,584	7,144

Notes: 1. Presentation of shareholders' equity amended to a net assets basis in line with changes to accounting standards and policies. Minority interests included in presentation of net assets since the fiscal year ended May 31, 2006.

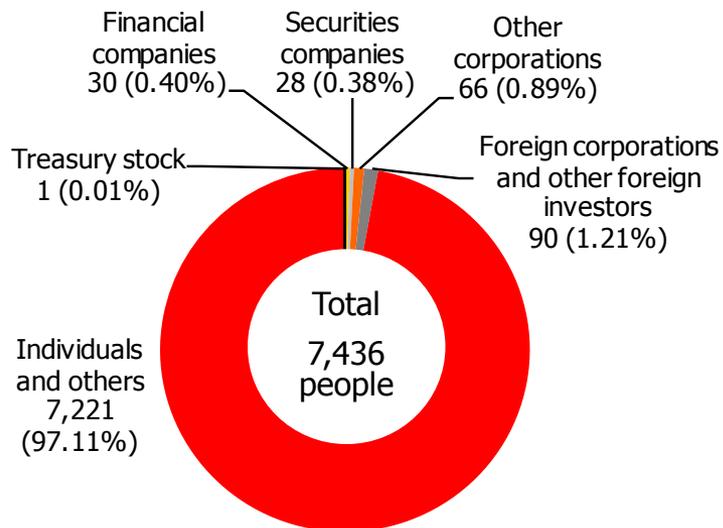
2. Despite changes in calculation methods for net assets following the introduction of changes to accounting standards and policies, the shareholders' equity ratio since the fiscal year ended May 31, 2006 is calculated utilizing an amount equivalent to net assets applicable to common shares.

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.

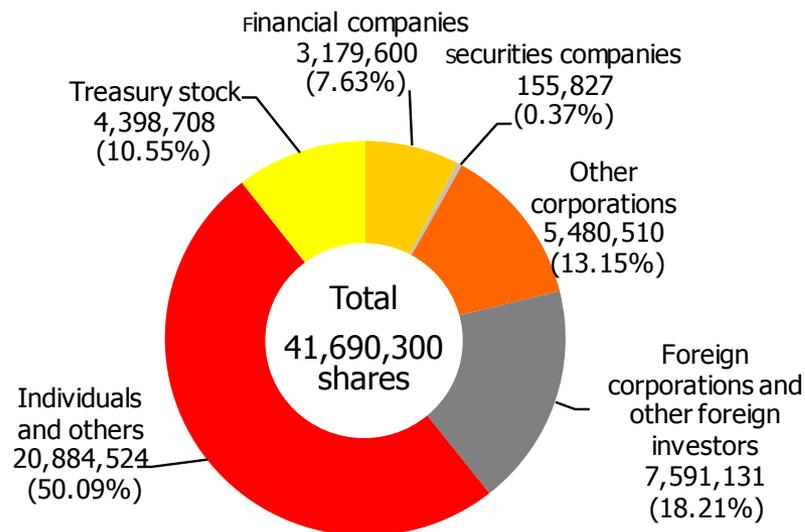
4. Profit attributable to owners of parent for FY15 is equal to net income for FY01-14.

# Stock Information (As of Nov. 30, 2016)

## 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.	4,398,708	10.55%
Nambu Enterprise Inc.	3,737,800	8.97%
Goldman Sachs International	1,870,092	4.49%
BNYM TREATY DTT 10	1,605,800	3.85%
Credit Suisse AG Hong Kong Trust A/C Client	1,227,000	2.94%
State Street Bank and Trust Company 505004	809,700	1.94%
Pasona Group Employees' Shareholding Association	712,500	1.71%
Gratitude Inc.	592,200	1.42%
The Master Trust Bank of Japan, Ltd (Trust Account)	508,600	1.22%

The Company's treasury stock (4,398,708 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.

# Group Companies (by segment)

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

Pasona Inc.	KIS Co.,Ltd.	
Pasona Tech, Inc.	CAPLAN Corporation	
Pasona Okayama Inc.	YASKAWA BUSINESS STAFF CORPORATION	
PASONA LOGICOM Inc.	Bewith, Inc.	
Pasona Marketing, Inc.	Asahi Beer Communications Co, Ltd.	
Pasona Agri-Partners Inc.	Pasona Medical Inc.	
ECOLOVE Inc.	Pasona Panasonic Business Service Co.,Ltd	
Nihon Employment Creation Organization Inc.		
Pasona Tech Systems Inc.	e-Staffing Co., Ltd.*	
Shin nihon kogyo Co.,Ltd.	Pasona Knowledge Partner Inc.	
Pasona Tquila Inc.	Pasona Cyber Lab, Inc.*	
Pasona OGXA Inc.		Other

## 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.	CAPLAN (Thailand) 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.		Others

## 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.		
Benefit One Shanghai Inc.		
Benefit One USA, Inc.		
Benefit One (Thailand) Co., Ltd.		
PT. BENEFIT ONE INDONESIA		
Benefit One Deutschland GmbH		
Chunghwa Benefit One Co., Ltd.*		Other *
National Examination Center Inc.*		

## 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.	Others

- Consolidated subsidiaries 61
- Equity-method affiliates 5\*

(As of Nov. 30, 2016)

# 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 2-6-4 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>	8,550 (Consolidated, including contract workers) (As of May 31, 2016)	
<b>Consolidated Group Companies</b>	Subsidiaries 61 , Affiliates 5	
<b>URL</b>	<a href="http://www.pasonagroup.co.jp/english/">www.pasonagroup.co.jp/english/</a>	

(As of Nov. 30, 2016)