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For Immediate Release

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**Notice Concerning the Execution of a Corporate Separation Agreement
Transfer of Pasona Inc.'s Related Company Management Function
and a Portion of its Business by way of Simplified and Informal Corporate Separation**

Pursuant to a Board of Directors' meeting held by each company on January 24, 2008, Pasona Group Inc. (hereafter referred to as "Pasona Group," "the Company" or "the Successor Company") announced that it had today executed a corporate separation agreement with Pasona Inc. (hereafter referred to as "Pasona" or "the Separating Company"). Under the agreement, Pasona Group and Pasona, utilizing a simplified corporate acquisition and separation method and an informal corporate acquisition and separation method, respectively, have agreed to the transfer of Pasona's related company management function and a portion of its business to the Company.

As this corporate separation relates to the transfer of a wholly owned subsidiary's related company management function and a portion of its business to Pasona Group, certain disclosure items and details have been omitted.

1. Objective of Corporate Separation

As an initial step toward adopting a holding company structure encompassing Pasona and its related companies as a corporate group, Pasona Group was established as Pasona's parent company through the transfer of stock on December 3, 2007. As a second and follow-up step, Pasona's related company management function and a portion of its business activities are scheduled for transfer to Pasona Group.

As a result of these initiatives, Pasona Group intends to strengthen management capabilities, enhance the oversight function, facilitate the formulation of Group-wide management strategies and optimize the allocation of resources to growth fields. At the same time, this holding company structure will bolster the corporate governance function and raise the level and quality of Group management transparency. From an operating company perspective, Group companies will be better positioned to secure growth opportunities in their respective fields and better respond in a strategic and flexible manner to rapid changes in the business environment.

2. Summary of Corporate Separation

(1) Corporate separation schedule

Resolution by the Board of Directors approving corporate separation	January 24, 2008 (Thursday)
Execution of the corporate separation agreement	January 24, 2008 (Thursday)
Planned date of corporate separation (effective date)	March 1, 2008 (Saturday) (planned)

Note: As this corporate separation meets the requirements of a simplified corporate acquisition and separation prescribed under Article 796 Paragraph 3 of the Corporation Law for Pasona Group and the requirements of an informal corporate acquisition and separation prescribed under Article 784 Paragraph 1 of the Corporation Law for Pasona, ratification to this corporate separation by their respective shareholders is not required.

(2) Method of corporate separation

The succession and corporate separation involve Pasona Group as the successor company and Pasona, a wholly owned Pasona Group subsidiary as the separating company identified for acquisition and corporate separation.

Pasona Group holds all of Pasona’s issued and outstanding shares. As a result, there is no monetary payment to Pasona in connection with this corporate separation.

(3) Capital increase as a result of the acquisition and corporate separation

There will be no capital increase as a result of the acquisition and corporate separation.

(4) Matters relating to new share subscription rights and bonds with new share subscription rights

Pasona has not issued new share subscription rights or bonds with new share subscription rights.

(5) The rights and obligations to be succeeded by Pasona Group as a result of the acquisition and corporate separation

Pasona Group shall receive such rights and obligations as assets, liabilities and contractual arrangements in connection with the control and management of related companies as well as a portion of the business encompassing employment creation training, research and counseling.

(6) Prospects of fulfillment of obligations

With respect to the debt obligations to be paid, both Pasona Group and Pasona remain confident that each company has the ability to satisfy such debt obligations after corporate separation.

3. Summary of the Parties Involved in Corporate Separation

(As of December 3, 2007)

(1) Company Name	Pasona Group Inc. (Successor Company)	Pasona Inc. (Separating Company)
(2) Business Activities	Management and support of its wholly owned and other Group companies engaged in human resource-related activities based on the ownership of stock	Temporary staffing and contracting, placement and recruiting, outplacement, outsourcing and other business activities (education, training, other)
(3) Establishment Date	December 3, 2007	September 27, 1989
(4) Head Office Address	1-5-1 Marunouchi, Chiyoda-ku, Tokyo	2-1-1 Otemachi, Chiyoda-ku, Tokyo
(5) Representative (Name & Title)	Yasuyuki Nambu Representative Director and Group CEO	Yasuyuki Nambu Representative Director
(6) Paid-in Capital	¥5,000 million	¥8,391 million
(7) Number of Shares Issued and Outstanding	434,403 shares	434,403 shares
(8) Net Assets	27,736million (consolidated)	29,993million (consolidated)
(9) Total Assets	55,216million (consolidated)	57,473million (consolidated)
(10) Balance Date	May 31	May 31
(11) Major Shareholders and Shareholdings	Yasuyuki Nambu 33.99% Nambu Enterprise Inc. 8.22% Nikko Cordial Corporation 7.67% Investors Bank 6.66%	Pasona Group Inc. 100.00%

Note: Plans are in place for Pasona Inc. to reduce its capital to ¥3,000 million effective February 29, 2008. For details, please refer to the press release “Notice Concerning a Reduction in the Common Stock and Capital Reserve of a Subsidiary Company (Pasona Inc.)” dated December 21, 2007.

4. Details of the Business Operations to be Transferred

(1) Details of the operations to be transferred

Related company management function and a portion of the business encompassing training, research and counseling relating to employment creation.

(2) Business results of the operations to be transferred (June 1, 2006 to May 31, 2007)

(Millions of yen unless otherwise stated)

	Operations to be Transferred (a)	Pasona Inc. (b)	Ratio (a / b)
Net Sales	29	162,085	0.02%

(3) Items and values of assets and liabilities to be transferred (As of November 30, 2007)

(Millions of yen)

Assets		Liabilities	
Item	Book Value	Item	Book Value
Current Assets	108	Current Liabilities	95
Fixed Assets	10,348	Long-Term Liabilities	187
Total Assets	10,456	Total Liabilities	282

5. Status of Publicly Listed Company After Corporate Separation

Details of the Company's name, business activities, head office address, representative (name and title), paid-in capital and balance date after corporate separation are outlined in item 3. "Summary of the Parties Involved in Corporate Separation" preceding.

6. Outlook

Pasona's related company management function and a portion of its business activities will be transferred to Pasona Group as a result of the corporate separation. Moreover, this initiative will enable Pasona Group to better formulate and implement Group-wide management strategies and allocate resources to growth fields. From an operating company perspective, Group companies will be better positioned to secure growth opportunities in their respective fields and respond in a strategic and flexible manner to rapid changes in the business environment.

There will be no impact to consolidated business results owing to corporate separation as the separating company is a consolidated subsidiary.