



March 26, 2008

For Immediate Release

Pasona Group Inc.
1-5-1 Marunouchi, Chiyoda-ku, Tokyo
Representative: Yasuyuki Nambu, Group CEO and President
Listing Code No.: 2168
Listing: First Section, Tokyo Stock Exchange
Nippon New Market "Hercules,"
Osaka Securities Exchange
Inquiries: Yoshimichi Kawasaki
Senior Managing Director
TEL: +81-3-6734-0200

Notice Concerning the Conversion of an Affiliated Company Accounted for by the Equity Method to a Subsidiary Company

Pasona Group Inc. (hereafter "Pasona Group" or "the Company") announces that at a Board of Directors' meeting held on March 26, 2008, the Company resolved to include Financial Sun, Inc., an affiliated company accounted for by the equity method, in its scope of consolidation as a subsidiary company following the acquisition of additional shares.

1. Rationale for inclusion as a subsidiary company

Established as a joint-venture company with Nikko Cordial Corporation and Nikko Principal Investments Japan Ltd., Financial Sun, an affiliated company accounted for by the equity method, continues to engage in temporary staffing / contracting, placement and recruiting activities.

Following the decision to acquire all shares held by Nikko Cordial and Nikko Principal Investments, Financial Sun, as a wholly owned Pasona Group subsidiary, will redouble its efforts to provide human resource services to the finance sector amid steady growth in demand.

2. Profile of Financial Sun

(as of Feb. 29, 2008)

(1) Company Name:	Financial Sun, Inc.
(2) Principal Business Activities:	Temporary staffing / contracting, fee-based placement and recruiting
(3) Date of Incorporation:	July 23, 2001
(4) Head Office Address:	2-1-1 Otemachi, Chiyoda-ku, Tokyo
(5) Representative:	Kouji Shiojima, President
(6) Paid-in Capital:	¥150 million
(7) Number of Issued Shares:	3,000 shares
(8) Balance Date:	March 31
(9) Number of Employees:	22
(10) Shareholders (Shareholding)	Pasona Group Inc. 50.00% Nikko Cordial Corporation 41.63% Nikko Principal Investments Japan Ltd. 8.37%

3. Profiles of Nikko Cordial Corporation and Nikko Principal Investments Japan Ltd.

(as of Feb. 29, 2008)

(1) Company Name:	Nikko Cordial Corporation
(2) Principal Business Activities:	Holding company
(3) Date of Incorporation:	April 1, 1944
(4) Head Office Address:	6-5 Nihonbashi Kabuto-cho, Chuo-ku, Tokyo
(5) Representative:	Douglas L. Peterson, Director and Chairman
(6) Paid-in Capital:	¥235,336 million
(7) Relationship with Pasona Group Inc.:	Nikko Cordial owns 7.67% of Pasona Group's issued shares

(1) Company Name:	Nikko Principal Investment Japan Ltd.
(2) Principal Business Activities:	Investment and a variety of advisory services
(3) Date of Incorporation:	March 15, 2000
(4) Head Office Address:	2-7-3 Marunouchi, Chiyoda-ku, Tokyo
(5) Representative:	Tetsuo Maruyama, President & CEO
(6) Paid-in Capital:	¥2,500 million
(7) Relationship with Pasona Group Inc.:	Not applicable

4. Number of shares to be acquired; Status of shares held before and after acquisition

(1) Number of Shares Held before Additional Acquisition:	1,500 shares (50.00% shareholding)
(2) Number of Additional Shares to be Acquired:	1,500 shares
(3) Number of Shares to be Held after Additional Acquisition:	3,000 shares (100.00% shareholding)

5. Schedule

Resolution at a Pasona Group Board of Director's meeting:	March 26, 2008
Execution of the share purchase and sale agreement:	March 26, 2008
Sale of shares:	March 31, 2008

6. Outlook

The status and business results of Financial Sun will be recorded as an affiliated company accounted for by the equity method in Pasona Group's consolidated financial accounts for the fiscal year ending May 31, 2008. Thereafter, its status and business results will be recorded as a consolidated subsidiary.

Accordingly, the impact on the Company's financial accounts for the fiscal year ending May 31, 2008 of the acquisition of additional shares and conversion of Financial Sun to a subsidiary company is considered immaterial.