



July 25, 2008

For Immediate Release

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Notice regarding Cancellation of Treasury Stock

Pasona Group Inc. (hereafter "Pasona Group" or "the Company") announces that at a Board of Directors' meeting held on July 25, 2008, the Company resolved to cancel treasury stock (hereafter "cancellation") pursuant to Article 178 of the Corporation Law of Japan. Brief details are provided as follows.

1. Rationale for cancellation

Pasona Group has decided to cancel treasury stock in an effort to reduce the total number of the Company's issued shares. In this manner, Pasona Group is endeavoring to increase returns to shareholders.

2. Type of shares to be cancelled

Common stock of Pasona Group Inc.

3. Number of shares to be cancelled

17,500 shares (4.03% of issued shares before cancellation)

4. Cancellation date (planned)

August 29, 2008

(Reference)

1. Following cancellation, the total number of Pasona Group issued shares will be 416,903 shares.
2. Following a Board of Directors' meeting held on July 25, 2008, Pasona Group has decided to acquire up to a total of 50,000 of its own shares pursuant to Article 459 Paragraph 1.1 of the Corporation Law of Japan. This cancellation of treasury stock is separate from the aforementioned decision to acquire up to a portion of its own shares.
3. There is no impact on the Company's operating performance as a result of this cancellation of treasury stock.