



May 21, 2009

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
Inquiries: Yoshimichi Kawasaki
Senior Managing Director and CFO
TEL: +81-3-6734-0200

**Notice Concerning Commencement of a Tender Offer
with respect to the Shares and Share Options of Pasona Tech, Inc., a Subsidiary Company**

Pasona Group Inc. (hereafter referred to as “Pasona Group” or “the Company”) today announced its decision to commence a tender offer (hereafter referred to as the “Tender Offer”) with the intention of acquiring all of the issued and outstanding shares and new share options of Pasona Tech, Inc. (hereafter referred to as “Pasona Tech”) — Securities Code: 2396 JASDAQ Securities Exchange — following a meeting of the Company’s Board of Directors held on May 21, 2009. Details are provided as follows.

1. Purpose of the Tender Offer

(1) Outline of the Tender Offer

Pasona Group currently holds 16,710 of the issued and outstanding shares of Pasona Tech (the ratio of the number of shares held by the Company to the aggregate number of issued and outstanding shares excluding treasury stock held by Pasona Tech as of May 12, 2009 (hereafter referred to as the “Shareholding Ratio”) is 61.10% (fractions rounded to the nearest second decimal place, the same applies for the calculation of all fractions that follow). Pasona Tech is therefore included in Pasona Group’s scope of consolidation as a subsidiary company. Excluding the issued and outstanding shares of Pasona Tech currently held by the Company, Pasona Group at this time plans to acquire all of Pasona Tech’s issued and outstanding shares (excluding treasury stock held by Pasona Tech) as well as the first series new share options (hereafter referred to as the “First Series New Share Options”) approved under resolutions of Pasona Tech’s shareholders at its Annual General Meeting of Shareholders held on June 25, 2004 and directors at a Board of Directors’ meeting held on November 12, 2004 and the second series new share options (hereafter referred to as the “Second Series New Share Options”) approved under resolutions of Pasona Tech’s shareholders at its Annual General Meeting of Shareholders held on June 28, 2005 and directors at a Board of Directors’ meeting held on November 11, 2005 (the First Series New Share Options and Second Series New Share Options hereafter collectively referred to as the “New Share Options”). In order to convert Pasona Tech into a wholly owned subsidiary, Pasona Group has decided to implement the Tender Offer with 66.67% of Pasona Tech’s issues and outstanding shares as the minimum number of shares to be purchased through the Tender Offer.

In addition, Pasona Tech has indicated through a resolution of its Board of Directors the company’s consent to the Tender Offer following a meeting held on May 21, 2009. Based on this consent, Pasona Group has decided to undertake a friendly takeover and intends to commence the Tender Offer as outlined.

(2) The Background and Process Leading Up to the Decision by the Tender Offeror to Commence the Tender Offer

Pasona Group was established as a pure holding and sole parent company of Pasona Inc. (hereafter referred to as “Pasona”) through a transfer of shares on December 3, 2007. Thereafter, Pasona Group, as the successor company,

assumed control of Pasona's related company management function and a portion of Pasona's business through simplified and informal corporate acquisition and separation methods on March 1, 2008. Following this shift to a pure holding company structure, the Pasona Group has remained active in each of the (1) Temporary staffing / Contracting, Placement / Recruiting, (2) Outplacement, (3) Outsourcing, and (4) Other (childcare services, language and education) businesses.

Pasona Tech engages in human resource-related activities focusing on the field of IT engineering. Based mainly in the Tokyo Metropolitan area, the company continues to develop its business nationwide. Pasona Tech also maintains local subsidiaries in China and Vietnam as a part of the company's efforts to expand the operating infrastructure of engineers throughout Asia.

Recognizing that Japan's employment structure and systems remain in a state of flux, the Pasona Group is working diligently to secure a central role in this period of transformation. In its efforts to become "a Human Resource Department to Japan's Corporate Sector" by building a robust structure and strengthening functions, the Pasona Group formulated and has continued to implement three key management strategies: (1) to strengthen Group collaboration; (2) to further enhance administrative efficiency, and; (3) to bolster the service function. As a part of the overall management strategies adopted to achieve its goal, the Pasona Group shifted to a pure holding company structure in December 2007 with the aim of ensuring robust Group growth and implementing sound business practice. In addition to identifying overarching management measures and optimally allocating management resources to select growth fields, the Pasona Group reinforced its overall compliance, governance and control functions. Striving to bolster the service function, steps were taken to strengthen not only the temporary staffing business but also the Group's placement and recruiting, outplacement, outsourcing and other activities. In this manner, the Pasona Group has focused increasingly on a comprehensive and diversified human resource strategy.

For its part, Pasona Tech has continued to achieve steady growth in human resource-related fields with particular emphasis on its mainstay IT engineering business. With firm demand a distinguishing feature of the market, expectations remain high that growth will continue not only in Japan but also for Asian engineers overseas. Impacted by the recent downturn in business conditions, momentum within the corporate sector is gathering toward a comprehensive review of costs. In this context, the pace of IT outsourcing is steadily increasing. Under these circumstances, Pasona Tech is extending its focus beyond the traditional temporary staffing business sphere and is pursuing business development across wide ranging fields. In addition to its long-term and unit-type temporary staffing activities, Pasona Tech is promoting data center management and a host of outsourcing services. The company is also engaging in anticipatory investment encompassing IT engineer education, training and employment with the aim of promoting future growth.

Positioned as a key pillar of medium- to long-term growth, Pasona Tech's IT outsourcing services form an extremely important component of the Pasona Group's overall performance and fortunes.

Looking ahead, Pasona Tech is expected to enjoy a bright future with significant potential for rapid expansion in its operating domain. This is mainly attributable to an emerging overlap in engineer skills in each of the IT and manufacturing sectors, fields that had historically remained distinct and separate, and growth in overseas business domains particularly in Asia.

Recognizing the nature and status of current business conditions, Pasona Group is confident now is the time to act. Accordingly, the Company is looking to increasingly position Pasona Tech as a cornerstone of the Group's business activities and to work wholeheartedly toward developing a comprehensive engineer human resource business.

In specific terms, Pasona Group contemplates entering into mergers and acquisitions across the broad IT service domain, developing a nationwide network that takes full advantage of each Group company's office network as well as Pasona Tech's expertise and know-how, fostering one-stop engineering services that encompass low, middle and high-end markets and proposing IT outsourcing services based on a unified group.

As a publicly listed company, however, the potential exists that Pasona Tech may be forced to prioritize its own profitability over and above that of the Group, restricting the ability to swiftly and flexibly complete business domain adjustments within the Group's current existing corporate structure. This is particularly problematic in an area where speed and an uninterrupted stream of new services are in high demand.

In addition, while the concentrated allocation of management resources to areas of growth is recognized as the key to future expansion, Pasona Tech's status as an independent publicly listed company raises concerns in connection minority interest earnings. In implementing major allocations of management resources between parent and subsidiary, a fixed and defined process is also required. This in turn brings to light issues with regard to management and decision-making speed.

Furthermore, compliance has continued to play an increasingly important role in business management. This has been particularly true since 2007 with regard to the dispatch of workers on a daily basis and temporary staffing within the manufacturing sector. In this respect, the level of compliance sophistication and complexity is increasing appreciably across all human resource-related fields including temporary staffing. Taking into consideration concerns with regard to achieving sustainable corporate growth, securing internal control systems that adequately safeguard a company's management and operations, providing value-added services to customers and establishing a compliance and control system, Pasona Group has worked diligently to strengthen its Group compliance structure.

As an independent publicly listed company, however, Pasona Tech is required to develop its own compliance function. This gives rise to limitations with regard to the simultaneous application of Group control and individual compliance functions. Given rapid changes in its business environment, particularly since 2008, and the growing need to ensure that management resources are efficiently and effectively utilized, Pasona Group recognizes that Pasona Tech's current status and structure is not necessarily conducive to optimal management.

Taking into consideration the aforementioned factors as well as the Company's current environment and circumstance, Pasona Group recognizes the urgent need to develop a more cohesive relationship with Pasona Tech in order to further enhance the corporate value of Pasona Group, Pasona Tech and the Group as a whole. In reconsidering Pasona Tech's current status, Pasona Group is endeavoring to rebuild a business structure that will ensure prompt and efficient decision making together with flexible and speedy business development. By positioning Pasona Tech within the Group's scope of consolidation as a wholly owned subsidiary, Pasona Group anticipates it will secure the following specific benefits.

1. An increase in sales owing to business domain growth and increased opportunities on the back of a swift and efficient decision-making process as well as flexible and speedy business development specific to Pasona Tech's field of operations which are expected to experience an ongoing positive trajectory
2. An improvement in service quality and increased competitive advantage due to a wider range of proposals that accurately address customer needs, and success in the development of comprehensive human resource services built on the concentrated allocation of management resources to areas of growth and greater cohesion and coordination throughout the Group
3. A reduction in operating and management costs built on an ability to simultaneously allocate management resources to marketing activities while strengthening the Group's business structure through the combined application of compliance and Group control functions.

For its part, Pasona Tech also acknowledges that in becoming a wholly owned subsidiary, it is better placed to enhance its corporate value.

Based on the aforementioned conditions and benefits, Pasona Group has concluded that converting Pasona Tech to a wholly owned subsidiary is its best option and that now is the most appropriate time. In an effort to enhance corporate value, the Company has therefore decided to commence the Tender Offer. In the event Pasona Group is unable to acquire all of the issued and outstanding shares of Pasona Tech (excluding treasury stock held by Pasona Tech) as well as the New

Share Options under the Tender Offer, the Company plans to provide to Pasona Tech shareholders alternative compensation and to then convert the company into a wholly owned subsidiary as outlined in (4) Plans after the Tender Offer (Particulars relating to a So-Called Two-Step Acquisition).

After converting Pasona Tech into a wholly owned subsidiary, Pasona Group intends to respect the independence and brand of the company, recognizing that this will better enhance the Group's overall corporate value.

Pasona Tech in turn, at a meeting of its Board of Directors held on May 21, 2009, determined that the Tender Offer and the conversion of the company to a Pasona Group wholly owned subsidiary would contribute substantially to enhancing its corporate value. At the same time, the terms, conditions and tender offer price outlined in the Tender Offer were deemed reasonable and appropriate. Accordingly, Pasona Tech confirmed its consent to the proposal and resolved that it would recommend that its shareholders subscribe to the Tender Offer.

(3) Measures to Secure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest

In order to determine and secure the fairness of the acquisition price applicable to Pasona Tech's common shares (hereafter referred to as the "Tender Offer Price,") Pasona Group obtained from Daiwa Securities SMBC Co., Ltd. (hereafter referred to as "Daiwa Securities SMBC"), which is a third-party valuation institution and independent of the Company and Pasona Tech, a valuation report on May 20, 2009. (The Tender Offeror has not obtained a fairness opinion from Daiwa Securities SMBC). The Tender Offer Price of ¥88,000 per share was therefore determined based on wide ranging considerations and a variety of factors including: the price calculated by Daiwa Securities SMBC and the valuation report; financial and legal due diligence conducted on Pasona Tech; premiums attached to past tender offers; the level of offer price required or considered necessary for Pasona Tech's Board of Directors to approve the Tender Offer; trends in the market price of Pasona Tech shares; outlook of the Tender Offer, and; discussions and negotiations with Pasona Tech.

The Tender Offer Price of ¥88,000 was further derived from adding the simple average closing price of ¥51,371 (fractions rounded to the nearest whole unit) of Pasona Tech's shares traded on the JASDAQ Securities Exchange for the past one month (April 21, 2009 to May 20, 2009), and its premium of 71.30% (fractions rounded to the nearest whole unit, the same applies for all calculations that follow); the average closing price of ¥51,113 for the past three months (February 23, 2009 to May 20, 2009) and its 72.17% premium, and; the closing price of ¥53,000 on May 20, 2009 and its 66.04% premium.

In addition, new share options are included in the Tender Offer. As of May 20, 2009, the exercise prices per option of new share options are ¥345,285 and ¥231,578 per share, which both exceed the Tender Offer Price of ¥88,000. Furthermore, the relevant new share options have been issued as stock options to certain Pasona Tech directors and employees. Based on the terms and conditions applicable to the relevant new share options, the exercise of new share options is in principle strictly limited to the company's directors, corporate auditors or employees at the time new share options are exercised. Accordingly, in the event Pasona Group acquires new share options under the Tender Offer, it will not be in a position to exercise these rights. Taking the aforementioned into consideration, an acquisition price for new share options has been set at ¥1 per right.

Accounting for the fact that Pasona Group is its parent company, the Board of Directors of Pasona Tech commissioned and obtained on May 20, 2009 a share valuation report from Plutus Consulting Co., Ltd. (hereafter referred to as "Plutus Consulting"), a third-party valuation institution and independent of the Pasona Group and Pasona Tech, in order to secure for itself an assessment of the fairness of the acquisition price. At the same time, Pasona Tech sought legal advice from Iwata Godo Attorneys and Counselors at Law, a legal advisory partnership independent of Pasona Group and Pasona Tech. Taking into consideration this report and advice, as well as cautious consideration of the Tender Offer terms and conditions together with discussions and negotiations with Pasona Group, Pasona Tech resolved at a meeting of its Board of Directors held on May 21, 2009 to accept the Tender Offer terms and conditions and the Tender Offer Price as fair and reasonable. Acknowledging the Tender Offer as an opportunity for shareholders to sell their shares, Pasona Tech also decided to

recommend to its shareholders that they subscribe to the Tender Offer as presented. With regard to new share options, Pasona Tech has not commissioned Plutus Consulting to calculate a value or to evaluate the fairness of the acquisition price. Accordingly, Pasona Tech's Board of Directors has decided to leave any decision to subscribe to or reject the Tender Offer to individual new share options holders.

The aforementioned decision was approved unanimously by the three Pasona Tech directors in attendance. The Board of Directors' resolution was also confirmed by the company's corporate auditors. Taking into account steps to avoid conflicts of interest, Yasuyuki Nambu, who serves concurrently on the boards of directors of both Pasona Group and Pasona Tech did not participate in any deliberations, resolutions, discussion and negotiations in connection with the Tender Offer.

(4) Plans after the Tender Offer (Particulars relating to a So-Called Two-Step Acquisition)

Pasona Group has not set the maximum number of share certificates and other securities to be purchased through the Tender Offer. If the aggregate number of share certificates and other securities exceeds the minimum number of share certificates and other securities converted into shares to be purchased through the Tender Offer, Pasona Group will acquire all share certificates and other securities tendered. If the aggregate number of tendered share certificates and other securities is less than the minimum number of share certificates and other securities to be purchased, the Tender Offer shall be deemed not to have come into effect in accordance with the Tender Offer terms and conditions. In this case, Pasona Group will not purchase the tendered share certificates and other securities.

In the event the Tender Offer comes into effect, Pasona Group shall acquire 66.67% or more of Pasona Tech's issued and outstanding shares. In the event, however, the Company is unable to acquire all of Pasona Tech's issued and outstanding shares and new share options (excluding treasury stock held by Pasona Tech) under the Tender Offer, Pasona Group plans to convert Pasona Tech into a wholly owned subsidiary utilizing the method outlined as follows.

After the Tender Offer is completed, Pasona Group would place three proposals before Pasona Tech, requesting that the company: (1) amend its Articles of Incorporation to make Pasona Tech a corporation issuing class shares as prescribed under the Companies Act that can issue shares of a class other than shares of common stock; (2) amend its Articles of Incorporation to attach a call provision (a provision regarding the redeemable right of the company for all shares) to all shares of Pasona Tech common stock; and (3) issue different class shares of the company upon acquiring all of Pasona Tech's common stock. In this context, Pasona Group would also request Pasona Tech to hold an extraordinary shareholders' meeting to discuss proposals (1) to (3) and a class meeting to discuss proposal (2) and others. In each of the aforementioned cases, Pasona Group would lodge its assent to proposals (1) to (3) at extraordinary shareholders' and class meetings.

In the event all of the aforementioned procedures are implemented, a call provision shall be attached to all shares of common stock issued by Pasona Tech, all of which are acquired by the company, and the shareholders of Pasona Tech shall be allotted different-class shares issued by Pasona Tech as compensation for the share exchange. If the resulting number of a shareholder's different-class shares newly issued by Pasona Tech is less than one unit of shares, that shareholder shall receive cash by selling the total number of less than one unit of shares (fractions of a total of such less than one unit of shares shall be truncated) as stipulated under procedures outlined under the law. Furthermore, the calculation of the amount delivered to shareholders as a result of the sale of fractions shall be based on the Tender Offer Price. As of the date of this release, the class and number of Pasona Tech shares to be newly delivered to shareholders as compensation when Pasona Group acquires the shares of common stock with a call provision have yet to be determined. However, in order to convert Pasona Tech into a wholly owned subsidiary, Pasona Group plans to request that Pasona Tech determine that the number of its shares to be delivered to shareholders who did not subscribe to the Tender Offer be less than one unit. The Companies Act also provides for the protection of minority shareholders rights related to the aforementioned procedures. In connection with item (2) an amendment to Pasona Tech's Articles of Incorporation to attach a call provision (a provision regarding the redeemable right of the company for all shares) to all shares of common stock, Articles 116 and 117 of the Companies Act and other related laws and regulations provides that shareholders of Pasona

Tech may request the company to purchase the shares they hold. In addition, in the event item (3) the issue of different class shares of the company upon acquiring all of Pasona Tech's common stock is approved at an extraordinary shareholders' meeting, shareholders of Pasona Tech may file a request for the determination of a fair price for the acquisition pursuant to Article 172 of the Companies Act and other related law and regulations. With regard to the necessary procedures for shareholders in making the aforementioned requests or petitions, Pasona Group asks that each shareholder take responsibility using his or her own judgment.

All the preceding matters are explained to clarify the Company's schedule after completion of the Tender Offer and not with the intention of soliciting Pasona Tech shareholders to exercise an affirmative vote for the Tender Offer at extraordinary shareholders' and class meetings.

Moreover, in regard to the aforementioned items (1) to (3), other procedures may be implemented depending on the interpretation by concerned authorities of related laws and ordinances, Pasona Group's shareholding rate or circumstances relating to the shareholdings of Pasona Tech shareholders other than Pasona Group upon completion of the Tender Offer. In each case, however, cash shall in the end be delivered to Pasona Tech shareholders other than Pasona Group. While in this manner the Company plans to convert Pasona Tech into a wholly owned subsidiary, specific procedures in connection with each of the aforementioned cases shall be determined in discussion with Pasona Tech. Details shall be disclosed in a timely manner once procedures have been determined.

Shareholders are requested to consult their own advisors in connection with any taxation implications relating to the receipt of cash as compensation for shares applicable to the implementation of various procedures in the conversion of Pasona Tech into a wholly owned subsidiary or relating to the purchase of shares applicable to any purchase claim resulting from the implementation of relevant procedures.

With regard to new share options, if Pasona Group is unable to acquire all of the new share options despite the Tender Offer coming into effect, the Company may request Pasona Tech to undertake all necessary procedures to extinguish the new share options. Accordingly, upon receipt of such a request, Pasona Tech may undertake all necessary procedures to extinguish the new share options.

(5) Likelihood of and Reasons for Delisting Pasona Tech

Pasona Group has not set the maximum number of share certificates and other securities to be purchased through the Tender Offer. Depending on the result of the Tender Offer, there is the possibility that the shares of Pasona Tech will be delisted once certain procedures are taken in accordance with delisting standards of the JASDAQ Securities Exchange. Even in the case where the results of the Tender Offer do not conform to the relevant standards, Pasona Group plans to convert Pasona Tech into a wholly owned subsidiary in accordance with procedures outlined in the aforementioned item (4) Plans after the Tender Offer (Particulars relating to a So-Called Two-Step Acquisition). In this case, Pasona Tech's shares shall be delisted. Once delisted, the shares of Pasona Tech cannot be traded on the JASDAQ Securities Exchange.

(6) The Purpose and Reason for Delisting Pasona Tech

The Tender Offer is not proposed solely for the purpose of delisting Pasona Tech. In order to further enhance the corporate values of Pasona Group, Pasona Tech and the Pasona Group as a whole going forward, Pasona Group has recognized the necessity to raise even higher the level of cohesion between the companies, to rebuild a business structure that is conducive to swift and efficient decision making as required and to develop business in a flexible and speedy manner. Pasona Group has determined that by converting Pasona Tech into a wholly owned subsidiary, the shareholders of both companies will reap significant benefits. As a result, Pasona Group has decided to commence the Tender Offer.

(7) Matters Regarding Important Agreements between the Tender Offeror and Pasona Tech's Shareholders

Not applicable.

2. Outline of the Tender Offer

(1) Overview of Pasona Tech

1. Company Name	Pasona Tech, Inc.																					
2. Business Details	Human resource temporary staffing / contracting, placement / recruiting focusing on IT- and Internet-related engineers																					
3. Date of Incorporation	March 26, 1990																					
4. Head Office Location	Shibuya-ku, Tokyo																					
5. Title and Name of the Company Representative	Koichi Morimoto, President and CEO																					
6. Capital	¥551,500,000 (As of March 31, 2009)																					
7. Major Shareholders and Respective Shareholding Ratios (As of March 31, 2009)	<table> <tr> <td>Pasona Group Inc.</td> <td>60.87%</td> </tr> <tr> <td>Kiyohiko Kosuge</td> <td>1.87%</td> </tr> <tr> <td>Kohei Takashige</td> <td>1.53%</td> </tr> <tr> <td>Shingo Sugibayashi</td> <td>1.53%</td> </tr> <tr> <td>Koichi Morimoto</td> <td>1.49%</td> </tr> <tr> <td>Pasona Tech Employee Shareholding</td> <td>1.39%</td> </tr> <tr> <td>Fumio Yoshida</td> <td>1.10%</td> </tr> <tr> <td>MELLON BANK, N.A.</td> <td>0.73%</td> </tr> <tr> <td>Katsutoshi Noda</td> <td>0.62%</td> </tr> <tr> <td>Yosuke Iwai</td> <td>0.60%</td> </tr> </table>		Pasona Group Inc.	60.87%	Kiyohiko Kosuge	1.87%	Kohei Takashige	1.53%	Shingo Sugibayashi	1.53%	Koichi Morimoto	1.49%	Pasona Tech Employee Shareholding	1.39%	Fumio Yoshida	1.10%	MELLON BANK, N.A.	0.73%	Katsutoshi Noda	0.62%	Yosuke Iwai	0.60%
Pasona Group Inc.	60.87%																					
Kiyohiko Kosuge	1.87%																					
Kohei Takashige	1.53%																					
Shingo Sugibayashi	1.53%																					
Koichi Morimoto	1.49%																					
Pasona Tech Employee Shareholding	1.39%																					
Fumio Yoshida	1.10%																					
MELLON BANK, N.A.	0.73%																					
Katsutoshi Noda	0.62%																					
Yosuke Iwai	0.60%																					
8. Relationship between Pasona Group Inc. and Pasona Tech, Inc.	Capital Relationship	Pasona Group holds 61.10% (16,710 shares) of the issued and outstanding shares excluding treasury stock held by Pasona Tech																				
	Personnel Relationship	Yasuyuki Nambu, Representative Director of Pasona Group is a concurrent director of Pasona Tech																				
	Business Relationship	Pasona Group dispatches to and places engineers with Pasona Tech. Pasona Group also consigns to Pasona Tech certain of its in-house operating and administrative functions																				
	Related Party Relationship	Pasona Tech is a Pasona Group consolidated subsidiary and accordingly falls within the scope of related party relationship																				

(2) Period of the Tender Offer

1. The originally submitted period of the Tender Offer

May 22, 2009 (Friday) – June 22, 2009 (Monday) (22 business days)

2. Possibility of extension at the request of Pasona Tech

In the event Pasona Tech files a statement requesting an extension to the purchase period (hereafter referred to as the “Tender Offer Period”) pursuant to Article 27-10, Paragraph 3 of the Financial Instruments and Exchange Law (Law No. 25 of 1948, as amended), the Tender Offer Period shall be extended for a period of 30 business days to July 2, 2009 (Thursday).

(3) Tender Offer Price

1. Shares of common stock ¥88,000 per share
2. First Series New Share Options ¥1 per option
- Second Series New Share Option ¥1 per option

(4) Basis of the Calculation of the Tender Offer Price

1. Basis of the calculation

a. Common shares

To calculate the per share Tender Offer Price of ¥88,000, Pasona Group took into consideration the Valuation Report submitted by Daiwa Securities SMBC, a third-party valuation institution.

2. Background of the calculation

Taking into consideration the aforementioned factors as well as the Company's current environment and circumstance, Pasona Group recognizes the urgent need to develop a more cohesive relationship with Pasona Tech in order to further enhance the corporate value of Pasona Group, Pasona Tech and the Group as a whole. In reconsidering Pasona Tech's current status, Pasona Group is endeavoring to rebuild a business structure that will ensure prompt and efficient decision making together with flexible and speedy business development. By positioning Pasona Tech within the Group's scope of consolidation as a wholly owned subsidiary, Pasona Group anticipates it will secure the following specific benefits.

- i. An increase in sales owing to business domain growth and increased opportunities on the back of a swift and efficient decision-making process as well as flexible and speedy business development specific to Pasona Tech's field of operations which are expected to experience an ongoing positive trajectory
- ii. An improvement in service quality and increased competitive advantage due to a wider range of proposals that accurately address customer needs, and success in the development of comprehensive human resource services built on the concentrated allocation of management resources to areas of growth and greater cohesion and coordination throughout the Group
- iii. A reduction in operating and management costs built on an ability to simultaneously allocate management resources to marketing activities while strengthening the Group's business structure through the combined application of compliance and Group control functions.

For its part, Pasona Tech also acknowledges that in becoming a wholly owned subsidiary, it is better placed to enhance its corporate value.

Based on all of the aforementioned events, factors and considerations, Pasona Group appointed Daiwa Securities SMBC as its financial advisor in mid March 2009 and commenced in earnest consideration, negotiation and discussion with regard to the Tender Offer. After analyzing the below-mentioned factors, Pasona Group determined the Tender Offer Price.

(1) With respect to common shares

i. Valuation Report received from the third-party valuation institution

As a part of the steps taken to determine the Tender Offer Price, Pasona Group commissioned Daiwa Securities SMBC around April 2009 to calculate a value for Pasona Tech shares. Pasona Group then received Daiwa Securities SMBC's subsequent Valuation Report on May 20, 2009. Daiwa Securities SMBC is an independent valuation institution and is not considered a related party to Pasona Group. The company has not received a fairness opinion from a third-party valuation institution.

ii. Overview of the Valuation Report

The Valuation Report, which was used as a reference to determine the Tender Offer Price, adopted the average market price and DCF methods as a part of overall calculations. The value range for Pasona Tech shares calculated using each of the aforementioned methods is presented as follows.

- Average market price method	¥51,493 - ¥52,533
- DCF method	¥63,156 - ¥90,256

iii. Background leading up to determination of the Tender Offer Price

With regard to the Tender Offer Price, Pasona Group took into consideration the value range calculated using each of the aforementioned methods. In addition, the Tender Offer Price was determined based on wide ranging considerations and a variety of factors including: financial and legal due diligence conducted on Pasona Tech; premiums attached to past tender offers; the level of offer price required or considered necessary for Pasona Tech's Board of Directors to approve the Tender Offer; trends in the market price of Pasona Tech shares; outlook of the Tender Offer, and; discussions and negotiations with Pasona Tech. After collectively assessing these factors, Pasona Group determined the Tender Offer Price of ¥88,000 per share on May 21, 2009.

(2) With respect to New Share Options

As of May 20, 2009, the exercise prices of first and second series of new share options are ¥345,285 and ¥231,578 per option, respectively, which both exceed the Tender Offer Price of ¥88,000.

Furthermore, the relevant new share options have been issued as stock options to certain Pasona Tech directors and employees. Based on the terms and conditions applicable to the relevant new share options, the exercise of new share options is in principle strictly limited to the aforementioned parties in their capacity as director, corporate auditor or employee at the time new share options are exercised. Accordingly, in the event Pasona Group acquires new share options under the Tender Offer, it will not be in a position to exercise these rights and therefore it has been deemed there are no actual benefits to accrue to the company. Taking the aforementioned into consideration, an acquisition price for new share options has been set at ¥1 per right.

(3) Measures to Secure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest

In order to determine and secure the fairness of the Tender Offer Price, Pasona Group obtained from Daiwa Securities SMBC, which is a third-party valuation institution and independent of the Company and Pasona Tech, the Valuation Report on May 20, 2009. (Pasona Group has not obtained a fairness opinion from Daiwa Securities SMBC). The Tender Offer Price of ¥88,000 per share was therefore determined based on wide ranging considerations and a variety of factors including: the price calculated by Daiwa Securities SMBC and the valuation report; financial and legal due diligence conducted on Pasona Tech; premiums attached to past tender offers; the level of offer price required or considered necessary for Pasona Tech's Board of Directors to approve the Tender Offer; trends in the market price of Pasona Tech shares; outlook of the Tender Offer, and; discussions and negotiations with Pasona Tech.

In addition, new share options are included in the Tender Offer. As of May 20, 2009, the exercise prices of new share options are ¥345,285 and ¥231,578 per right, which both exceed the Tender Offer Price of ¥88,000. Furthermore, the relevant new share options have been issued as stock options to certain Pasona Tech directors and employees. Based on the terms and conditions applicable to the relevant new share options, the exercise of new share options is in principle strictly limited to the aforementioned parties in their capacity as director, corporate auditor or employee at the time new share options are exercised. Accordingly, in the event Pasona Group acquires new share options under the Tender Offer, it will not be in a position to exercise these rights. Taking the aforementioned into consideration, an acquisition price for new share options has been set at ¥1 per right.

Accounting for the fact that Pasona Group is its parent company, the Board of Directors of Pasona Tech commissioned and obtained on May 20, 2009 a share valuation report from Plutus Consulting, a third-party valuation institution and independent of the Pasona Group and Pasona Tech, in order to secure for itself an assessment of the fairness of the acquisition price. At the same time, Pasona Tech sought legal advice from Iwata Godo Attorneys and Counselors at Law, a legal advisory partnership independent of both Pasona Group and Pasona Tech. Taking into consideration this report and advice, as well as cautious consideration of the Tender Offer terms and conditions together with discussions and negotiations with Pasona Group, Pasona Tech resolved at a meeting of its Board of Directors held on May 21, 2009 to accept the Tender Offer terms and conditions and the Tender Offer Price as fair and reasonable. Acknowledging the Tender Offer as an opportunity for shareholders to sell their shares, Pasona Tech also decided to recommend to its shareholders that they subscribe to the Tender Offer as presented. With regard to new share options, Pasona Tech has not commissioned Plutus Consulting to calculate a value or to evaluate the fairness of the acquisition price. Accordingly, Pasona Tech's Board of Directors has decided to leave any decision to subscribe to or reject the Tender Offer to individual new share options holders.

The aforementioned decision was approved unanimously by the three Pasona Tech directors in attendance. The Board of Directors' resolution was also confirmed by the company's corporate auditors. Taking into account steps to avoid conflicts of interest, Yasuyuki Nambu, who serves concurrently on the boards of directors of both Pasona Group and Pasona Tech did not participate in any deliberations, resolutions, discussion and negotiations in connection with the Tender Offer.

3. Relationship with the Valuation Institution

Daiwa Securities SMBC is not a related party to Pasona Group.

(5) Number of Share Certificates and Other Securities to be Purchased

Type of Share Certificate and other Security	Number of Shares to be Purchased (Converted into Shares)	Minimum Number of Shares to be Purchased (Converted into Shares)	Maximum Number of Shares to be Purchased (Converted into Shares)
Shares	10,640 shares	1,590 shares	— shares
Certificates of Stock Acquisition Rights	1,078 shares	— shares	— shares
Bond Certificates with Stock Acquisition Rights	— shares	— shares	— shares
Depository Receipts for Shares ()	— shares	— shares	— shares
Total	11,718 shares	1,590 shares	— shares

Notes:

1. If the aggregate number of tendered share certificates and other securities through the Tender Offer is less than the minimum limit (1,590 shares) to be purchased, Pasona Group shall not implement the purchase of all the tendered share certificates and other securities. If the aggregate number of tendered share certificates and other securities exceeds the minimum limit to be purchased, Pasona Group shall purchase all the tendered share certificates and other securities.
2. With respect to new share options included in share certificates and other securities, each single new stock acquisition right has been converted into one share in accordance with guidelines relating to the issue of new share options.
3. Pasona Group has not set a maximum limit to be purchased through the Tender Offer. The maximum number of share certificates and other securities (hereafter referred to as the “Maximum Number of Shares to be Purchased”) that Pasona Group will acquire through the Tender Offer converted into shares will be 11,718 shares. This number is derived by adding the number of shares issued or transferred (hereafter referred to as the “Issued or Transferred”) due to the exercise of new share options (1,078 rights) between the period from January 1, 2009 to the end of the Tender Offer Period, or the maximum number (1,078 shares) of potential Pasona Tech shares to be Issued or Transferred to the aggregate number of shares of common stock (27,450 shares) issued by Pasona Tech as of February 12, 2009, which is set forth in the securities report for the third quarter of the 20th term filed by Pasona Tech and deducting the number of Pasona Tech shares held by Pasona Group (16,710 shares as of September 30, 2008) and the number of treasury stock (100 shares as of January 31, 2009) held by Pasona Tech not intended for purchase under the Tender Offer.
4. While the potential exists for new share options to be exercised up to the end of Tender Offer Period, the Pasona Tech shares Issued or Transferred as a result of the exercise of new share options shall fall within the scope of the Tender Offer.
5. There are no plans to acquire treasury stock held by Pasona Tech through the Tender Offer.

(6) Changes in the Ownership Percentage of Share Certificates and Other Securities as a Result of the Tender Offer

The number of voting rights represented by share certificates and other securities held by Pasona Group before the Tender Offer	16,710 units	(Ownership percentage of share certificates and other securities before the Tender Offer: 60.88%)
The number of voting rights represented by share certificates and other securities held by special parties before the Tender Offer	1,419 units	(Ownership percentage of share certificates and other securities before the Tender Offer: 5.17%)
The number of voting rights represented by share certificates and other securities to be purchased	11,718 units	(Ownership percentage of share certificates and other securities after the Tender Offer: 100.00%)
The number of voting rights held by all shareholders of Pasona Tech	27,449 units	

Notes:

1. The number of voting rights held by all shareholders of Pasona Tech is used as the denominator in calculations for ownership percentage of share certificates before the Tender Offer.
2. The number of voting rights held by all shareholders of Pasona Tech is the number of voting rights held by all shareholders as of December 31, 2008, indicated in the securities report for the third quarter of the 20th term filed by Pasona Tech (submitted on February 12, 2009). However, because Pasona Tech shares issued and outstanding as a result of the actual or potential exercise of new share options as well as held by Japan Securities Depository Center, Inc. fall within the scope of the Tender Offer, the denominator used to calculate ownership percentage of share certificates and other securities after the Tender Offer shall be the number of voting rights (27,349 rights) applicable to the number of Pasona Tech shares issued and outstanding (27,450 shares) as of December 31, 2008, which is set forth in the securities report for the third quarter of the 20th term filed by Pasona Tech on February 12, 2009, from which is deducted treasury stock held by Pasona Tech which are not intended for purchase under the Tender Offer (100 shares as of January 31, 2009) to which is added the number of voting rights (1,078 rights) applicable to the number of shares issued and outstanding as a result of the actual or potential exercise of new share options (1,078 options/shares) between the period from January 1, 2009 to the end of the Tender Offer Period as well as voting rights (1 right) applicable to Pasona Tech shares held by Japan Securities Depository Center, Inc. (1 share) for a total of 28,528 rights. Based on this calculation, the denominator has been set at 28,428 rights.
3. Fractions of the ownership percentage of share certificates and other securities before the Tender Offer and the ownership percentage of share certificates and other securities after the Tender Offer are rounded to the nearest second decimal place.

(7) Aggregate Tender Offer Price ¥1,031,184,000 million

The aforementioned Aggregate Tender Offer Price is the purchase price per share multiplied by the number of shares intended to be purchased under the Tender Offer (11,718 shares) based on the assumption that all of the tendered share certificates and other securities are common stock.

(8) Settlement Method

1. The name and location of the head office of the financial instruments dealer, bank etc. handling the settlement

Daiwa Securities SMBC Co., Ltd. 1-9-1 Marunouchi, Chiyoda-ku, Tokyo

The tender offer agent has appointed a sub-agent to attend to certain administrative matter.

Daiwa Securities Co., Ltd. 1-9-1 Marunouchi, Chiyoda-ku, Tokyo

2. Commencement date of settlement

June 29, 2009 (Monday)

Note: In accordance with Article 27-10, Paragraph 3 of the Financial Instruments and Exchange Law, Pasona Tech may submit an opinion report requesting the extension of the Tender Offer. In this case, the commencement date of settlement will be July 9, 2009 (Friday).

3. Settlement method

After completion of the Tender Offer, Pasona Group will promptly mail a notice of purchase through the Tender Offer to the address of the subscribing shareholder (or the standing proxy in the case of a non-Japanese shareholder).

The Tender Offer Price will be paid in cash. The proceeds from selling the purchased share certificates and other securities will be swiftly remitted after the commencement date of settlement by the Tender Offer agent or its sub-agent to the account designated by each subscribing shareholder without delay or paid at the head office or branch office in Japan of the Tender Offer agent or its sub-agent.

(9) Other Conditions and Methods of the Tender Offer

1. Conditions set forth in each item of Article 27-13, Paragraph 4 of the Financial Instruments and Exchange Law

If the aggregate number of share certificates and other securities exceeds the minimum number of share certificates

and other securities converted into shares to be purchased through the Tender Offer, Pasona Group will acquire all share certificates and other securities tendered. If the aggregate number of tendered share certificates and other securities is less than the minimum number of share certificates and other securities to be purchased, the Tender Offer shall be deemed not to have come into effect in accordance with the Tender Offer terms and conditions.

2. Conditions of withdrawal of the Tender Offer, the details thereof and the disclosure method for the withdrawal
The Tender Offer may be withdrawn if any event occurs that is listed in Article 14, Paragraph 1, Items 1.1. through 1.9, and 1.12 through 1.18, Item 2, Items 3.1 through 3.8 and Item 5, as well as Article 14, Paragraph 2, Items 3 through 6 of the Cabinet Order for the Financial Instruments and Exchange Law (Order No. 321 of 1965, as amended; hereafter referred to as the “Cabinet Order”).

In case the Tender Offeror intends to withdraw the Tender Offer, it will make a public notice electronically and publish such notice in the *Nihon Keizai Shimbun*, provided, however, that if it is deemed difficult to make such a public notice on or prior to the last day of the Tender Offer Period, the Tender Offeror will make a public announcement in such manner as set forth in Article 20 of the Cabinet Office Regulations on the Disclosure of Tender Offers of Share Certificates, etc., by Entities Other than Issuers (regulation No. 38 of 1990 issued by the Ministry of Finance, as amended; (hereafter referred to as the “Cabinet Office Regulations”) and forthwith provide public notice.

3. Conditions of the Tender Offer Price reduction, the details thereof and the disclosure method for price reduction
Pursuant to Article 27-6, Paragraph 1, Item 1, of the Financial Instruments and Exchange Law, if Pasona Tech takes any action enumerated in Article 13, Paragraph 1, of the Cabinet Order during the Tender Offer Period, the Tender Offeror may reduce the Tender Offer Price, in accordance with the standard stipulated in Article 19, Paragraph 1, of the Cabinet Office Regulations.

In case the Tender Offeror intends to reduce the Tender Offer Price, it will make a public notice electronically on the changes made and publish such notice in the *Nihon Keizai Shimbun*, provided, however, that if it is deemed difficult to make such public notice on or prior to the last day of the Tender Offer Period, the Tender Offeror will make a public announcement in such manner as set forth in Article 20, of the Cabinet Office Regulations and forthwith provide public notice. If the purchase price for the Tender Offer is reduced, the Tender Offeror will purchase at such reduced price all the shares tendered on or before the date of such public notice.

4. Matters concerning subscribing shareholders’ rights of cancellation of agreement

The subscribing shareholders may at any time during the Tender Offer Period cancel any agreement related to the Tender Offer. A subscribing shareholder who wishes to cancel an agreement relating to the Tender Offer must deliver or mail a document requesting the cancellation with the receipt of the subscription for the Tender Offer to the head Office or a branch office in Japan of the Tender Offer agent or sub-agent indicated as follows by 4:00 p.m. on the last day of the Tender Offer period. If mailed, the document of cancellation must reach the following place by the said deadline.

No claim for compensation for damages or penalty will be made to any subscribing shareholder by Pasona Group, even if the agreement is cancelled by the subscribing shareholder. Pasona Group shall take care of the cost for returning the tendered share certificates and other securities after cancellation. In the event a subscribing shareholder requests to cancel an agreement relating to the Tender Offer, the share certificates and other securities, after completion of all procedures, shall be promptly returned using the methods outlined as follows.

In the event share certificates and other securities are not purchased based on the terms and conditions outlined in (9) “Other Conditions and Methods of the Tender Offer” Item 2 “Conditions of withdrawal of the Tender Offer, the details thereof and the disclosure method for the withdrawal,” the share certificates and other securities required to be returned shall be promptly returned from the second business day after the end of the Tender Offer Period (or the day the Tender Offer is withdrawn in the event the Tender Offer is withdrawn) by restoring each relevant subscribing shareholder’s account opened by the Tender Offer agent or sub-agent at the time of Tender Offer subscription to its original status. In addition, in the event new certificates of stock acquisition rights are submitted to the Tender Offer

agent or sub-agent at the time of Tender Offer subscription, new certificates of stock acquisition rights that were not purchased shall be delivered to the relevant subscribing shareholder.

5. Disclosure method for changes in the conditions or other terms of the Tender Offer

The possibility exists that the Tender Offeror shall amend the terms and conditions of the Tender Offer, excluding those terms and conditions where amendment is prohibited pursuant to Article 27-6, Paragraph 1 of the Financial Instruments and Exchange Law.

In the event the Tender Offeror decides to change the terms and conditions of the Tender Offer, it will make a public notice electronically, and notify the fact that such public notice has been made in the *Nihon Keizai Shimbun*; provided, however, that if it is deemed impractical to make such public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement pursuant to Article 20 of the Cabinet Office Regulations and forthwith make the public notice. If any change of the conditions, etc. of the Tender Offer is made, purchase will also be made in accordance with the conditions, etc., after such change(s) with regard to the tendered share certificates and other securities tendered before the date such public notice is made.

6. Disclosure method when an amendment statement is filed

When Pasona Group files an amendment statement to the Director of the Kanto Finance Bureau, Pasona Group shall immediately make a public announcement on the amendments relevant to the Tender Offer-related announced items in such manner as set forth in Article 20 of the Cabinet Office Regulations. The Tender Offeror will also forthwith amend the Tender Offer Explanatory Statement and provide the amended statement to the subscribing shareholders who have an old statement. If, however, the amendments are made only to a limited range, instead of making a whole new Tender Offer Explanatory Statement again, the Tender Offeror will prepare and deliver a document stating the amendment and the resulting details, as well as the reasons thereof to the subscribing shareholders.

7. Disclosure method for the results of the Tender Offer

The Tender Offeror will make a public announcement regarding the results of the Tender Offer in such manner as provided in Article 9-4 of the Cabinet Order and Article 30-2 of the Cabinet Office Regulations on the day following the last day of the Tender Offer Period.

8. Others

The Tender Offer will not be carried out in the U.S. or for the U.S., directly or indirectly, nor will it be conducted using U.S. mail, other methods or means of inter-state trade or international trade, including but not limited to, facsimile, e-mail, Internet communication, telex, telephone, or securities exchange facilities in the U.S. Applying for the Tender Offer, using the methods or means described above or via securities exchange facilities in the U.S., is not permitted.

The Tender Offer circular and relevant documents may not be sent or distributed in, to, or from the U.S. by mail or other means. Such mail or distribution is not authorized. Application for the Tender Offer violating the above restrictions directly or indirectly will not be processed.

In case of application, applicant shareholders (standing agent in case of foreign shareholders) may be asked to represent and warrant for the Tender Offer agent to the effect that they are not in the U.S. neither at the time of the application nor the time of sending an application form for the Tender Offer, that no information regarding the Tender Offer, including copies, has been received or sent in, to or from the U.S., directly or indirectly, that mail systems in the U.S., other methods or means of inter-state trade or international trade, including but not limited to, facsimile, e-mail, Internet communication, telex, telephone, or securities exchange facilities in the U.S. have not been used for signing and delivering the application form for the Tender Offer, directly or indirectly, and that they are not acting as an agent, custodian or a mandatory for others without discretion (excluding cases where such others are giving all the instructions on the Tender Offer from outside the U.S.).

(10) Date of Public Notice of the Commencement of the Tender Offer
May 22, 2009 (Friday)

(11) Tender Offer Agent
Daiwa Securities SMBC Co., Ltd.
Daiwa Securities Co., Ltd. (sub-agent)

3. Policies Anticipated after the Tender Offer and Future Prospects

(1) Policies after the Tender Offer

With respect to policies after the Tender Offer, please refer to 1. “Purpose of the Tender Offer” (2) “The Background and Process Leading Up to the Decision by the Tender Offeror to Commence the Tender Offer” and (4) “Plans after the Tender Offer (Particulars relating to a So-Called Two-Step Acquisition).”

(2) Outlook of Impacts on Future Business Results

The impact of the Tender Offer on business results is currently under review. In the event a revision to its forecast of consolidated business results is required or a matter arises which is deemed necessary for public notification, Pasona Group will promptly announce all details in accordance with the regulation for fair disclosure of the relevant securities exchange.

4. Other

(1) Agreement between the Tender Offeror and Pasona Tech or Directors Thereof

Pasona Tech resolved to approve the Tender Offer at a meeting of its Board of Directors held on May 21, 2009. Pasona Tech also decided to recommend to its shareholders that they subscribe to the Tender Offer as presented. With regard to new share options, Pasona Tech’s Board of Directors has decided to leave any decision to subscribe to or reject the Tender Offer to individual new share options holders.

(2) Other Necessary Information for Investors to Decide Whether to Tender in the Tender Offer

Pasona Tech filed its financial report for the fiscal year ended March 31, 2009 with the JASDAQ Securities Exchange on May 12, 2009. The status of the company’s profit and loss, based on the filing, is as follows. The aforementioned financial report has not been audited in accordance with Article 193-2 of the Financial Instruments and Exchange Law. Furthermore, the following summary has been extracted by Pasona Group from the financial report filed by Pasona Tech. Pasona Group is not in the position to independently verify the accuracy and credibility of the information and accordingly has not taken steps to do so. For further details, please refer to the relevant financial report filed.

[Revenues and Earnings]

(Thousands of Yen)

Settlement Date	Fiscal Year Ended March 31, 2009 (The 20th Business Term)
Net Sales	11,724,025
Cost of Sales	9,127,010
Selling, General and Administrative Expenses	2,235,762
Non-Operating Income	3,534
Non-Operating Expenses	2,839
Net Income	202,799

[Per Share Data]

(Yen)

Settlement Date	Fiscal Year Ended March 31, 2009 (The 20th Business Term)
Net Income per Share	7,395.46
Dividends per Share	3,000.00
Net Assets per Share	75,936.26