

# Results for the First Half of the Fiscal Year Ending May 31, 2014

**Pasona Group Inc.**

**First Section TSE (2168)**

**January 15, 2014**

**<http://www.pasonagroup.co.jp/english>**

Social solution company



※ Units in billions of yen have been rounded to the nearest first decimal place. Units in millions of yen have been rounded down.

# 1. Summary of the First Half of the Fiscal Year Ending May 31, 2014

H1 FY2013 (June 1, 2013 - November 30, 2013)

Social solution company



# Shift in employment conditions

## “Third Arrow (New growth strategy) of Abenomics”

Reform of employment structure and systems  
aim to strengthen human resource capabilities

The Abe administration's new growth strategy “Japan Revitalization Strategy”

- Increase job mobility



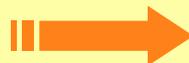
Shift from **an employment maintenance policy** to **better support labor mobility**

- Promote opportunities that enable women, young people, and the elderly to excel



Strengthen **education and training, internship, and trial employment programs**

- Help realize a variety of work styles



Review **the worker dispatch system**

# Regional Revitalization Business

Pasona has handled a wide range of projects for local governments throughout Japan



We take the lead to **produce regional revitalization projects**

# Tohoku Reconstruction Support

Pasona is acting as a “motivator for reconstruction” to help build Tohoku’s future



Employment creation support  
in Rikuzentakata



Job support for agriculture and fishery workers  
(Iwate/Miyagi/Fukushima)



Operation of the Fukushima Employment  
Support Center

Job creation through our employment support business

- Build long-term relationships of mutual trust with communities
- Listen carefully to the needs of both clients and job seekers to avoid mismatches
- Conduct trainings in cooperation with local NPOs and other organizations in order to raise the motivation of job seekers



Successful employment support for more than  
**2,600** job seekers

# COOL JAPAN Strategy

## The Cool Japan Initiative is opening up new markets

Pasona's initiatives for the current fiscal year  
(ending May 2014)



Investment in Cool Japan Fund Inc.



Staffing of "Cool Japan Producers"

Project to uncover and develop the seeds of "Cool Japan"



Launch the Cool Japan  
Global Incubation Center



Open the Star Rise Tower

STAR RISE TOWER

Japan's  
"Cultural  
Influence"



Create a new  
"Culture Industry"

# Support for the Effective Use of Women

Abe administration's growth strategy ➔ "Make Japan a place where women shine"

*Nikkei* survey of "Companies that Effectively Utilize People"

**First** in the "Diversity Management" category

Women in management position  
(manager and above)  
**43%**

Ratio of female directors  
**23%**

Ratio of women returning to work  
after giving birth to their first child  
**essentially 100%**

for Client

for Workers

## Women's Workstyle Service

### Women's Workstyle Service

Pasona supports the  
effective utilization of women  
in the workplace.



The Pasona Group provides expertise to further  
advance the effective utilization of women in the  
workplace.

## WOMEN'S CAREER COLLEGE



Social career college for  
working women – Design  
the person you want to be.

25万人以上の女性の働くをサポートしてきた  
パソナが開講するスキルアップのための講座。  
様々なコンテンツで、あなたの「なりたい」をかなえます。

Supporting career advancement for working women  
Pasona's training for temporary staff opened to the  
public

# "Harness the potential of the individual"

Work

働くを創る Job Creation

Pasona Group's job is

"Life Produce"

Culture

文化に親しむ  
Culture Produce

Education

人財を育む  
Career Produce

人生を楽しむ Social Work Life Balance

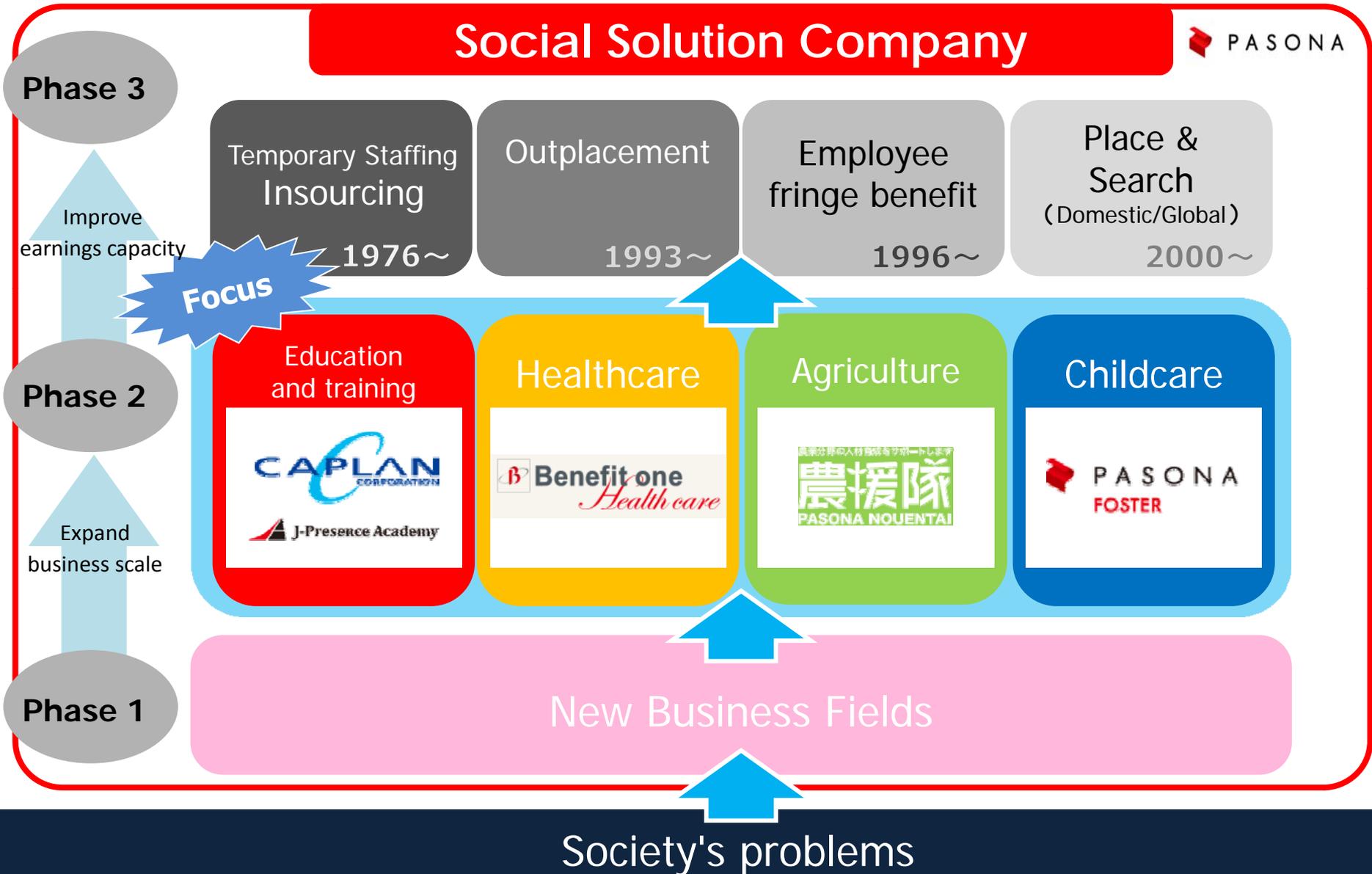
Health

## 2. Progress of Strategic Priority for FY2013

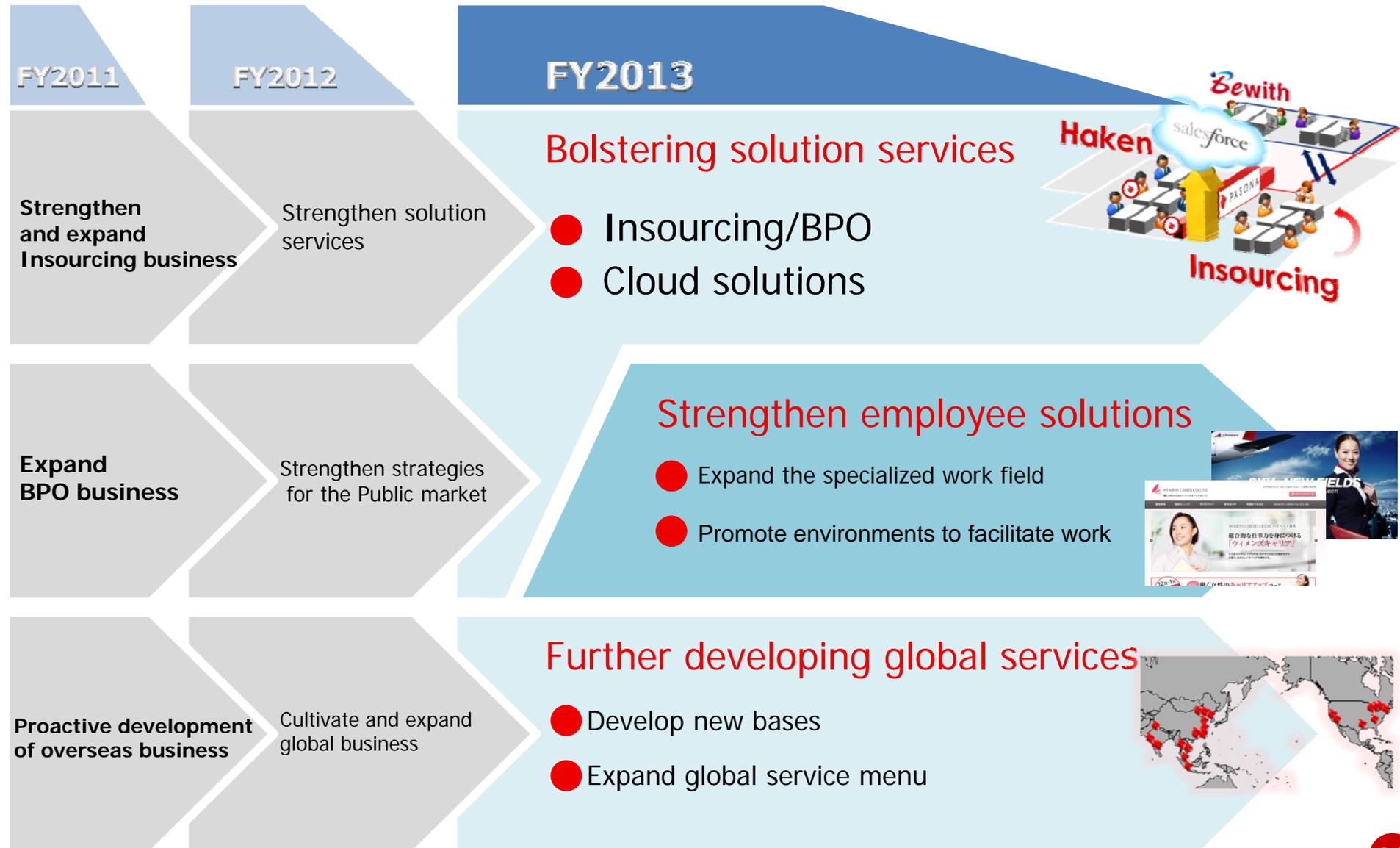
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# PASONA GROUP Strategy



# Strategic Priorities FY2013



# Solution services (1)

Expert Services → Insourcing/BPO+ Cloud solutions



1st Analysis and standardization of work at staffing clients

haken

2nd

Pasona contracts for operations (Lessen administrative costs)

3rd

Transfer to our facilities

Insourcing

NEW



BPO (Near/Offshore)

Utilize the cloud (Salesforce) for more efficient operations

with

PASONA *tquila*

# Solution services (2)

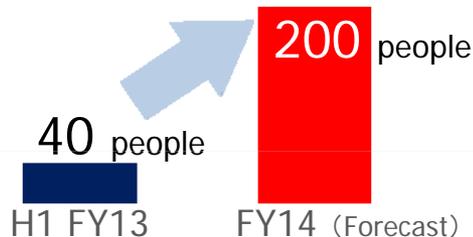
## Development by Cloud market

salesforce

### Salesforce

- ▶ Increase in adoption by Japanese companies has made engineers a seller's market
- ▶ Established **Pasona Tquila Inc.** (November 2012)  
Joint investment Pasona Tquila and Selesforce
- ▶ Systematic training of engineers utilizing know-how derived from Pasona Tquila

 **PASONA *tquila***  
Authorized technicians  
Number of trainee



SAP

### SuccessFactors

successfactors™  
An SAP Company

▶ Human resource management SaaS centered on SAP's cloud services

▶ **CAPLAN Corporation**  
Domestic installation record No.1

▶ Start of special alliance between SAP and CAPLAN  
Joint proposal to existing customers of SAP



**CAPLAN Corporation**  
SAP AWARD  
"The Best Cloud" 2013  
SuccessFactors Award  
"Best Partner of the Year" 2011 and 2012



# Employee solutions (1)

## Expand the specialized work field

NEW

### Passport for Accounting Skill Standard



Develop an exam jointly with the Japan Association for CFOs, and encourage staff to take the exam as a direct career development tool specializing in accounting work.

HOT

### Financial center

Full support, from acquiring qualifications as a securities broker to employment



Meet rapidly rising demand from securities companies resulting from NISA (Nippon Individual Savings Account)

NEW

### WOMEN'S CAREER COLLEGE



WOMEN'S CAREER COLLEGE

Make staff training sessions available to the public

Expand the scope of students  
Promote the Pasona brand

TARGET 2013  
Trainees 13,500 名  
Trainings 1,150 講座

NEW

### OMOTENASHI Crew Project



Cabin attendant



Secretary



Receptionist



Concierge

# Employee solutions (2)

Development of various infrastructure aimed at supporting working people

NEW

## Childcare/ Nursing care Business

### Pasona Foster

December 2013

Contracted operations of  
a large child care support facility



### Pasona Life Care

November 2013

Opened a new day service facility



Edogawa House  
(Minami-kasai)

## Crowd Sourcing



Web-based job ordering, delivery, and settlement  
New style of work unrestrained by time or place

➔ Support for home-based work

Market

2013

Order volume

24.6 billion



2017

147.4 billion

(Forecast by Yano Research Institute Ltd.)

August 2013

Established the **Crowd Sourcing Association**  
managed by five companies, including  
Pasona Tech

# Global Services

## Expand global service menus

NEW

### Employee fringe benefit/ Incentive

October 2013

#### **Benefit One Asia**

Established in Singapore in a joint venture with ITOCHU

February 2014

#### **ChungHwa Benefit One**

Established a joint venture with Taiwan's largest carrier "Chunghwa Telecom\*"

\* Welfare and benefit agency services already provided for approximately 50,000 employees, including Taiwan's state-run enterprises

⇒ Transfer business to new company, expand and strengthen business



Gradually expand to Thailand and Indonesia



NEW

### Education and training

#### **CAPLAN**

Training in Japanese-style hospitality conducted overseas



Training for sales personnel handling such products as cosmetics and high-end automobiles (in Vietnam)

#### **Pasona Education**

Strengthen management training

- ➔ Managerial training in India
- ➔ Overseas training programs in Hong Kong for companies and universities "Pasona Global Edge"

### **3. Overview of the First Half of the Fiscal Year Ending May 31, 2014**

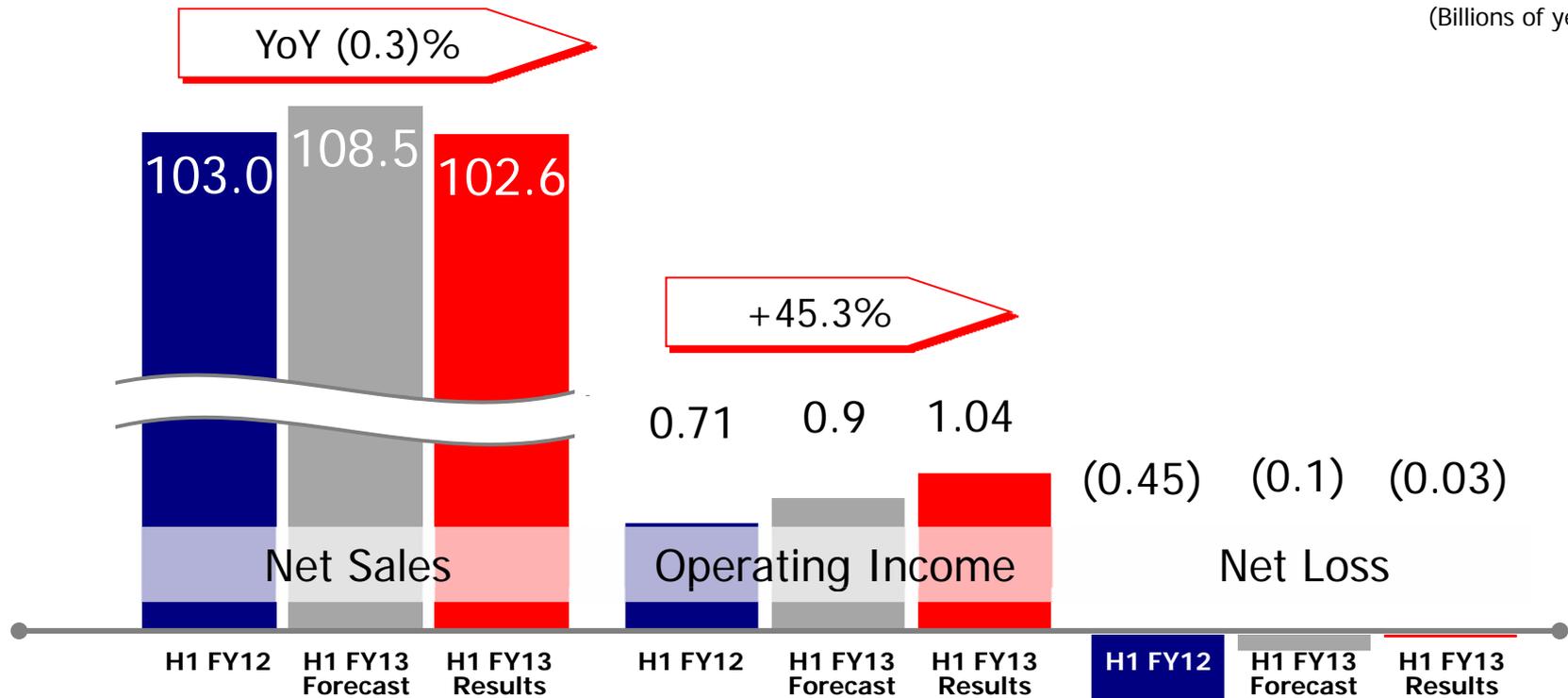
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# Consolidated Results for H1 FY2013

(Billions of yen)



(Millions of yen)	H1 FY12	to net sales %	H1 FY13 Forecast	to net sales %	H1 FY13	to net sales %	vs FY12 Increase/Decrease	YoY	vs Forecast Increase/Decrease	%
Net sales	102,976	100.0	108,500	100.0	102,619	100.0	(356)	(0.3)%	(5,880)	(5.4)%
Cost of sales	83,905	81.5	-	-	83,208	81.1	(696)	(0.8)%	-	-
Gross profit	19,070	18.5	-	-	19,410	18.9	340	1.8%	-	-
SG&A expenses	18,355	17.8	-	-	18,372	17.9	16	0.1%	-	-
Operating income	714	0.7	880	0.8	1,038	1.0	323	45.3%	158	18.0%
Ordinary income	692	0.7	820	0.8	961	0.9	268	38.8%	141	17.3%
Net income(loss)	(454)	-	(110)	-	(25)	-	429	-	84	-

# Consolidated Results by Segment

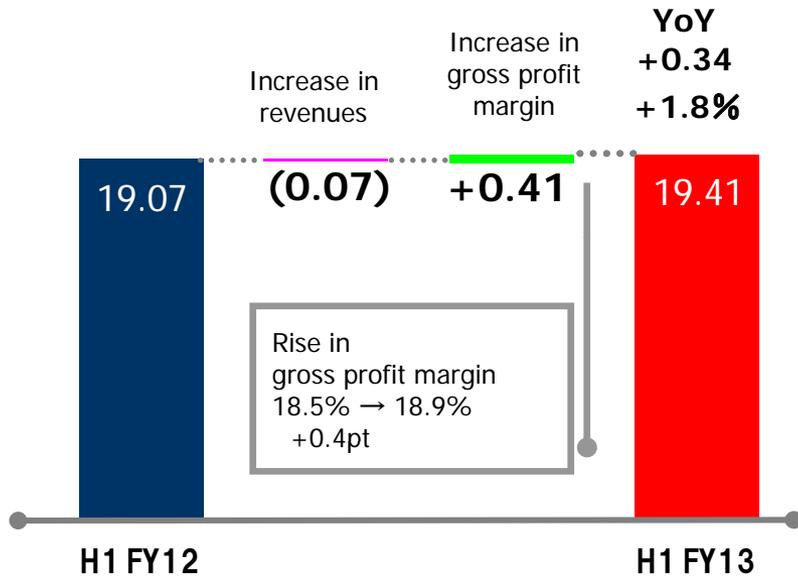
(Millions of yen)

	Segment	Net sales				Operating income				Operating income margin		
		H1FY12	H1FY13	Increase/ Decrease	YoY	H1FY12	H1FY13	Increase/ Decrease	YoY	H1FY12	H1FY13	Increase/ Decrease
1	Expert Services	65,325	62,198	(3,126)	(4.8)%	1,276	1,173	(102)	(8.0)%	1.4%	1.4%	(0.0)pt
2	Insourcing	18,657	18,967	309	1.7%							
3	HR Consulting, others	1,885	2,036	151	8.1%							
4	Place & Search	1,461	1,558	97	6.6%							
5	Global Sourcing	1,323	1,720	396	29.9%							
Subtotal		88,654	86,482	(2,172)	(2.5)%	916	796	(120)	(13.1)%	16.0%	14.1%	(1.9)pt
6	Outplacement	5,746	5,644	(101)	(1.8)%							
7	Outsourcing	8,176	9,436	1,260	15.4%							
8	Life Solutions Public Solutions Shared	1,966	2,547	581	29.6%	18	8	(10)	(54.3)%	0.9%	0.3%	(0.6)pt
9	Eliminations and Corporate	(1,567)	(1,492)	74	-	(2,371)	(1,905)	466	-	-	-	-
10	Total	102,976	102,619	(356)	(0.3)%	714	1,038	323	45.3%	0.7%	1.0%	0.3pt

# Gross Profit, SG&A expenses

(Billions of yen)

## Gross Profit



(Billions of yen)

	H1 FY12	H1 FY13	Increase/Decrease
Gross profit	19.07	19.41	+0.34
Gross profit margin	18.5%	18.9%	+0.4pt

(Billions of yen)

## SG&A expenses



(Billions of yen)

	H1 FY12	H1 FY13	Increase/Decrease
Personnel	10.63	10.65	+0.01
Advertisement and recruitment	0.51	0.53	+0.02
IT	0.99	0.97	(0.02)
Rent	1.86	1.84	(0.02)
Others	4.37	4.39	+0.01
Total	18.36	18.37	+0.02
SG&A expense ratio	17.8%	17.9%	+0.1pt

# Non-operating/Extraordinary income, Others

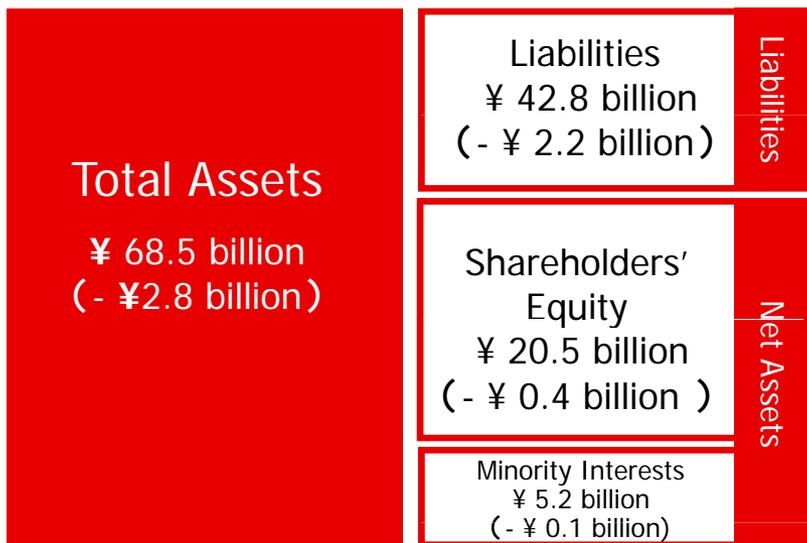
(Millions of yen)

	H1 FY12	H1 FY13	Increase/ Decrease	YoY
Operating income	714	1,038	323	45.3%
Non-operating income	125	118	(7)	(5.6)%
Non-operating expenses	147	195	47	32.2%
Ordinary income	692	961	268	38.8%
Extraordinary income	0	0	0	-
Extraordinary loss	38	40	2	7.6%
Income before income taxes	654	920	266	40.6%
Income taxes — current	716	666	(49)	(6.9)%
Income taxes — deferred	91	15	(75)	(82.7)%
Minority interests in income	301	263	(38)	(12.6)%
Net income (loss)	(454)	(25)	429	-

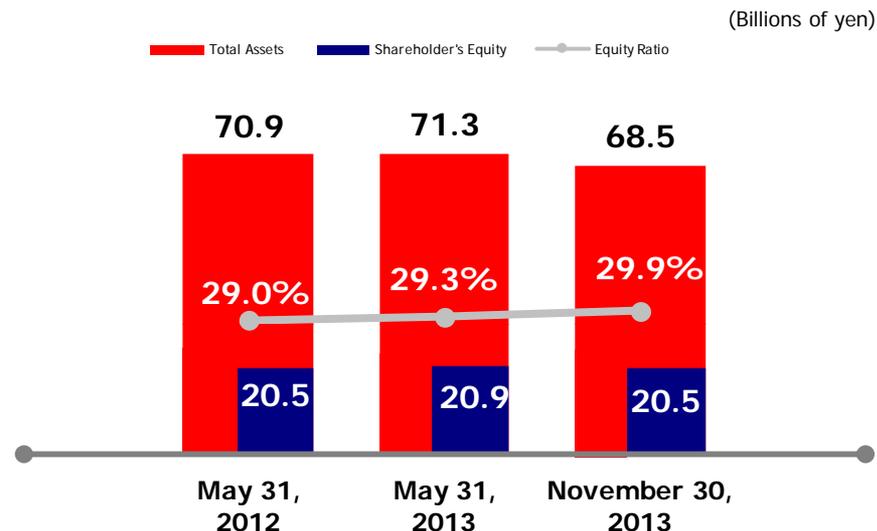
# Financial Condition and Cash Flows

## Financial Position

As of November 30, 2013  
 • Figures in parentheses indicate changes from the end of the previous fiscal year.



## Total Assets, Shareholders' Equity, Equity Ratio



(Billions of yen)	May 31, 2013	Nov30, 2013	Increase/Decrease
Current assets	47.8	44.2	(3.7)
Noncurrent assets	23.4	24.3	0.9
<b>Total assets</b>	<b>71.3</b>	<b>68.5</b>	<b>(2.8)</b>
Current liabilities	33.7	31.8	(2.0)
Noncurrent liabilities	11.3	11.0	(0.3)
<b>Total liabilities</b>	<b>45.0</b>	<b>42.8</b>	<b>(2.2)</b>
<b>Total net assets</b>	<b>26.3</b>	<b>25.7</b>	<b>(0.5)</b>

- Decrease in cash and deposits ¥(4.9) billion
- Increase in notes and accounts receivable—trade ¥1.1 billion

- Investments and other assets ¥0.8 billion

- Decrease in accounts payable—trade ¥(1.0) billion
- Increase in income taxes payable ¥(0.8) billion

- Decrease in minority interests ¥(0.1) billion
- Dividends paid ¥(0.4) billion

# Cash Flows

## Cash Flows

### Item of Increase/Decrease

- Income before income taxes ¥0.9 billions
- Depreciation and amortization ¥1.2 billions
- Increase in notes and accounts receivable—trade ¥(1.0) billions
- Decrease in operating debt ¥(1.0) billions
- Income taxes paid ¥(1.3) billions

- Purchase of property, plant and equipment ¥(0.4) billions
- Purchase of intangible assets ¥(0.6) billions
- Purchase of investment securities ¥(0.9) billions
- Purchase of investments in subsidiaries ¥(0.4) billions

- Proceeds from long-term loans payable ¥2.0 billions
- Proceeds from long-term loans payable ¥(1.3) billions
- Cash dividends paid ¥(0.7) billions

(Billions of yen)	H1 FY12	H1 FY13	Increase/Decrease
Cash flows from operating activities	(0.7)	(2.2)	(1.5)
Cash flows from investing activities	(3.0)	(2.5)	0.5
Cash flows from financing activities	(3.7)	(0.3)	3.4
Cash and cash equivalents at the end of the period	15.6	15.1	(0.5)
Free cash flows	(3.7)	(4.7)	(1.0)

### YoY Increase/Decrease

- Income before income taxes ¥0.3 billions
- Decrease in provision for retirement benefits ¥(0.4) billions
- Increase in operating debt ¥(0.3) billions
- Decrease in notes and accounts receivable—trade ¥(0.3) billions
- Income taxes paid ¥(0.6) billions

- Purchase of property, plant and equipment ¥1.4 billions
- Purchase of intangible assets ¥(0.2) billions
- Purchase of investment securities ¥(0.3) billions
- Purchase of investments in subsidiaries ¥(0.4) billions

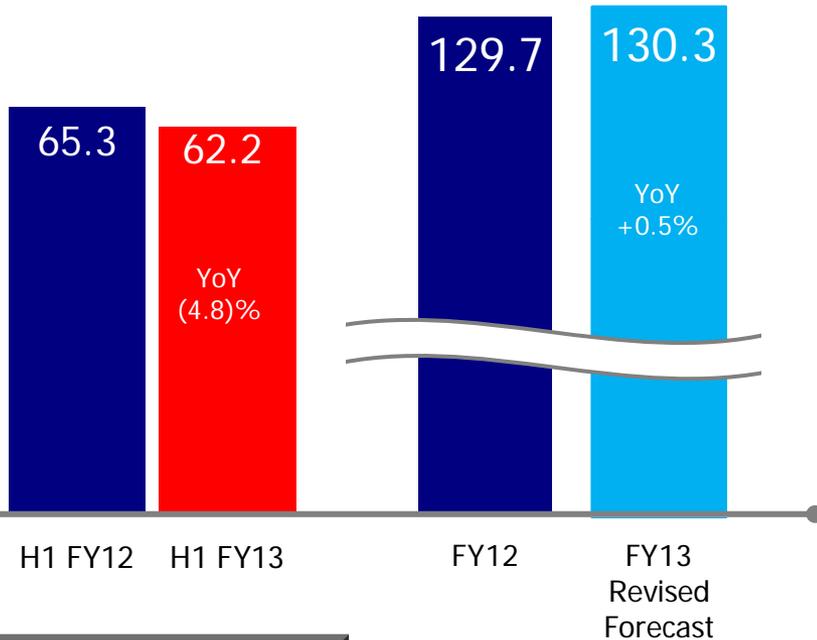
- Proceeds from long-term loans payable ¥2.0 billions
- Payments made to trust account ¥1.4 billions

# Expert Services (Temporary staffing)

## Net Sales

※ Segment figures include intersegment sales

(Billions of yen)



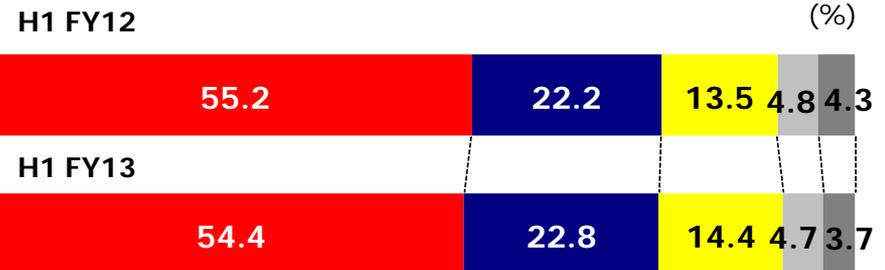
## Sales by Staffing Type

※ Figures exclude intersegment sales

(Millions of yen)

	H1 FY12	H1 FY13	YoY
Clerical	35,998	33,740	(6.3)%
Technical	14,458	14,134	(2.2)%
IT engineering	8,800	8,956	1.8%
Sales and Marketing	3,102	2,927	(5.6)%
Other Expert Services	2,828	2,313	(18.2)%
Total	65,188	62,072	(4.8)%

## Sales Composition



## Business Conditions

### ● H1 result

Increase in orders from a wide range of industries, including finance and manufacturing, though contract terminations due to past tightening of temporary staffing regulations continues

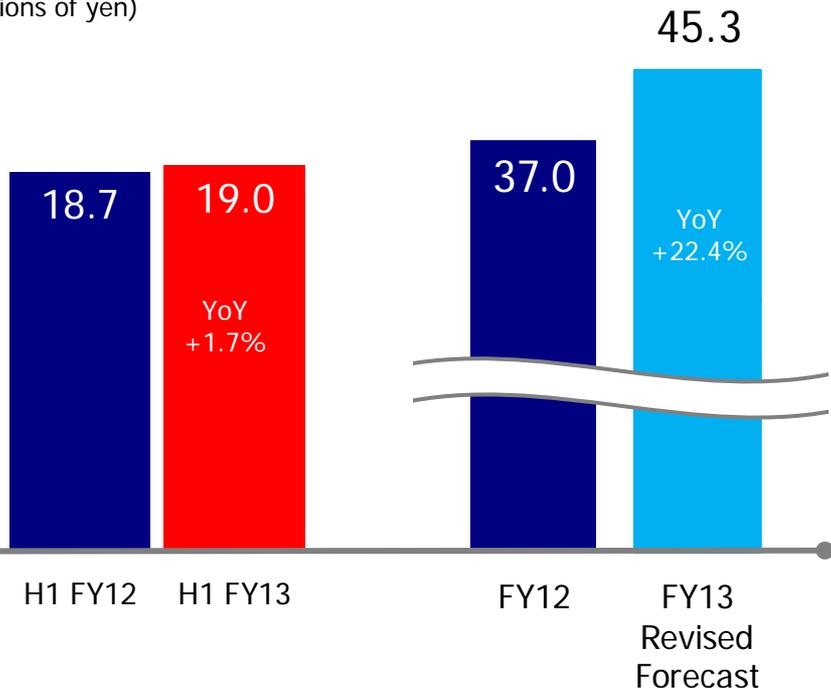
### ● H2 plan

We expect contract terminations to peak in March, and a continued rise in demand as the recovery accelerates

# Insourcing (Contracting)

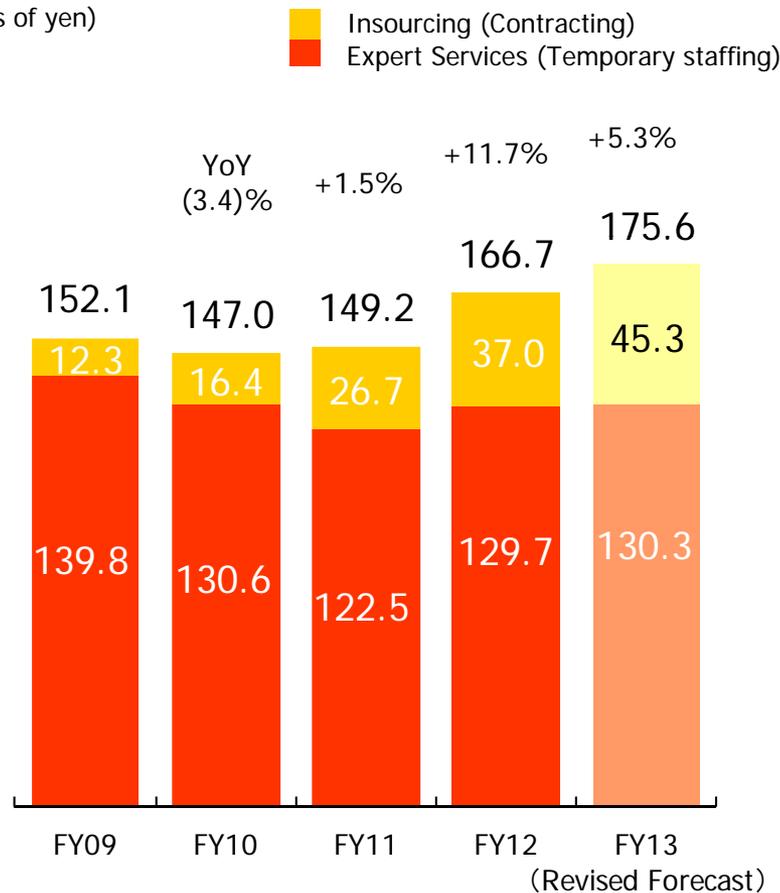
## Net Sales

(Billions of yen)



## Net sales from utilization of external personnel (Temporary staffing + Contracting)

(Billions of yen)



## Business Conditions

### ● H1 result

Considerable increase in private-sector contracts  
Increase in solutions projects utilizing cloud technologies

### ● H2 plan

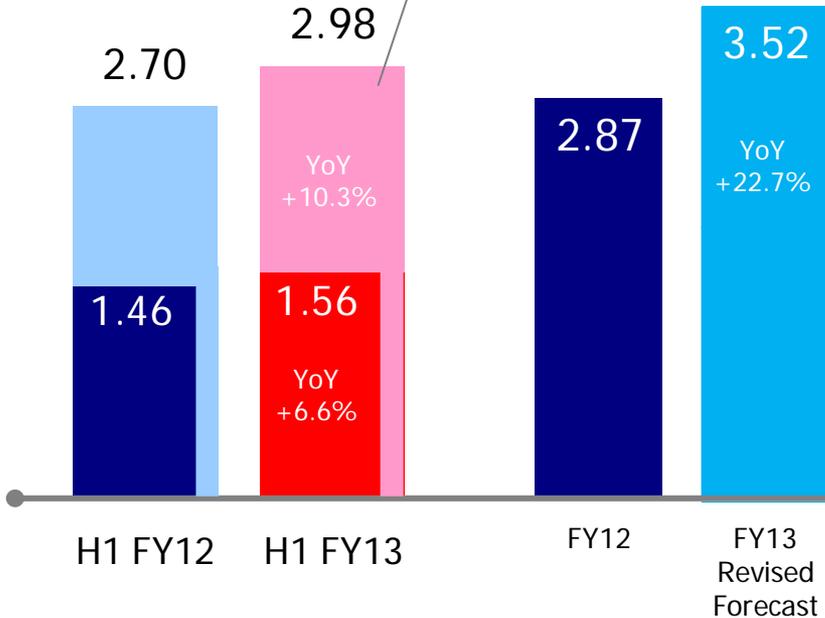
Full-fledged start for large-scale projects delayed in the first half  
Increase in new projects

# Place & Search (Placement / Recruiting)

## Net Sales

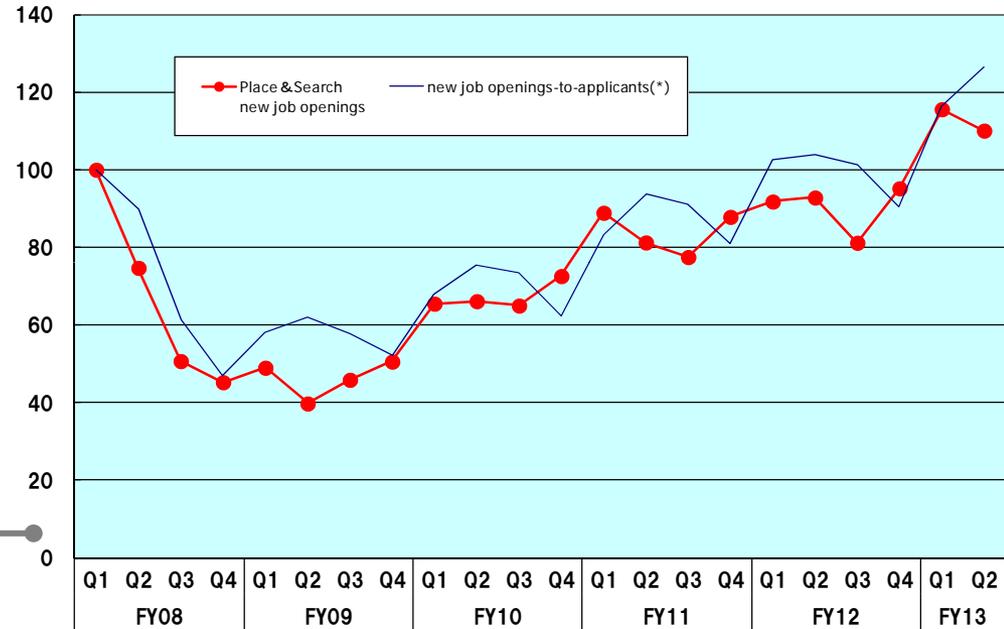
(Billions of yen)

Total of sales in placement / recruiting in Global sourcing, domestic Temp to Perm and Place & Search



## No. of Orders

\* The data are expressed as relative values with Q1 FY08 being 100%



Source: Ministry of Health, Labor and Welfare "Report on employment service"  
Note: Excluding part-time workers before seasonal adjustment

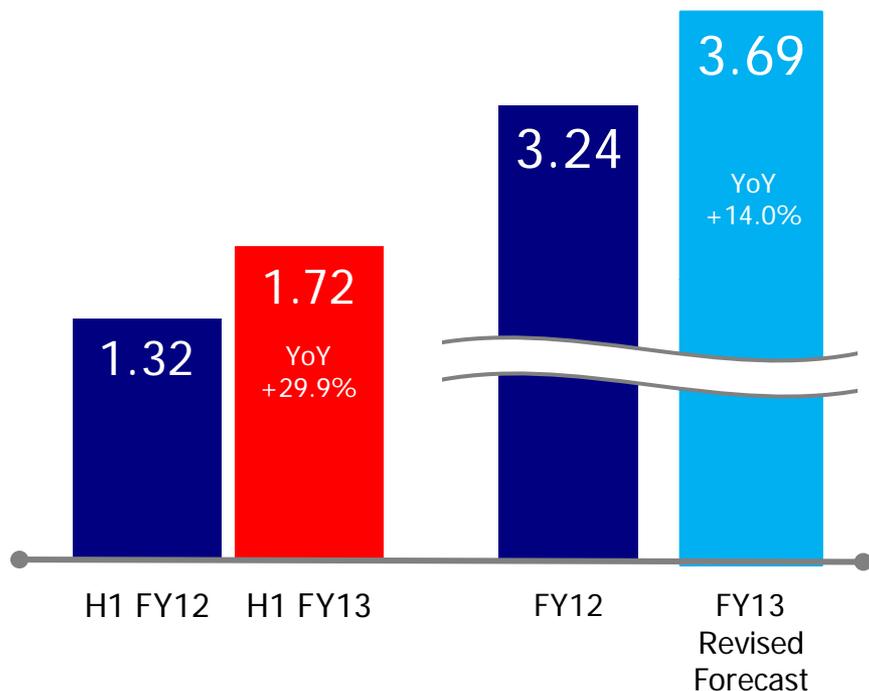
## Business Conditions

- **H1 result**  
Hiring increases in manufacturing and a wide range of other industries  
Orders remain strong
- **H2 plan**  
Increase the number of career consultants to meet growing demand  
Aim to increase personnel, and raise the contract rate

# Global Sourcing (Overseas)

## Net Sales

(Billions of yen)



## Business Conditions

### ● H1 result

Demand for personnel by Japanese companies overseas remained strong  
Increases in both temporary staffing and placement

### ● H2 plan

Continue to focus on outsourcing services, such as payroll and recruitment

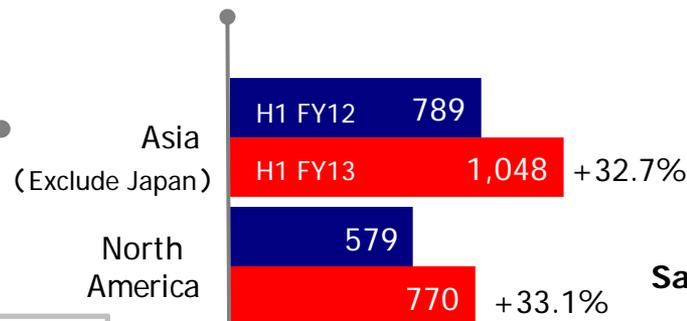
## Net Sales by Business Segment

(Millions of yen)

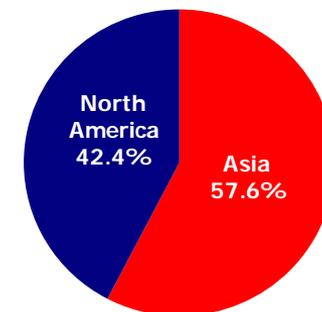
	H1 FY12	H1 FY13	YoY
Temporary Staffing	449	617	37.3%
Placement / Recruiting	550	707	28.6%
Contracting (Payroll, others)	297	368	24.1%
Others	26	26	(0.9)%
<b>Total</b>	<b>1,323</b>	<b>1,720</b>	<b>29.9%</b>

## Net Sales by Region

(Millions of yen)



## Sales composition

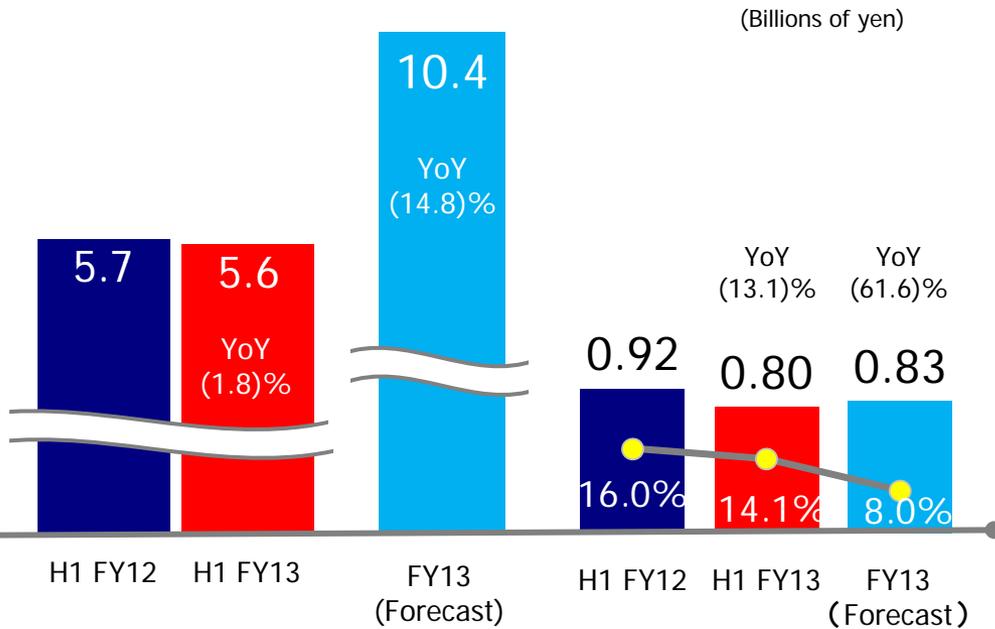


# Outplacement

## Net Sales

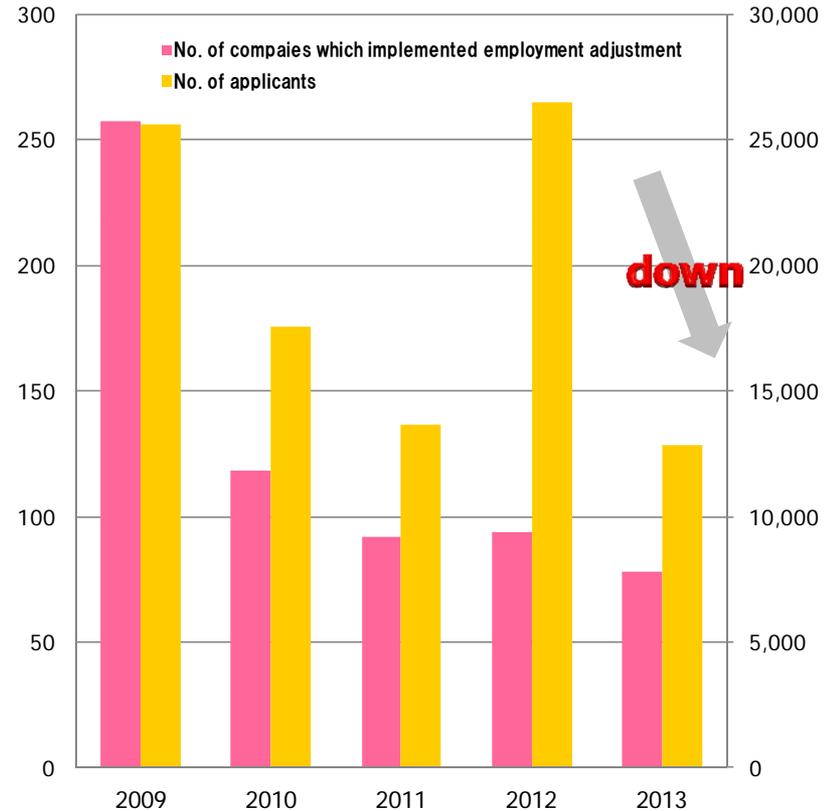
## Operating Income, Operating Income Margin

## Companies Announcing Employment Adjustments (No. of companies and applicants)



(Companies)

(People)



## Business Conditions

### ● H1 result

Continued a quicker definitive turnaround in the placement of users resulting from focus on career counseling and actively cultivating new employment offers → Earnings ahead of schedule

### ● H2 plan

Maintain nationwide office network in line with sales strategy  
Strengthen sales capabilities to capture demand in the next fiscal year

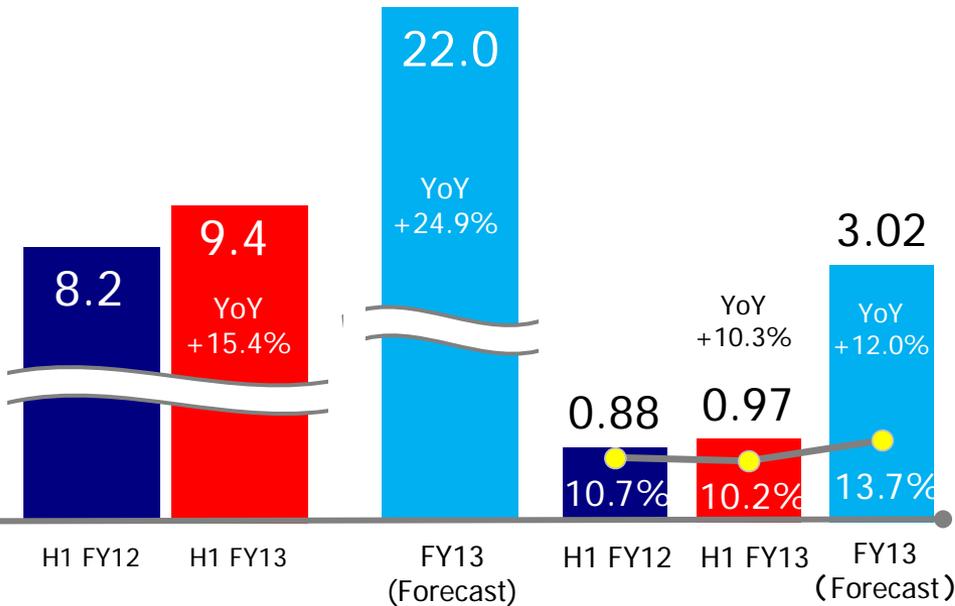
Pasona survey based on IR disclosure and newspaper articles.  
Some of companies which implemented employment adjustment did not announce No. of applicants.

# Outsourcing (Benefit One Inc.)

## Net Sales

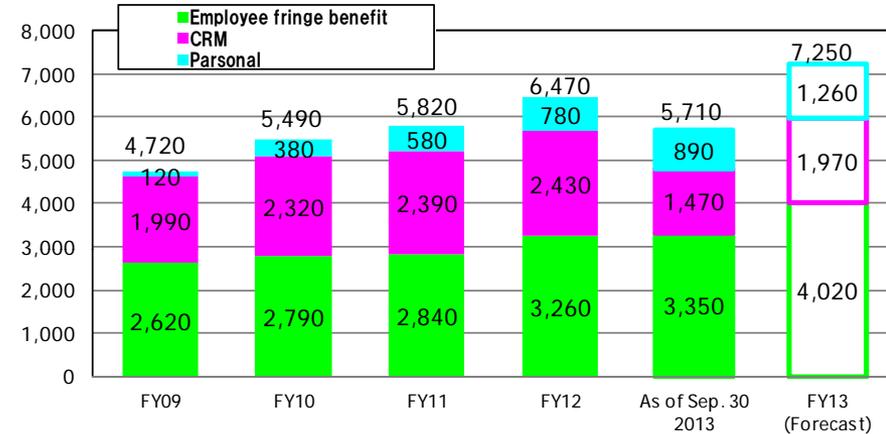
## Operating Income, Operating Income Margin

(Billions of yen)

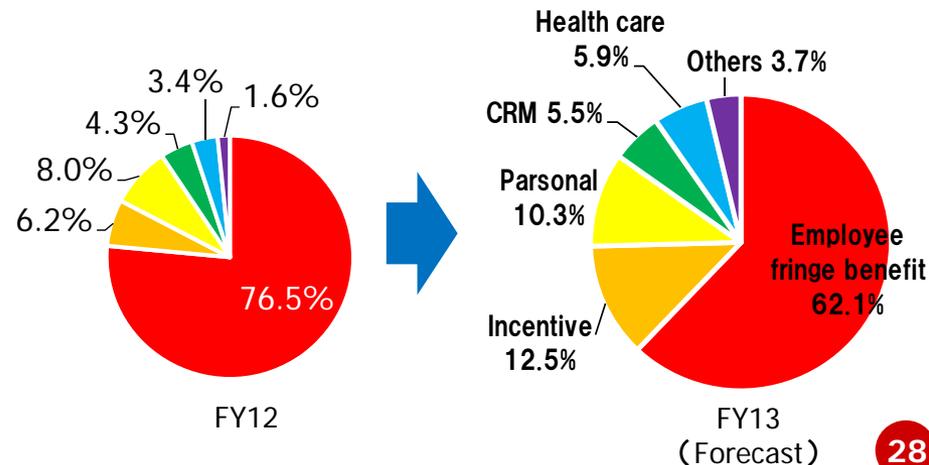


## Benefit One Membership

(Thousands people)



## Diversification of income



## Business Conditions

### H1 result

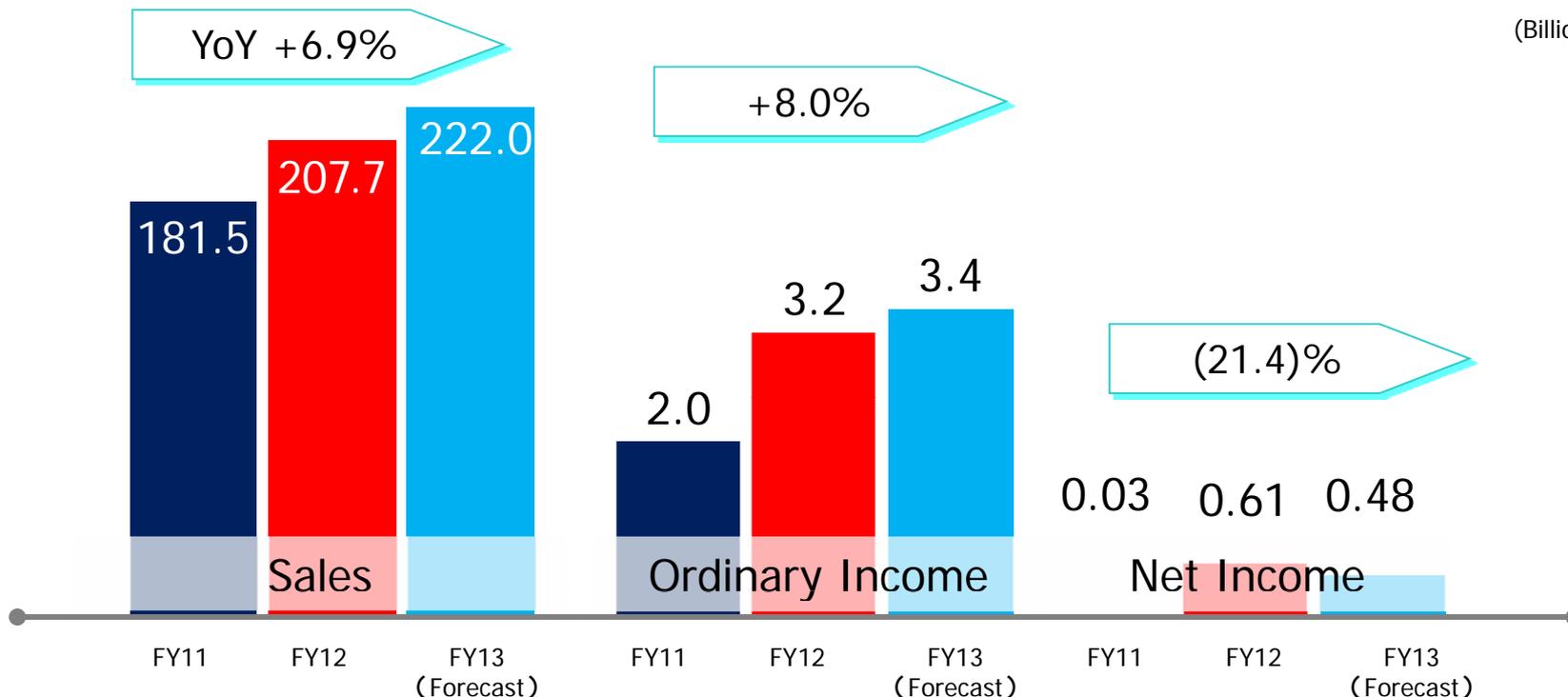
Steady increase in welfare benefit program membership  
Incentive and Health care businesses remained strong

### H2 plan

Establish an Asian headquarters in Singapore  
Accelerate global business development

# Consolidated Forecasts for the Fiscal Year Ending May 31, 2014

(Billions of yen)



(Millions of yen)	FY12	to net sales %	FY13 Initial Forecast	to net sales %	FY13 Revised Forecast	to net sales %	vs FY13 Initial Forecast Increase/Decrease	YoY	vs FY12 Increase/Decrease	YoY
Net sales	207,685	100.0	222,000	100.0	222,000	100.0	0	0.0%	14,314	6.9%
Cost of sales	167,609	80.7	180,330	81.2	180,830	81.5	500	0.3%	13,220	7.9%
Gross profit	40,075	19.3	41,670	18.8	41,170	18.5	(500)	(1.2)%	1,094	2.7%
SG&A expenses	36,898	17.8	38,240	17.2	37,740	17.0	(500)	(1.3)%	841	2.3%
Operating income	3,176	1.5	3,430	1.5	3,430	1.5	0	0.0%	253	8.0%
Ordinary income	3,187	1.5	3,320	1.5	3,320	1.5	0	0.0%	132	4.2%
Net income	610	0.3	480	0.2	480	0.2	0	0.0%	(130)	(21.4)%

# Consolidated Forecasts by Segment for the Fiscal Year Ending May 31, 2014

Segment	Sales							Operating income (loss)						
	FY12	FY13 Initial Forecast	FY13 Revised Forecast	Increase/Decrease	VS Initial forecast %	VS FY12 Increase/Decrease	VS FY12 %	FY12	FY13 Initial Forecast	FY13 Revised Forecast	Increase/Decrease	VS Initial forecast %	VS FY12 Increase/Decrease	VS FY12 %
	(A)	(B)	(C)	(C)-(B)		(C)-(A)		(D)	(E)	(F)	(F)-(E)		(F)-(D)	
Expert Services	129,720	132,320	130,320	(2,000)	(1.5)%	600	0.5%	2,661	3,170	3,170	0	0.0%	509	19.1%
Insourcing	37,007	43,300	45,300	2,000	4.6%	8,293	22.4%							
HR Consulting (including TTP, nursing care)	4,094	4,310	4,310	0	0.0%	216	5.3%							
Place & Search	2,869	3,520	3,520	0	0.0%	651	22.7%							
Global Sourcing	3,236	3,690	3,690	0	0.0%	454	14.0%							
Subtotal	176,928	187,140	187,140	0	0.0%	10,212	5.8%							
Outplacement	12,235	10,430	10,430	0	0.0%	(1,805)	(14.8)%	2,164	830	830	0	0.0%	(1,334)	(61.6)%
Outsourcing	17,610	22,000	22,000	0	0.0%	4,390	24.9%	2,696	3,020	3,020	0	0.0%	324	12.0%
Life Solutions Public Solutions Shared	3,933	5,410	5,410	0	0.0%	1,477	37.6%	(46)	(40)	(40)	0	-	6	-
Eliminations and Corporate	(3,021)	(2,980)	(2,980)	0	-	41	-	(4,299)	(3,550)	(3,550)	0	-	749	-
Consolidated	207,685	222,000	222,000	0	0.0%	14,315	6.9%	3,176	3,430	3,430	0	0.0%	254	8.0%

# 4. Reference

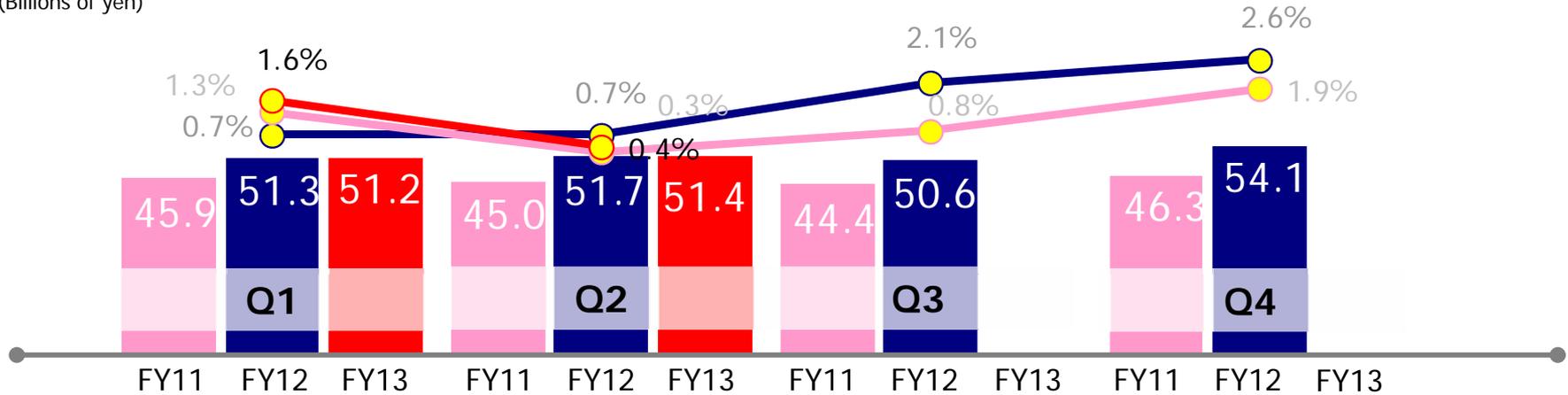
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# Quarterly Earnings Trends

## Net Sales

(Billions of yen)

- Operating Income Margin FY11
- Operating Income Margin FY12
- Operating Income Margin FY13



	Q1 (June to August)					Q2 (September to November)					Q3 (December to February)			Q4 (March to May)		
	FY11	FY12	YoY	FY13	YoY	FY11	FY12	YoY	FY13	YoY	FY11	FY12	YoY	FY11	FY12	YoY
<b>Consolidated</b> Net sales	45,901	51,270	+11.7%	51,212	(0.1)%	44,979	51,705	+15.0%	51,406	(0.6)%	44,364	50,585	+14.0%	46,252	54,123	+17.0%
Gross profit	8,488	9,517	+12.1%	10,032	+5.4%	8,158	9,553	+17.1%	9,377	(1.8)%	8,249	10,022	+21.5%	8,908	10,982	+23.3%
SG&A expenses	7,886	9,181	+16.4%	9,197	+0.2%	8,035	9,174	+14.2%	9,174	+0.0%	7,894	8,984	+13.8%	8,023	9,557	+19.1%
Operating income	601	335	(44.3)%	834	+149.0%	122	379	+209.0%	203	(46.4)%	355	1,037	+192.1%	884	1,424	+61.0%
Ordinary income	560	330	(41.0)%	798	+141.5%	184	362	+96.5%	163	(54.9)%	393	1,010	+156.8%	952	1,483	+55.7%
Net income (loss)	111	(193)	-	103	-	(36)	(260)	-	(128)	-	(181)	160	-	136	904	+563.1%
Gross profit margin	18.5%	18.6%	+0.1pt	19.6%	+1.0pt	18.1%	18.5%	+0.4pt	18.2%	(0.3)pt	18.6%	19.8%	+1.2pt	19.3%	20.3%	+1.0pt
SG&A expense ratio	17.2%	17.9%	+0.7pt	18.0%	+0.1pt	17.9%	17.7%	(0.2)pt	17.8%	+0.1pt	17.8%	17.8%	(0.0)pt	17.3%	17.7%	+0.4pt
Operating income margin	1.3%	0.7%	(0.6)pt	1.6%	+0.9pt	0.3%	0.7%	+0.4pt	0.4%	(0.3)pt	0.8%	2.1%	+1.3pt	1.9%	2.6%	+0.7pt
Ordinary income margin	1.2%	0.6%	(0.6)pt	1.6%	+1.0pt	0.4%	0.7%	+0.3pt	0.3%	(0.4)pt	0.9%	2.0%	+1.1pt	2.1%	2.7%	+0.6pt
Net income margin	0.2%	-	-	0.2%	-	-	-	-	-	-	-	0.3%	-	0.3%	1.7%	+1.4pt

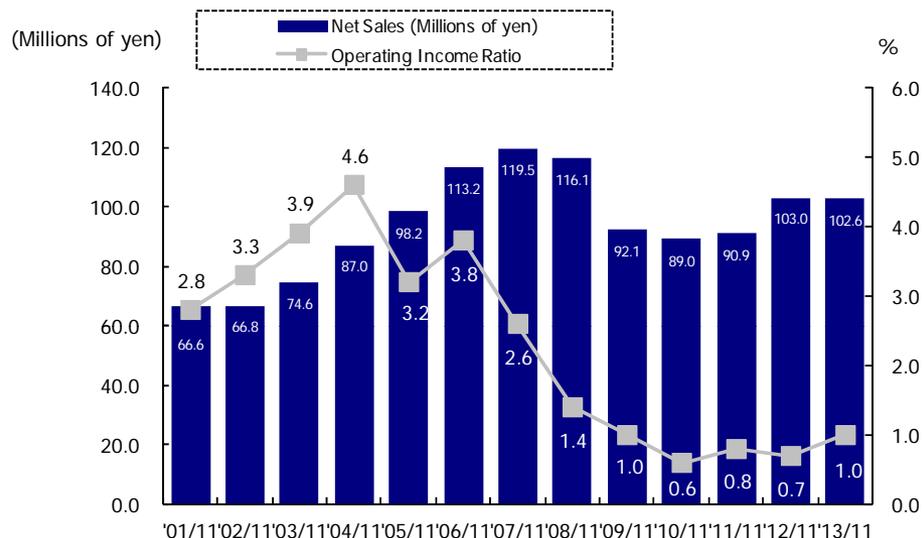
# Quarterly Earnings Trends by Segment

(Millions of yen)

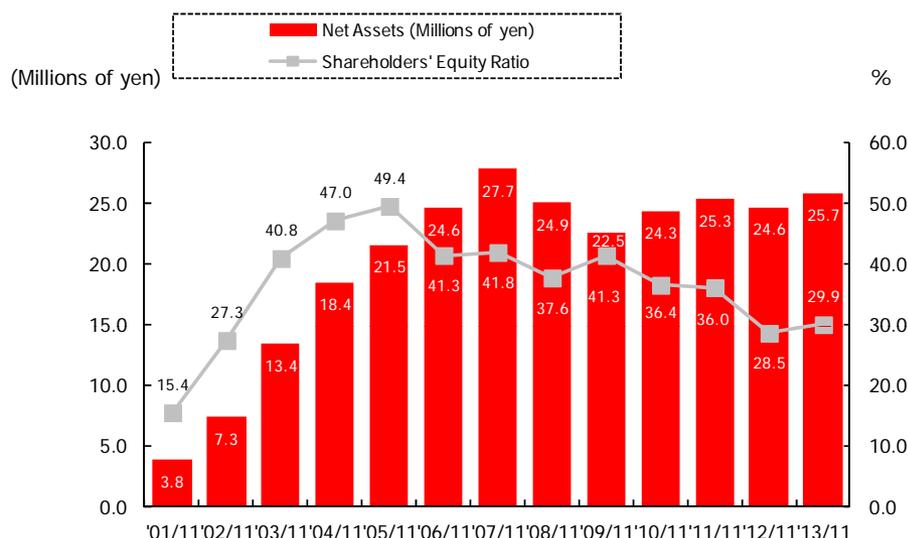
	Segment	Sales						YoY	Operating income (loss)						
		Q1 FY12	Q2 FY12	Q3 FY12	Q4 FY12	Q1 FY13	Q2 FY13		Q1 FY12	Q2 FY12	Q3 FY12	Q4 FY12	Q1 FY13	Q2 FY13	YoY
1	Expert Services	32,971	32,354	31,206	33,188	31,169	31,029	(4.1)%	603	672	562	823	653	519	(22.7)%
2	Insourcing	9,149	9,508	8,902	9,446	9,327	9,640	1.4%							
3	HR Consulting, others	916	968	950	1,258	1,013	1,022	5.6%							
4	Place & Search	743	717	615	792	762	796	10.9%							
5	Global Sourcing	668	655	912	1,000	866	853	30.2%							
	Subtotal	44,449	44,204	42,587	45,686	43,140	43,342	(2.0)%							
6	Outplacement	2,724	3,021	3,169	3,319	3,060	2,584	(14.5)%	388	528	568	678	613	182	(65.5)%
7	Outsourcing	3,886	4,289	4,526	4,907	4,552	4,883	13.9%	469	406	891	929	530	435	7.1%
8	Life Solutions Public Solutions Shared	987	979	1,028	937	1,194	1,353	38.2%	40	(21)	(30)	(34)	(19)	27	-
9	Eliminations and Corporate	(777)	(789)	(726)	(727)	(735)	(756)	-	(1,166)	(1,205)	(953)	(973)	(944)	(961)	-
10	Total	51,270	51,705	50,585	54,123	51,212	51,406	(0.6)%	335	379	1,037	1,424	834	203	(46.4)%

# Key Indicators (First Half)

## 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
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
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%
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
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%
Operating Income	1,878	2,211	2,892	3,982	3,123	4,314	3,071	1,598	905	533	724	714	1,038
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%
Ordinary Income	1,738	2,086	2,707	3,990	3,103	4,392	3,145	1,803	933	580	744	692	961
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%
Net Income (Loss)	822	931	1,272	2,319	1,482	2,073	1,063	203	(1,696)	(549)	75	(454)	(25)
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
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
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%
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%

Notes: 1. Presentation of shareholders' equity amended to a net assets basis in line with changes to accounting standards and policies.

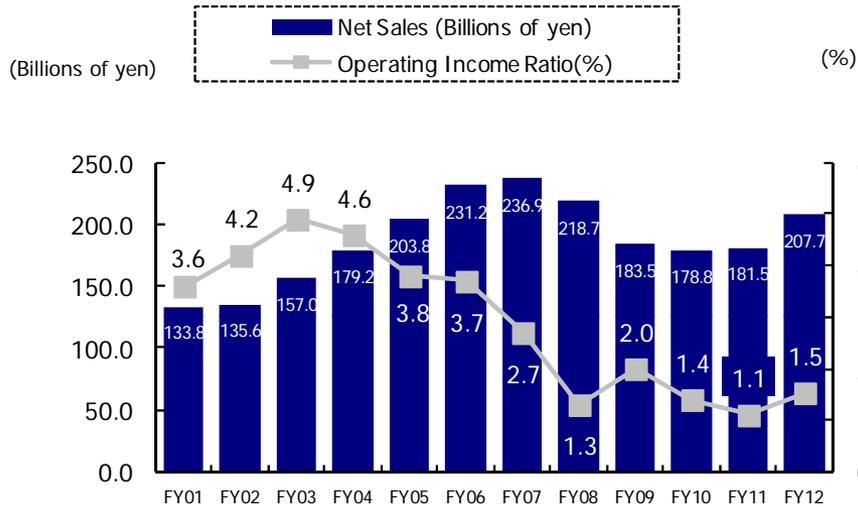
Minority interests included in presentation of net assets since the fiscal year ended May 31, 2007.

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.

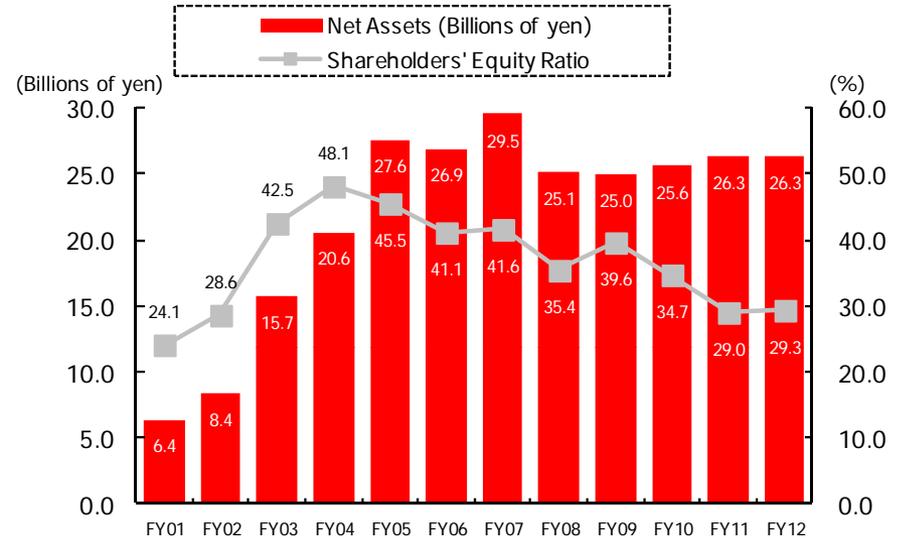
3. For '01/11-'06/11, Pasona Inc. consolidated business results have been used for comparative purposes.

# Key Indicators (Full Year)

## Net Sales and Operating Income Ratio



## Net Assets and Shareholders' Equity Ratio



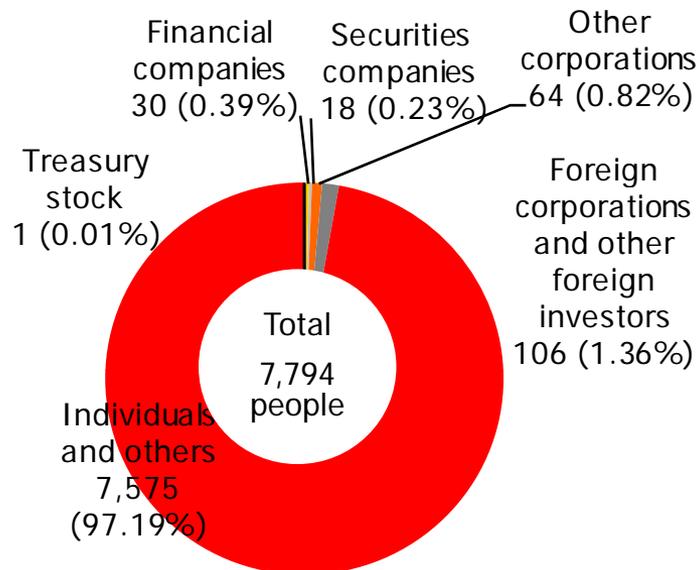
## Results

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
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
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%
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
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%
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
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%
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
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%
Net Income	1,974	2,027	3,647	4,363	3,588	4,198	2,962	312	204	412	29	610
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%
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
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
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%
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%
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

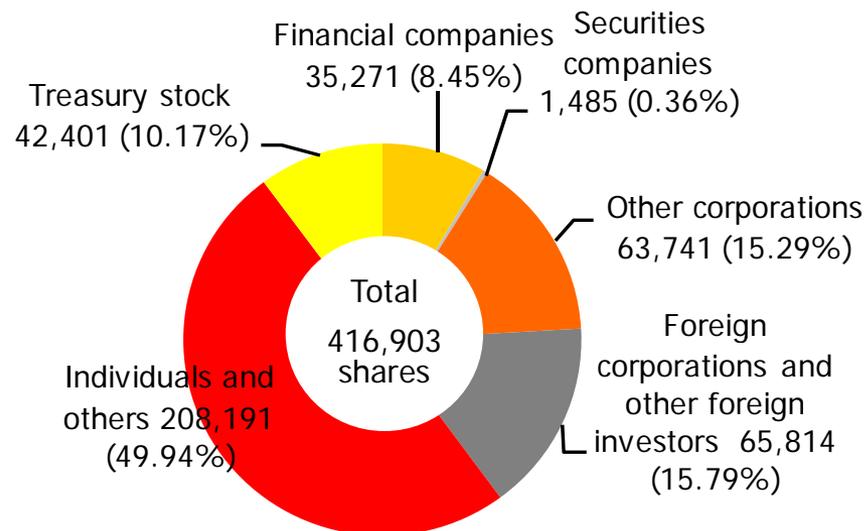
Notes: 1. Presentation of shareholders' equity amended to a net assets basis in line with changes to accounting standards and policies. Minority interests included in presentation of net assets since the fiscal year ended May 31, 2006.  
 2. Despite changes in calculation methods for net assets following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

# Stock Information (As of November 30, 2013)

## Breakdown of Shareholders by Type



## Breakdown of Shareholders by Number of Share Held



## Principal Shareholders

	No. of Shares Held	%
Yasuyuki Nambu	147,632	35.41%
Pasona Group Inc.	42,401	10.17%
Nambu Enterprise Inc.	37,378	8.97%
Goldman Sachs International	17,961	4.31%
Sanrio Company, Ltd.	11,885	2.85%
The Master Trust Bank of Japan, Ltd (Trust account)	10,045	2.41%
CMBL S. A. Re Mutual Funds	9,510	2.28%
Pasona Group Employees' Shareholding Association	6,416	1.54%
Japan Trustee Services Bank, Ltd. (Trust account)	5,550	1.33%
State Street Bank-West Pension Fund Clients-Exempt	4,825	1.16%

1. The Company's treasury stock (42,401 shares, 10.17% 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.
2. The Company conducted a 1:100 stock split on common stock with an effective date of December 1, 2013, at the same time, adopted a unit share system that set unit share at 100 shares.

# Consolidated Subsidiaries (by segment)

## Expert Services Insourcing HR Consulting, education and training, others

Pasona Inc.	Pasona Language Inc.
Pasona Tech, Inc.	KIS Co.,Ltd.
Pasona Okayama Inc.	CAPLAN Corporation
Pasona Logicom Inc.	Yaskawa Business Staff Corporation
Pasona Marketing Inc.	Bewith, Inc.
Pasona Agri-Partners Inc.	Asahi Beer Communications Co, Ltd.
ARGO. Co., Ltd.	SUPPORT CORPORATION
Nihon Employment Creation Organization Inc.	

## Place & Search

Pasona Inc.	Pasona Fortune Inc.
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## Global Sourcing

Pasona NA, Inc.	PASONA CANADA, INC.
Pasona MIC, Inc.	Pasona Taiwan Co., Ltd.
Pasona Singapore Pte. Ltd.	PASONA ASIA CO., LIMITED
PT Pasona HR Indonesia	Pasona Korea Co., Ltd
TEAM PASONA INDIA COMPANY LIMITED	
MGR Search and Selection CO., LTD.	
Pasona Human Resources (Shanghai) Co., Ltd.	
Pasona HR Consulting Recruitment (Thailand) Co., Ltd.	
Pasonatech Consulting (Dalian) Co., Ltd.	
Pasona Tech Vietnam Co., Ltd.	

## Outplacement

Pasona Inc.

## Outsourcing

Benefit One Inc.  
Benefit one Health care Inc.  
Benefit One Solutions Inc.

## Life Solutions

Pasona Foster Inc.  
Pasona Life Care Inc.  
Pasona Education Co. Limited

## Public Solutions

Pasona Heartful Inc.  
Pasona Furusato Incubation Inc.

## Shared

Pasona CIO Inc.

● Subsidiaries 39, Affiliates 3

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 Place & Search (Placement/Recruiting) Global Sourcing (Overseas) Outplacement Outsourcing Life Solutions, Public Solutions, Shared	
<b>Number of Employees</b>	5,989 (Consolidated, including contract workers) (As of May 31, 2013)	
<b>Group Companies</b>	Subsidiaries 39, Affiliates 3	
<b>URL</b>	<a href="http://www.pasonagroup.co.jp/english/">http://www.pasonagroup.co.jp/english/</a>	