

Results for the First Quarter of the Fiscal Year Ending May 31, 2015

FY2014 (June 1, 2014 - May 31, 2015)
Three months ended August 31, 2014

Pasona Group Inc.

First Section TSE (2168)

October 10, 2014

www.pasonagroup.co.jp/english

3M FY2014 Summary

○ Net sales **58.7 billions of yen**

YoY +7.5 billions of yen, +14.7%

Net sales rose due to recovery in demand for personnel, conclusion of an M&A deal, and contributions from irregular account closings of some domestic subsidiaries

○ Operating Income **3.2 billions of yen**

YoY (0.51) billions of yen, (61.6)%

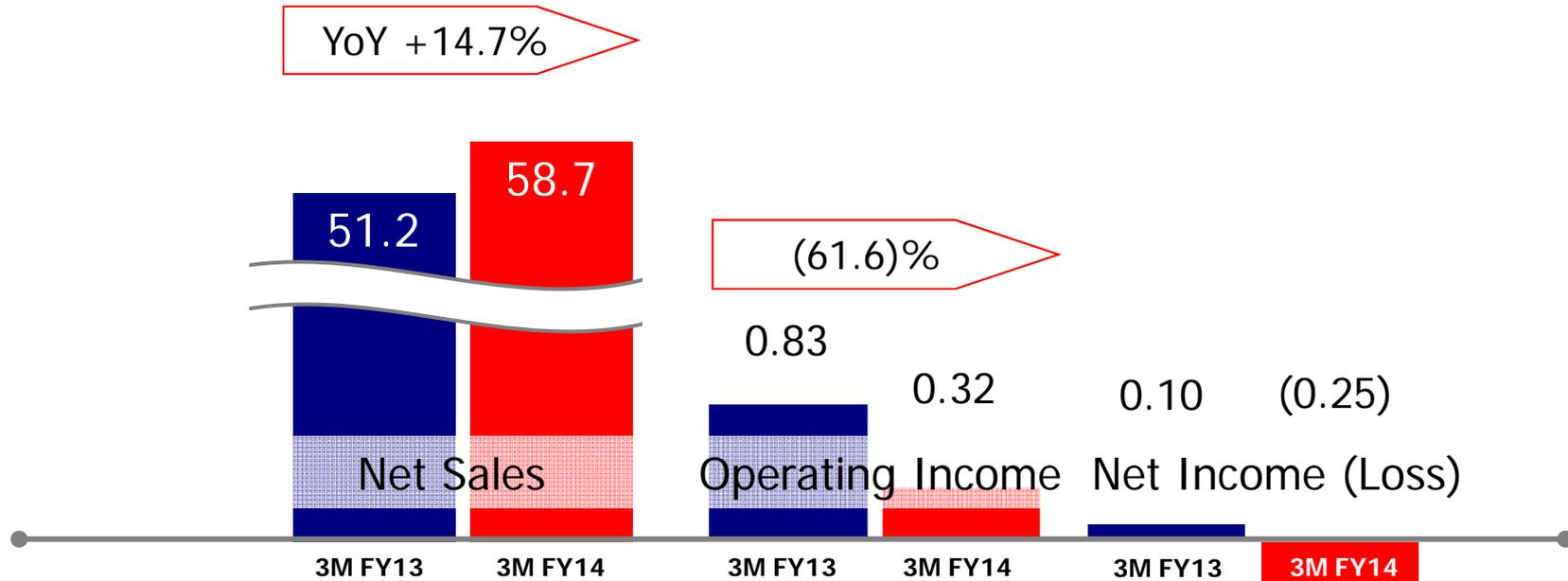
Operating income decreased year on year because of a significant decline in Outplacement sales due to the acceleration of income reported in the previous period, along with the quick and definitive turnaround in the placement of service users

○ Net loss **(0.25) billions of yen**

YoY (3.6) billions of yen

Consolidated Results

(Billions of yen)



| (Millions of yen) | 3M FY13 | to net sales % | 3M FY14 | to net sales % | vs FY13 Increase/Decrease | YoY |
|-------------------|---------|----------------|---------|----------------|---------------------------|---------|
| Net sales | 51,212 | 100.0 | 58,727 | 100.0 | 7,515 | 14.7% |
| Cost of sales | 41,179 | 80.4 | 47,277 | 80.5 | 6,097 | 14.8% |
| Gross profit | 10,032 | 19.6 | 11,450 | 19.5 | 1,417 | 14.1% |
| SG&A expenses | 9,197 | 18.0 | 11,130 | 19.0 | 1,932 | 21.0% |
| Operating income | 834 | 1.6 | 320 | 0.5 | (514) | (61.6)% |
| Ordinary income | 798 | 1.6 | 286 | 0.5 | (512) | (64.2)% |
| Net income(loss) | 103 | 0.2 | (253) | - | (356) | - |

Consolidated Results by Segment

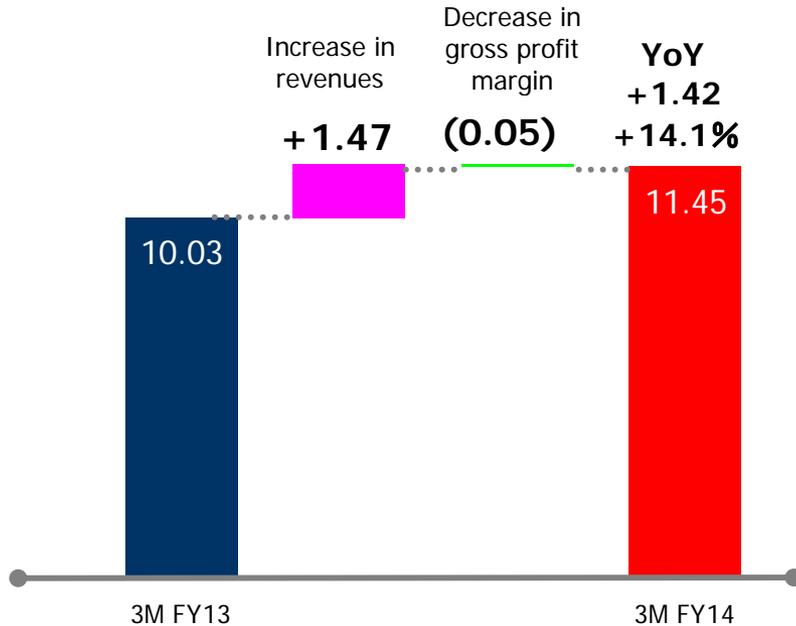
(Millions of yen)

| | Segment | Net sales | | | | Operating income (loss) | | | | Operating income margin | | |
|----------|--|-----------|---------|-------------------|---------|-------------------------|---------|-------------------|---------|-------------------------|---------|-------------------|
| | | 3M FY13 | 3M FY14 | Increase/Decrease | YoY | 3M FY13 | 3M FY14 | Increase/Decrease | YoY | 3M FY13 | 3M FY14 | Increase/Decrease |
| 1 | Expert Services | 31,169 | 35,211 | 4,041 | 13.0% | 653 | 779 | 125 | 19.2% | 1.5% | 1.6% | 0.1pt |
| 2 | Insourcing | 9,327 | 11,372 | 2,045 | 21.9% | | | | | | | |
| 3 | HR Consulting, others | 1,013 | 1,356 | 342 | 33.8% | | | | | | | |
| 4 | Place & Search | 762 | 1,201 | 438 | 57.6% | | | | | | | |
| 5 | Global Sourcing | 866 | 1,088 | 222 | 25.6% | | | | | | | |
| Subtotal | | 43,140 | 50,230 | 7,090 | 16.4% | | | | | | | |
| 6 | Outplacement | 3,060 | 2,184 | (875) | (28.6)% | 613 | 28 | (585) | (95.4)% | 20.1% | 1.3% | (18.8)pt |
| 7 | Outsourcing | 4,552 | 4,852 | 299 | 6.6% | 530 | 572 | 42 | 8.0% | 11.7% | 11.8% | 0.1pt |
| 8 | Life Solutions Public Solutions Shared | 1,194 | 1,926 | 731 | 61.3% | (19) | (58) | (39) | - | - | - | - |
| 9 | Eliminations and Corporate | (735) | (465) | 270 | - | (944) | (1,001) | (57) | - | - | - | - |
| 10 | Total | 51,212 | 58,727 | 7,515 | 14.7% | 834 | 320 | (514) | (61.6)% | 1.6% | 0.5% | (1.1)pt |

Gross Profit, SG&A Expenses

Gross Profit

(Billions of yen)



(Billions of yen)

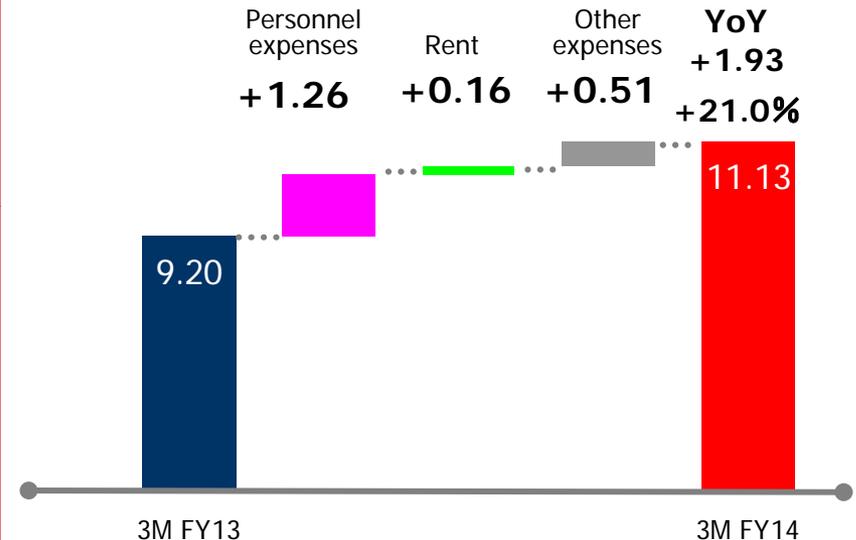
| | 3M FY13 | 3M FY14 | Increase/Decrease |
|---------------------|---------|---------|-------------------|
| Gross profit | 10.03 | 11.45 | +1.42 |
| Gross profit margin | 19.6% | 19.5% | (0.1)pt |

(Reference)

| | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 |
|---------------------|-------|-------|-------|-------|-------|-------|
| Gross profit margin | 19.9% | 20.0% | 18.8% | 18.6% | 19.3% | 19.3% |

SG&A Expenses

(Billions of yen)



(Billions of yen)

| | 3M FY13 | 3M FY14 | Increase/Decrease |
|-------------------------------|---------|---------|-------------------|
| Personnel | 5.30 | 6.56 | +1.26 |
| Advertisement and recruitment | 0.26 | 0.37 | +0.10 |
| IT | 0.50 | 0.65 | +0.15 |
| Rent | 0.91 | 1.07 | +0.16 |
| Others | 2.22 | 2.48 | +0.26 |
| Total | 9.20 | 11.13 | +1.93 |
| SG&A expense ratio | 18.0% | 19.0% | +1.0pt |

(Reference)

| | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 |
|--------------------|-------|-------|-------|-------|-------|-------|
| SG&A expense ratio | 18.6% | 18.0% | 17.4% | 17.5% | 17.8% | 17.7% |

Non-operating/Extraordinary income (loss), Others

(Millions of yen)

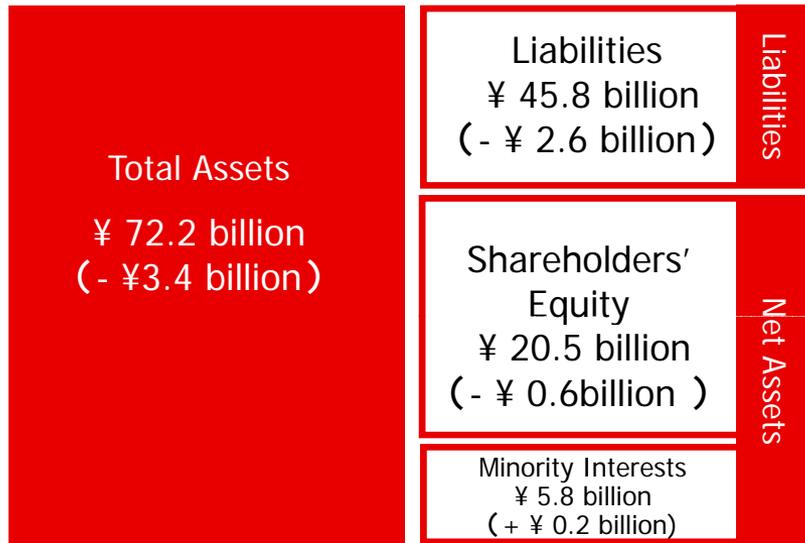
| | 3M FY13 | 3M FY14 | Increase/ Decrease | YoY |
|------------------------------|---------|---------|-----------------------|---------|
| Operating income | 834 | 320 | (514) | (61.6)% |
| Non-operating income | 50 | 63 | 13 | 25.8% |
| Non-operating expenses | 86 | 98 | 11 | 12.9% |
| Ordinary income | 798 | 286 | (512) | (64.2)% |
| Extraordinary income | 0 | 0 | 0 | - |
| Extraordinary loss | 19 | 13 | (5) | (29.5)% |
| Income before income taxes | 778 | 272 | (506) | (65.1)% |
| Income taxes—current | 290 | 359 | 69 | 23.8% |
| Income taxes—deferred | 243 | (14) | (258) | - |
| Minority interests in income | 142 | 180 | 38 | 27.4% |
| Net income (loss) | 103 | (253) | (356) | - |

Financial Condition

Financial Position

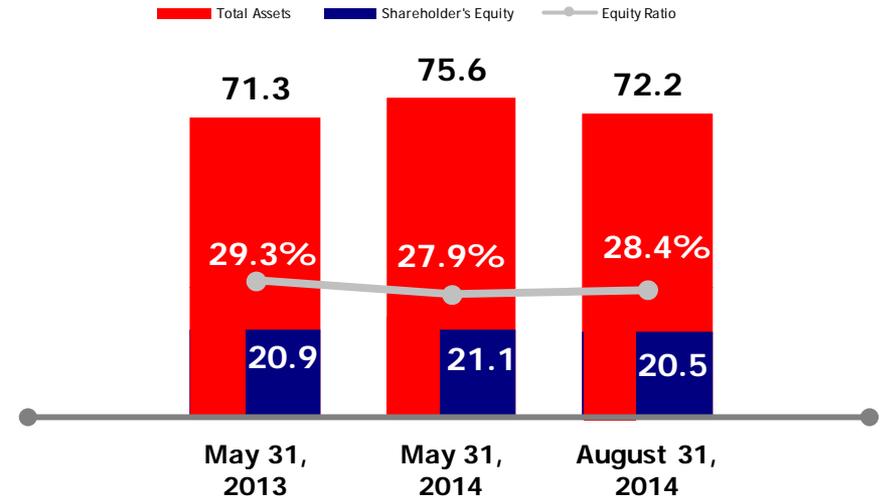
As of August 31, 2014

• Figures in parentheses indicate changes from the end of the previous fiscal year.



Total Assets, Shareholders' Equity, Equity Ratio

(Billions of yen)



| (Billions of yen) | May 31, 2014 | August 31, 2014 | Increase/Decrease |
|--------------------------|--------------|-----------------|-------------------|
| Current assets | 48.5 | 44.8 | (3.7) |
| Noncurrent assets | 27.1 | 27.3 | 0.3 |
| Total assets | 75.6 | 72.2 | (3.4) |
| Current liabilities | 37.0 | 35.0 | (1.9) |
| Noncurrent liabilities | 11.5 | 10.8 | (0.7) |
| Total liabilities | 48.4 | 45.8 | (2.6) |
| Total net assets | 27.2 | 26.3 | (0.8) |

- Decrease in cash and deposits ¥(3.8) billion
- Decrease in notes and accounts receivable—trade ¥(0.5) billion

- Decrease in accounts payable—trade ¥(1.3) billion
- Decrease in provision for bonuses ¥(0.8) billion
- Decrease in income taxes payable ¥(0.8) billion

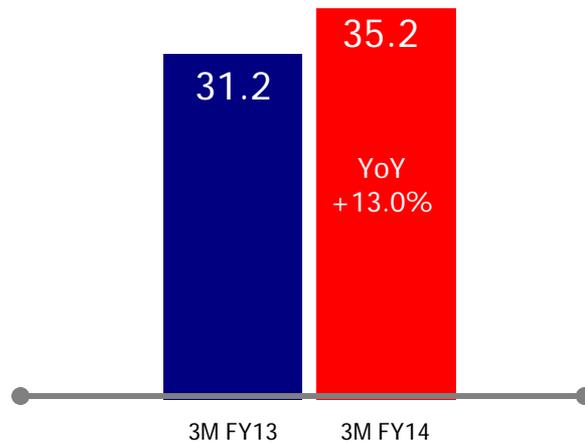
- Net loss ¥(0.3) billion
- Dividends paid ¥(0.4) billion
- Decrease in minority interests ¥(0.2) billion

Expert Services (Temporary staffing)

Net Sales

※ Segment figures **include** intersegment sales

(Billions of yen)



Business Conditions

● 3M FY14

- Demand remained firm, and the increase in contract terminations due to the tightening of staffing regulations has peaked out
- Net sales increased in all occupational categories due to the success of training-style temporary staffing, the effect of M&A, and the impact of irregular account closings

Sales by Staffing Type

※ Figures **exclude** intersegment sales

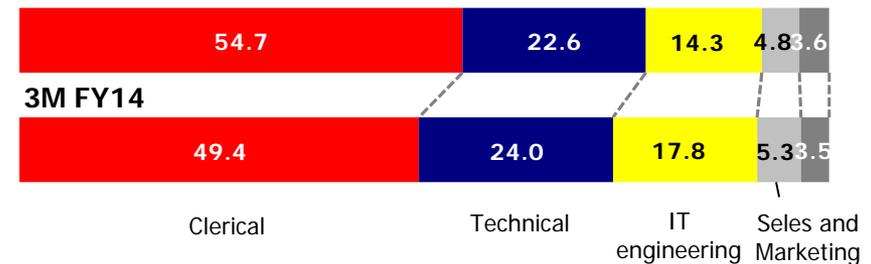
(Millions of yen)

| | 3M FY13 | 3M FY14 | YoY |
|-----------------------|---------|---------|-------|
| Clerical | 17,016 | 17,377 | 2.1% |
| Technical | 7,041 | 8,427 | 19.7% |
| IT engineering | 4,454 | 6,260 | 40.5% |
| Sales and Marketing | 1,480 | 1,869 | 26.3% |
| Other Expert Services | 1,118 | 1,210 | 8.3% |
| Total | 31,110 | 35,145 | 13.0% |

Sales Composition

3M FY13

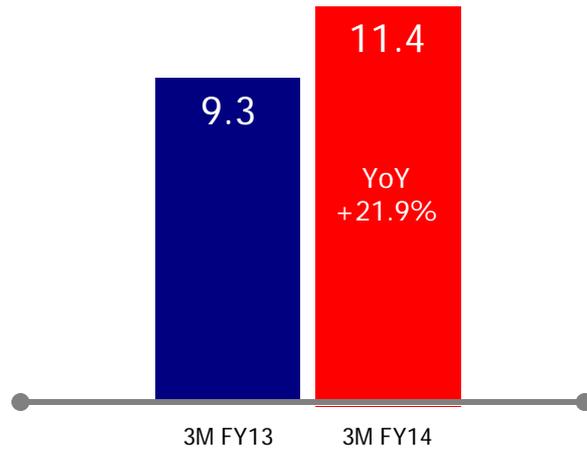
(%)



In sourcing (Contracting)

Net Sales

(Billions of yen)

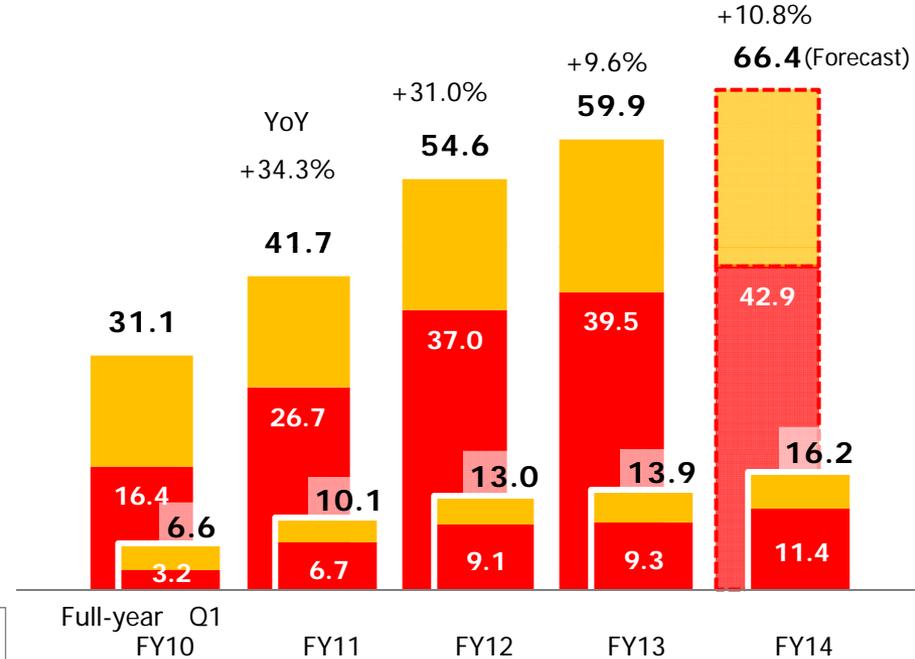


BPO Sales

(Billions of yen)

■ In sourcing

■ Outsourcing
(Benefit One Inc.)



Business Conditions

● 3M FY14

- Advances in performance in the private and public authority administrative agency services business, owing to upgrading of proposals incorporating the use of IT
- Initiatives to increase the level of project management services were successful, and the gross profit ratio also rose

Place & Search (Placement / Recruiting)

Net Sales

(Billions of yen)



Business Conditions

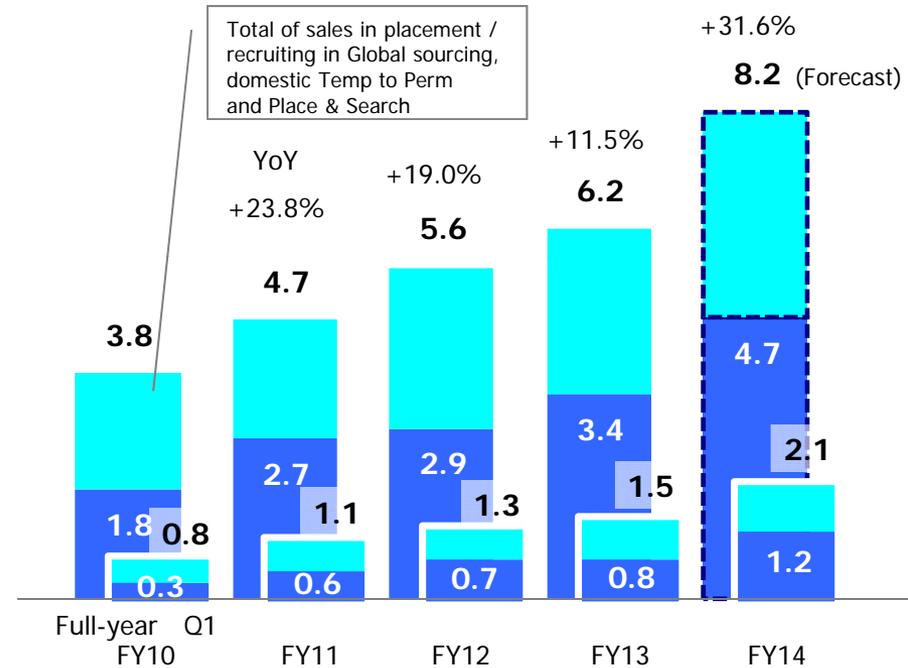
3M FY14

- Interest in hiring is strong, and companies in the manufacturing, IT, telecommunications and related fields are increasing their recruiting activities
- Net sales expanded substantially as the policies of training and securing of consultants in the previous period were successful

Placement and Recruiting Sales

(Billions of yen)

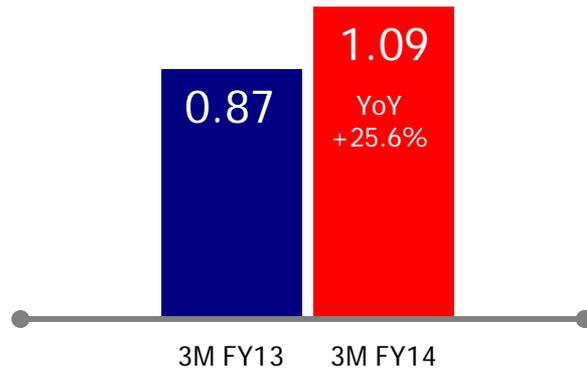
Place & Search



Global Sourcing (Overseas)

Net Sales

(Billions of yen)



Business Conditions

● 3M FY14

- Achieved increases in all businesses as our full lineup of services became a strength
- Along with the rise in outsourcing needs overseas, we strengthened our proposal capabilities
- To expand our service areas in the ASEAN region, Pasona HR Malaysia was established in May and began operations in October

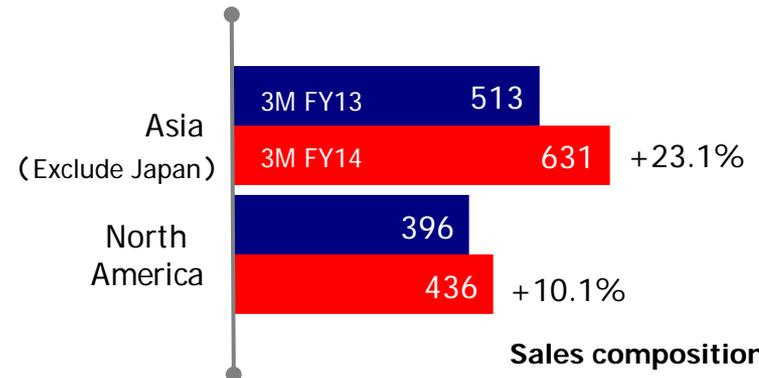
Sales by Business Segment

(Millions of yen)

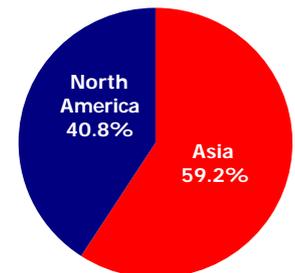
| | 3M FY13 | 3M FY14 | YoY |
|-------------------------------|------------|--------------|--------------|
| Temporary Staffing | 308 | 392 | 27.1% |
| Placement / Recruiting | 366 | 413 | 12.7% |
| Contracting (Payroll, others) | 179 | 200 | 11.7% |
| Others | 12 | 82 | 589.3% |
| Total | 866 | 1,088 | 25.6% |

Sales by Region

(Millions of yen)



Sales composition



Outplacement

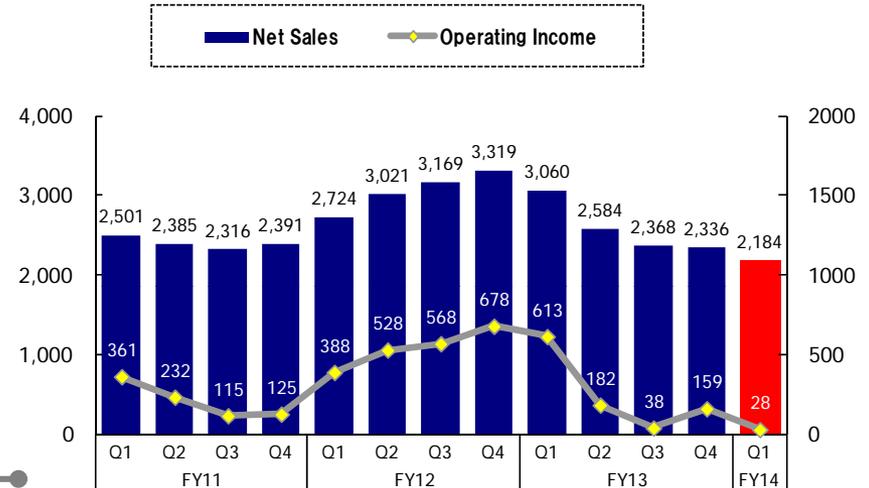
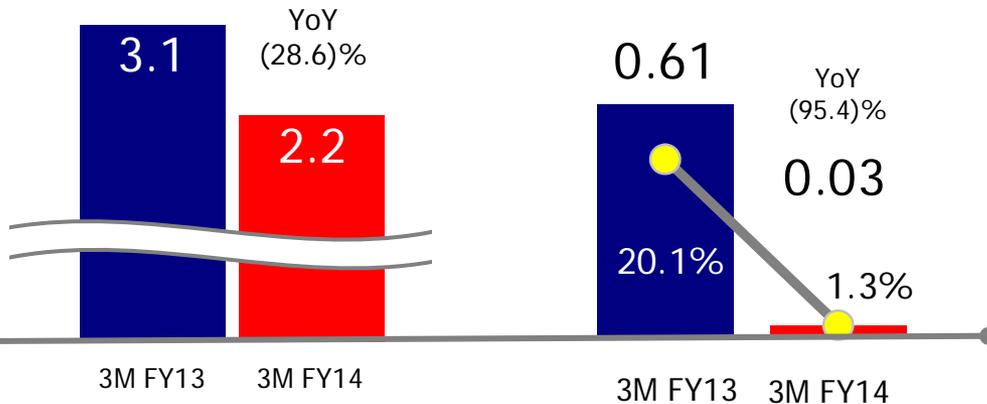
Net Sales

Operating Income, Operating Income Margin

(Billions of yen)

Quarterly Sales and Operating Income

(millions of yen)



Business Conditions

● 3M FY14

- Decrease in orders on the back of economic recovery
- The quick and definitive turnaround in the placement of service users raised the level of operating income in the previous year, and, in reaction, operating income declined significantly year on year during the period under review

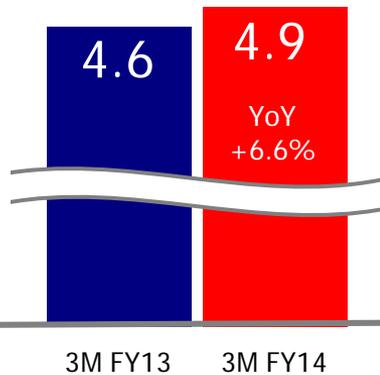
Companies Announcing Employment Adjustments

(Companies)



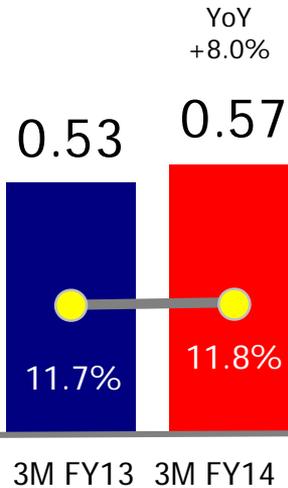
Outsourcing (Benefit One Inc.)

Net Sales



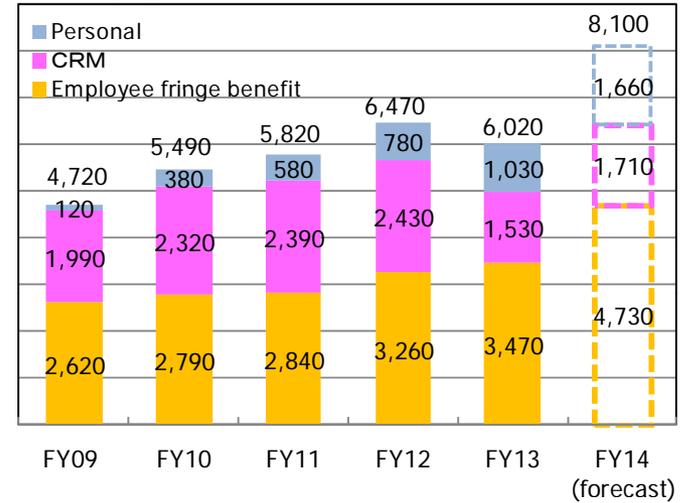
Operating Income, Operating Income Margin

(Billions of yen)

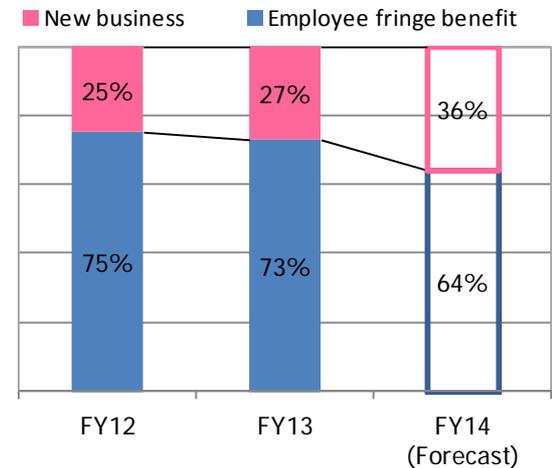


Benefit One Membership

(Thousands people)



Diversification of Income



Business Conditions

3M FY14

- Achieved increases in net sales and operating income, as diversification initiatives proceeded
- Actively expanding overseas businesses
- Benefit One Shanghai Inc. and Benefit One USA, Inc. have been included in the scope of consolidation beginning with the current period

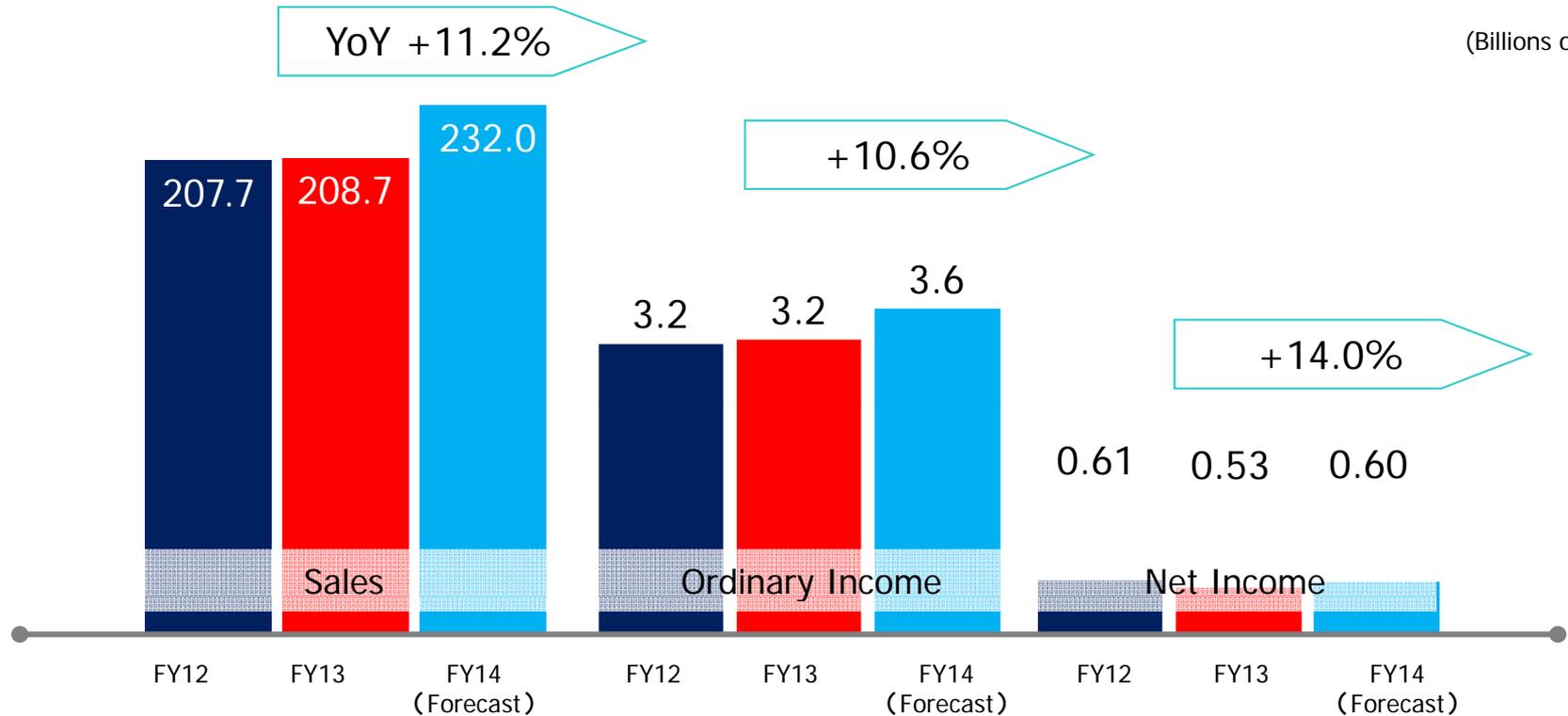
FY2014 Consolidated Forecasts

(millions of yen)

| | FY14 3M | H1 Progress rate | H1 | | FY14 Forecasts H2 | | Full-year | |
|-------------------|------------|------------------------|---------|---------|----------------------|-------|-----------|-------|
| | | | | YoY | | YoY | | YoY |
| Net Sales | 58,727 | 50.8% | 115,500 | 12.6% | 116,500 | 9.9% | 232,000 | 11.2% |
| Cost of sales | 47,277 | 50.6% | 93,420 | 12.3% | 92,780 | 8.9% | 186,200 | 10.6% |
| Gross profit | 11,450 | 51.9% | 22,080 | 13.8% | 23,720 | 13.9% | 45,800 | 13.8% |
| SG&A expenses | 11,130 | 51.9% | 21,430 | 16.6% | 20,820 | 11.6% | 42,250 | 14.1% |
| Operating income | 320 | 49.3% | 650 | (37.4)% | 2,900 | 33.5% | 3,550 | 10.6% |
| Ordinary income | 286 | 44.0% | 650 | (32.4)% | 2,900 | 33.4% | 3,550 | 13.2% |
| Net income (loss) | (253) | - | (350) | - | 950 | 72.3% | 600 | 14.0% |

FY2014 Consolidated Forecasts

(Billions of yen)



| (Millions of yen) | FY12 | to net sales % | FY13 | to net sales % | FY14 Forecast | to net sales % | vs FY13 Increase/Decrease | YoY |
|-------------------|---------|----------------|---------|----------------|---------------|----------------|---------------------------|-------|
| Net sales | 207,685 | 100.0 | 208,660 | 100.0 | 232,000 | 100.0 | 23,339 | 11.2% |
| Cost of sales | 167,609 | 80.7 | 168,420 | 80.7 | 186,200 | 80.3 | 17,779 | 10.6% |
| Gross profit | 40,075 | 19.3 | 40,239 | 19.3 | 45,800 | 19.7 | 5,560 | 13.8% |
| SG&A expenses | 36,898 | 17.8 | 37,029 | 17.7 | 42,250 | 18.2 | 5,220 | 14.1% |
| Operating income | 3,176 | 1.5 | 3,210 | 1.5 | 3,550 | 1.5 | 339 | 10.6% |
| Ordinary income | 3,187 | 1.5 | 3,135 | 1.5 | 3,550 | 1.5 | 414 | 13.2% |
| Net income | 610 | 0.3 | 526 | 0.3 | 600 | 0.3 | 73 | 14.0% |

FY2014 Consolidated Forecasts by Segment

(Millions of yen)

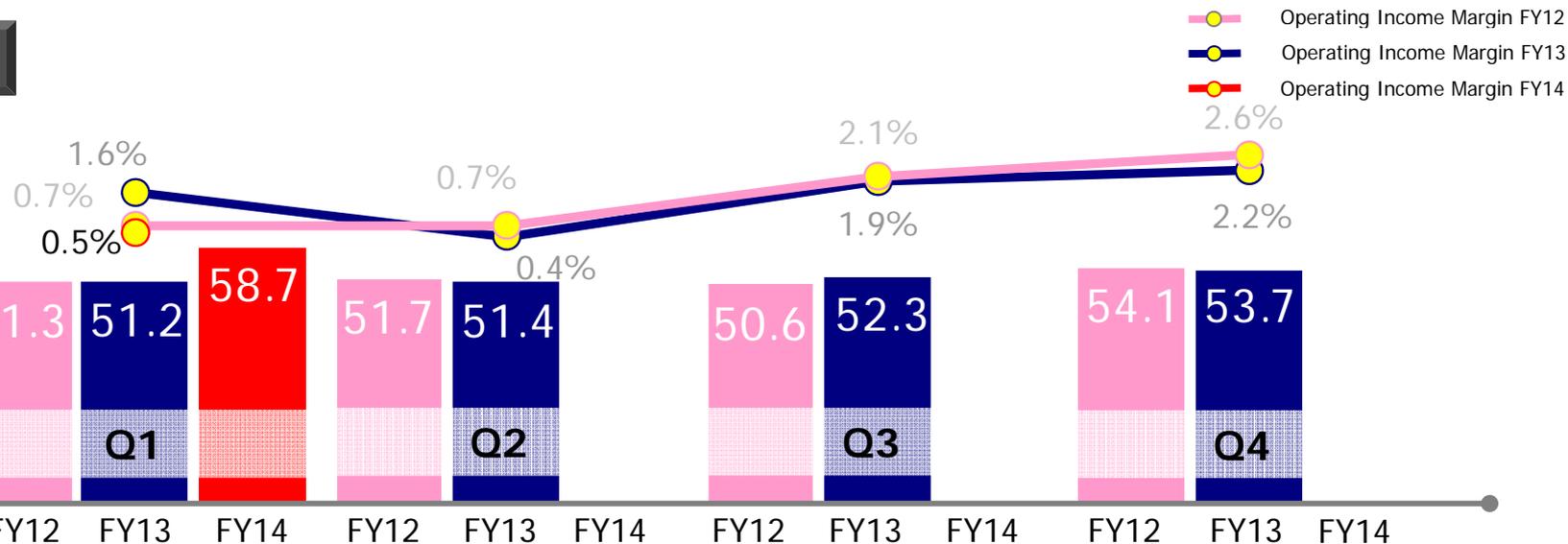
| Segment | Sales | | | | Operating income (loss) | | | |
|--|---------|---------------|---------------------------|---------|-------------------------|---------------|---------------------------|---------|
| | FY13 | FY14 Forecast | VS FY13 Increase/Decrease | YoY | FY13 | FY14 Forecast | VS FY13 Increase/Decrease | YoY |
| Expert Services | 124,280 | 138,650 | 14,369 | 11.6% | 2,872 | 3,610 | 737 | 25.7% |
| Insourcing | 39,527 | 42,880 | 3,352 | 8.5% | | | | |
| HR Consulting, others | 4,663 | 5,050 | 386 | 8.3% | | | | |
| Place & Search | 3,430 | 4,720 | 1,289 | 37.6% | | | | |
| Global Sourcing | 3,668 | 4,560 | 891 | 24.3% | | | | |
| Subtotal | 175,569 | 195,860 | 20,290 | 11.6% | | | | |
| Outplacement | 10,350 | 8,770 | (1,580) | (15.3)% | 993 | 300 | (693) | (69.8)% |
| Outsourcing | 20,356 | 23,500 | 3,143 | 15.4% | 3,074 | 3,540 | 465 | 15.1% |
| Life Solutions Public Solutions Shared | 5,401 | 5,690 | 288 | 5.3% | 17 | (90) | (107) | - |
| Eliminations and Corporate | (3,017) | (1,820) | 1,197 | - | (3,748) | (3,810) | (61) | - |
| Consolidated | 208,660 | 232,000 | 23,339 | 11.2% | 3,210 | 3,550 | 339 | 10.6% |

Reference

Quarterly Earnings Trends

Net Sales

(Billions of yen)



(Millions of yen)

| | Q1 (June to August) | | | | | Q2 (September to November) | | | Q3 (December to February) | | | Q4 (March to May) | | |
|-------------------------|---------------------|--------|---------|--------|---------|----------------------------|--------|---------|---------------------------|--------|---------|-------------------|--------|---------|
| | FY12 | FY13 | YoY | FY14 | YoY | FY12 | FY13 | YoY | FY12 | FY13 | YoY | FY12 | FY13 | YoY |
| | Consolidated | | | | | | | | | | | | | |
| Net sales | 51,270 | 51,212 | (0.1)% | 58,727 | +14.7% | 51,705 | 51,406 | (0.6)% | 50,585 | 52,319 | +3.4% | 54,123 | 53,721 | (0.7)% |
| Gross profit | 9,517 | 10,032 | +5.4% | 11,450 | +14.1% | 9,553 | 9,377 | (1.8)% | 10,022 | 10,133 | +1.1% | 10,982 | 10,695 | (2.6)% |
| SG&A expenses | 9,181 | 9,197 | +0.2% | 11,130 | +21.0% | 9,174 | 9,174 | +0.0% | 8,984 | 9,125 | +1.6% | 9,557 | 9,531 | (0.3)% |
| Operating income | 335 | 834 | +149.0% | 320 | (61.6)% | 379 | 203 | (46.4)% | 1,037 | 1,008 | (2.8)% | 1,424 | 1,163 | (18.3)% |
| Ordinary income | 330 | 798 | +141.5% | 286 | (64.2)% | 362 | 163 | (54.9)% | 1,010 | 995 | (1.5)% | 1,483 | 1,178 | (20.5)% |
| Net income (loss) | (193) | 103 | - | (253) | - | (260) | (128) | - | 160 | 37 | (76.7)% | 904 | 513 | (43.2)% |
| Gross profit margin | 18.6% | 19.6% | +1.0pt | 19.5% | (0.1)pt | 18.5% | 18.2% | (0.3)pt | 19.8% | 19.4% | (0.4)pt | 20.3% | 19.9% | (0.4)pt |
| SG&A expense ratio | 17.9% | 18.0% | +0.1pt | 19.0% | +1.0pt | 17.7% | 17.8% | +0.1pt | 17.8% | 17.4% | (0.4)pt | 17.7% | 17.7% | +0.0pt |
| Operating income margin | 0.7% | 1.6% | +0.9pt | 0.5% | (1.1)pt | 0.7% | 0.4% | (0.3)pt | 2.1% | 1.9% | (0.2)pt | 2.6% | 2.2% | (0.4)pt |
| Ordinary income margin | 0.6% | 1.6% | +1.0pt | 0.5% | (1.1)pt | 0.7% | 0.3% | (0.4)pt | 2.0% | 1.9% | (0.1)pt | 2.7% | 2.2% | (0.5)pt |
| Net income margin | - | 0.2% | - | - | - | - | - | - | 0.3% | 0.1% | (0.2)pt | 1.7% | 1.0% | (0.7)pt |

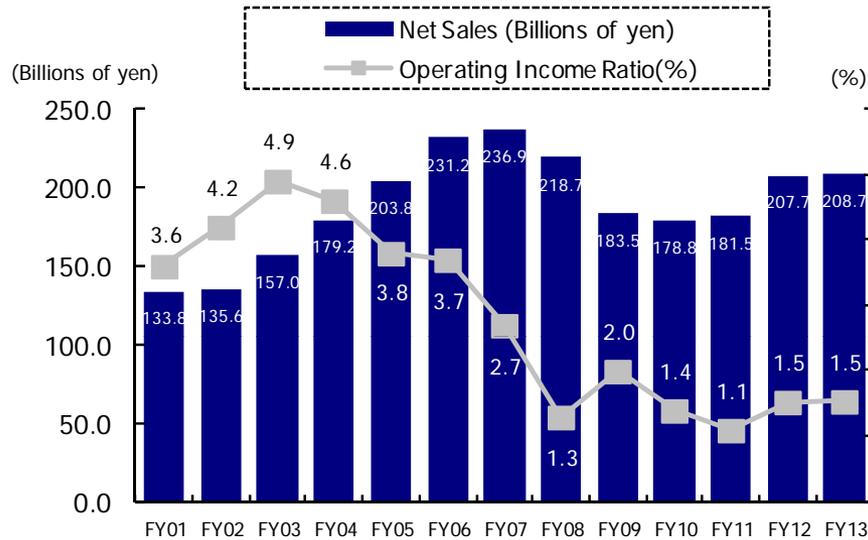
Quarterly Earnings Trends by Segment

(Millions of yen)

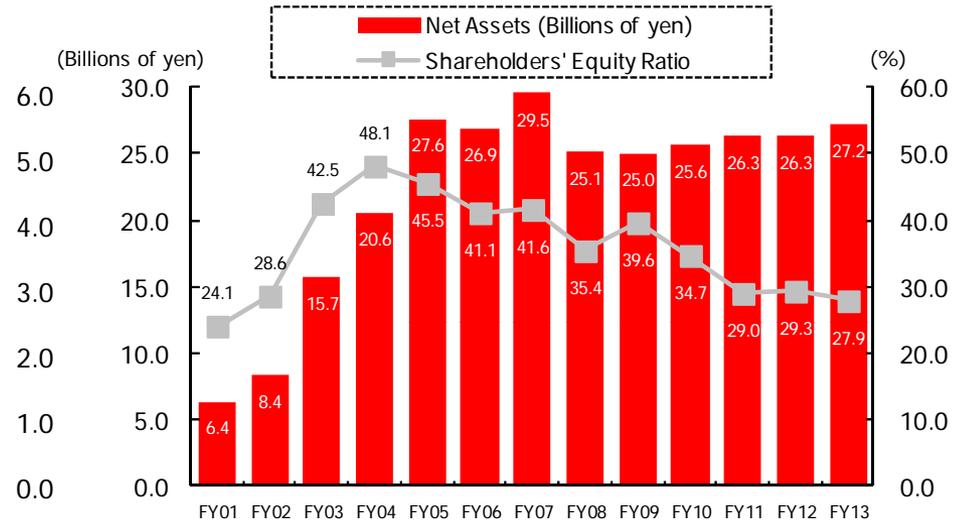
| | Segment | Sales | | | | | YoY | Operating income | | | | | YoY | | |
|-----------|--|---------|---------|---------|---------|---------|---------|------------------|---------|---------|---------|---------|---------|--|--|
| | | Q1 FY13 | Q2 FY13 | Q3 FY13 | Q4 FY13 | Q1 FY14 | | Q1 FY13 | Q2 FY13 | Q3 FY13 | Q4 FY13 | Q1 FY14 | | | |
| 1 | Expert Services | 31,169 | 31,029 | 30,362 | 31,718 | 35,211 | 13.0% | | | | | | | | |
| 2 | Insourcing | 9,327 | 9,640 | 10,570 | 9,989 | 11,372 | 21.9% | | | | | | | | |
| 3 | HR Consulting, others | 1,013 | 1,022 | 1,254 | 1,371 | 1,356 | 33.8% | | | | | | | | |
| 4 | Place & Search | 762 | 796 | 810 | 1,061 | 1,201 | 57.6% | | | | | | | | |
| 5 | Global Sourcing | 866 | 853 | 1,014 | 933 | 1,088 | 25.6% | | | | | | | | |
| | Subtotal | 43,140 | 43,342 | 44,012 | 45,075 | 50,230 | 16.4% | 653 | 519 | 761 | 937 | 779 | 19.2% | | |
| 6 | Outplacement | 3,060 | 2,584 | 2,368 | 2,336 | 2,184 | (28.6)% | 613 | 182 | 38 | 159 | 28 | (95.4)% | | |
| 7 | Outsourcing | 4,552 | 4,883 | 5,282 | 5,637 | 4,852 | 6.6% | 530 | 435 | 1,079 | 1,030 | 572 | 8.0% | | |
| 8 | Life Solutions Public Solutions Shared | 1,194 | 1,353 | 1,431 | 1,422 | 1,926 | 61.3% | (19) | 27 | 50 | (41) | (58) | - | | |
| 9 | Eliminations and Corporate | (735) | (756) | (775) | (749) | (465) | - | (944) | (961) | (921) | (921) | (1,001) | - | | |
| 10 | Total | 51,212 | 51,406 | 52,319 | 53,721 | 58,727 | 14.7% | 834 | 203 | 1,008 | 1,163 | 320 | (61.6)% | | |

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 | '14/05 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 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 | 208,660 |
| 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% | 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 | 37,029 |
| 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% | 17.7% |
| 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 | 3,210 |
| 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% | 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 | 3,135 |
| 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% | 1.5% |
| Net Income | 1,974 | 2,027 | 3,647 | 4,363 | 3,588 | 4,198 | 2,962 | 312 | 204 | 412 | 29 | 610 | 526 |
| 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% | 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 | 75,615 |
| 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 | 27,181 |
| 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% | 27.9% |
| 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% | 131.3% |
| 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 | 5,022 |

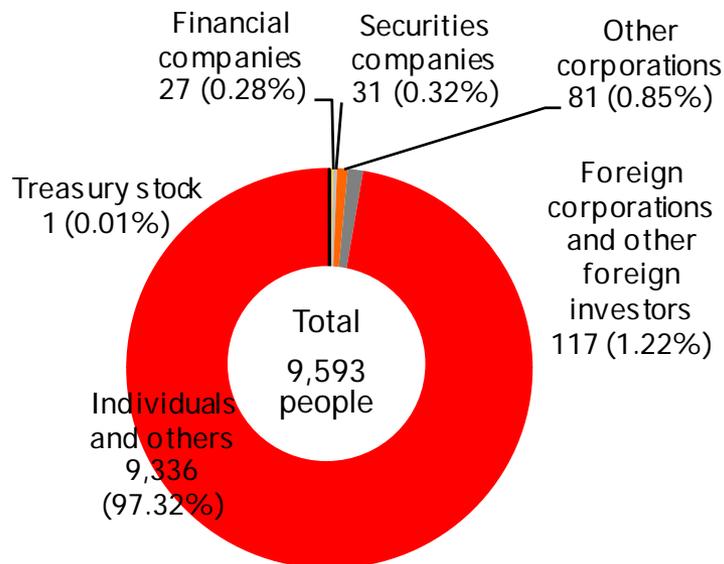
Notes: 1. Presentation of shareholders' equity amended to a net assets basis in line with changes to accounting standards and policies. Minority interests included in presentation of net assets since the fiscal year ended May 31, 2006.

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.

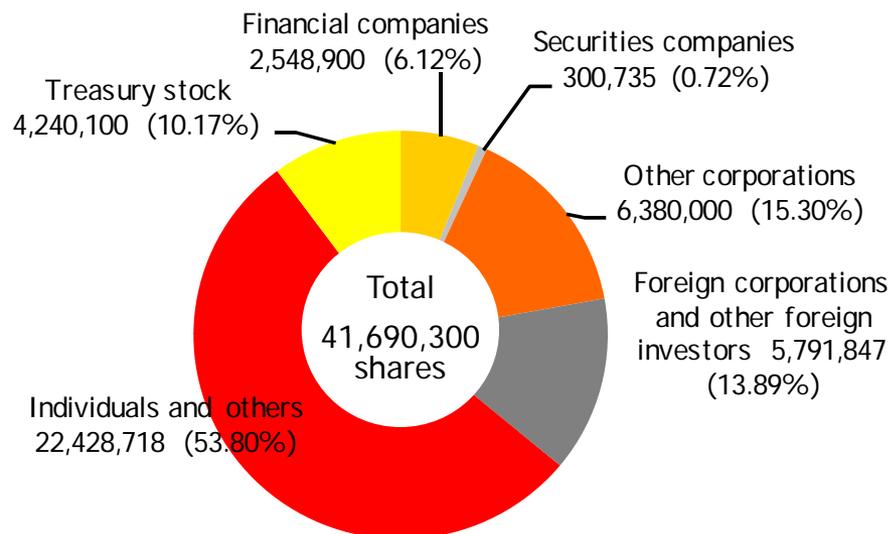
3. The data for the periods up to and including the fiscal year ended May 31, 2007 are consolidated data for Pasona Inc. The data for the periods commencing the fiscal year ended May 31, 2008 and beyond are consolidated data for Pasona Group Inc.

Stock Information (As of May 31, 2014)

Breakdown of Shareholders by Type



Breakdown of Shareholders by Number of Share Held



Principal Shareholders

| | No. of Shares Held | % |
|---|--------------------|--------|
| Yasuyuki Nambu | 14,763,200 | 35.41% |
| Pasona Group Inc. | 4,240,100 | 10.17% |
| Nambu Enterprise Inc. | 3,737,800 | 8.97% |
| CREDIT SUISSE AG HONG KONG TRUST A/C CLIENT | 2,027,000 | 4.86% |
| Sanrio Company, Ltd. | 1,155,500 | 2.77% |
| Pasona Group Employees' Shareholding Association | 664,000 | 1.59% |
| The Master Trust Bank of Japan, Ltd (Trust account) | 575,700 | 1.38% |
| MEDICAL ASSOCIA INC. | 537,500 | 1.29% |
| CMBL S. A. Re Mutual Funds | 480,600 | 1.15% |
| STATE STREET BANK CLIENT OMNIBUS OM04 | 450,655 | 1.08% |

1. The Company's treasury stock (4,240,100 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. Shares held by Medical Associa Inc. do not entail voting rights under the provisions of paragraph 1, Article 308 of the Corporations Law and Article 67 of the Ordinance for Enforcement of the Corporations Law.
3. 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.

Group Companies (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. |
| ECOLOVE Inc. | Medical Associa Inc. |
| Nihon Employment Creation Organization Inc. | |
| Pasona Tech Systems Inc. | e-Staffing Co., Ltd.* |
| Pasona Tquila Inc.* | |

Place & Search

| | |
|-------------|---------------------|
| Pasona Inc. | Pasona Fortune Inc. |
|-------------|---------------------|

Global Sourcing

| | |
|---|------------------------------|
| Pasona NA, Inc. | PASONA CANADA, INC. |
| Pasona Taiwan Co., Ltd. | Pasona Singapore Pte. Ltd. |
| PASONA ASIA CO., LIMITED | PT Pasona HR Indonesia |
| Pasona Korea Co., Ltd. | Pasona Education Co. Limited |
| TEAM PASONA INDIA COMPANY LIMITED | |
| MGR Search and Selection CO., Ltd. | |
| Pasona Human Resources (Shanghai) Co., Ltd. | |
| Pasona HR Consulting Recruitment (Thailand) Co., Ltd. | |
| Pasona Tech Vietnam Co., Ltd | Other 2 companies |

Outplacement

Pasona Inc.

Outsourcing

Benefit One Inc.
Benefit one Health care Inc.
Benefit One Solutions Inc.
Benefit One Asia Pte. Ltd.
Benefit One Shanghai Inc.
Benefit One USA, Inc.
Chunghwa Benefit One Co., Ltd.*
National Examination Center Inc.*
Other 1 company *

Life Solutions

Pasona Foster Inc.
Pasona Life Care Inc.

Public Solutions

Pasona Heartful Inc.
Pasona Furusato Incubation Inc.

● Consolidated subsidiaries 42, Equity-method affiliates 5*

Tokyo Stock Exchange, 1st Section 2168

| | | |
|----------------------------|---|---|
| Corporate Name | Pasona Group Inc. | |
| Headquarters | 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 |
| Established | December 3, 2007 (Founding February 1976) | |
| Paid-in Capital | 5,000 million yen | |
| Representative | Yasuyuki Nambu | |
| Business Activities | 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 | |
| Number of Employees | 6,316 (Consolidated, including contract workers) (As of May 31, 2014) | |
| Group Companies | Subsidiaries 42, Affiliates 5 | |
| URL | www.pasonagroup.co.jp/english/ | |