

# Results for the Fiscal Year Ended May 31, 2016

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**FY2015 (June 1, 2015 - May 31, 2016)**

**Pasona Group Inc.**

**First Section TSE (2168)**

**July 22, 2016**

**[www.pasonagroup.co.jp/english/](http://www.pasonagroup.co.jp/english/)**

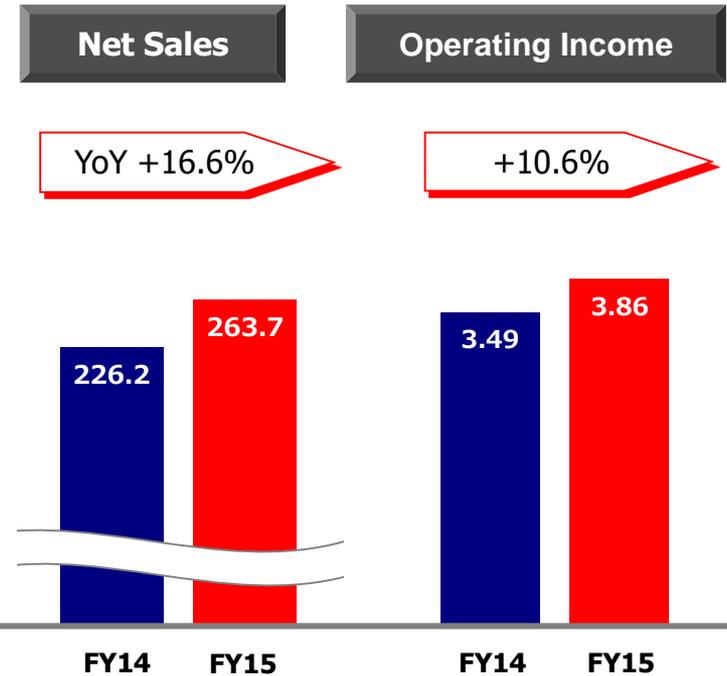
# FY2015 Results

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# Consolidated Results

(Billions of yen)

(Millions of yen)	FY14	(%)	FY15	(%)	VS FY14 Increase/Decrease
Net sales	226,227	100.0	263,728	100.0	37,500 +16.6%
Cost of sales	180,355	79.7	210,919	80.0	30,563 +16.9%
Gross profit	45,871	20.3	52,808	20.0	6,936 +15.1%
SG & A expenses	42,381	18.7	48,948	18.6	6,566 +15.5%
Operating income	3,490	1.5	3,860	1.5	370 +10.6%



## Major Item of Increase/Decrease

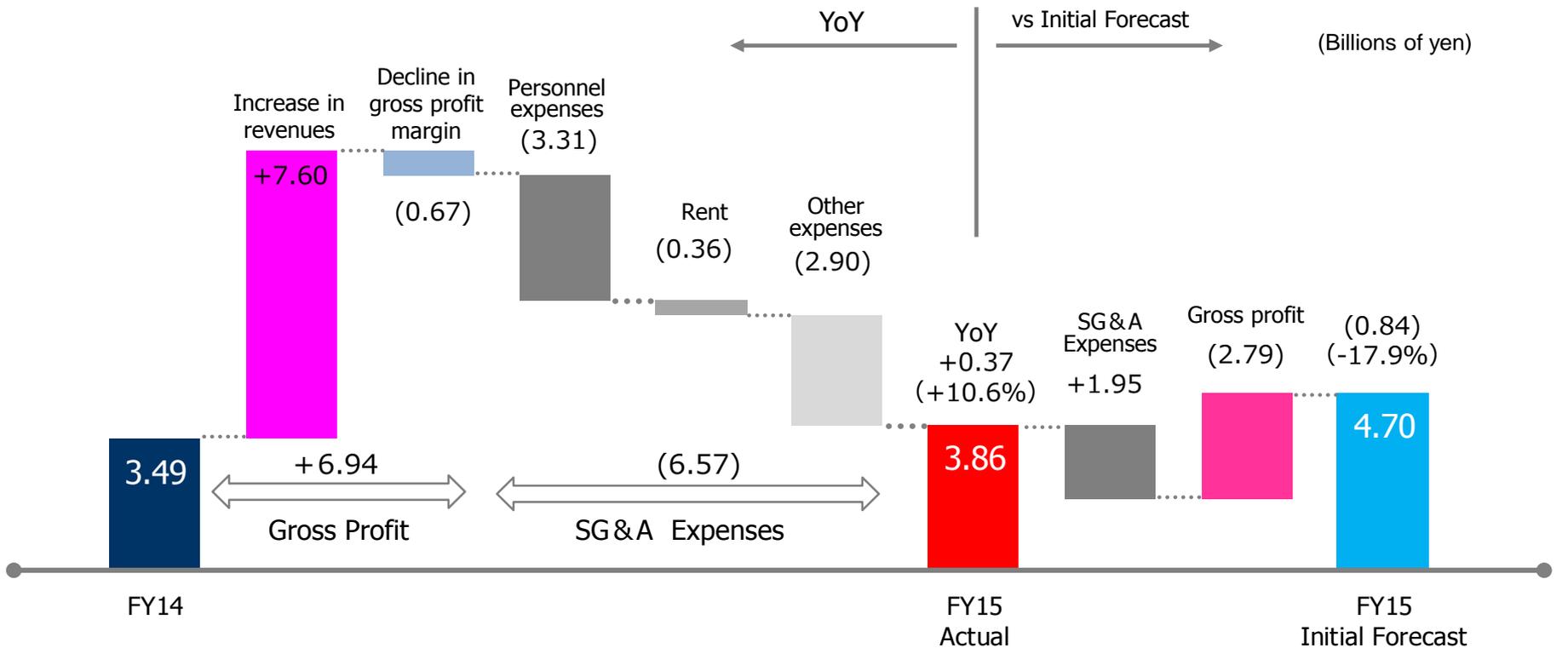
### ● Net Sales

- Demand for human resources continues to be favorable, major increase in sales from Insourcing related to M&A, higher revenues in many segments
- Attained fifth consecutive annual increase in net sales

### ● Operating Income

- Large increase in income from Career Solutions and Outsourcing, double-digit rise in income
- Attained fourth consecutive annual increase in income

# Operating Income



	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
Gross Profit	19.9%	20.0%	18.8%	18.6%	19.3%	19.3%	20.3%	20.0%
Gross Profit margin	18.6%	18.0%	17.4%	17.5%	17.8%	17.7%	18.7%	18.6%

## Major Item of Increase/Decrease

- **Gross profit** rose due to effects of increased net sales
- Increase in **SG&A expenses** due to higher M&A-related expenses, including amortization of goodwill
- Additional depreciation due to relocation of headquarters and start-up costs for the regional revitalization business
- Continued prior investments in human resources for future growth in the cloud systems engineers temporary staffing business (Pasona Tequila Inc. FY2014: Equity method affiliate → FY2015: Consolidated subsidiary)

# Consolidated Results

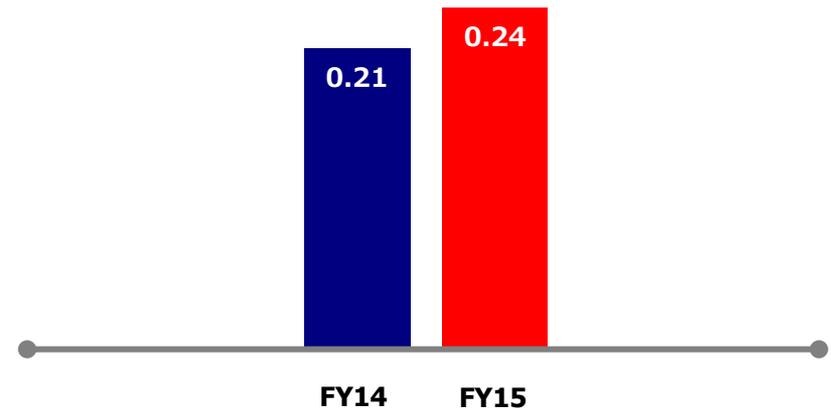
## (Non-operating/Extraordinary income (loss), Others)

(Billions of yen)

(Millions of yen)	FY14	FY15	Increase/ Decrease	YoY
Operating income	3,490	3,860	370	10.6%
Non-operating income	310	407	96	31.0%
Non-operating expenses	457	412	(45)	(9.9)%
Ordinary income	3,343	3,855	511	15.3%
Extraordinary income	91	164	73	80.6%
Extraordinary loss	225	158	(67)	(30.0)%
Income before income taxes	3,208	3,861	653	20.4%
Income taxes - current	2,155	2,437	281	13.1%
Income taxes - deferred	(87)	(45)	42	(48.6)%
Income taxes	2,067	2,391	324	15.7%
Profit attributable to non-controlling interests	927	1,226	298	32.2%
Profit attributable to owners of parent	214	243	29	13.8%

Profit attributable to owners of parent

YoY +13.8%



Major Item of Increase/Decrease

- **Non-operating income**  
Subsidy income ¥147 million (YoY +¥60 million)
- **Extraordinary income**  
Gain on sales of securities ¥129 million (+¥129 million)
- **Extraordinary loss**  
Impairment loss ¥37 million (-¥86 million)

# Consolidated Results by Segment

(Millions of yen)

Segment		Net sales				Operating income (loss)				Operating income margin		
		FY14	FY15	Increase/ Decrease	YoY	FY14	FY15	Increase/ Decrease	YoY	FY14	FY15	Increase/ Decrease
①	Expert Services (Temporary Staffing)	132,621	132,588	(32)	(0.0)%	2,485	1,959	(525)	(21.2)%	1.3%	0.9%	(0.4)pt
②	Insourcing (Contracting)	43,985	73,417	29,431	66.9%							
③	HR Consulting, others	5,536	6,044	508	9.2%							
④	Global Sourcing (Overseas)	4,840	6,180	1,340	27.7%							
Subtotal		186,984	218,231	31,246	16.7%							
⑤	Career Solutions (Placement/ Recruiting, Outplacement)	14,196	16,265	2,068	14.6%	1,855	2,904	1,049	56.5%	13.1%	17.9%	4.8pt
⑥	Outsourcing	21,643	26,229	4,586	21.2%	3,193	4,276	1,083	33.9%	14.8%	16.3%	1.5pt
⑦	Life Solutions Public Solutions	5,433	5,618	185	3.4%	(60)	(477)	(417)	-	-	-	-
⑧	Eliminations and Corporate	(2,030)	(2,617)	(587)	-	(3,983)	(4,802)	(819)	-	-	-	-
Total		226,227	263,728	37,500	16.6%	3,490	3,860	370	10.6%	1.5%	1.5%	0.0pt

# Balance sheet

(Billions of yen)

Major Item of Increase/Decrease	May 31,2015	May 31,2016	Increase/ Decrease
<b>Assets</b>	<b>88.6</b>	<b>85.4</b>	<b>(3.3)</b>
<b>Current assets</b>	<b>58.1</b>	<b>56.2</b>	<b>(1.9)</b>
Cash and deposits	21.1	16.8	(4.3)
Notes and accounts receivable – trade	29.5	32.0	2.5
Other	4.6	4.4	(0.1)
<b>Non-current assets</b>	<b>30.5</b>	<b>29.2</b>	<b>(1.3)</b>
Property, plant and equipment	9.8	8.7	(1.0)
Intangible assets	9.8	9.9	0.1
Investments and other assets	10.9	10.6	(0.4)
<b>Liabilities</b>	<b>59.0</b>	<b>58.6</b>	<b>(0.4)</b>
<b>Current liabilities</b>	<b>46.3</b>	<b>45.2</b>	<b>(1.1)</b>
Accounts payable	5.2	5.0	(0.2)
Short-term loans payable	4.0	4.9	0.9
Accrued expenses	12.6	13.0	0.4
Accrued consumption taxes	6.2	3.2	(3.0)
Provision for bonuses	2.8	3.2	0.4
<b>Non-current liabilities</b>	<b>12.8</b>	<b>13.4</b>	<b>0.7</b>
Long-term loans payable	7.4	8.8	1.4
<b>Net assets</b>	<b>29.6</b>	<b>26.7</b>	<b>(2.9)</b>
<b>Shareholders' equity</b>	<b>20.5</b>	<b>19.2</b>	<b>(1.4)</b>
Valuation and translation adjustments	0.8	(0.2)	(1.0)
Non-controlling interests	8.3	7.8	(0.5)
<b>Equity stock ratio</b>	<b>24.1%</b>	<b>22.2%</b>	<b>(1.9)pt</b>

## Major Item of Increase/Decrease

### 【Cash and deposits】

Decline due to payments of consumption tax, etc.

### 【 Property, plant and equipment 】

Sales of Benefit One's facilities ¥(0.9) billion

### 【 Investments and other assets 】

Decrease in net defined benefit asset ¥(0.6) billion

### 【 Accrued consumption taxes 】

Decline due to payments of consumption tax ¥(3.0) billion

### 【 Capital surplus 】

¥0.1 billion

Effects of purchase of Benefit One treasury shares

Effects 100% consolidation of Bewith ¥(0.7) billion

¥(0.4) billion

### 【 Retained earnings 】

Profit attributable to owners of parent ¥0.2 billion

Cash dividends paid ¥(0.4) billion

### 【 Treasury shares 】

Effects of introduction of a Board Benefit Trust and J-ESOP ¥(0.1) billion

### 【 Valuation and translation adjustments 】

Decrease in remeasurements of defined benefit plans

¥(0.7) billion

### 【 Non-controlling interests 】

Effects of purchase of Benefit One treasury shares ¥(0.7) billion

Effects 100% consolidation of Bewith ¥(0.6) billion

# Cash Flows

## Major Item of Increase/Decrease

(Billions of yen)

Major Item of Increase/Decrease	FY14	FY15	Increase/Decrease
Cash flows from operating activities	8.6	0.5	(8.1)
Income before income taxes	3.2	3.9	0.7
Depreciation and amortization	2.6	3.3	0.7
Amortization of goodwill	0.9	1.0	0.1
Subsidy income	(0.1)	(0.1)	(0.1)
Decrease (increase) in notes and accounts receivable—trade	(0.3)	(2.0)	(1.7)
Increase (decrease) in accrued consumption taxes	4.3	(3.0)	(7.3)
Income tax paid	(2.1)	(2.4)	(0.3)
Cash flows from investing activities	(4.6)	(2.2)	2.5
Purchase of property, plant and equipment	(1.2)	(1.2)	0.1
Proceeds from sales of property, plant and equipment	0.0	0.9	0.9
Purchase of intangible fixed assets	(1.5)	(1.4)	0.2
Purchase of investment securities	(0.4)	(0.6)	(0.2)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(1.1)	(0.7)	0.4
Cash flows from financing activities	(2.0)	(2.0)	(0.0)
Proceeds from long-term loans payable	5.1	6.5	1.4
Repayment of long-term loans payable	(4.7)	(4.4)	0.3
Purchase of treasury shares	(0.1)	(0.5)	(0.4)
Proceeds from sales of treasury shares	0.0	0.5	0.5
Purchase of treasury shares of subsidiaries	0.0	(1.5)	(1.5)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	0.0	(1.1)	(1.1)
Cash and cash equivalents at the end of the period	18.0	20.3	2.3
Cash and cash equivalents at the end of the period	20.3	16.4	(3.9)
Free cash flows	3.9	(1.7)	(5.6)

### 【Profit before amortization】

¥8.2 billion (YoY+ ¥1.5 billion)

### 【Accrued consumption taxes】

Increase in payments due to the consumption tax hike  
¥(3.0) billion (-¥7.3 billion)

### 【Proceeds from sales of property, plant and equipment】

Sales of Benefit One facilities ¥0.9 billion

### 【investment securities】

Investment in Monster Lab. Inc. ¥(0.2) billion

### 【 Proceeds from long-term loans payable】

Procurement of long-term capital ¥6.5 billion

### 【Purchase of treasury shares and proceeds from sales of treasury shares】

Introduction of a Board Benefit Trust and J-ESOP

### 【Purchase of treasury shares of subsidiaries】

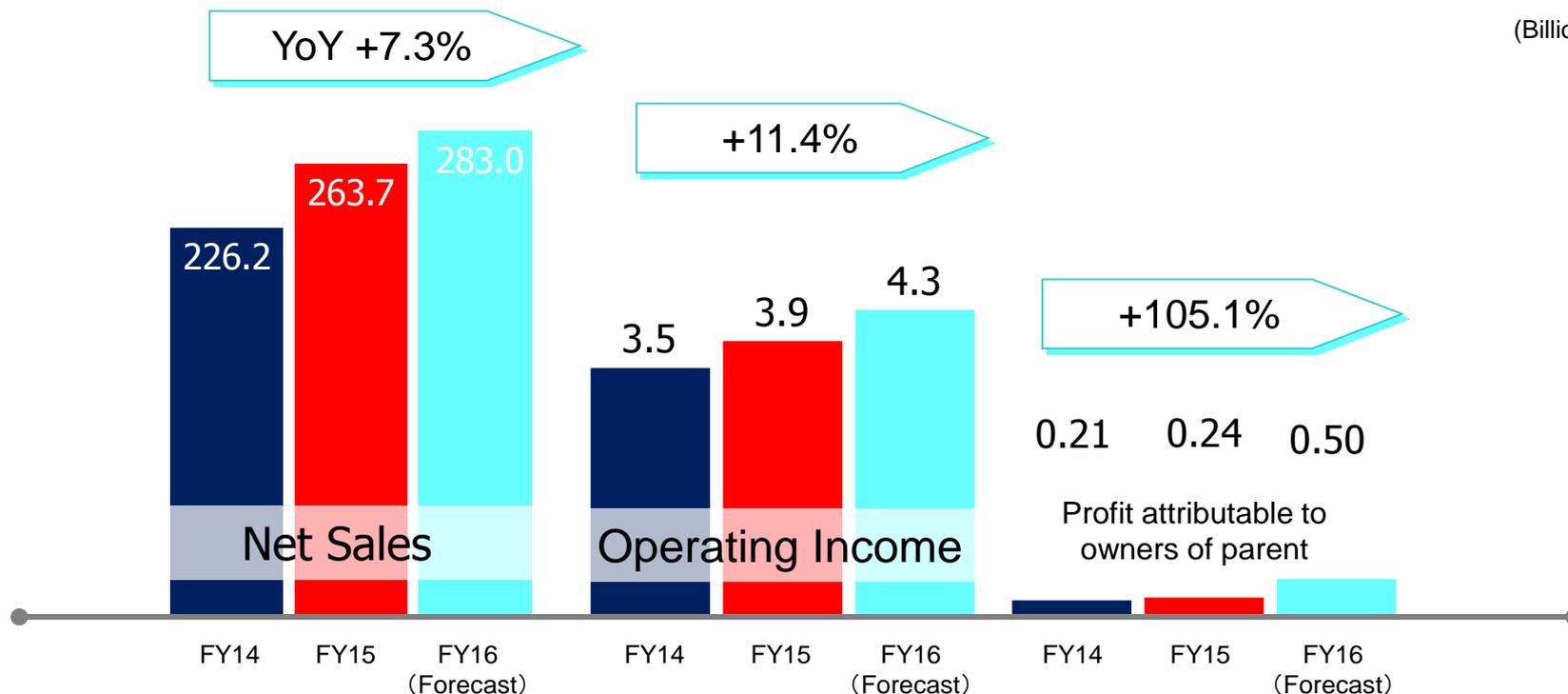
Purchase of Benefit One treasury shares  
¥(1.5) billion

# FY2016 Forecasts

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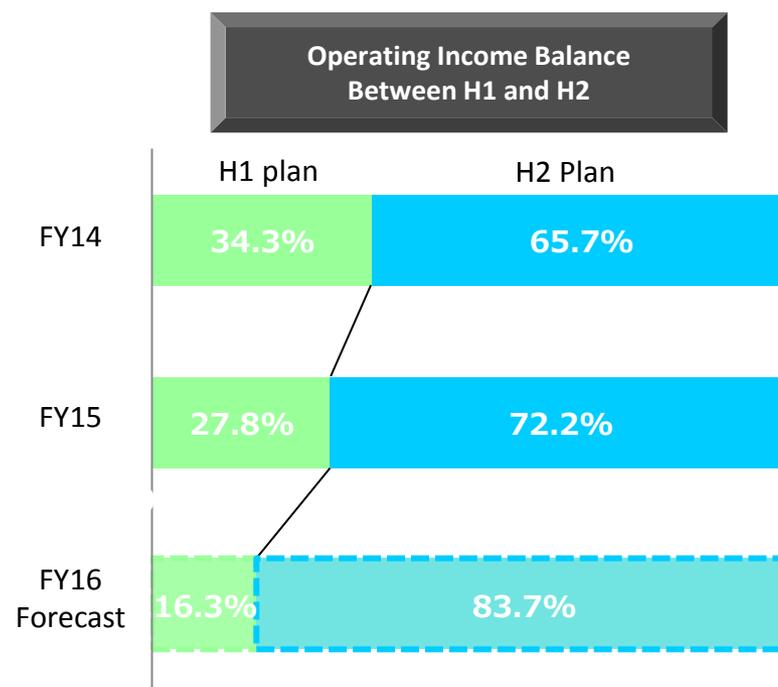
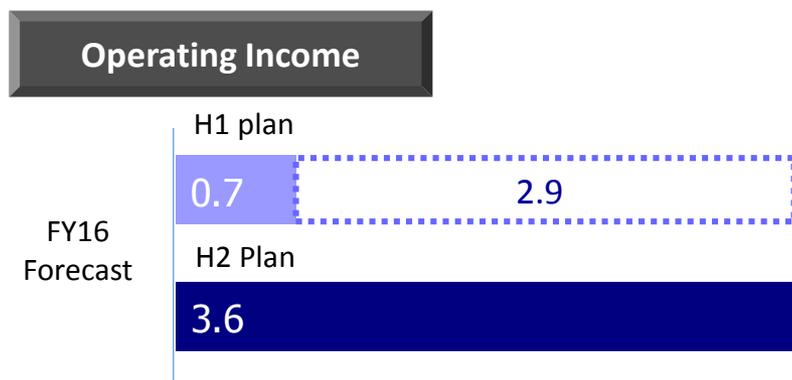
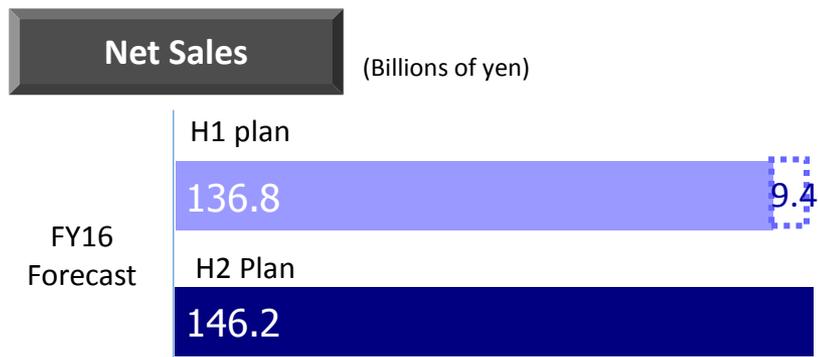
# FY2016 Consolidated Forecasts

(Billions of yen)



(Millions of yen)	FY14	to net sales %	FY15	to net sales %	FY16 Forecast	to net sales %	vs FY15 Increase/Decrease	YoY
Net sales	226,227	100.0	263,728	100.0	283,000	100.0	19,271	7.3%
Cost of sales	180,355	79.7	210,919	80.0	224,900	79.5	13,980	6.6%
Gross profit	45,871	20.3	52,808	20.0	58,100	20.5	5,291	10.0%
SG&A expenses	42,381	18.7	48,948	18.6	53,800	19.0	4,851	9.9%
Operating income	3,490	1.5	3,860	1.5	4,300	1.5	439	11.4%
Ordinary income	3,343	1.5	3,855	1.5	4,200	1.5	344	8.9%
Profit attributable to owners of parent	214	0.1	243	0.1	500	0.2	256	105.1%

# FY2016 Balance Between the First and Second Half



(Millions of yen)	FY15 H1	FY16 H1	to net sales	vsFY15 %	FY15 H2	FY16 H2	to net sales	vsFY15 %	FY15	FY16	to net sales	vsFY15 %
Net Sales	127,602	136,800	100.0	7.2%	136,125	146,200	100.0	7.4%	263,728	283,000	100.0	7.3%
Cost of sales	102,167	109,800	80.3	7.5%	108,752	115,100	78.7	5.8%	210,919	224,900	79.5	6.6%
Gross profit	25,435	27,000	19.7	6.2%	27,372	31,100	21.3	13.6%	52,808	58,100	20.5	10.0%
SG&A expenses	24,362	26,300	19.2	8.0%	24,585	27,500	18.8	11.9%	48,948	53,800	19.0	9.9%
Operating income	1,072	700	0.5	(34.7)%	2,787	3,600	2.5	29.1%	3,860	4,300	1.5	11.4%
Ordinary income	977	600	0.4	(38.6)%	2,878	3,600	2.5	25.1%	3,855	4,200	1.5	8.9%
Profit(Loss) attributable to owners of parent	(334)	(700)	-	-	577	1,200	0.8	107.6%	243	500	0.2	105.1%

# FY2016 Consolidated Forecasts by Segment

(Millions of yen)

Segment	Sales				Operating income (loss)				Operating income margin		
	FY15	FY16 Forecast	VS FY15 Increase/Decrease	VS FY15 %	FY15	FY16 Forecast	VS FY15 Increase/Decrease	VS FY15 %	FY15	FY16 Forecast	VS FY15 Increase/Decrease
Expert Services	132,588	141,660	9,071	6.8%	1,959	2,270	310	15.9%	0.9%	1.0%	+0.1%pt
Insourcing	73,417	76,580	3,162	4.3%							
HR Consulting, others	6,044	6,770	725	12.0%							
Global Sourcing	6,180	6,870	689	11.2%							
Subtotal	218,231	231,880	13,648	6.3%							
Career Solutions	16,265	16,250	(15)	(0.1)%	2,904	2,040	(864)	(29.8)%	17.9%	12.6%	(5.3)%pt
Outsourcing	26,229	30,670	4,440	16.9%	4,276	5,250	973	22.8%	16.3%	17.1%	+0.8%pt
Life Solutions Public Solutions	5,618	6,370	751	13.4%	(477)	(160)	317	-	-	-	-
Eliminations and Corporate	(2,617)	(2,170)	447	-	(4,802)	(5,100)	(297)	-	-	-	-
Consolidated	263,728	283,000	19,271	7.3%	3,860	4,300	439	11.4%	1.5%	1.5%	+0.1%pt

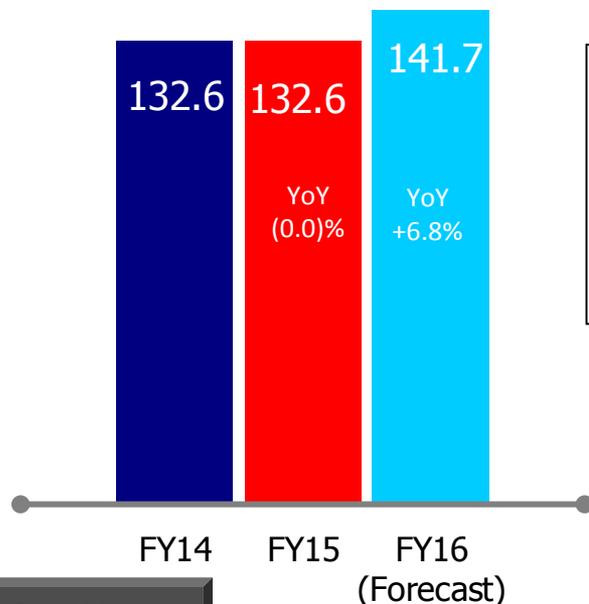
# Expert Services (Temporary staffing)

## Net Sales

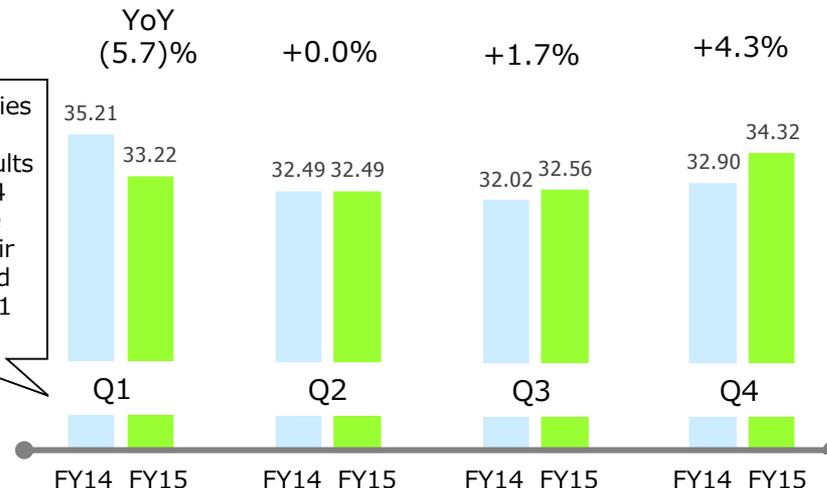
※ Segment figures include intersegment sales

## Sales Trends

(Billions of yen)



Some subsidiaries combined five-month results in Q1 FY2014 following the change of their fiscal year end from March 31 to May 31.



## Business Conditions

- **FY16 (plan)**
  - Orders for and number of staff on the job are on an increasing trend, planning for growth in revenues in part because of the contribution of Pasona OGXA Inc.
  - Continuing to strengthen career consulting, focusing on training of personnel in specialized fields such as IT
- **Towards 2020**
  - Focusing on raising the level of sophistication and specialization of human resources through M&A and training

## Sales by Staffing Type

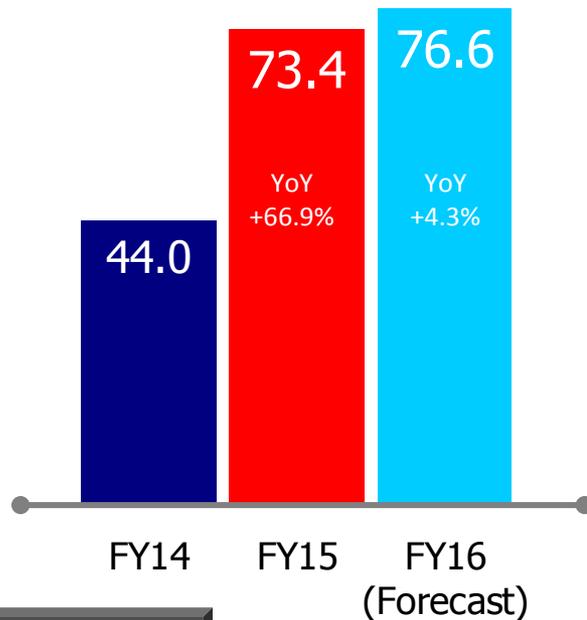
※ Figures exclude intersegment sales

	FY14 (Composition)		FY15 (Composition)		YoY	Exclude two-month results impact
Clerical	67,920	51.3	68,733	52.0	+1.2%	+1.2%
Technical	33,420	25.3	34,134	25.8	+2.1%	+2.1%
IT engineering	19,839	15.0	18,957	14.3	(4.4)%	+4.0%
Sales and Marketing	5,824	4.4	5,578	4.2	(4.2)%	+5.4%
Other Expert Services	5,316	4.0	4,821	3.7	(9.3)%	(8.4)%
<b>Total</b>	<b>132,320</b>	<b>100.0</b>	<b>132,224</b>	<b>100.0</b>	<b>(0.1)%</b>	<b>+1.6%</b>

# Insourcing (Contracting)

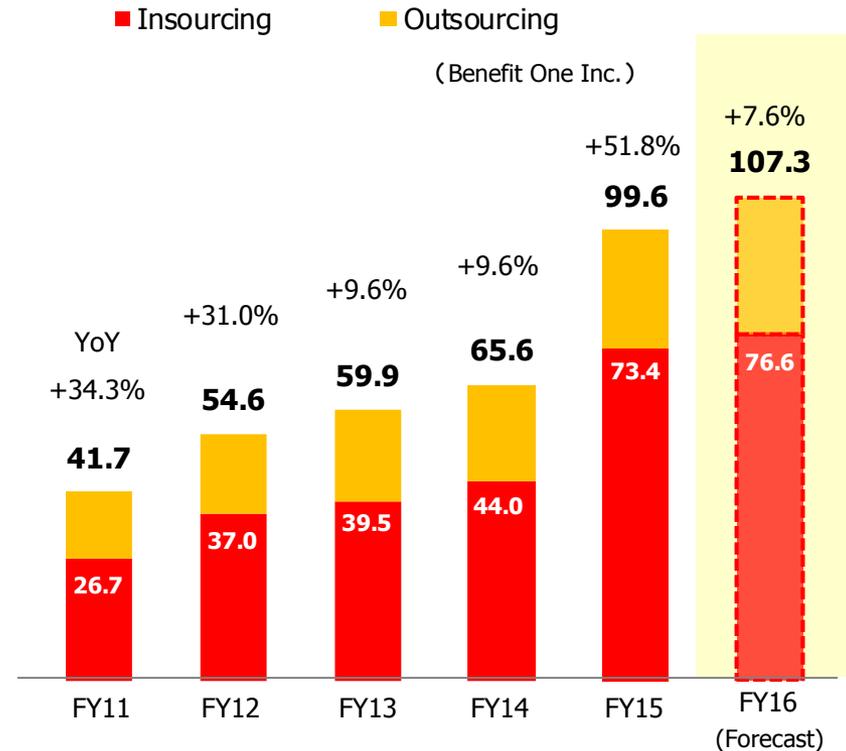
## Net Sales

(Billions of yen)



## BPO Sales

(Billions of yen)



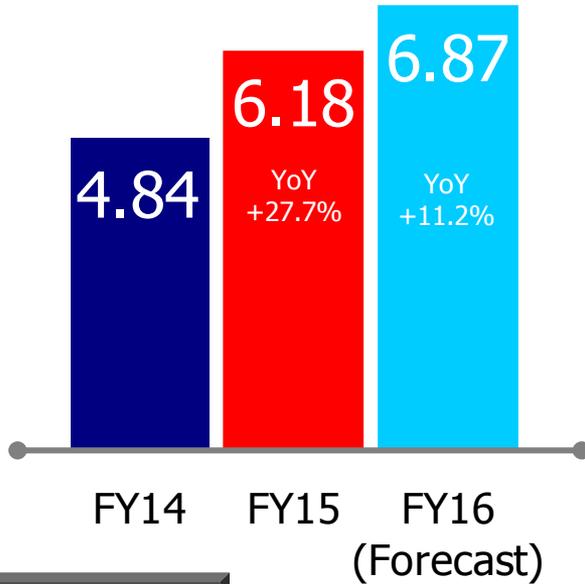
## Business Conditions

- **FY16 (plan)**
  - Proposing optimum human resource portfolio through combining temporary staffing and business process outsourcing (BPO), etc.
  - Continuing to strengthen and expand public affairs work, working to increase gross profit margin
- **Towards 2020**
  - Focus on developing BPO menu suited to social environment and creating the market
  - Going forward, will strengthen as a strategic segment

# Global Sourcing (overseas)

## Net Sales

(Billions of yen)



## Business Conditions

- **FY16 (plan)**
  - In the United States, strengthening cross-border personnel recruiting
  - In the ASEAN region, aiming to structure a comprehensive business portfolio combining temporary staffing and recruiting as well as educating and training
- **Towards 2020**
  - Structure a balanced portfolio and develop human resource services that link overseas and Japan

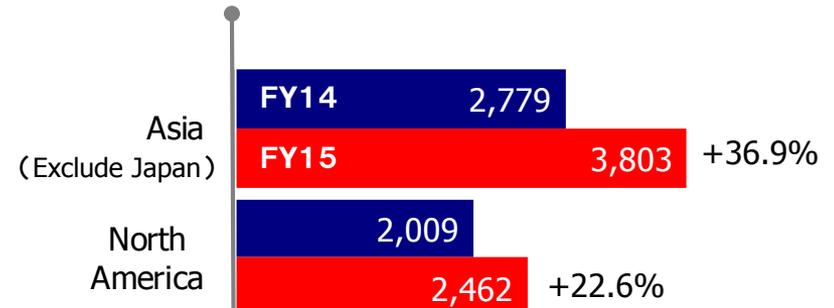
## Sales by Business Segment

(Millions of yen)

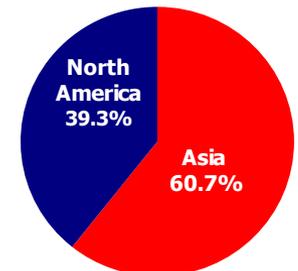
	FY14	FY15	YoY
Temporary Staffing	1,738	2,473	42.3%
Placement / Recruiting	1,740	2,001	15.0%
Contracting (Payroll, others)	944	1,167	23.6%
Others	417	537	28.9%
<b>Total</b>	<b>4,840</b>	<b>6,180</b>	<b>27.7%</b>

## Sales by Region

(Millions of yen)



Sales composition

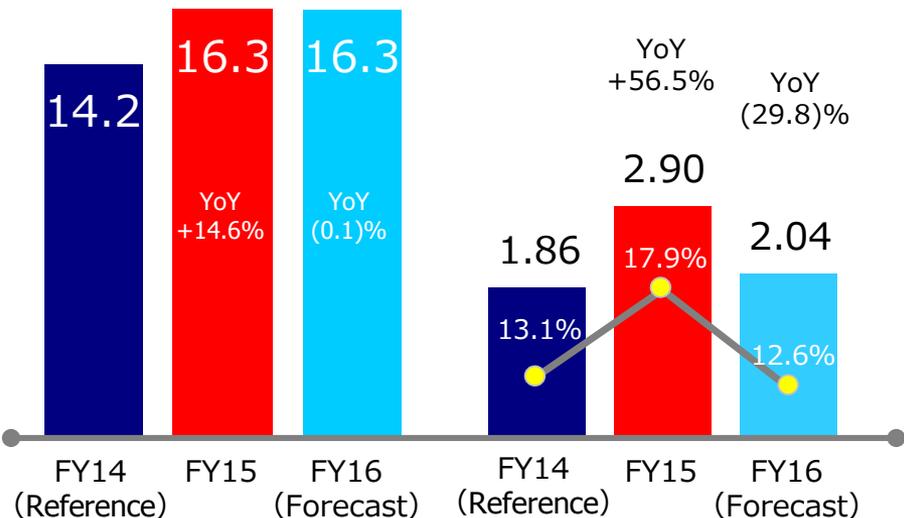


# Career Solutions (Placement/Recruiting, Outplacement)

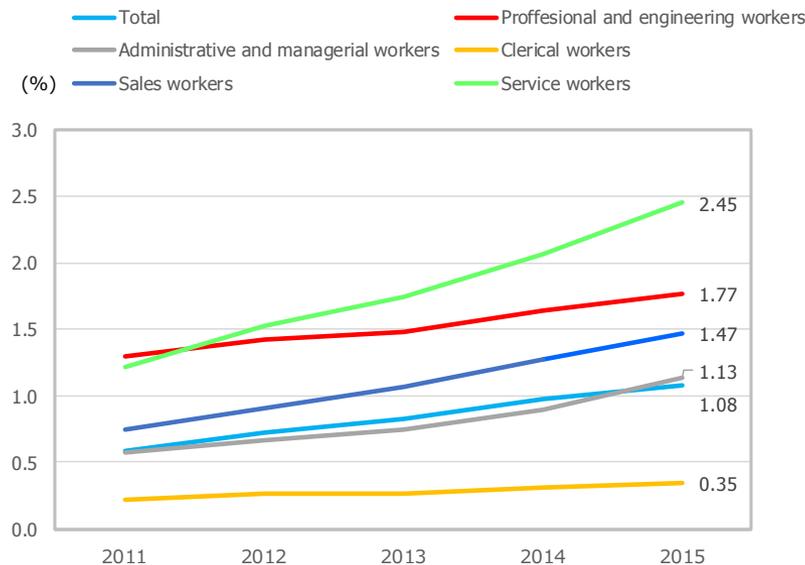
## Net Sales

## Operating Income, Operating Income Margin

(Billions of yen)



## Active opening ratio by occupation (Full-time employees including part-time workers)



Source: Report on Employment Service, Ministry of Health, Labor and Welfare (extracted data for selected occupations)

## Business Conditions

### Placement / Recruiting

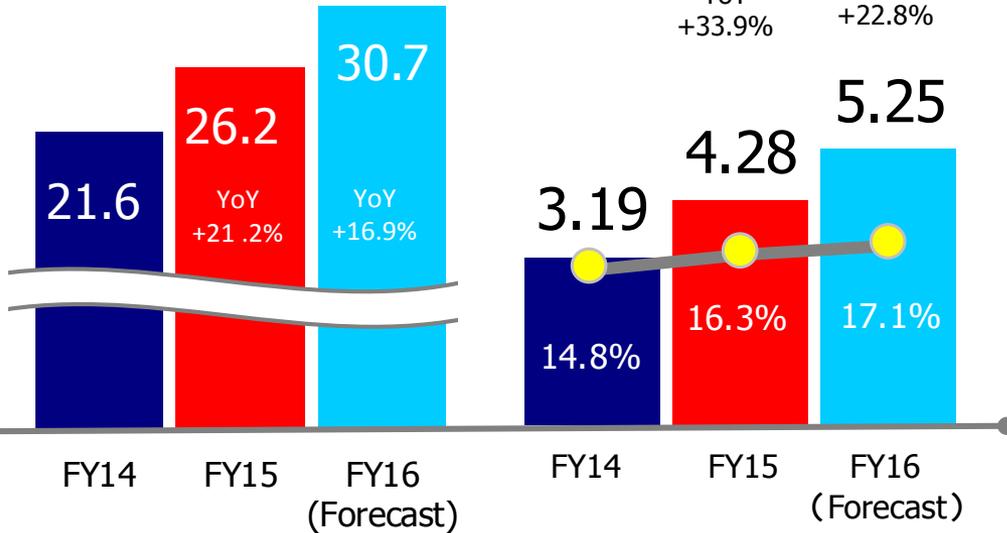
- **FY16 (plan)**
  - Strengthening recruiting of IT engineers, who are now in strong demand
  - Responding to demand for female managerial-level personnel, supporting development and retention on the job
- **Towards 2020**
  - As needs of corporations become more diverse, not just recruiting but also increasing value-added services for retention on the job and training

### Outplacement

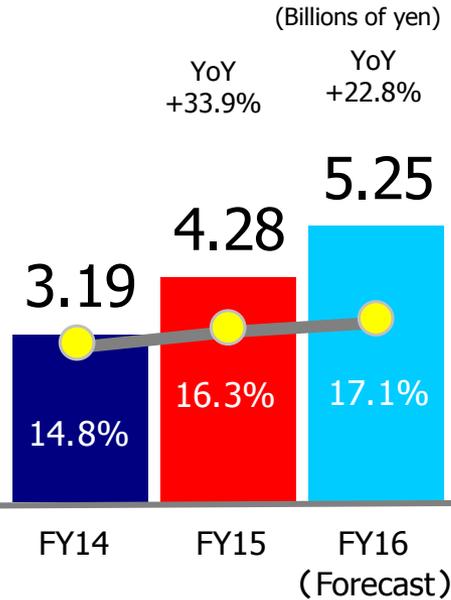
- **FY16 (plan)**
  - Satisfying firm demand for introduction as employee fringe benefit for companies
  - Raise efficiency while maintaining service quality and network
- **Towards 2020**
  - Developing service menu to meet needs, including second career related, to spread the use and retention of the services as one of the employee fringe benefits for companies

# Outsourcing (Benefit One Inc.)

## Net Sales

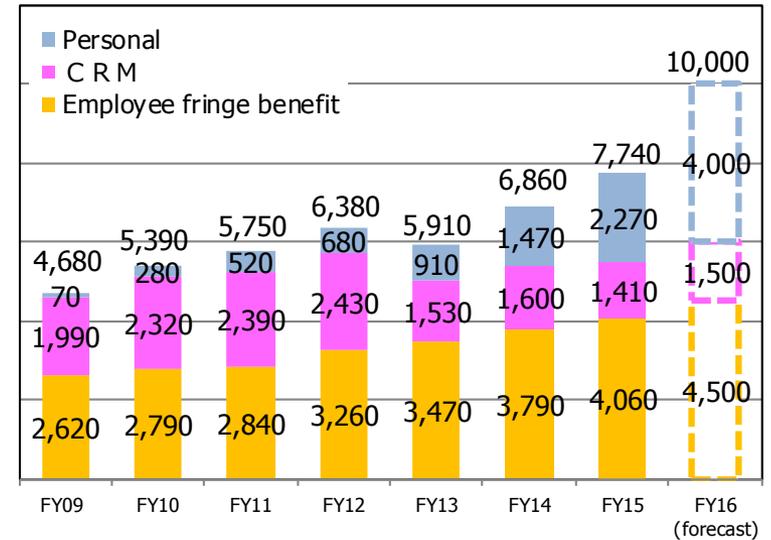


## Operating Income, Operating Income Margin



## Benefit One Membership

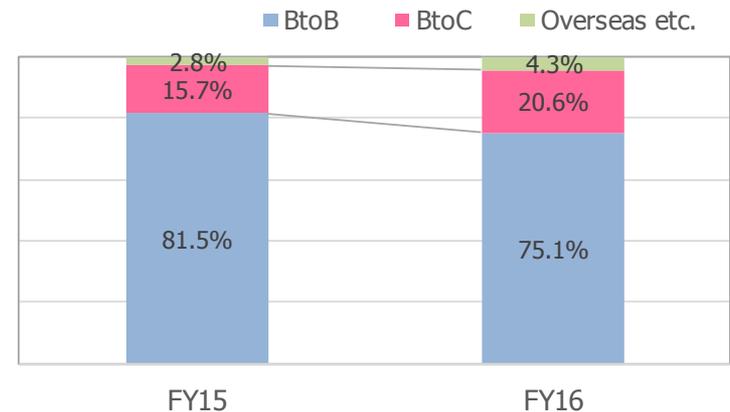
(Thousands people)



## Business Conditions

- **FY16 (plan)**
  - Accelerate development of new customers through efficient marketing
  - Aim for major increase in members through expanded collaboration in the Personal Business to drive growth
- **Towards 2020**
  - Focus on B-to-C market and aim for 30 million members

## Sales Composition



# Returns to Shareholders

## Dividend Policy

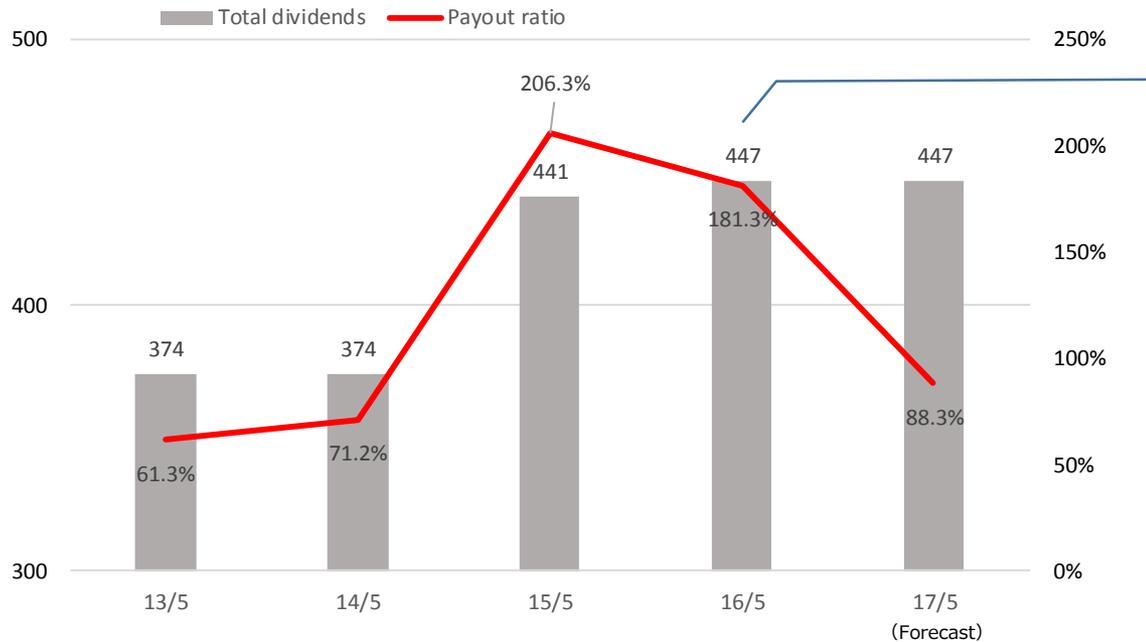
Basic policy to deliver adequate returns to shareholders while taking into consideration performance; while at the same time providing continuous and stable dividends

## Dividends

Plan to pay **¥12** per share for the fiscal year ending May 31, 2017

- FY2015 Dividend per share      **¥12**                      Interim —      Period-End    **¥12**
- FY2016 Dividend forecast per share    **¥12**                      Interim —      Period-End    **¥12**

(Millions of yen)



Effects of introduction of a Board Benefit Trust and J-ESOP  
+¥5.8 million

# Reference

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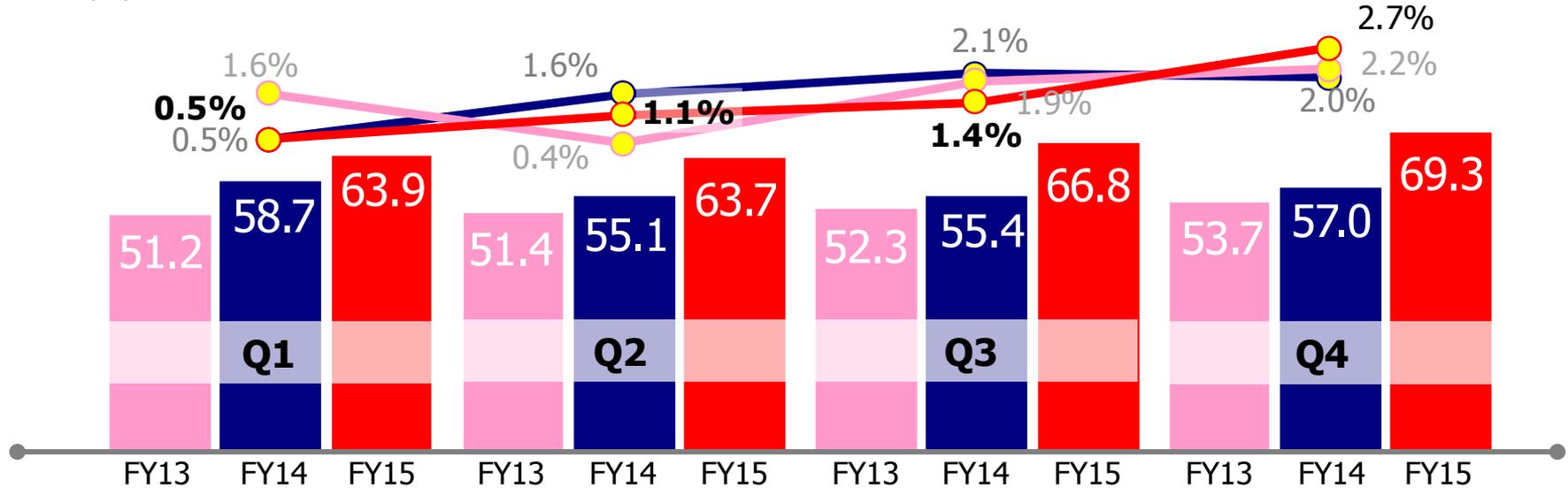
# Quarterly Earnings Trends

## Net Sales

(Billions of yen)

## Operating Income Margin

- Operating Income Margin FY13
- Operating Income Margin FY14
- Operating Income Margin FY15



(Millions of yen)

	Q1 (June to August)					Q2 (September to November)					Q3 (December to February)					Q4 (March to May)				
	FY13	FY14	YoY	FY15	YoY	FY13	FY14	YoY	FY15	YoY	FY13	FY14	YoY	FY15	YoY	FY13	FY14	YoY	FY15	YoY
Net sales	51,212	58,727	+14.7%	63,891	+8.8%	51,406	55,078	+7.1%	63,710	+15.7%	52,319	55,379	+5.8%	66,827	+20.7%	53,721	57,042	+6.2%	69,297	+21.5%
Gross profit	10,032	11,450	+14.1%	13,412	+17.1%	9,377	11,010	+17.4%	12,023	+9.2%	10,133	11,319	+11.7%	13,041	+15.2%	10,695	12,090	+13.0%	14,331	+18.5%
SG&A expenses	9,197	11,130	+21.0%	13,061	+17.4%	9,174	10,135	+10.5%	11,300	+11.5%	9,125	10,180	+11.6%	12,111	+19.0%	9,531	10,934	+14.7%	12,473	+14.1%
Operating income	834	320	(61.6)%	350	+9.5%	203	875	+330.5%	722	(17.5)%	1,008	1,139	+12.9%	929	(18.4)%	1,163	1,155	(0.7)%	1,857	+60.8%
Ordinary income	798	286	(64.2)%	256	(10.2)%	163	832	+410.3%	720	(13.5)%	995	1,132	+13.8%	956	(15.6)%	1,178	1,092	(7.3)%	1,921	+76.0%
Profit (Loss) attributable to owners of parent	103	(253)	-	(323)	-	(128)	97	-	(10)	-	37	163	+335.8%	(119)	-	513	206	(59.8)%	697	+237.6%
Gross profit margin	19.6%	19.5%	(0.1)pt	21.0%	+1.5pt	18.2%	20.0%	+1.8pt	18.9%	(1.1)pt	19.4%	20.4%	+1.0pt	19.5%	(0.9)pt	19.9%	21.2%	+1.3pt	20.7%	(0.5)pt
SG&A expense ratio	18.0%	19.0%	+1.0pt	20.4%	+1.4pt	17.8%	18.4%	+0.6pt	17.7%	(0.7)pt	17.4%	18.4%	+1.0pt	18.1%	(0.3)pt	17.7%	19.2%	+1.5pt	18.0%	(1.2)pt
Operating income margin	1.6%	0.5%	(1.1)pt	0.5%	+0.0pt	0.4%	1.6%	+1.2pt	1.1%	(0.5)pt	1.9%	2.1%	+0.2pt	1.4%	(0.7)pt	2.2%	2.0%	(0.2)pt	2.7%	+0.7pt
Ordinary income margin	1.6%	0.5%	(1.1)pt	0.4%	(0.1)pt	0.3%	1.5%	+1.2pt	1.1%	(0.4)pt	1.9%	2.0%	+0.1pt	1.4%	(0.6)pt	2.2%	1.9%	(0.3)pt	2.8%	+0.9pt
Profit attributable to owners of parent margin	0.2%	-	-	-	-	-	0.2%	-	-	-	0.1%	0.3%	+0.2pt	-	-	1.0%	0.4%	(0.6)pt	1.0%	+0.6pt

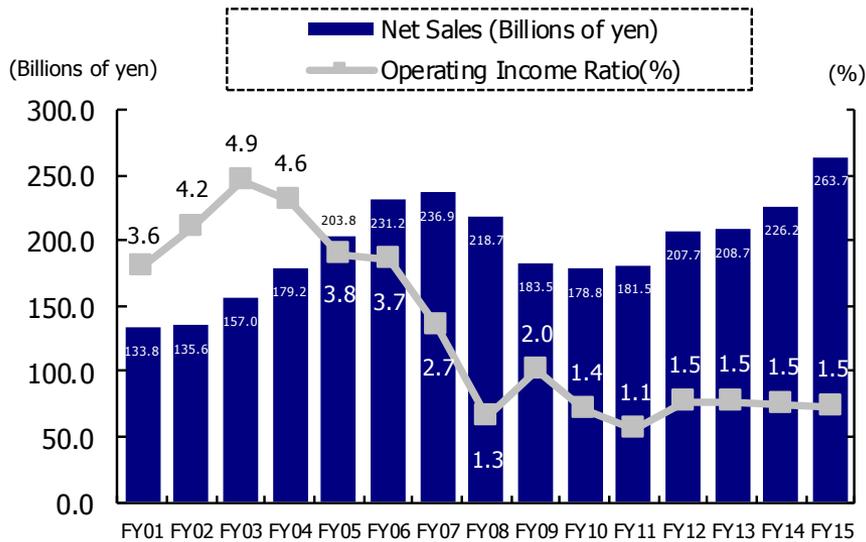
# Quarterly Earnings Trends by Segment

(Millions of yen)

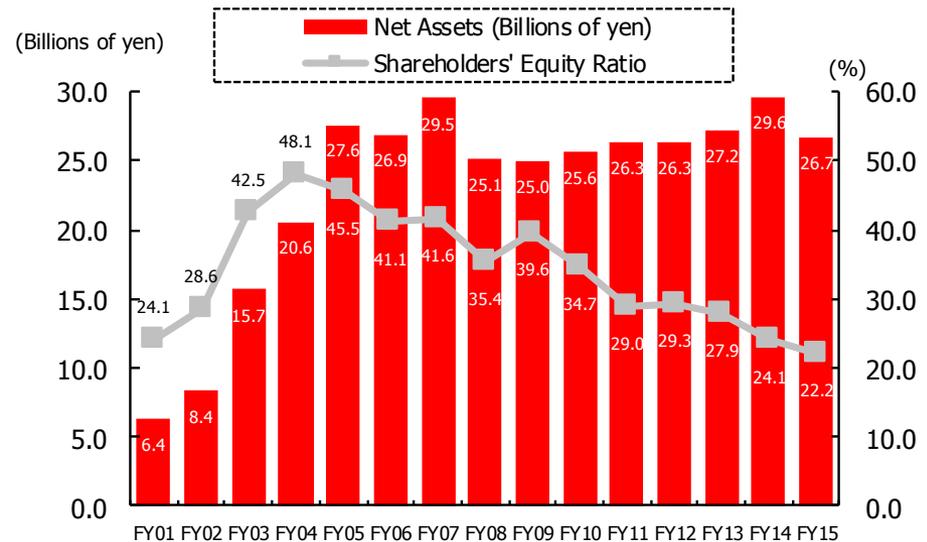
Segment	Sales								Operating income (loss)							
	Q1 FY14	Q2 FY14	Q3 FY14	Q4 FY14	Q1 FY15	Q2 FY15	Q3 FY15	Q4 FY15	Q1 FY14	Q2 FY14	Q3 FY14	Q4 FY14	Q1 FY15	Q2 FY15	Q3 FY15	Q4 FY15
Expert Services (Temporary Staffing)	35,211	32,486	32,022	32,901	33,221	32,487	32,562	34,317								
Insourcing (Contracting)	11,372	10,990	11,127	10,495	16,925	17,450	19,620	19,421								
HR Consulting, others	1,356	1,335	1,426	1,418	1,504	1,420	1,698	1,421	472	882	710	418	325	430	330	872
Global Sourcing (Overseas)	1,088	1,149	1,245	1,357	1,420	1,389	1,645	1,725								
Subtotal	49,028	45,961	45,821	46,172	53,070	52,747	55,527	56,885								
Career Solutions (Placement/Recruiting, Outplacement)	3,386	3,412	3,380	4,017	4,032	4,235	3,865	4,132	335	379	356	784	794	834	479	796
Outsourcing	4,852	5,083	5,565	6,142	5,971	5,981	6,719	7,557	572	615	1,047	957	641	840	1,382	1,412
Life Solutions Public Solutions	1,926	1,119	1,101	1,286	1,342	1,392	1,377	1,505	(58)	24	(11)	(14)	(192)	(164)	(116)	(5)
Eliminations and Corporate	(465)	(499)	(489)	(576)	(524)	(646)	(662)	(783)	(1,001)	(1,027)	(963)	(991)	(1,218)	(1,218)	(1,146)	(1,218)
Total	58,727	55,078	55,379	57,042	63,891	63,710	66,827	69,297	320	875	1,139	1,155	350	722	929	1,857

# Full-Year Key Indicators

## 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	'15/05	'16/05
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	226,227	263,728
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%	20.3%	20.0%
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	42,381	48,948
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%	18.7%	18.6%
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	3,490	3,860
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%	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	3,343	3,855
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%	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	214	243
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%	0.1%	0.1%
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	88,641	85,356
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	29,620	26,735
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%	24.1%	22.2%
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%	125.6%	124.3%
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	6,584	7,144

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.

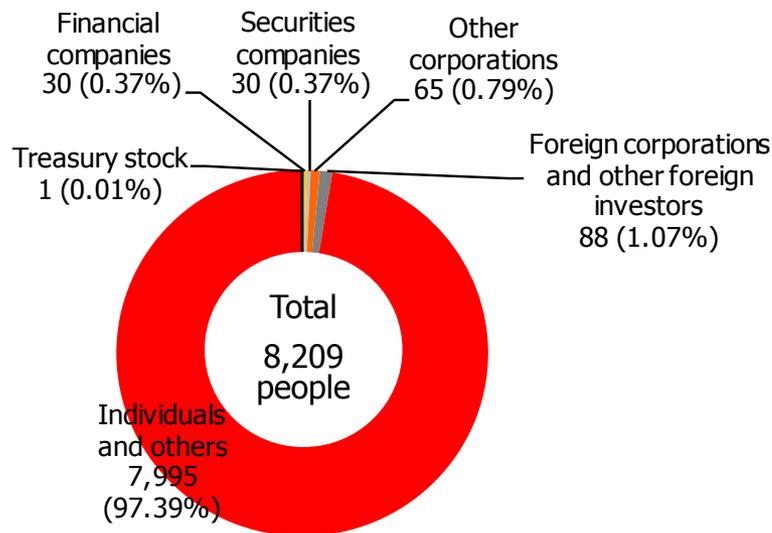
2. Despite changes in calculation methods for net assets following the introduction of changes to accounting standards and policies, the shareholders' equity ratio since the fiscal year ended May 31, 2006 is calculated utilizing an amount equivalent to net assets applicable to common shares.

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.

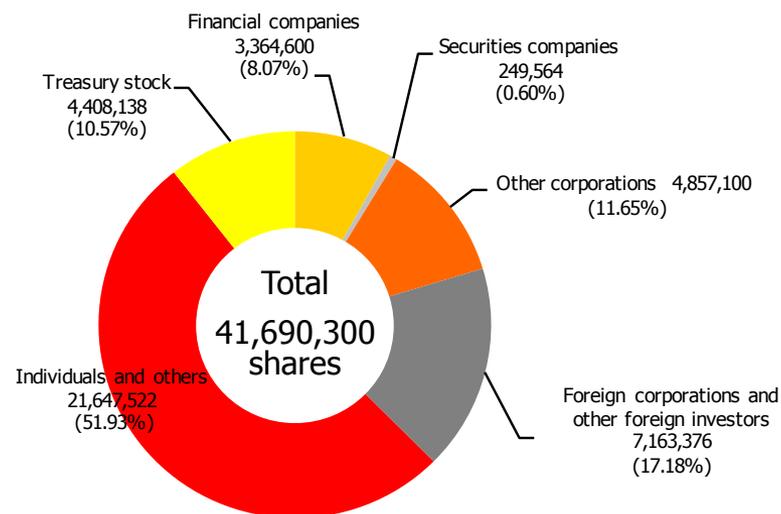
4. Profit attributable to owners of parent for FY15 is equal to net income for FY01-14.

# Stock Information (As of May 31, 2016)

## 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.	4,408,138	10.57%
Nambu Enterprise Inc.	3,737,800	8.97%
Goldman Sachs International	2,078,862	4.99%
BNYM TREATY DTT 10	1,341,800	3.22%
Credit Suisse AG Hong Kong Trust A/C Client	1,227,000	2.94%
The Master Trust Bank of Japan, Ltd (Trust Account)	711,300	1.71%
Pasona Group Employees' Shareholding Association	689,300	1.65%
Trust & Custody Services Bank, Ltd. (Trust Account E)	485,000	1.16%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	433,800	1.04%

The Company's treasury stock (4,408,138 shares, 10.57% 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.

# Group Companies (by segment)

## Expert Services, Insourcing HR Consulting, Education and Training, Others

Pasona Inc.	KIS Co.,Ltd.	
Pasona Tech, Inc.	CAPLAN Corporation	
Pasona Okayama Inc.	YASKAWA BUSINESS STAFF CORPORATION	
PASONA LOGICOM Inc.	Bewith, Inc.	
Pasona Marketing, Inc.	Asahi Beer Communications Co, Ltd.	
Pasona Agri-Partners Inc.	Pasona Medical Inc.	
ECOLOVE Inc.	Pasona Panasonic Business Service Co.,Ltd	
Nihon Employment Creation Organization Inc.		
Pasona Tech Systems Inc.	e-Staffing Co., Ltd.*	
Shin nihon kogyo Co.,Ltd.	Pasona Knowledge Partner Inc.	
Pasona Tquila Inc.	Pasona Cyber Lab, Inc.*	
Pasona OGXA Inc.		Other

## Global Sourcing

Pasona N A, 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	
Pasona India Private Limited	PT. Dutagriya Sarana	
MGR Consulting Co., Ltd.		
Pasona Human Resources (Shanghai) Co., Ltd.		
Pasona HR Consulting Recruitment (Thailand) Co., Ltd.		
Pasona Tech Vietnam Co., Ltd.		
Pasona HR Malaysia Sdn. Bhd.		Other

## Career Solutions

Pasona Inc.	Pasona Fortune Inc.	Other
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## Outsourcing

Benefit One Inc.  
 Benefit one Health care Inc.  
 Benefit One Solutions Inc.  
 Benefit One Payroll Inc.  
 Benefit One Asia Pte. Ltd.  
 Benefit One Shanghai Inc.  
 Benefit One USA, Inc.  
 Benefit One (Thailand) Co., Ltd.  
 PT. BENEFIT ONE INDONESIA  
 Benefit One Deutschland GmbH  
 Chungwa Benefit One Co., Ltd.\*  
 National Examination Center Inc.\*

## Life Solutions

Pasona Foster Inc.  
 Pasona Life Care Inc.

## Public Solutions

Pasona Heartful Inc.  
 Pasona Furusato Incubation Inc.  
 Tango Kingdom Inc.  
 Pasona Tohoku Sousei Inc. Others

● Consolidated subsidiaries 58  
 Equity-method affiliates 4\*

(As of May 31, 2016)

# Corporate Data

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 Global Sourcing (Overseas) Career Solutions (Placement/Recruiting, Outplacement ) Outsourcing Life Solutions, Public Solutions	
<b>Number of Employees</b>	8,550 (Consolidated, including contract workers)	
<b>Consolidated Group Companies</b>	Subsidiaries 58 , Affiliates 4	
<b>URL</b>	<a href="http://www.pasonagroup.co.jp/english/">www.pasonagroup.co.jp/english/</a>	

(As of May 31, 2016)