

II. Segment Results and Outlook

- 1) Temporary staffing services
- 2) Personnel placement services
- 3) Outplacement services
- 4) Outsourcing services
- 5) Other services

*Pasona Group did not report results by segment during the last fiscal year (ended May 2002). For this fiscal year, however, we are reporting results based on the following four categories, considering the relative markets and service content for each segment. The four categories are as follows: “Temporary staffing service and personnel placement services,” “Outplacement services,” “Outsourcing services,” and “Other services.” This new organization allows us to provide more accurate and useful information regarding the “Outplacement services” segment, reflecting its increasing importance to the company, and that new capital spending on the segment is being carried out.

1) Temporary staffing services - Trends in long-term staff, orders, and contract starts

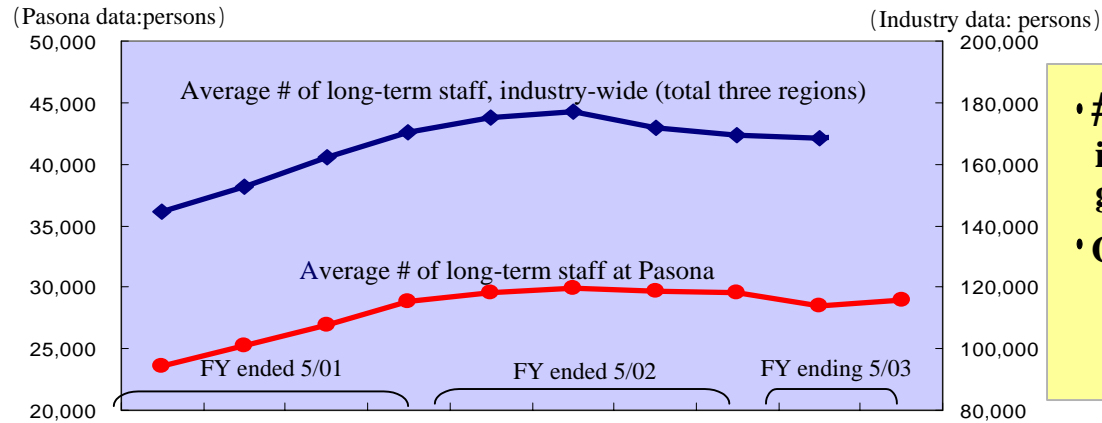
Long-term staff

of long-term staff at Pasona

* Average number of workers with contracts longer than one month (parent-only)

Industry-wide # of long-term staff

* Data from the Japan Temporary Staffing Association members (major companies with locations in the Tokyo metropolitan area, Nagoya and Osaka regions) for number of long-term staff

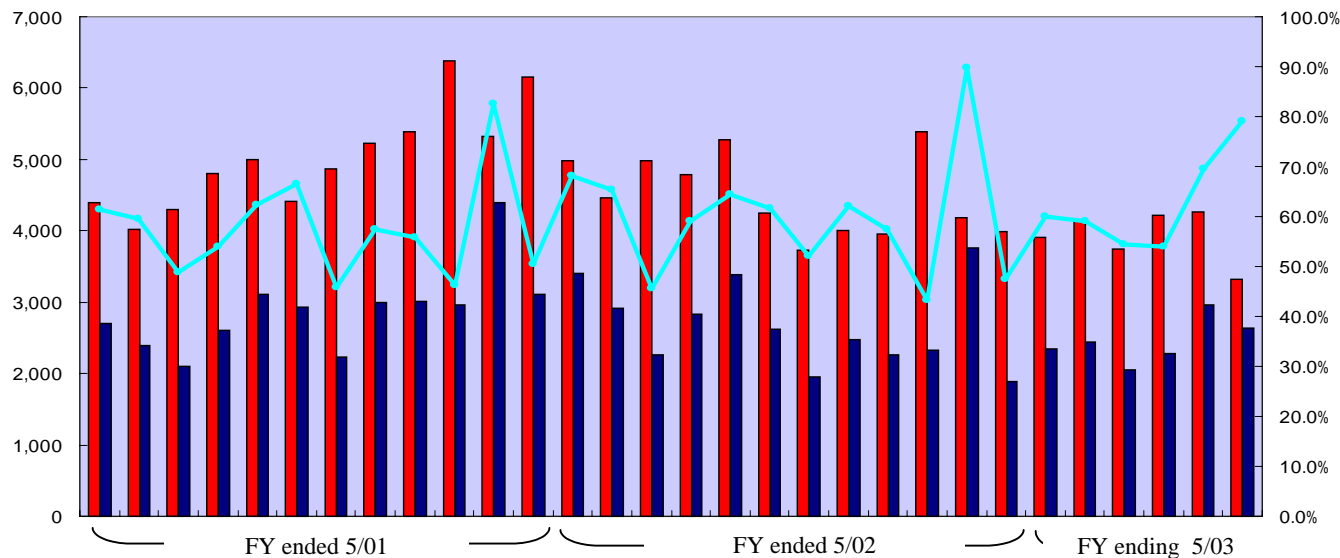


• # of long-term staff in 2Q turned to positive growth compared with 1Q
• Orders were low, with contract starts on a slight upward trend

	Fiscal year ended May 2001				Fiscal year ended May 2002				Fiscal year ending May 2003			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	YoY	2Q	YoY
Pasona	23,598	25,207	26,966	28,819	29,553	29,883	29,697	29,564	28,527	(3.5%)	28,994	(3.0%)
Industry-wide	144,408	152,906	162,387	170,308	175,137	176,935	171,604	169,356	168,568	(3.8%)	-	-

Long-term orders and contract starts

of Long-term Orders (A) # of Long-term contract starts (B)
Start rate (B ÷ A)



*Half year average

Monthly # of long-term orders	
11/00	4,489
11/01	4,787 (+ 6.6%)
11/02	3,938 (- 17.7%)

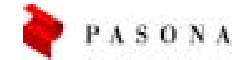
*Half year average

Monthly # of long-term orders started	
11/00	2,642
11/01	2,903 (+ 9.9%)
11/02	2,453 (- 15.5%)

*Half year average

Monthly start rate	
11/00	58.9%
11/01	60.6% (+ 1.8%)
11/02	62.3% (+ 1.6%)

1) Temporary staffing services - Trends in contracts terminated and contract unit prices

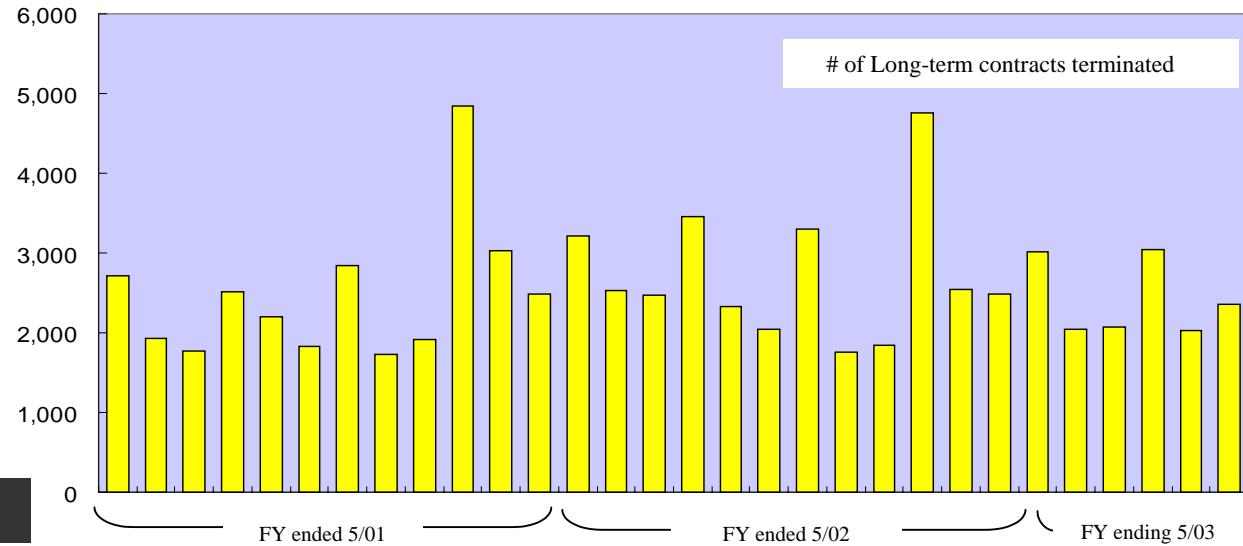


Contract terminations

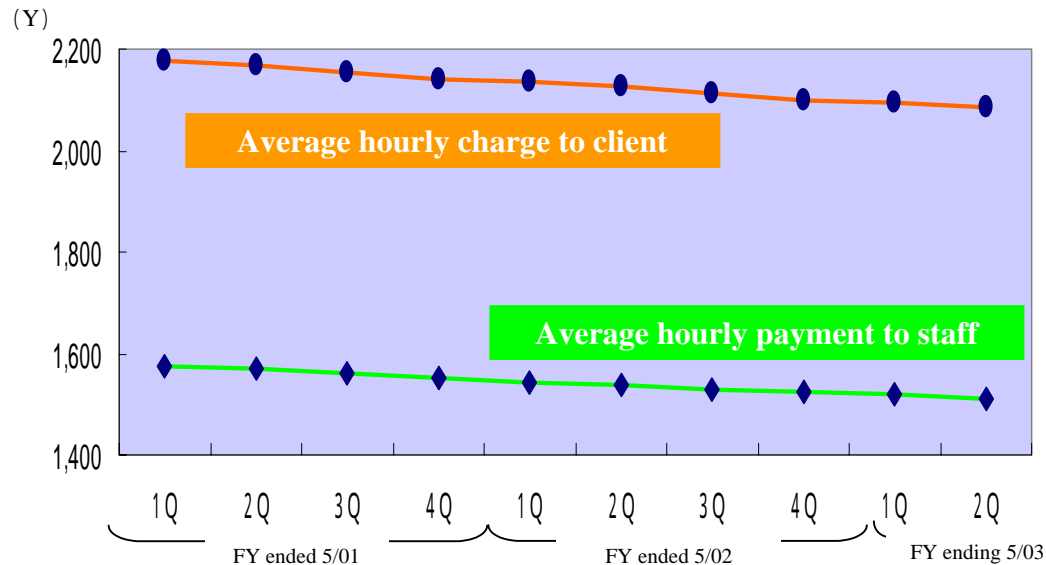
*Half year average

Monthly # of contract terminations	
11/00	2,159
11/01	2,673 (+ 23.8%)
11/02	2,425 (- 9.3%)

(# of contracts)



Contract unit prices (parent-only)



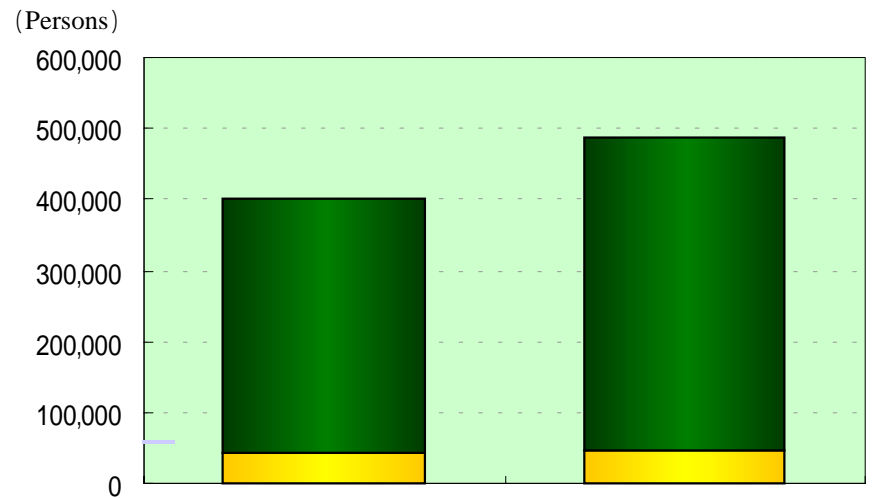
	Requested price		Paid price	
11/00	Y2,172		Y1,517	
11/01	Y2,130	(- 1.9%)	Y1,542	(- 1.9%)
11/02	Y2,090	(- 1.9%)	Y1,515	(- 1.7%)

*Quarterly average

- Contract termination has decreased
- Slight downward trend continues in contract unit prices

1) Temporary staffing services - Staff recruitment and registration efforts

Registered staff



*Consolidated

	11/01	11/02	YoY
New registered staff	44,206	47,295	+7.0%
Total registered staff	402,540	440,873	+9.5%

Advertisements for staff recruitment using the Audrey Hepburn image



Strengthening specialized staffing divisions:
(Staffing for financial, foreign-affiliated firms, and promotion work)

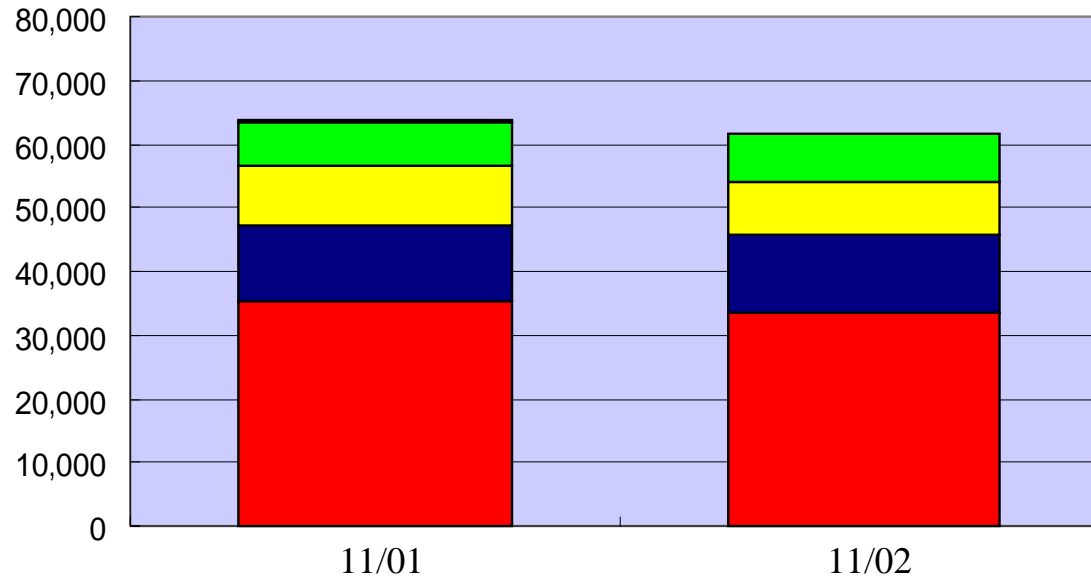
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Accelerating growth in number of staff registering over the Internet

1) Temporary staffing services - Sales by staffing type

Sales

(millions of yen)



**Decline in clerical staff
Increase in technical staff**

**IT/Engineering Staff:
Temporary slowdown in
low-end staffing demand**

**Other Staff:
Continued favorable sales
growth, mainly in new
deregulated areas**

	11/01	11/02	YoY	5/02
Clerical	35,491	33,689	5.1%	70,178
Technical	11,592	12,068	+4.1%	23,427
IT/Engineering	9,448	8,169	13.5%	18,947
Other	7,136	7,787	+9.1%	15,069

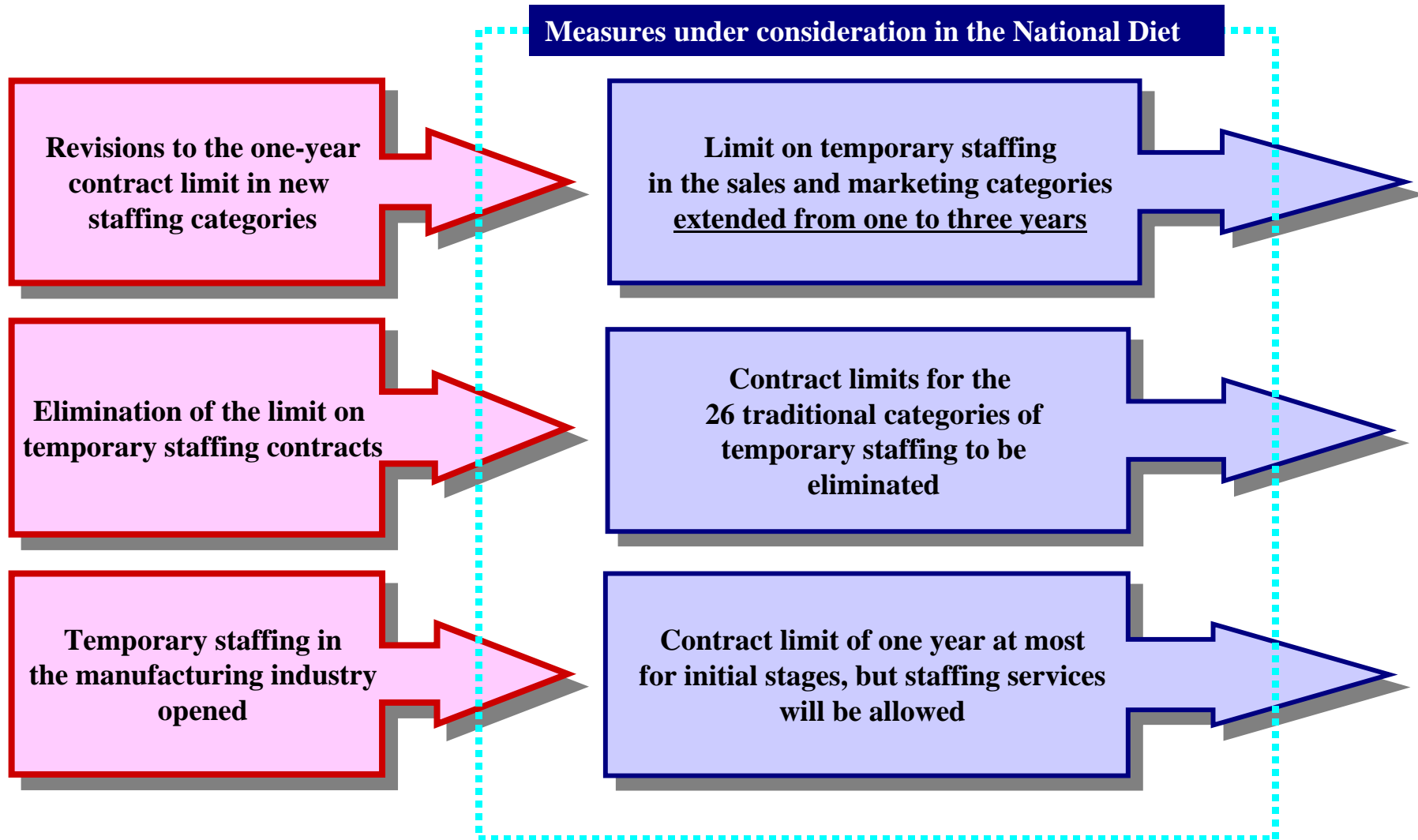
Clerical (Standard office work) staffing features various temporary jobs for standard office work, covering all fields of office staffing necessary for any industry.

Technical (Specialized office work) includes positions in accounting, English document operation, financial planning, insurance and securities work, and translation and interpretation. This work requires a comparatively high level of skill or certifications.

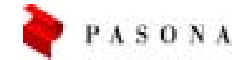
IT/Engineering includes temp positions for network engineers, programmers, manufacturing and design engineers, PC experts, and other work in IT-related fields.

Other includes fields that were made possible by the revised 1999 Temporary Workers' Law. These positions include sales, marketing, as well as part-time employment opportunities in the manual labor and routine labor fields.

Outlook for Revisions over the Temporary Workers' Law



Progress Report on Important Measures

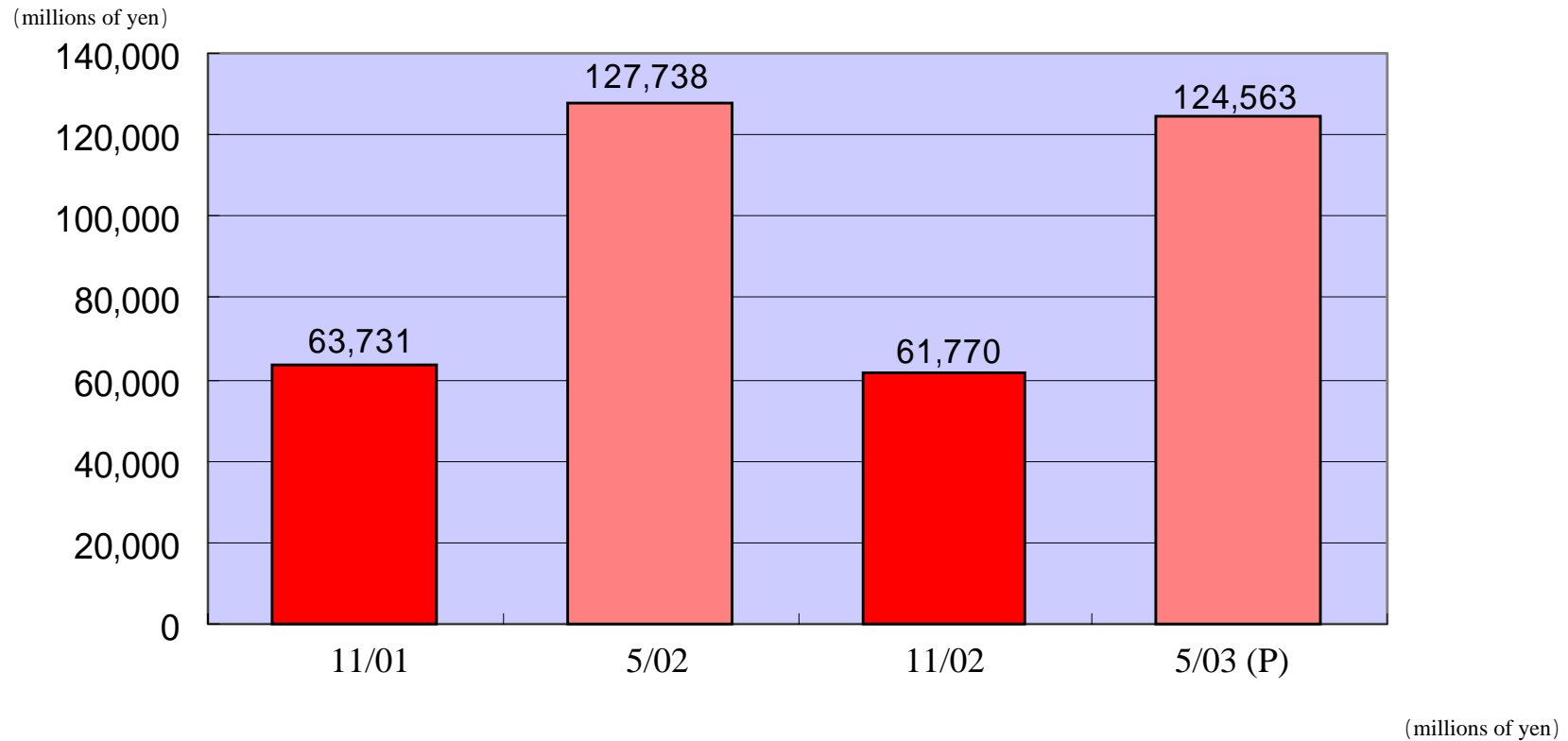


Policy	Progress in 1H ended 11/02
Allocate “Solution Planning” staff around the country	24 Solution Planners placed in the Tokyo, Osaka, and Nagoya area, working towards diversifying the temporary staffing business
Completion and installation of the web-based temporary staffing management system, “e-Staffing”	“e-Staffing Inc.” has established
Start “mini-branch” trial aimed at advancing in the retail market	Branch opened in Kawagoe, suburb of Tokyo Retail-market teams organized in the Yokohama and Ginza branches
Strengthening training of IT engineer temp staff	IBM database engineering course SAN storage engineer course Implementing O’Reilly training
Move into new staffing areas (Manufacturing, pharmaceutical related)	Establishment of “Industrial Outsourcing Inc.” Tie-up with Quintiles (Clinical Research Team)

Temporary Staffing services – Business Outlook



Sales

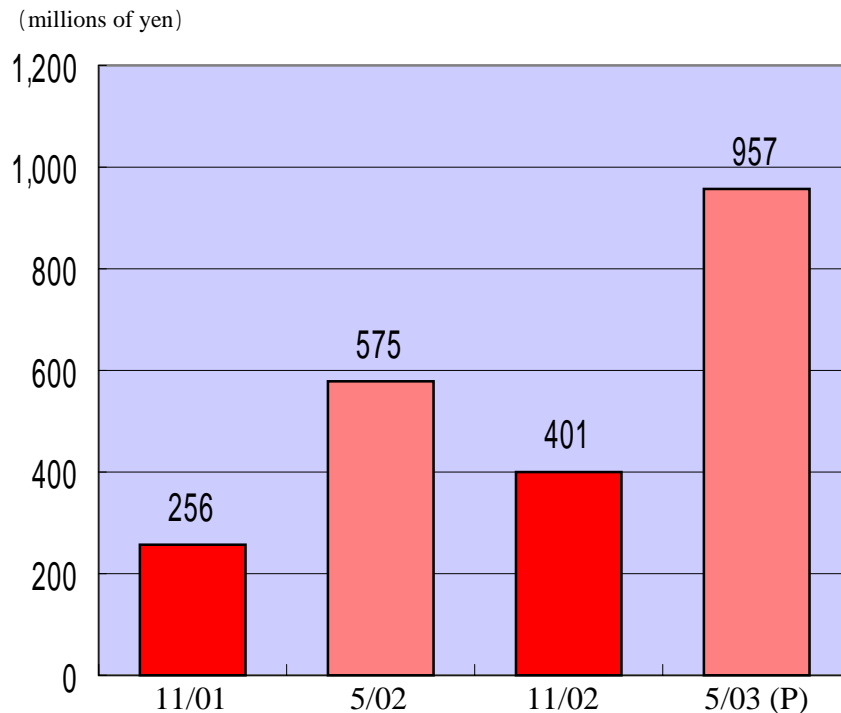


	11/01	5/02	11/02	YoY	5/03(P)	YoY
Sales	63,731	127,738	61,770	3.1%	124,563	2.5%

*P=Company Projections

2) Personnel placement Services

Sales



(millions of yen)

	11/01	5/02	11/02	YoY	5/03(P)	YoY
Sales	256	575	401	+56.4%	957	+66.3%

*P=Company Projections

Progress on important measures

Strengthen collaboration with the temporary staffing sales network

Temp-to-perm (TTP) marketing efforts developed at all national branches

Increase the number of career consultants

*40 career consultants so far
20 more staff increase is planned by May 2003*

Put web registration site into full use

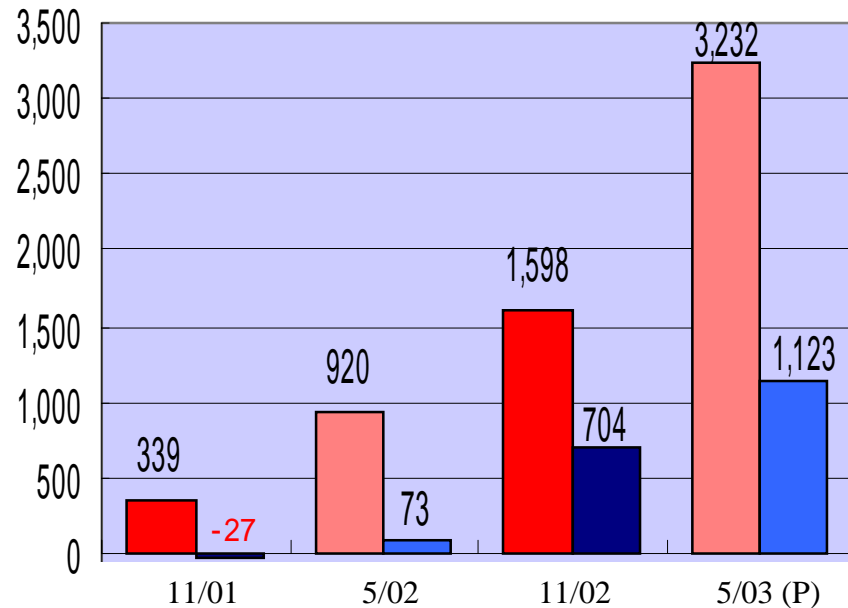
Number of new staff registered: 7,000 persons

		11/01	11/02	YoY
TTP sales	mil.yen	116	178	+53.4%
# of Consultants	persons	24	40	+66.7%
# of registered staff (accumulated)	persons	12,000	19,000	+58.3%

3) Outplacement Services

Sales and operating income

(millions of yen)



(millions of yen)

	11/01	5/02	11/02	YoY	5/03(P)	YoY
Sales	339	920	1,598	+371.5%	3,232	+251.2%
Operating income	27	73	704	-	1,123	+1422.3%

*P=Company Projections

Progress on important measures

Complete a nationwide network of branches

Expansion to 70 branches, progress made in regional market

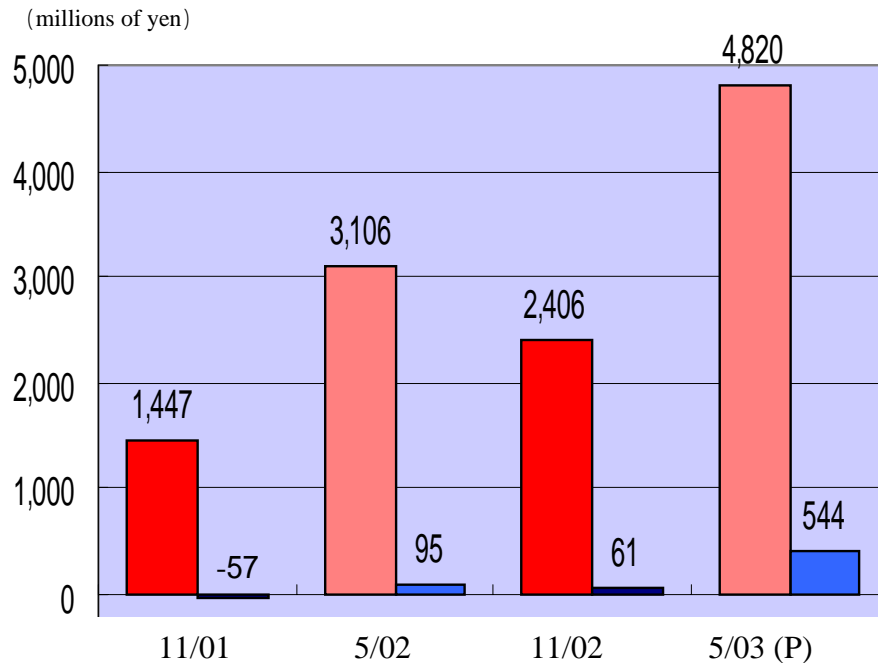
Improve rate of placement through nationwide job network

Maintained placement rate thanks to increased searching effort for job offers

	11/01	11/02	YoY
# of branches	38	70	+84.2%
New orders	(mil.yen) 319	1,686	+428.5%

4) Outsourcing Services – (Benefits Administration Service)

Sales and operating income



(millions of yen)

	11/01	5/02	11/02	YoY	5/03(P)	YoY
Sales	1,447	3,106	2,406	+66.2%	4,820	+55.2%
Operating income	57	95	61	-	544	+472.5%

*P=Company Projections

Progress on important measures

Branch Network Expanded

Opened 6 branches: Sendai, Chiba, Shikoku, and other location
End 1H No. of branches: 13

Strengthen marketing efforts in the retail market, target local and municipal governments

Specialized marketing team organized, marketing efforts expanded to universities and other institutions

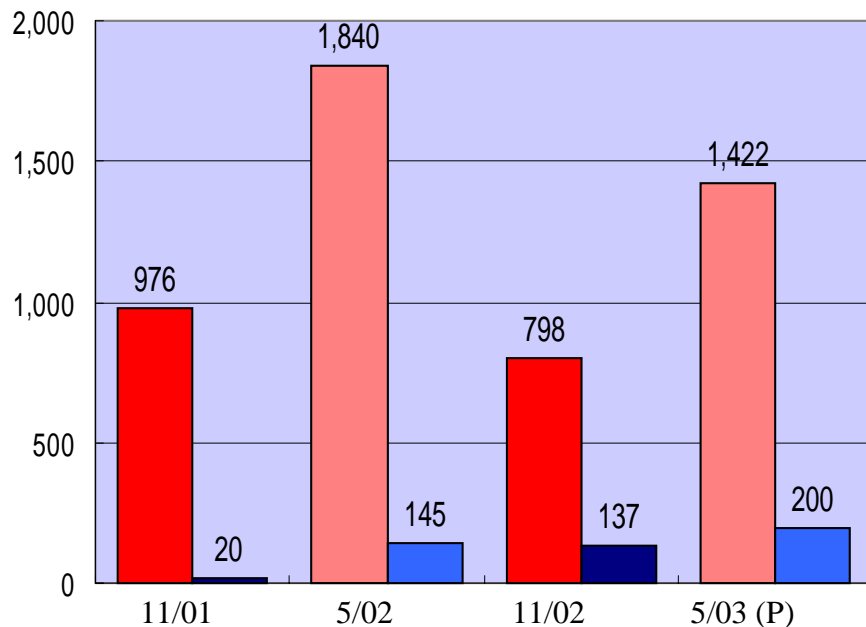
Promote total compensation services

Expand offering of comprehensive outsourcing services in labor force management, including payroll, “cafeteria plan” benefits management, etc.

4) Others Services

Sales and operating income

(millions of yen)



	11/01	5/02	11/02	YoY	5/03(P)	YoY
Sales	976	1,840	798	18.2%	1,422	22.7%
Operating income	20	145	137	+565.9%	200	+37.9%

*P=Company Projections

Progress on important measures

Computer education services

Develop value-added services for seniors

*Position PC school franchisees as part of the regional community
Sell original PC products aimed at senior citizens*

Expansion in the education business

Provide PC education classes in place of local governments and companies

Other

Withdrawal from home health-aid temporary staffing service

Number of students and schools in the nation-wide Home Computing Network

