

## II. Segment Results and Outlook

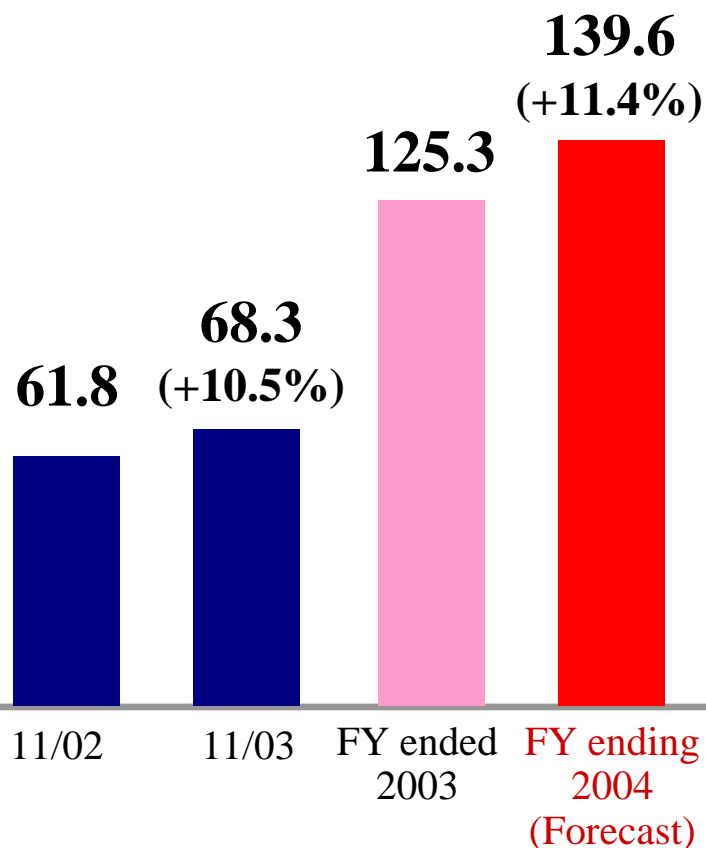
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Steady recovery on the back of an upswing in the economy

## Sales

Temporary staffing/Contracting

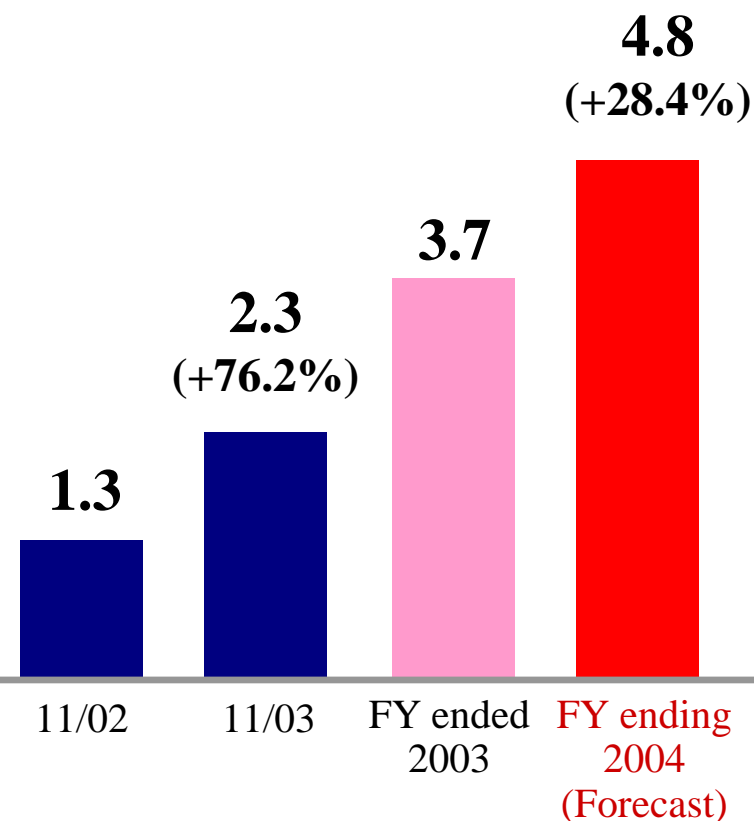
(Billions of yen)



## Operating Income

Temporary staffing/Contracting,  
Placement/Recruiting

(Billions of yen)



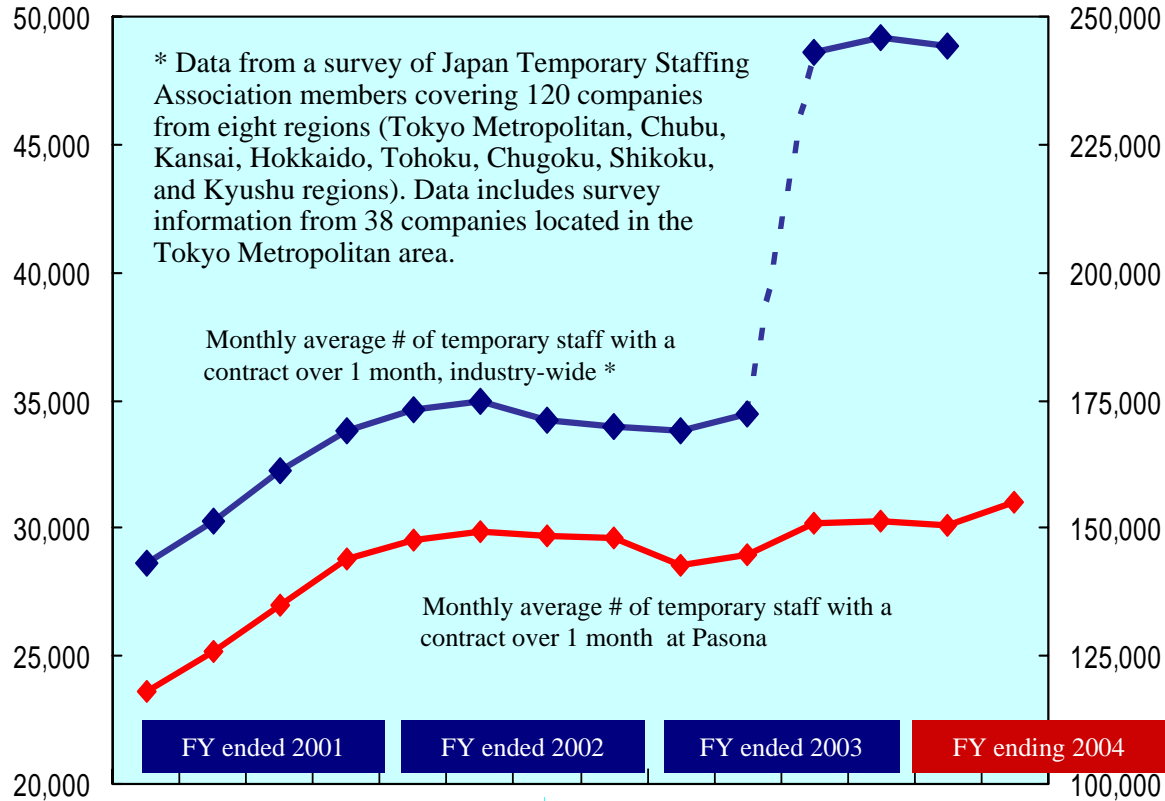
# Temporary staffing/Contracting

## Temporary Staff at Work

\* All data: Parent only

(Pasona data: persons)

(Industry data: persons)



## TOPICS

- (1) Number of temporary staff at work rising
- (2) Orders recovered and increased from mid-term of previous fiscal year, increasing more than 10% year on year
- (3) Sales and marketing positions grew sharply, clerical also strong
- (4) Change in social insurance system improves cost rate for temporary workers (Non-consolidated sales rate 1.3%)

Due to changes in method of the survey for Industry data from the third and fourth quarters of FY ended 2003, data for previous fiscal years has been restated accordingly.

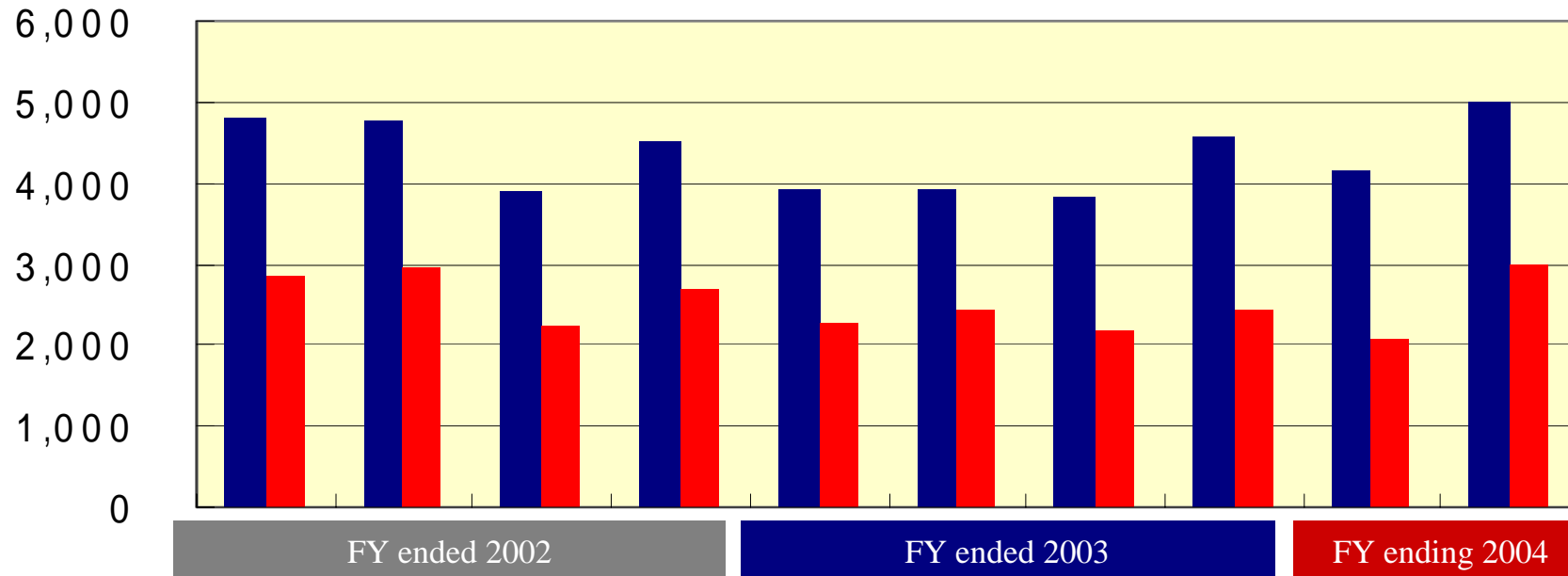
	FY ended 2001				FY ended 2002				FY ended 2003				FY ending 2004	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Industry-wide	143,204	151,458	161,092	169,009	173,116	174,598	171,019	169,810	169,070	172,368	242,961	245,828	244,272	-
Pasona	23,598	25,207	26,966	28,819	29,553	29,884	29,708	29,581	28,527	28,994	30,151	30,302	30,114	31,000
	YoY				25.2%	18.5%	10.1%	2.6%	-3.5%	-3.0%	1.5%	2.4%	5.6%	6.9%

# Temporary staffing/Contracting

## Long-Term Orders

No. of Orders (long-term)

No. of Contract Starts (long-term) \* monthly average (per quarter)



Figures for Orders, Contract Starts, Completions, and Signed exclude Special Project matters beyond September 2002

Non-consolidated basis, except figures for registered staff

Orders (long term) Mon. Avg.		
	Number	YoY
11/02	3,926	-18.0%
11/03	4,568	16.4%

Contract Starts (long term) Mon. Avg.		
	Number	YoY
11/02	2,350	-19.0%
11/03	2,526	7.5%

Contract Completions (long term) Mon. Avg.		
	Number	YoY
11/02	2,354	-12.0%
11/03	2,507	6.5%

Contracts Signed (long term) Mon. Avg.		
	Rate	YoY
11/02	59.9%	-0.8%
11/03	55.3%	-4.6%

Temporary Staffing Prices				
	Payment Received from Client Firm		Payment Made to Temporary Staff	
11/02	¥2,098		¥1,523	
11/03	¥2,054	-2.1%	¥1,493	-2.0%

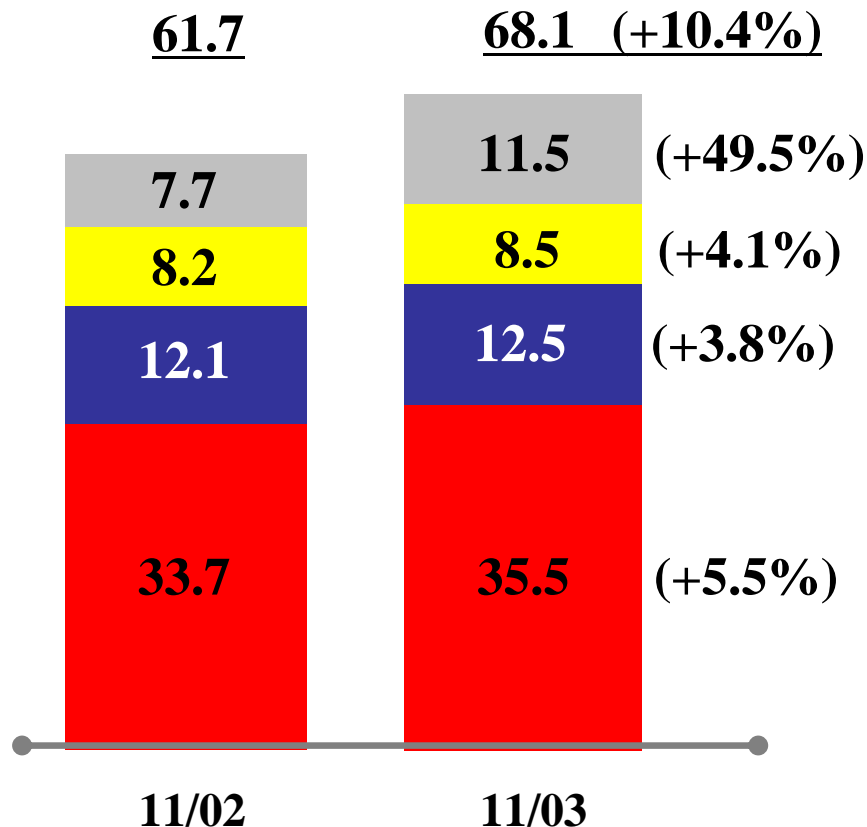
No. of Registered Staff			
	New	Decrease	Term-end
11/02	47,295	3,403	488,168
11/03	57,439	4,665	623,707

New method applied with net work hours as a base

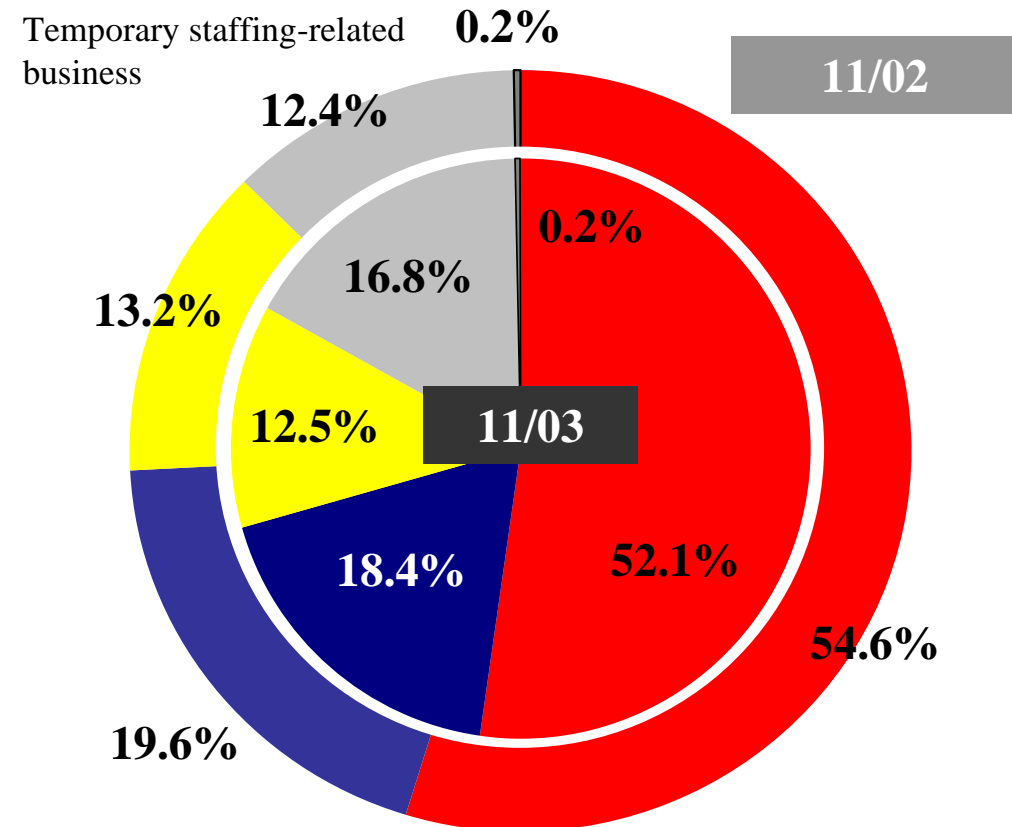
# Temporary staffing/Contracting

## Sales by Staffing Type

Figures exclude intrasegment sales  
(Billions of yen)



- Clerical (General office work)
- Technical (Specialized office work)
- IT/Engineering
- Other (Marketing, sales and other)

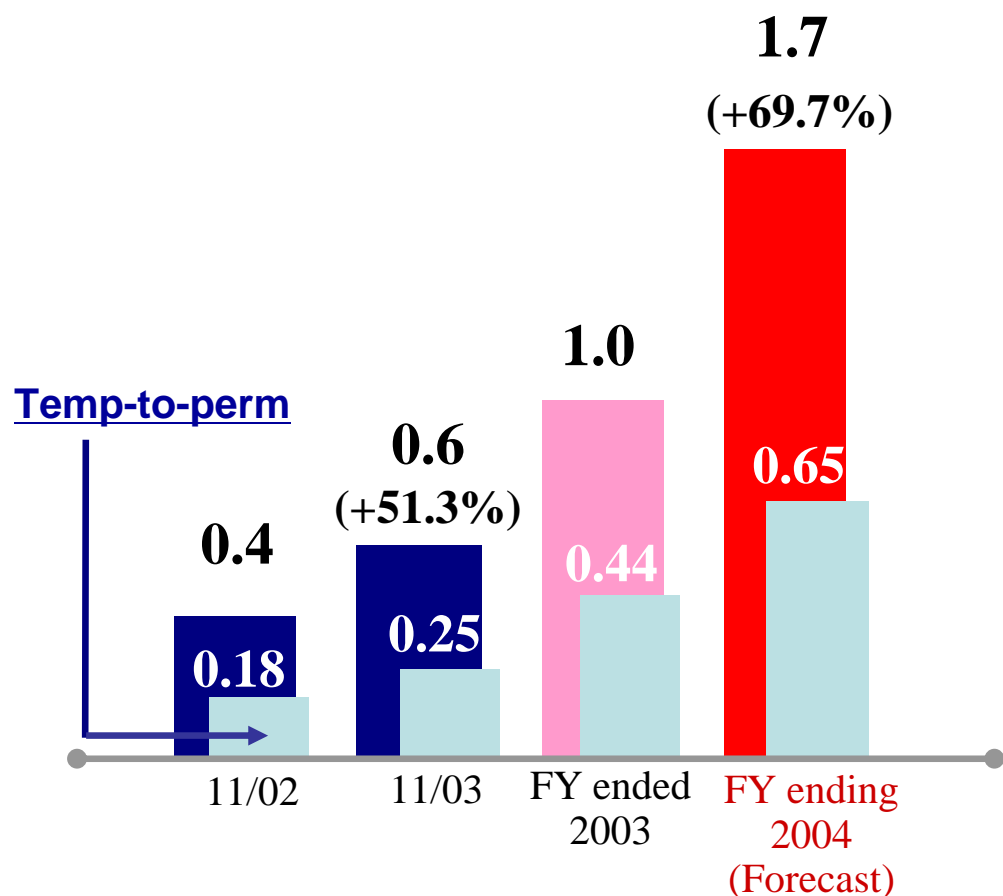


Clerical (General office work) staffing features various temporary jobs for general office work, covering all fields of office staffing necessary for any industry. Technical (Specialized office work) includes positions in accounting, English document operation, financial planning, insurance and securities work, and translation and interpretation. This work requires a comparatively high level of skill or certification. 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. Other Temporary staffing/Contracting sales includes sales relating to training and EQ inspection work. (Reference: 11/02 ¥110 million, 11/03 ¥110 million)

## Continued growth, increase in temp-to-perm (TTP)

### Sales

(Billions of yen)



### TOPICS

**(1) Placement/Recruiting business incorporated on October 1, 2003**



**Pasona Carent Inc.**

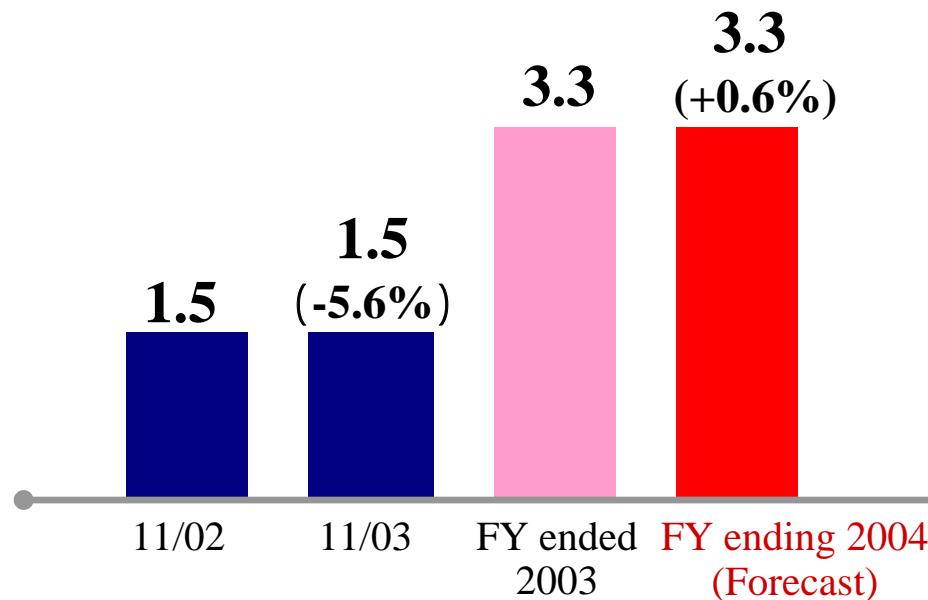
**(2) Revival of IT-related demand**

**(3) No. of consultants up 42%  
(48 68 consultants )**

## Flat sales and decrease in operating income

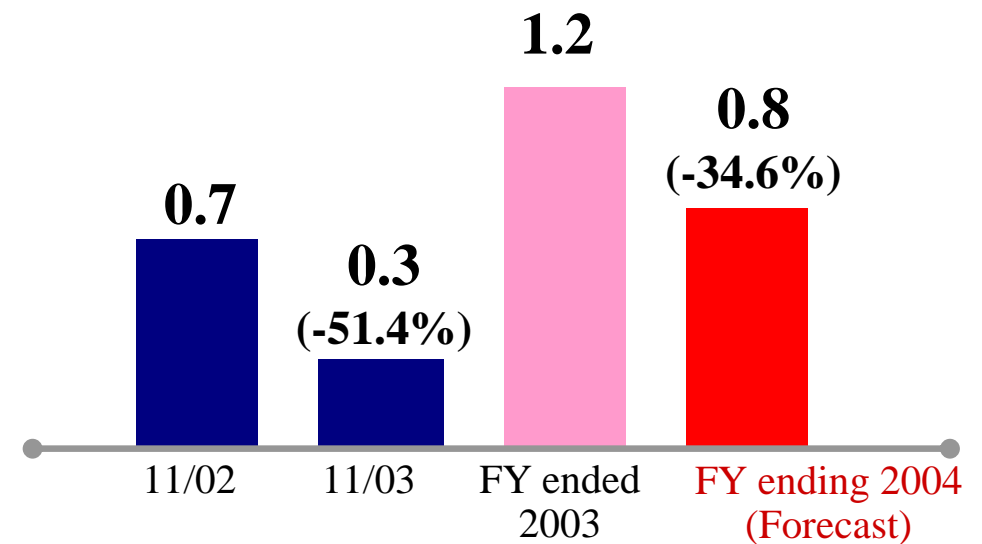
### Sales

(Billions of yen)



### Operating Income

(Billions of yen)



### Orders

(Millions of yen)

	9/02	9/03	YoY
Orders	1,789	1,701	-4.9%

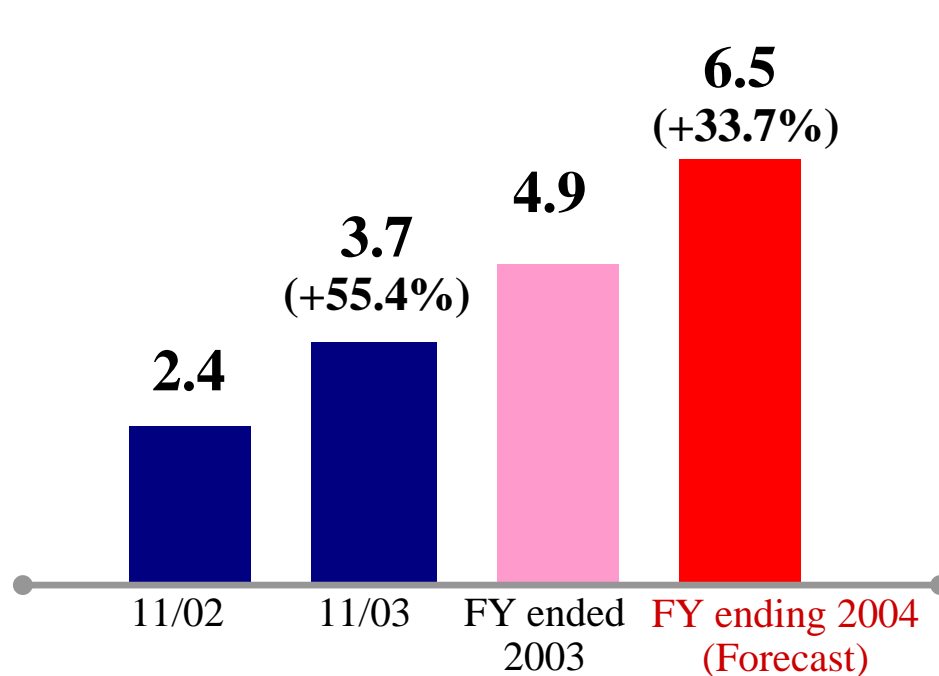
### TOPICS

- (1) Sales steady despite decline in large-scale orders and double-digit declines for the industry as a whole
- (2) Number and variety of clients increasing
- (3) Unit price and margins declining

## Continued increase in revenue and earnings for benefit outsourcing business

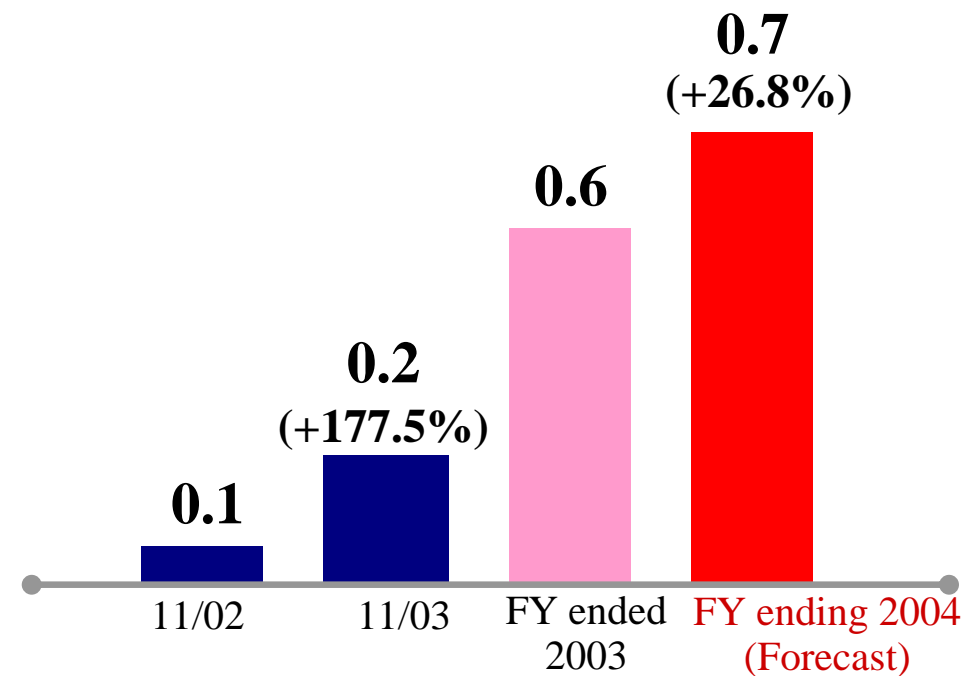
### Sales

(Billions of yen)



### Operating Income

(Billions of yen)



### TOPICS

- (1) Spread of “cafeteria plan”
- (2) Rising demand from public agencies
- (3) Greater service offerings (e.g. individual services)
- (4) Pasona Telemarketing Inc. brought under consolidation in June

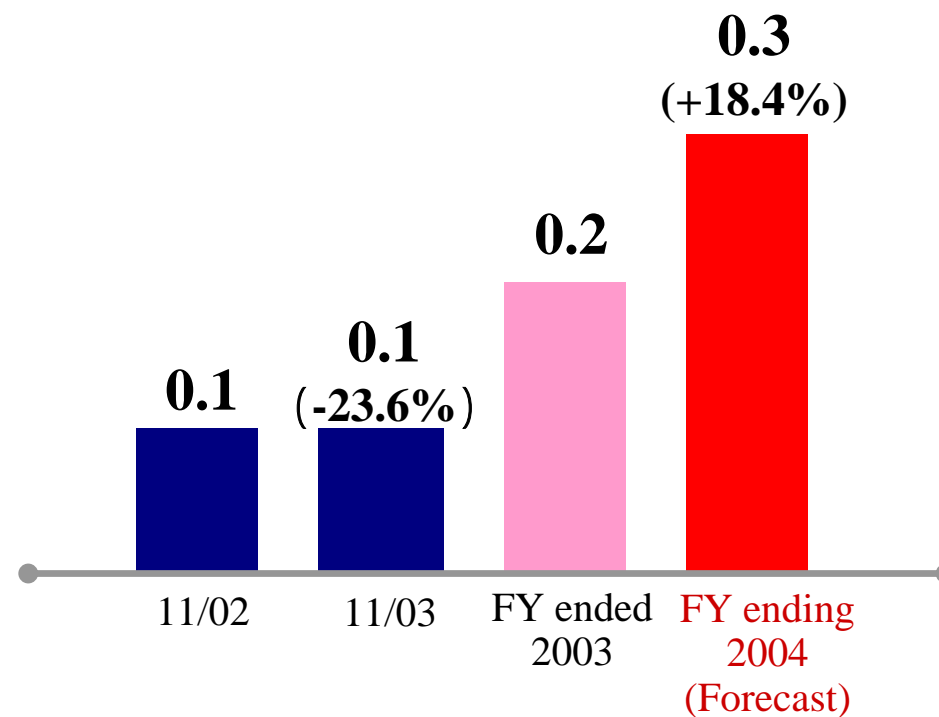
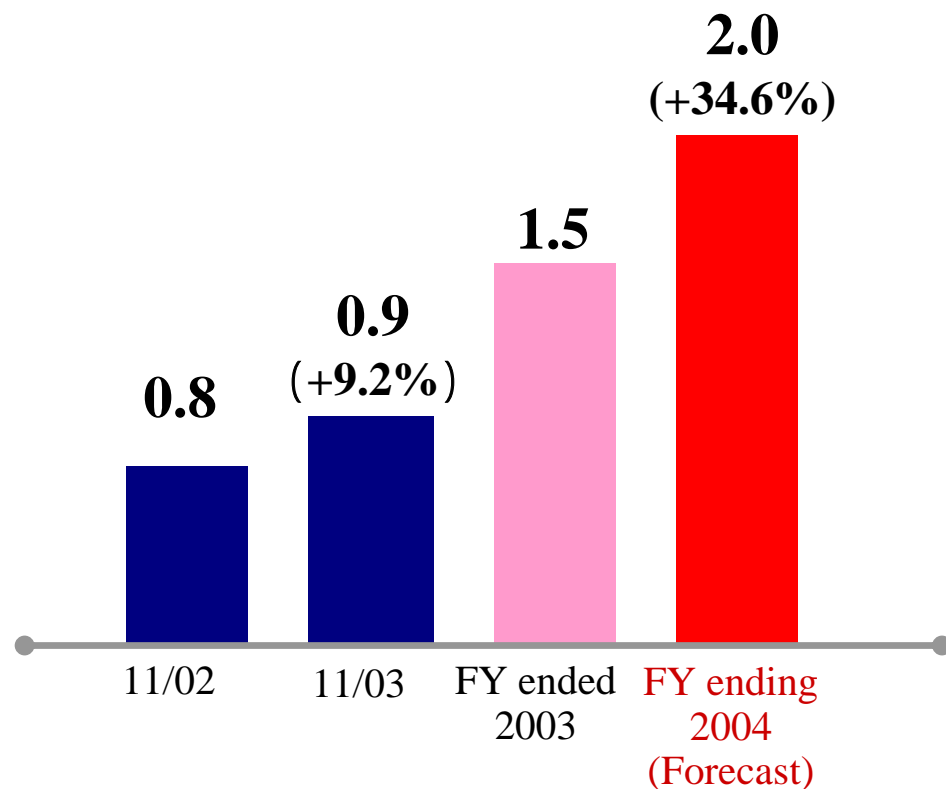
## PC training business severe, upward trends in others

### Sales

(Billions of yen)

### Operating Income

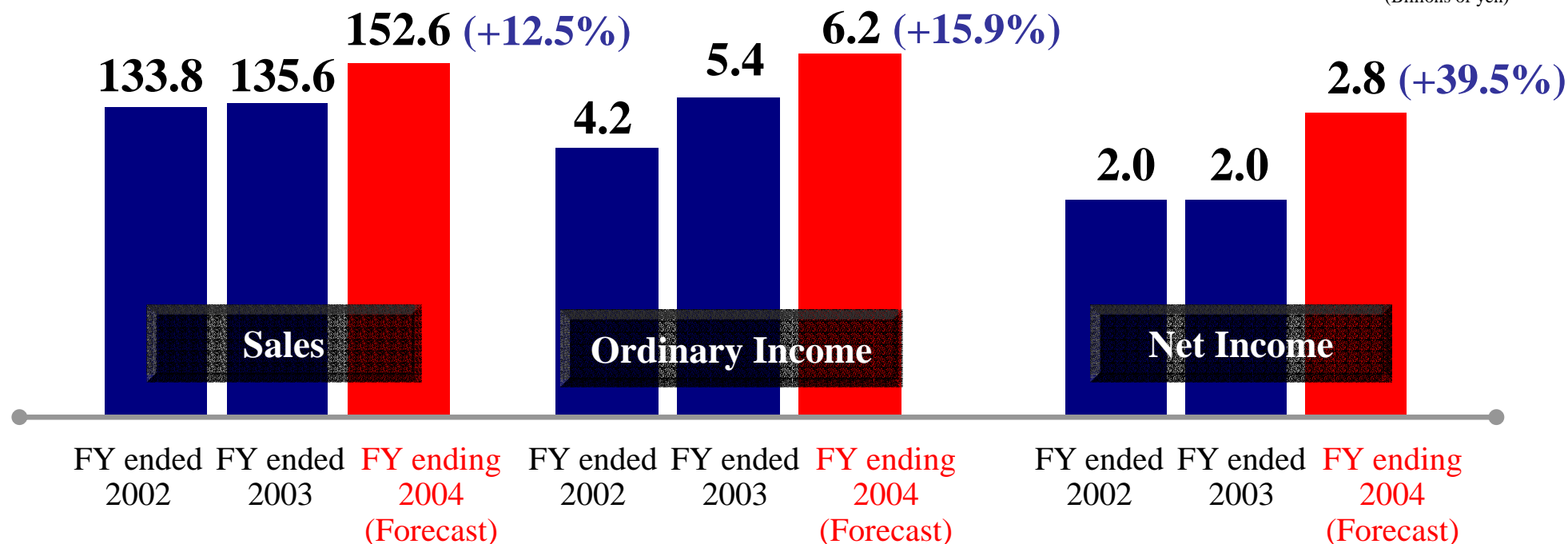
(Billions of yen)



# Consolidated Earnings and Outlook

Revenue and earnings are forecast to increase on the back of a recovery in the temporary staffing business

(Billions of yen)



(Millions of yen)	5/03	(%)	5/04	(%)	YoY
Sales	135,625	(100.0)	152,588	(100.0)	+12.5%
Gross profit	26,746	(19.7)	30,935	(20.3)	+15.7%
Operating income	5,687	(4.2)	6,502	(4.3)	+14.3%
Ordinary income	5,373	(4.0)	6,225	(4.1)	+15.9%
Net income	2,027	(1.5)	2,827	(1.9)	+39.5%