

III. Progress Report on Important Measures

1 **Strengthening the Full Line Service Structure** **(Horizontal and Vertical Development)**

Solutions Service Enhanced

Further strengthened solution structures tailored to industries

Launched “part-time utilization consulting team” in response to reform of the pension system for part-time work

**Outsourcing for local government bodies
(e.g. Shizuoka Prefecture, Chiba Prefecture, Tokyo and others)**

Becoming the Industry Leader in Each Business Field

Incorporated Placement and Recruiting Department and continued to strengthen the business (no. of personnel increased 42% from 48 to 68)

Outplacement: Expanded office facilities and improved quality of consultants

2 Increasing Added Value in Temporary Staffing Business

Expanded Areas of Operation

Manufacturing fields (Joint project launched with Randstad Holding N.V.)

Professional fields (Collaboration with KFi K.K.)

Expanding the university market (e.g. Coordinator for the promotion of business – academic-public sector cooperation ; support services for Job Hunting Support Departments in schools)

3 Enhancing Corporate Value

Built an Overseas Network

Collaboration with Randstad Holding N.V. (increase in overseas opportunities)

Acquired 12 overseas companies to establish networks in North America and Asia

Public Confidence Enhanced with Listing on First Section of TSE (Oct. 28)

IV. Reference

Changes in Subsidiaries and Affiliates

(Million of yen)

Status as of End-May 2003		
Company	Capital	Shareholding (%)
Benefit One Inc.	673	63.5
Pasona Tech, Inc.	400	69.6
Pasona career assets Inc.	208	80.4
Pasona Kyoto Inc.	72	40.0
Home Computing Network Inc.	70	79.5
Pasona Empower Inc.	50	60.0
Pasona Okayama Inc.	30	70.0
Pasona Sparkle Inc. (Con-Be Inc.)	30	90.0
NS Personnel Service Co., Ltd.	20	85.0
Pasona Foster Inc.	10	100.0
Pasona Logicom Inc.	10	100.0
Pasona Heartful Inc.	10	100.0
Pasona Nakakyusyu Inc.	100	25.0
Pasona Nagasaki Inc.	70	42.9
Pasona Niigata Inc.	45	40.0
Pasona Telemarketing Inc.(Atento Pasona)	900	30.0
Pasona ADP Payroll, Inc.	997	48.6
Financial Sun Inc.(Financial Human Planet, Inc.)	150	50.0
e-Staffing Co., Ltd.	240	33.3
Kansai Employment Creation Organization Inc.	140	35.7



Status as of End-November 2003			
Company	Capital	Shareholding (%)	
Benefit One Inc.	703	62.8	
Pasona Tech, Inc.	411	68.3	
Pasona career assets Inc.	208	80.4	
Pasona Carent, Inc. (1)	150	100.0	
Pasona Telemarketing Inc. (2)	100	100.0	
Pasona Kyoto Inc.	72	40.0	
Home Computing Network Inc.	70	79.4	
Pasona Empower Inc.	50	60.0	
Pasona Okayama Inc.	30	70.0	
Pasona Sparkle Inc.	30	90.0	
NS Personnel Service Co., Ltd.	20	85.0	
Pasona Foster Inc.	10	100.0	
Pasona Logicom Inc.	10	100.0	
Pasona Heartful Inc.	10	100.0	
PaHuma Consulting (Taiwan) Co., Ltd. (3,4)	12,000,000NTD	100.0	(100.0)
PaHuma Consulting (Singapore)Pte.Ltd. (3,4)	500,000SD	100.0	(100.0)
NEX Canada, Inc.(3)	300,000CAD	100.0	
MGR Serch and Selection Co.,Ltd.(3,5)	7,000NTD	67.0	(67.0)
Pelham Search Pacific Ltd. (3)	1,520,000HKD	100.0	
PaHuma Education Co. Ltd. (3)	1,500,000HKD	100.0	
NEX USA Inc. (5)	150,000USD	100.0	
Employment Agency PaHuma Consulting (Tailand) Co.,Ltd.(3,4)	6,000,000BHT	93.3	(93.3)
PaHuma Asia Co., Ltd.(3)	320,000HKD	100.0	
NEX Outsourcing, Ltd.(3)	10,000USD	85.0	
Pelham International Ltd.(3)	1,000GBP	100.0	
Pasona Nakakyusyu Inc.	100	25.0	
Pasona Nagasaki Inc.	70	42.9	
Pasona Niigata Inc.	45	40.0	
Pasona ADP Payroll, Inc.	997	48.6	
Financial Sun, Inc.	150	50.0	
e-Staffing Co., Ltd.	240	33.3	
Kansai Employment Creation Organization Inc.	140	35.7	
National Examination Center Inc. (6)	50	30.0	
Kanto Employment Creation Organization Inc. (6)	200	35.0	
Cannon-Persona Recruitment Ltd.(6)	40,000GBP	30.0	

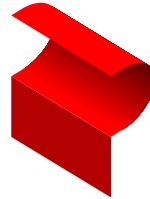
- 1 Pasona Carent, Inc. (formerly Vacs Inc.) was included as a subsidiary in the scope of consolidation during the six-month period ended November 30, 2003 due to its increasing importance to the Pasona Group.
- 2 Pasona Telemarketing Inc. (formerly Atento Pasona, Inc.) became a consolidated subsidiary during the six-month period ended November 30, 2003 following the acquisition of additional shares.
- 3 PaHuma Consulting (Taiwan) Co., Ltd. and 10 other overseas companies became consolidated subsidiaries during the six-month period ended November 30, 2003 following the acquisition of new shares.
- 4 Ratio of voting rights held by PaHuma Asia Co., Ltd.
- 5 Ratio of voting rights held by PaHuma Consulting (Taiwan) Co., Ltd.
- 6 Companies that became affiliated companies accounted for by the equity method following the acquisition of new shares.
- 7 Ratio of voting rights in parentheses represent the percentage of equity holdings.

(As of November 30, 2003)

Corporate Outline



Company Name	Pasona Inc.		
Establishment	September 1989 Founded: February 1976		
Paid-In Capital	7,998 million yen		
Directors and Corporate Auditors	Group CEO Yasuyuki Nambu Chairman and CEO Hayao Nakayama President and COO Muneaki Ueda Senior Managing Ken Watanabe Director and CFO Director Hironori Aihara*	Standing Auditor Katsuhiko Aoki Standing Auditor Kazuo Higo Auditor Yoshiharu Hayakawa	 (Corporate Executive Officers 13)
Employees	Consolidated 1,886 Non-consolidated 1,138 *excluding contract employees		
Business Field	Temporary staffing/Contracting Outsourcing	Placement/Recruiting Other	Outplacement
Group Companies	Domestic: 23 (Subsidiaries 14 and Affiliates 9) Overseas: 12 (Subsidiaries 11 and Affiliates 1)		
Common Stock	Authorized: 500,000 Issued: 141,610		
Number of Shareholders	4,342		
Major Shareholders	Yasuyuki Nambu (33.96%), Nikko Cordial Corporation (16.65%), Nambu Finance Inc. (7.06%), Yamato Life Insurance Co. (2.90%), Japan Trustee Services Bank, Ltd. (2.51%), Hayao Nakayama (2.16%)		



P A S O N A

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Disclaimer: This data has been compiled for the express purpose of disclosing our financial situation for the 1H ended Nov. 2003, and not to persuade investors to purchase our stock. Furthermore, this report has been prepared using recent data available as of November 30, 2003. When data based on published opinions, predictions etc. is used, it is at our discretion and we cannot guarantee the accuracy or completeness of this information. Finally, this data may change without notice.