

Results for the Interim Period of Fiscal Year Ending May 2004

Pasona Inc.
First Section, Tokyo Stock Exchange
“Hercules”(4332)

January 26, 2004
www.pasona.co.jp

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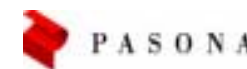
Pasona's Image Character: Audrey Hepburn

Audrey Hepburn was a widely known and beloved actress. In her later years, she took on the role of Humanitarian Ambassador to UNICEF, and made extensive efforts in social and welfare activities to aid the world's poverty-stricken people. Audrey, a revered figure even after her death by young and old alike, represents our ideal corporate image: a company needed by all, and a "long-selling" brand that remains loved, and respected by our clients and staff. For this reason, we chose Audrey as our "image character."

"Work to do what you love." With this message as our base, we continue to offer investors the stability and solid track record we have built in the human resources business since our founding in 1976.

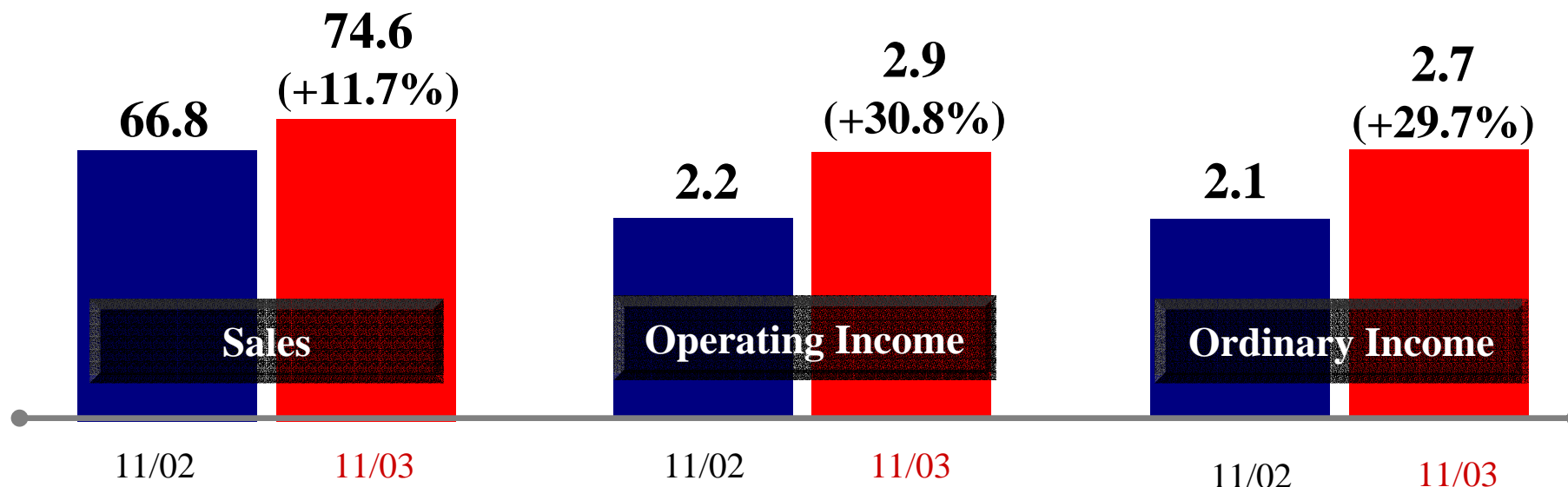
I. First Half Results ended Nov. 2003

First Half Consolidated Results ended Nov. 2003



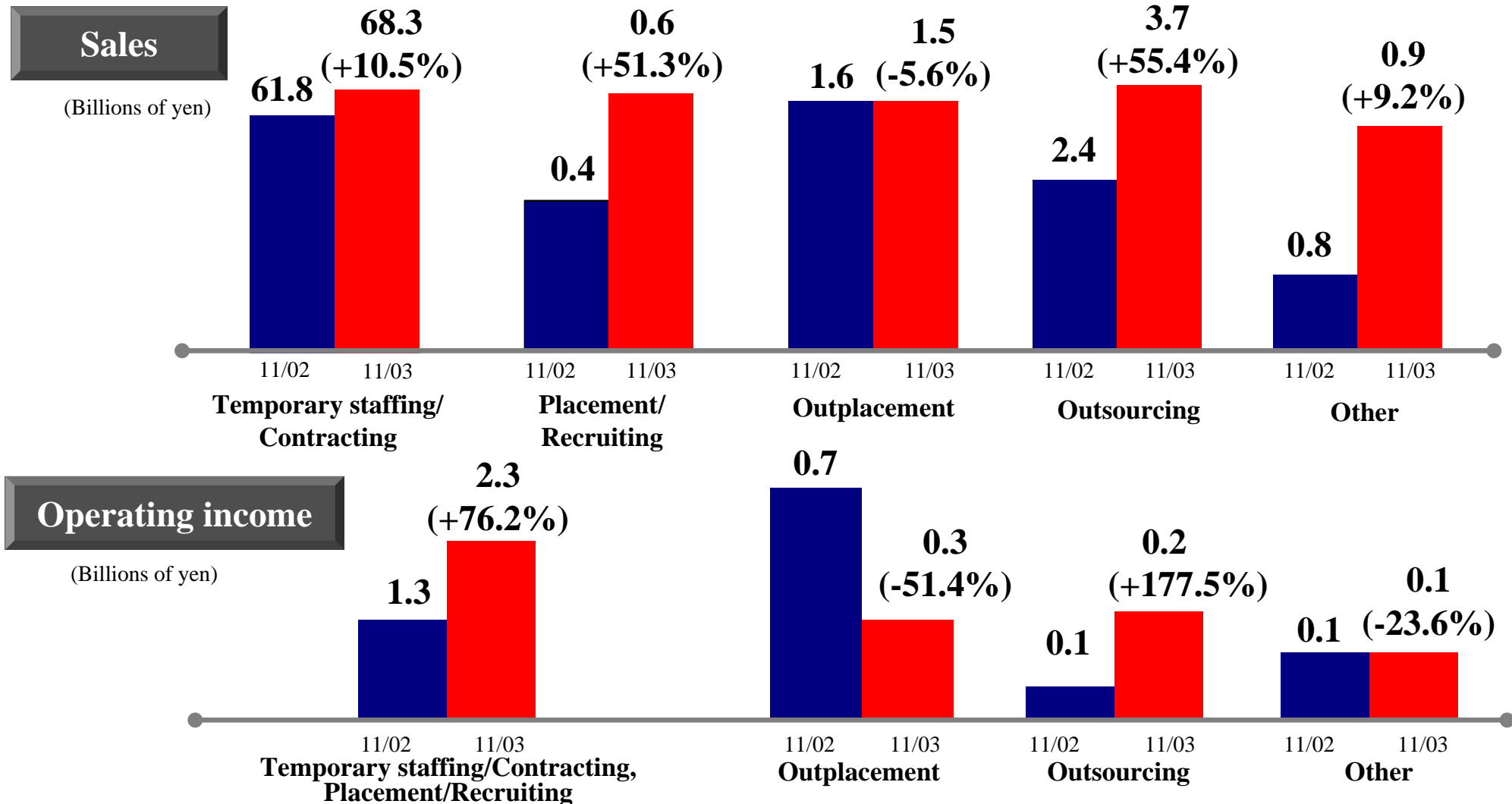
- Double digit percentage growth in revenues and earnings
- Continued recovery in the mainstay temporary staffing business

(Billions of yen)



(Millions of yen)	11/02	(%)	11/03	(%)	YoY
Sales	66,822	(100.0)	74,641	(100.0)	+11.7%
Gross profit	12,598	(18.9)	14,983	(20.1)	+18.9%
Operating income	2,211	(3.3)	2,892	(3.9)	+30.8%
Ordinary income	2,086	(3.1)	2,707	(3.6)	+29.7%
Net income	931	(1.4)	1,272	(1.7)	+36.6%

First Half Consolidated Results ended Nov. 2003 by Service Segment



*1. Figures include intrasegment sales

*2. Operating income for Temporary staffing/Contracting and Placement/Recruiting have been combined.

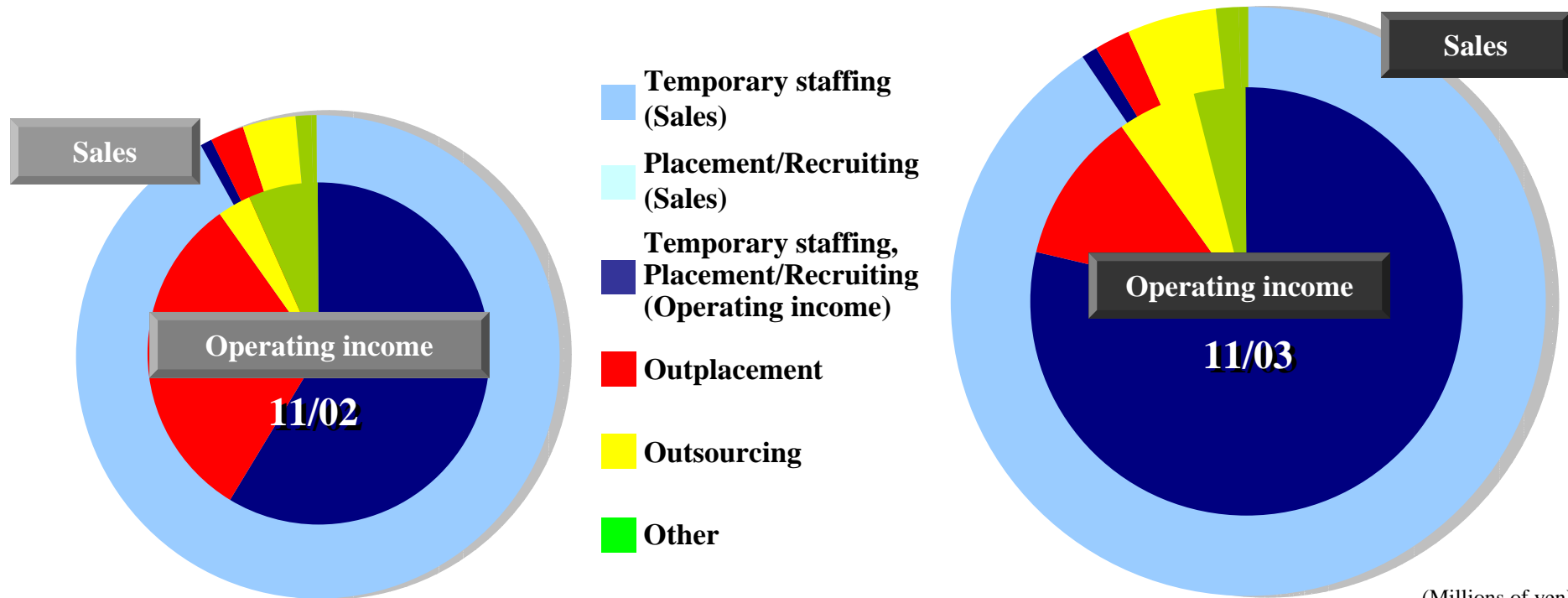
(Millions of yen)

	Temporary staffing/ Contracting			Placement/ Recruiting			Outplacement			Outsourcing			Other			Eliminations & Corporate	
	11/02	11/03	YoY	11/02	11/03	YoY	11/02	11/03	YoY	11/02	11/03	YoY	11/02	11/03	YoY	11/02	11/03
Sales	61,770	68,269	10.5%	401	607	51.3%	1,598	1,509	-5.6%	2,406	3,739	55.4%	798	872	9.2%	-153	-356
Operating income	1,294	2,280	76.2%				704	341	-51.4%	61	171	177.5%	137	104	-23.6%	14	-6

First Half Consolidated Results ended Nov. 2003

Sales and Operating Income Composition by Service Segment

- Increase in Temporary staffing profits, decrease in Outplacement profits



(Millions of yen)

	11/02				11/03			
	Sales	Share	Operating income	Share	Sales	Share	Operating income	Share
Temporary staffing	61,770	92.4%	1,294	58.6%	68,269	91.5%	2,280	78.9%
Placement/Recruiting	401	0.6%			607	0.8%		
Outplacement	1,598	2.4%	704	31.8%	1,509	2.0%	341	11.8%
Outsourcing	2,406	3.6%	61	2.8%	3,739	5.0%	171	5.9%
Other	798	1.2%	137	6.2%	872	1.2%	104	3.6%
Eliminations & Corporate	-153	-0.2%	14	0.6%	-356	-0.5%	-6	-0.2%

Balance Sheet

(11/03) * Figures in parentheses indicate changes from FY ended May 2003

Total Assets 32.8 billion yen (+3.3 billion yen)	Liabilities 17.8 billion yen (-1.8 billion yen)
	Minority Interests 1.6 billion yen (+0.1 billion yen)
	Shareholders' Equity 13.4 billion yen (+ 5.0 billion yen)

[Liabilities]

- Repayment of long-term debt (1.0 billion yen)

[Shareholders' Equity]

- Funds procured through public offering (3.7billion yen)

Bolster shareholders' equity

[Cash Flows from Operating Activities]

- Increase in tax payments

[Cash Flows from Investing Activities]

- Acquisition of overseas subsidiaries

- Investment in subsidiary-company stock 0.4 billion yen
 - Equity 0.8 billion yen
 - Cash -0.4 billion yen
- Investment in branch 0.3 billion yen
- Investment in IT 0.2 billion yen

Cash Flow

(Billions of yen)

	11/02	11/03
Cash flow from operating activities	1.7	0.6
Cash flow from investing activities	-0.5	-0.9
Cash flow from financing activities	-1.2	2.3
Free cash flows	1.2	-0.2

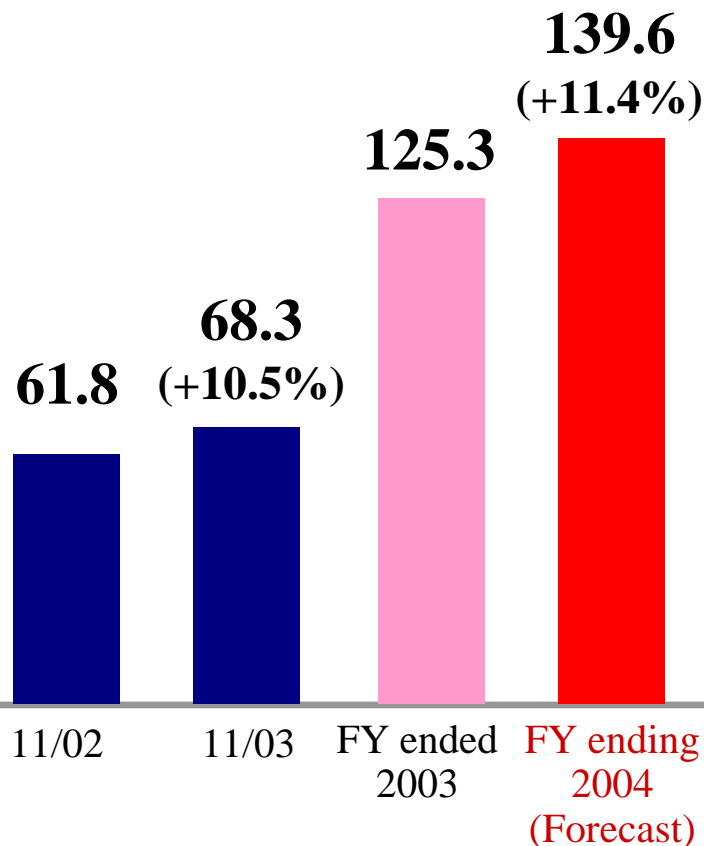
II. Segment Results and Outlook

Steady recovery on the back of an upswing in the economy

Sales

Temporary staffing/Contracting

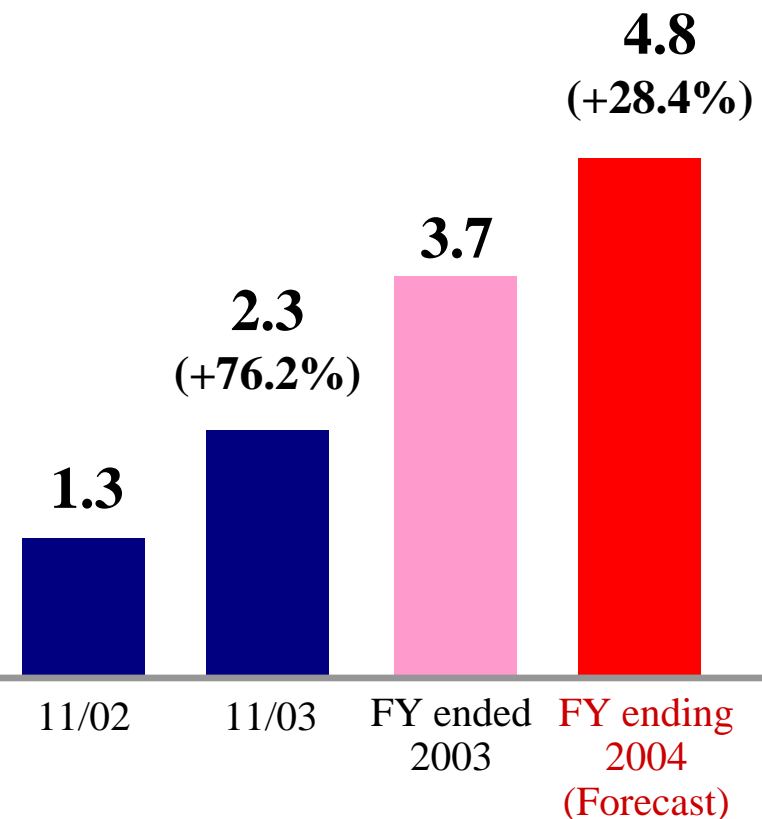
(Billions of yen)



Operating Income

Temporary staffing/Contracting,
Placement/Recruiting

(Billions of yen)



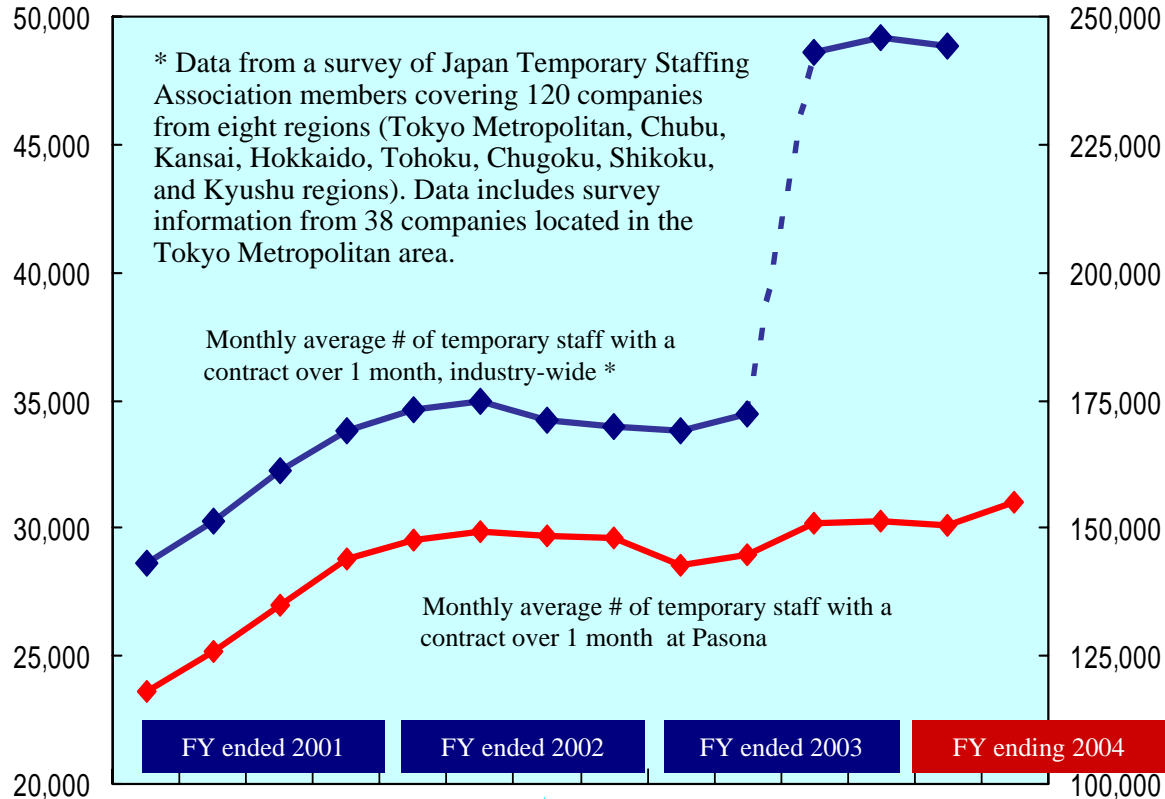
Temporary staffing/Contracting

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.

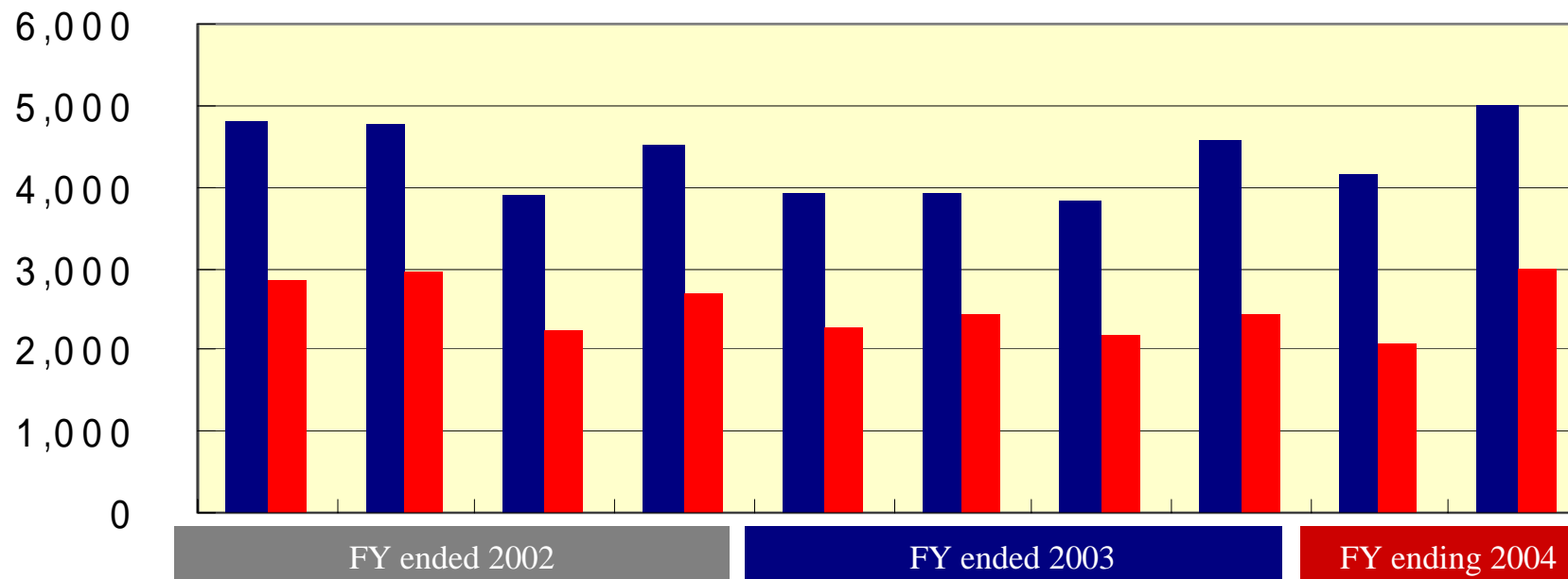
	FY ended 2001				FY ended 2002				FY ended 2003				FY ending 2004	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Industry-wide	143,204	151,458	161,092	169,009	173,116	174,598	171,019	169,810	169,070	172,368	242,961	245,828	244,272	-
Pasona	23,598	25,207	26,966	28,819	29,553	29,884	29,708	29,581	28,527	28,994	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%

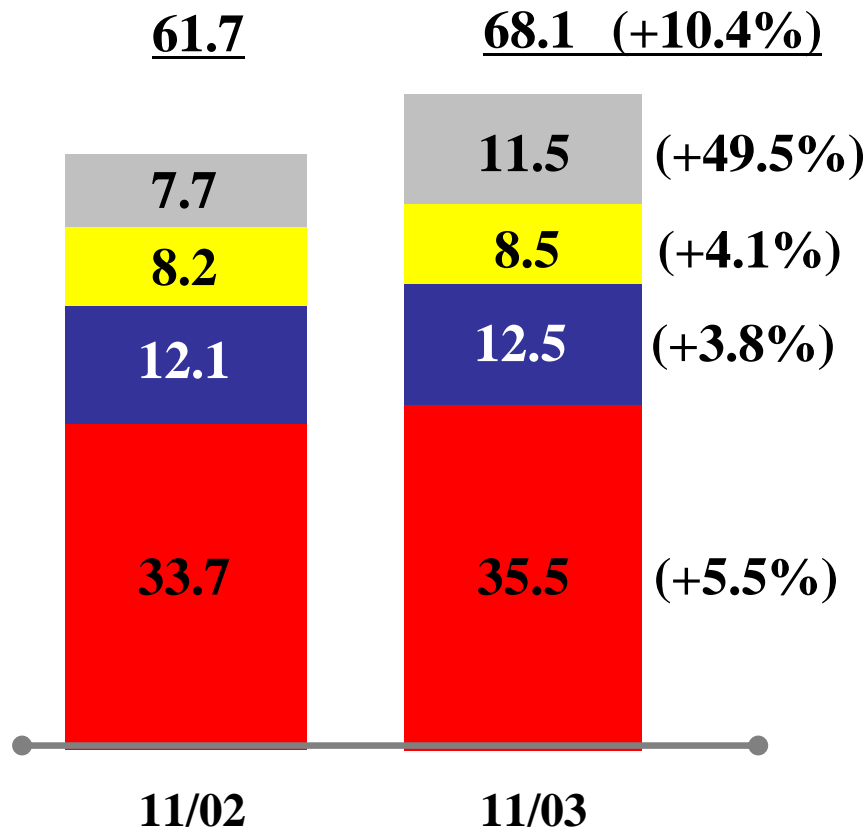
No. of Registered Staff			
	New	Decrease	Term-end
11/02	47,295	3,403	488,168
11/03	57,439	4,665	623,707

New method applied with net work hours as a base

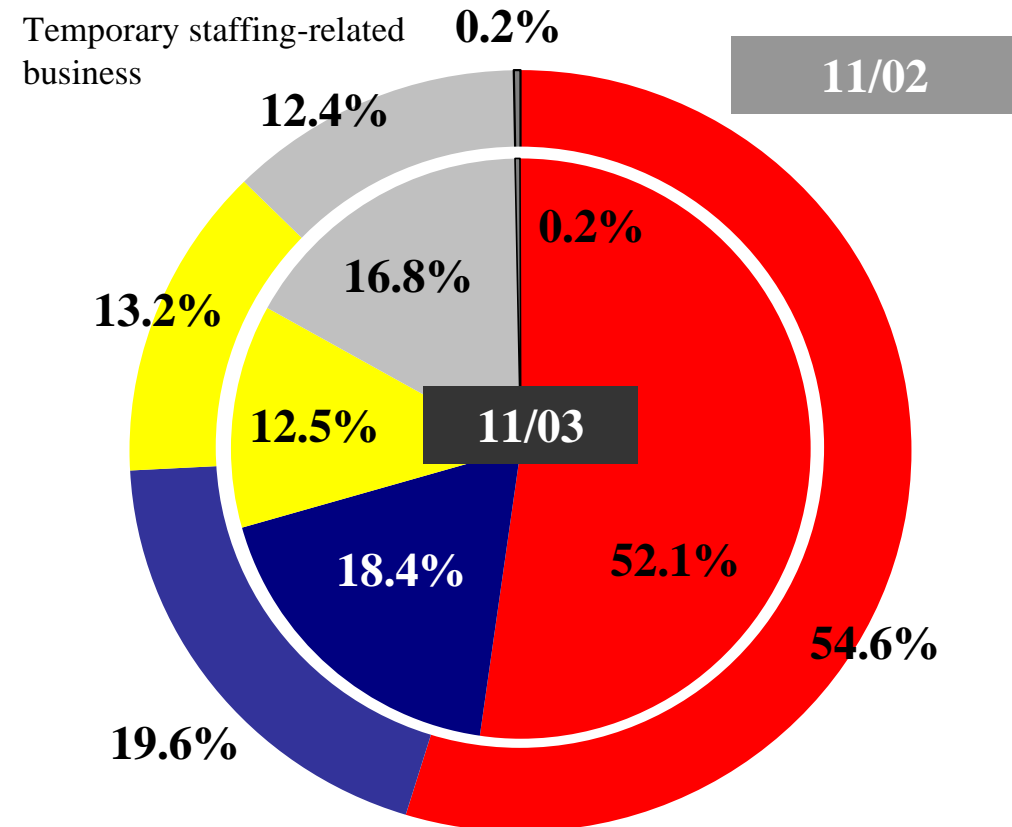
Temporary staffing/Contracting

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)

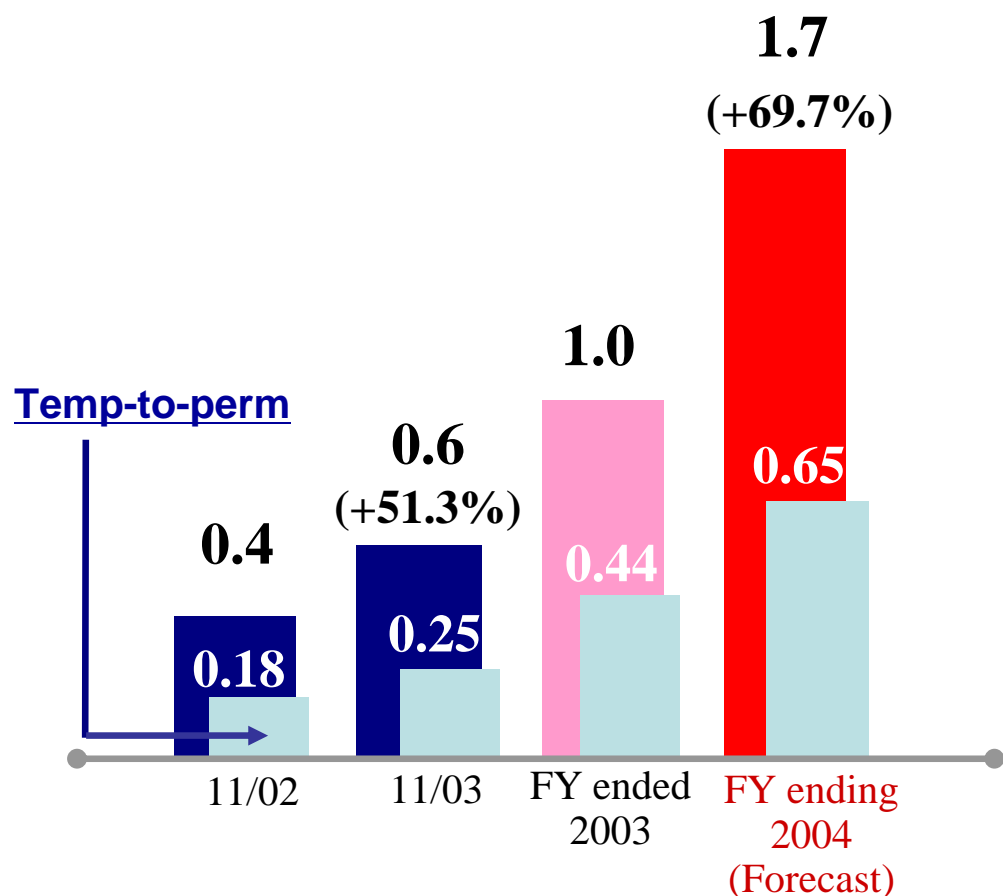


Clerical (General office work) staffing features various temporary jobs for general office work, covering all fields of office staffing necessary for any industry. Technical (Specialized office work) includes positions in accounting, English document operation, financial planning, insurance and securities 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.

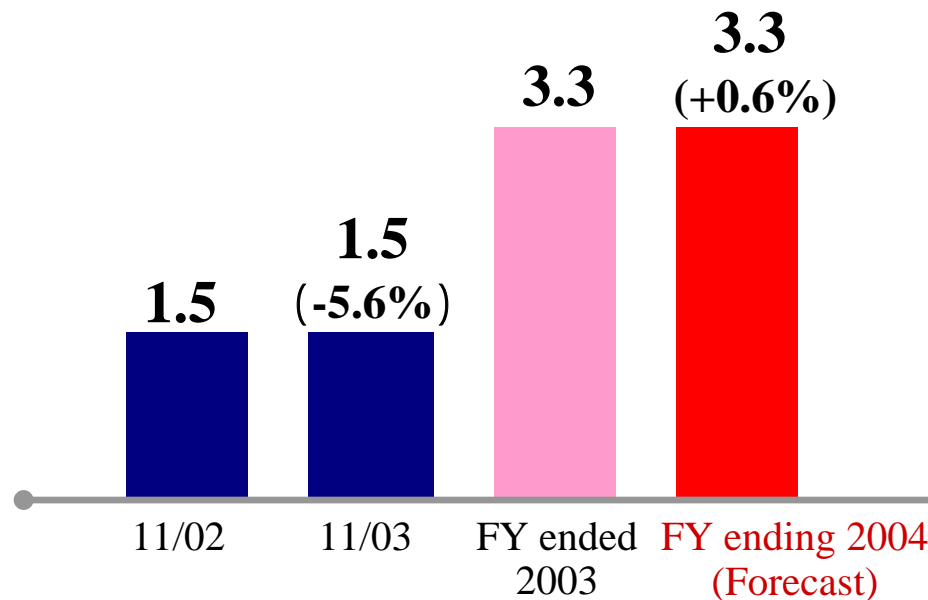
(2) Revival of IT-related demand

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

Flat sales and decrease in operating income

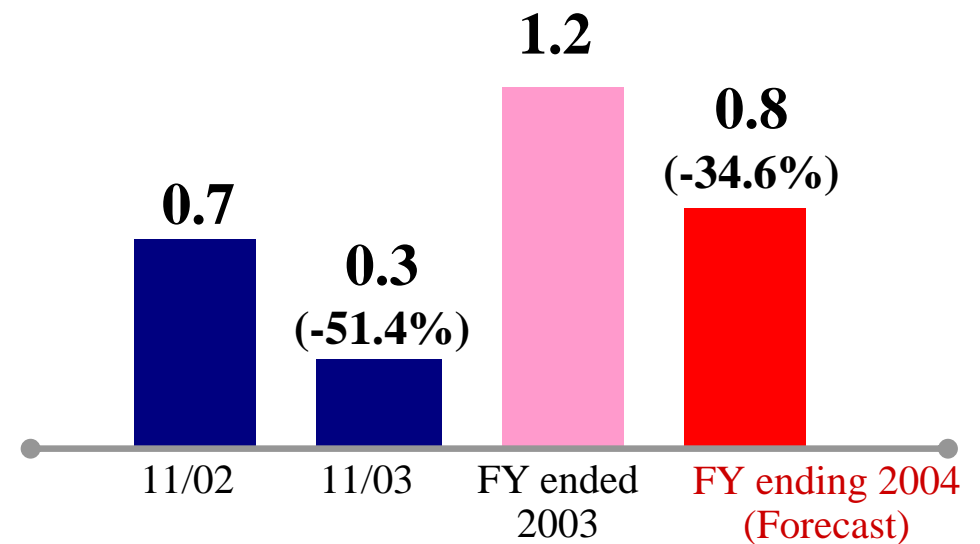
Sales

(Billions of yen)



Operating Income

(Billions of yen)



Orders

(Millions of yen)

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

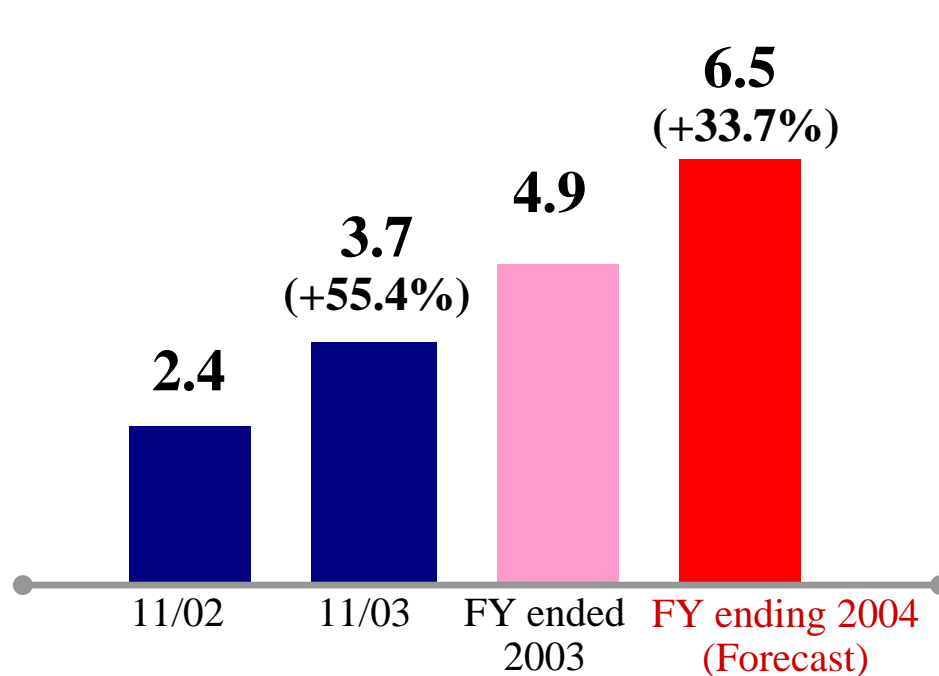
TOPICS

- (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

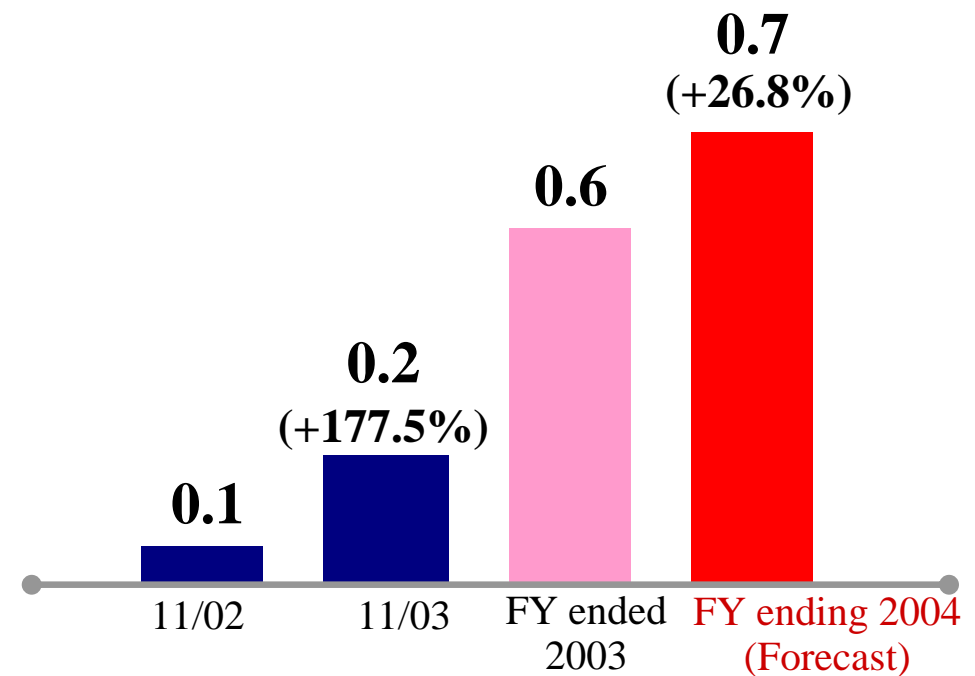
Sales

(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

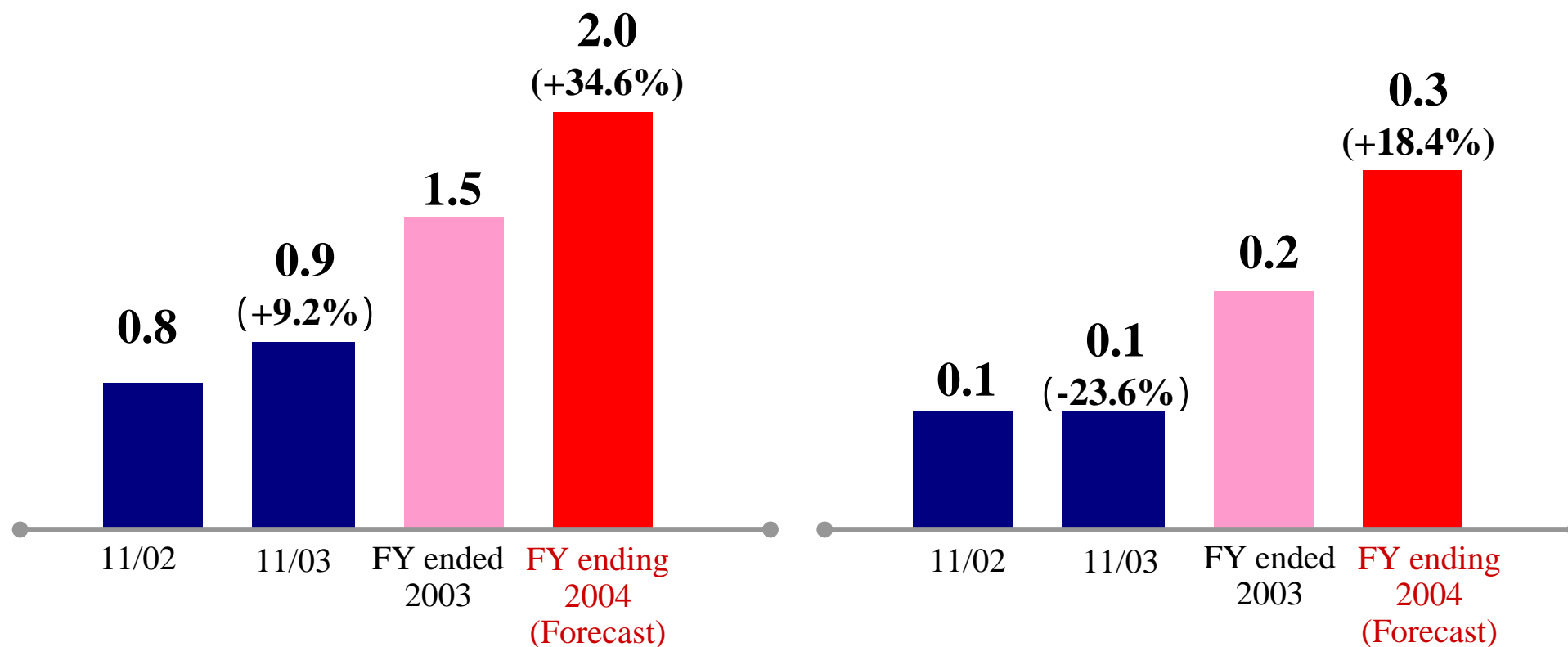
PC training business severe, upward trends in others

Sales

(Billions of yen)

Operating Income

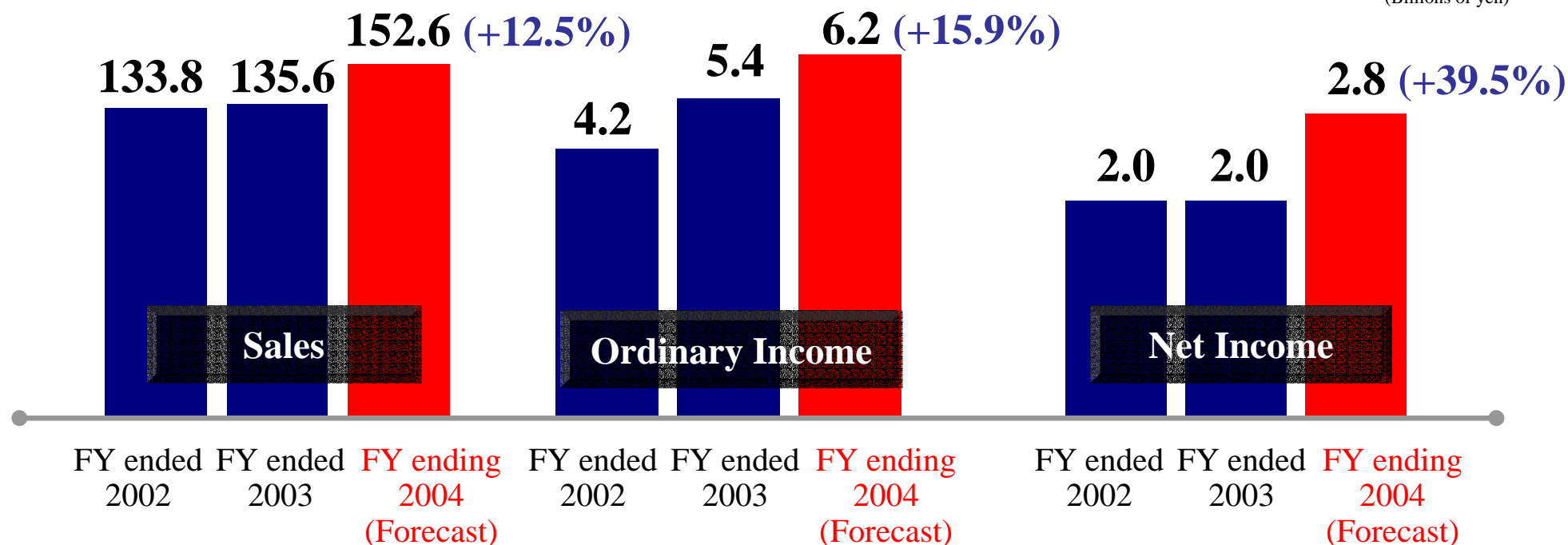
(Billions of yen)



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%

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	

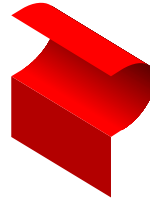
- 1 Pasona Carent, Inc. (formerly Vacs Inc.) was included as a subsidiary in the scope of consolidation during the six-month period ended November 30, 2003 due to its increasing importance to the Pasona Group.
- 2 Pasona Telemarketing Inc. (formerly Atento Pasona, Inc.) became a consolidated subsidiary 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.