

# **First Half Results for the Fiscal Year Ending May 2005**

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

**January 27, 2005**  
**[www.pasona.co.jp](http://www.pasona.co.jp)**

## **1. First Half Results ended November 30,2004**

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Units in billions of yen have been rounded to the nearest first decimal place. Units in millions of yen have been rounded down.

## Pasona's Job = Bringing out the **best** in each individual

For example, for seniors unable to find work due to their age, we exert every effort to find the most appropriate company for them, based on their ample capabilities, personality and work career.

### **“Dream”**

To build a future where each individual can create their own comfortable lifestyle and freely choose the kind of work they would like to do.

### **“Ambition”**

To build a work infrastructure where each individual can freely work.

- Pasona's Value **“Core”**

## Management Goal

### Establish **Market Status**

- Acquire social trust as an entire group.
- Construct corporate brand.
- Expand market share.

## Key Strategies

Implement a **comprehensive growth strategy** for the core temporary staffing business

**Nurture an environment conducive to business expansion**

- Relocate Headquarters
- Establish Multi-functional "Special Branches"
- Introduce "My Coach System"

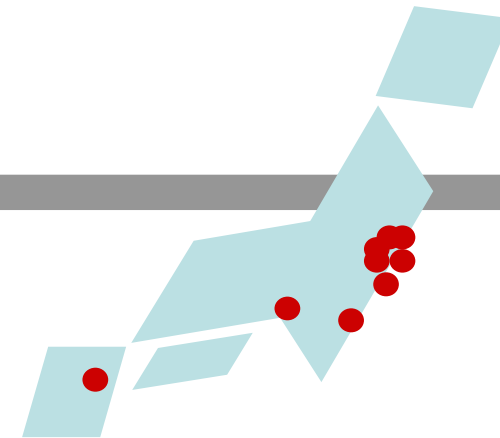
**Take up Head of Sales Headquarters**

- Enhance communication and better bridge the gap among temporary staff, clients and employees **Prompt** Decision Making

# Enhanced Branch Functionality

## Establishment of Multifunctional Special Branches

- Establish 9 Special Branches nationwide  
Chiyoda, Ginza, Shinjuku, Shibuya, Shinagawa, Yokohama,  
Nagoya, Osaka, Fukuoka
- Expand nationwide network of sales and marketing job category



	1 <sup>st</sup> Half 11/03	1 <sup>st</sup> Half 11/04	YoY
Non-consolidated sales	56,980	65,053	+ 14.2%
Special Branch Sales	34,976	41,298	+ 18.1%
Sales, Marketing, Telemarketing, Strategic Job Types* Sales	7,496	8,993	+ 20.0%

\*Strategic job types include 15 job types such as sales promotion, route rounder and market research among sales, marketing and telemarketing. Please note that it is different from "Sales by Staffing Type" continually disclosed.

## Reinforce Staffing (1)

### Establish and enhance registration offices

- Headquarters moved to Otemachi on November 1, 2004  
[New branches] Handa (Chubu International Airport), Kawagoe, Ueno  
[Expanded] Osaka, Himeji, Hamamatsu, Sapporo

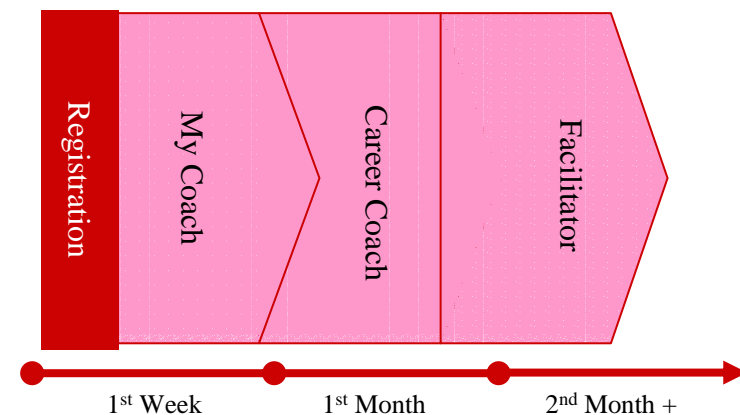
Branches planned for expansion in the 2nd half:  
Kagoshima, Shinagawa, Shinjuku, Shizuoka, Ginza, Fukuoka, Kita Kyushu, Others



The Otemachi branch renovated to promote better communication, with different concepts compared to previous registration spaces.

### Workflow improvements

- Responsible persons assigned = Implement a “**My Coach**” system  
Implement staff-focused counselling



## Reinforce Staffing (2)

### Enhance training and education

- Establish training facilities (Otemachi, Sapporo, Others)
- Introduce scholarship system
  - = Finance Project (securities broker)
  - = Call center
- Tokyo Business Support Program



### Expand benefit services

- Propose benefits equivalent to full-time employees
  - = Benefit One Inc.
  - = SafetyNET counseling center
  - = Mental and healthcare support



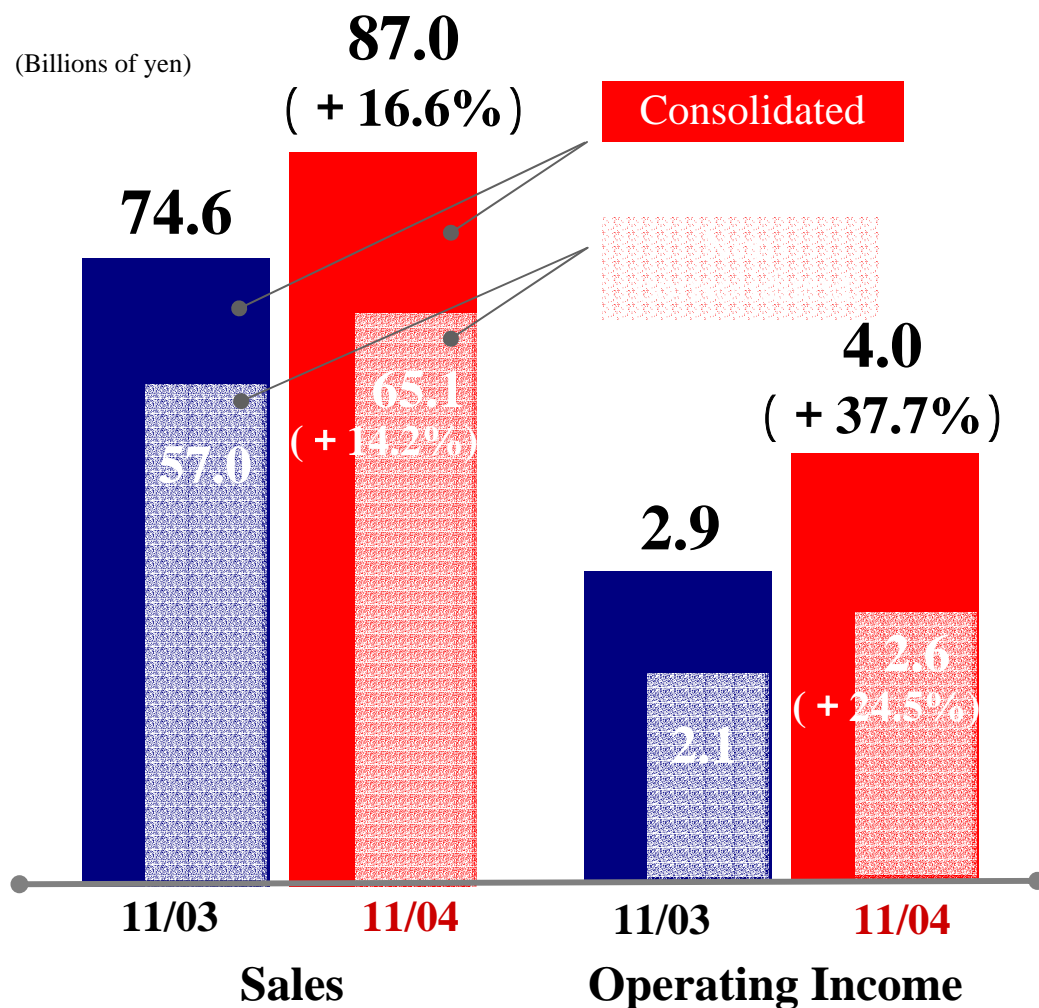
"Thanks Party" held for staff

Full range of health care services including massage and esthetique



# First Half Consolidated Results Ended November 2004

- Growth in revenues and earnings, spurred by strong performance in temporary staffing and outplacement businesses



(Millions of yen)

Consolidated	11/03	11/04
Sales (YoY)	74,641 (+ 11.7%)	87,016 (+ 16.6%)
Operating Income (YoY)	2,892 (+ 30.8%)	3,982 (+ 37.7%)
Operating Income Margin	3.9%	4.6%

# Further Expansion of the Personnel Services Business Domain

Establish specialist subsidiary companies

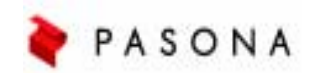
— Reinforce efforts to establish subsidiaries in specific strategic fields

Established	Company Name	Business Activities
04/04	Pasona On Inc.	Temporary staffing and placement of new graduates
09/04	Pasona Global Inc.	Placement of personnel on a global basis, personnel consulting
10/04	Pasona Engineering Inc.	Temporary staffing of electrical engineers
11/04	Pasona Insurance Inc.	Temporary staffing and placement in the insurance field

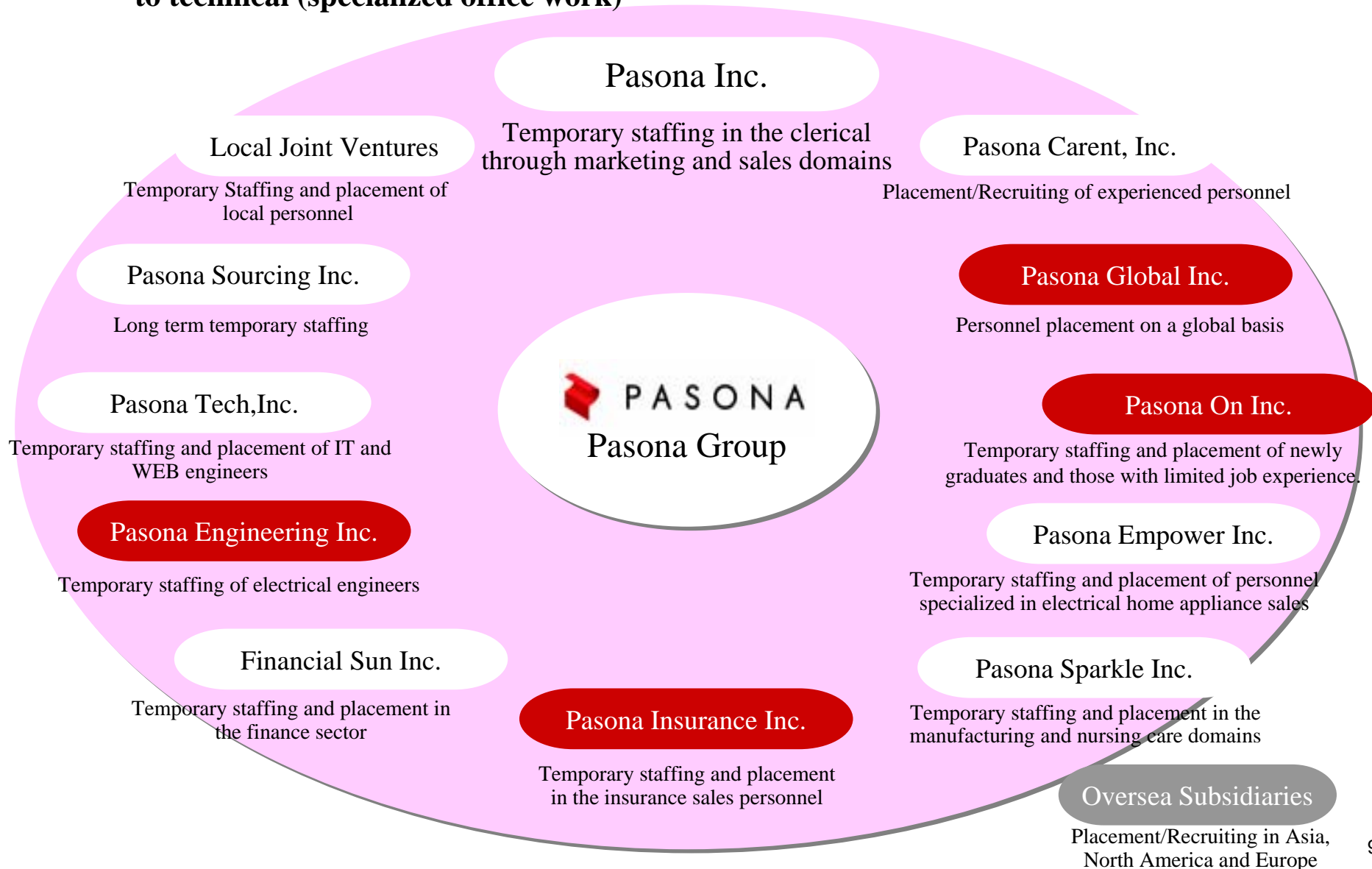
## Enter new fields

Established	Company Name	Business Activities
11/04	Pasona ai Inc.	Operate and manage online employment support targeting growth companies and the 20's demographic

# Temporary Staffing and Placement/Recruiting Business Fields of the Pasona Group



- Expand activities across a broad activity range from clerical (general office work) to technical (specialized office work)



## Agricultural Domain

Enter personnel services business in the agricultural domain

- Opened an **agricultural training facility** on the B2 level of the Company's Otemachi headquarters



Changing Otemachi, major finance center, into an agricultural support center by establishing a training facility.

- Implement an agricultural intern program nationwide
- Establish an agricultural temporary staffing department

Accelerate establishment of an agricultural business

## Freeter Domain

Create employment opportunities for "freeters"

- Established a support infrastructure
- Implement training for business etiquette and skills

Special seminars targeting the youth market. A seminar held in December 2004 attracted more than 100 students and freeters.



Cultivate business in new personnel fields

## Public Sector Domain

Participate in market testing, cultivate public sector and regional markets

- Proposal for "**Hellowork**", job-placement office operations.
  - Administration of Career Exchange Plaza
  - Operation of search for job openings
- Further reinforce specialist departments targeting regional government organizations

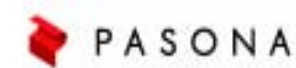
[FY2005 Business Model]

- (1) Job-placement office related operations
- (2) Social Insurance Agency related operations etc.

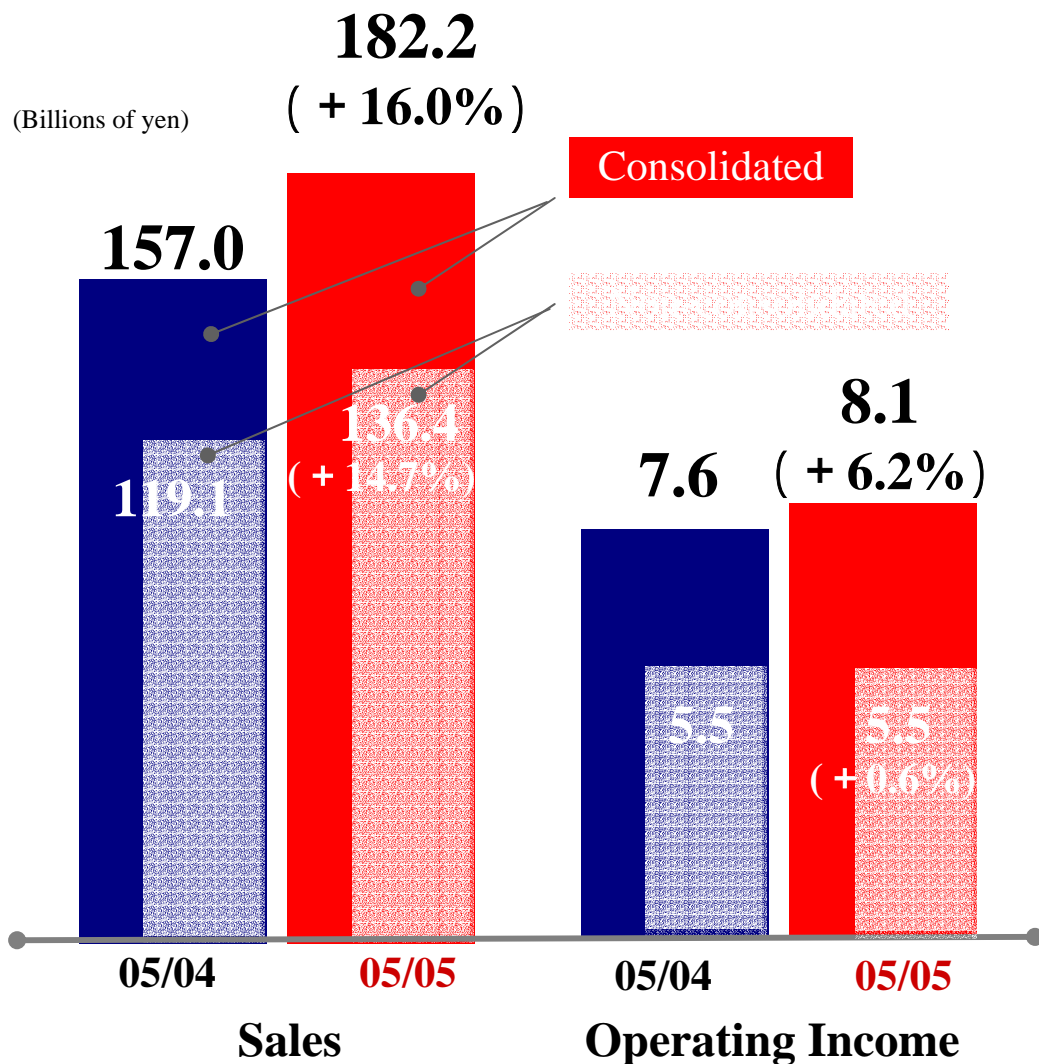
Cultivate new clients

**Toward further Job Creation**

# Forecast of Consolidated Results for FY Ending May 2005



- Continue the policy of aggressive business expansion, upward revision of previous sales forecast



(Millions of yen)

Consolidated	05/04	05/05 Forecast at the beginning of the period	05/05 Revised forecast
Sales (YoY)	156,979 (+15.7%)	178,420 (+13.7%)	182,160 (+16.0%)
Operating income (YoY)	7,648 (+34.5%)	8,120 (+6.2%)	8,120 (+6.2%)
Operating Income Margin	4.9%	4.6%	4.5%

## Improve liquidity through stock split

Implemented a three-for-one common share stock split in July 2004

Increase in the number of shareholders from 6,846 as of May 31, 2004 to **8,667** shareholders as of November 30, 2004

## Forecast cash dividend

Plan for a cash dividend of ¥1,000 per common share as of May 31, 2005  
(¥3,000 per common share based on the previous period)

Declared a ¥2,000 per common share cash dividend for FY ended 2004 (pre stock split)

Payout ratio: 14.4% (FY ended 2004 10.2%)

Calculated on the basis of estimated number of common shares outstanding as of May 31, 2005: 431,537 shares

