

First Half Results for the Fiscal Year Ending May 2005

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

January 27, 2005
www.pasona.co.jp

1. First Half Results ended November 30,2004

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"

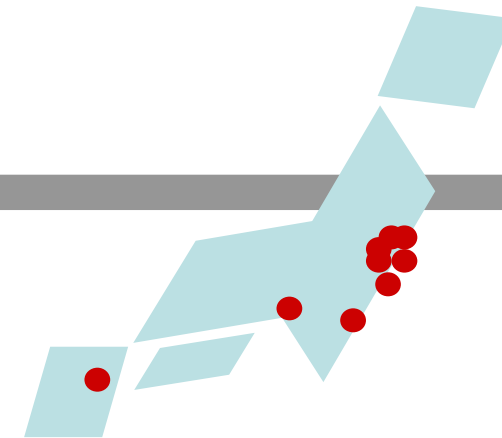
Take up Head of Sales Headquarters

- 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 st Half 11/03	1 st 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

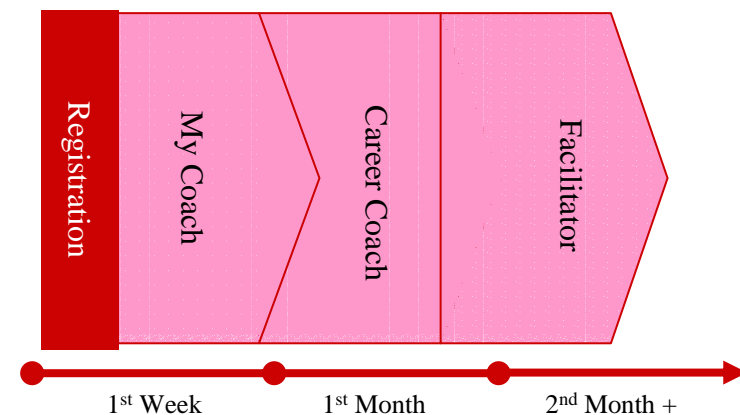
Branches planned for expansion in the 2nd half:
Kagoshima, Shinagawa, Shinjuku, Shizuoka, Ginza, Fukuoka, Kita Kyushu, Others



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

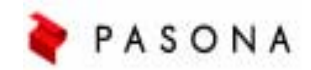


"Thanks Party" held for staff

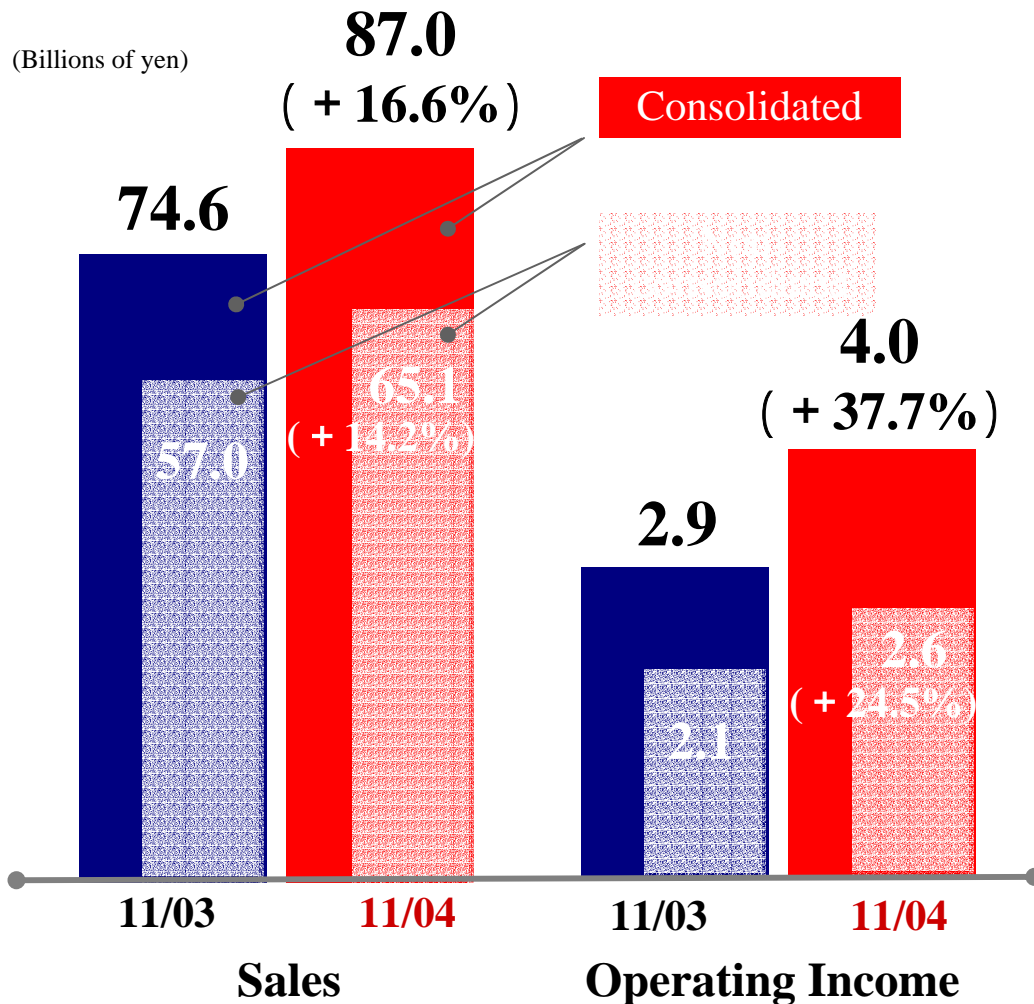
Full range of health care services including massage and esthetique



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

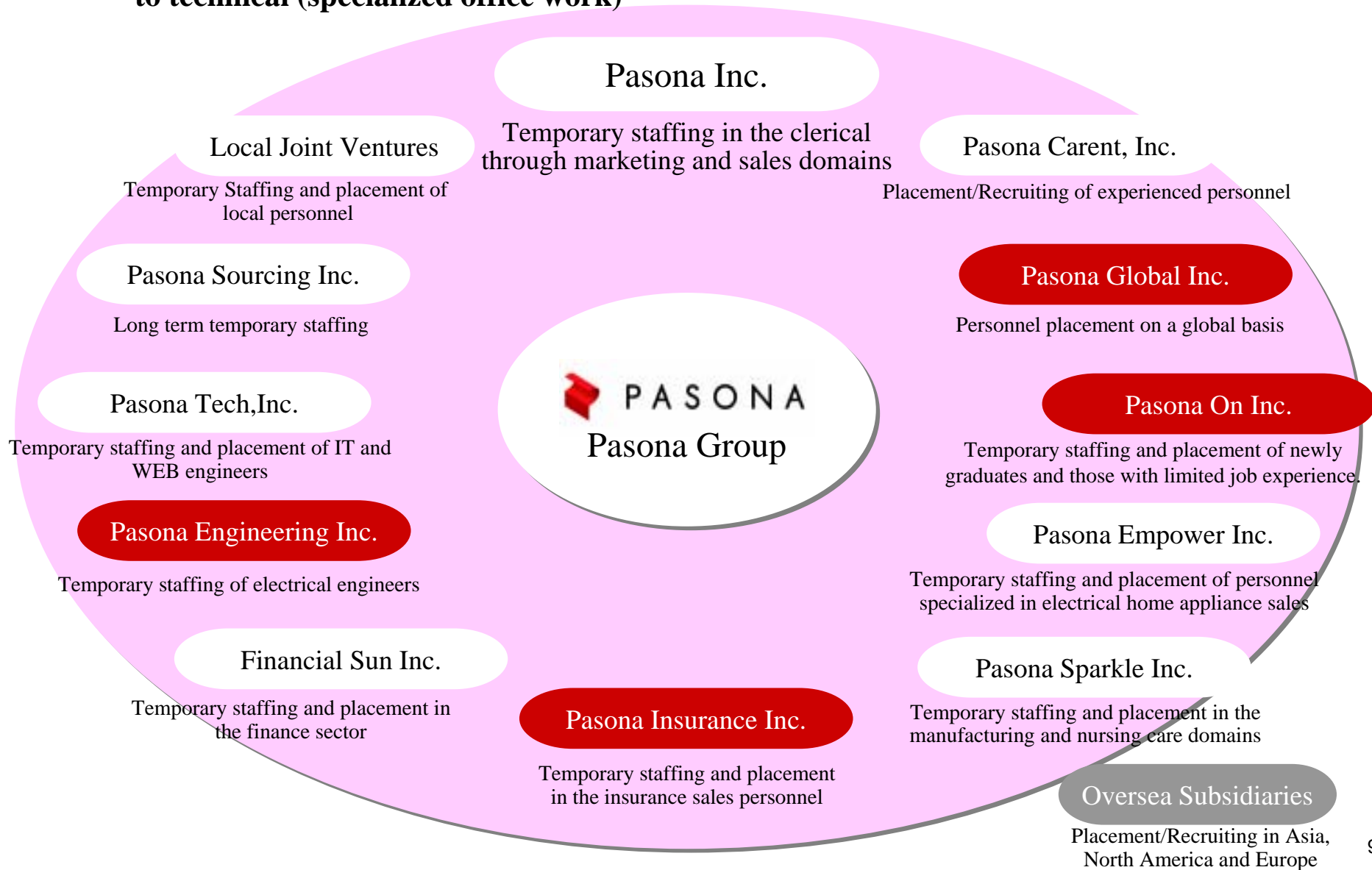
Enter new fields

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

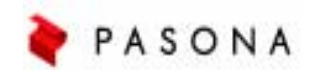
[FY2005 Business Model]

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

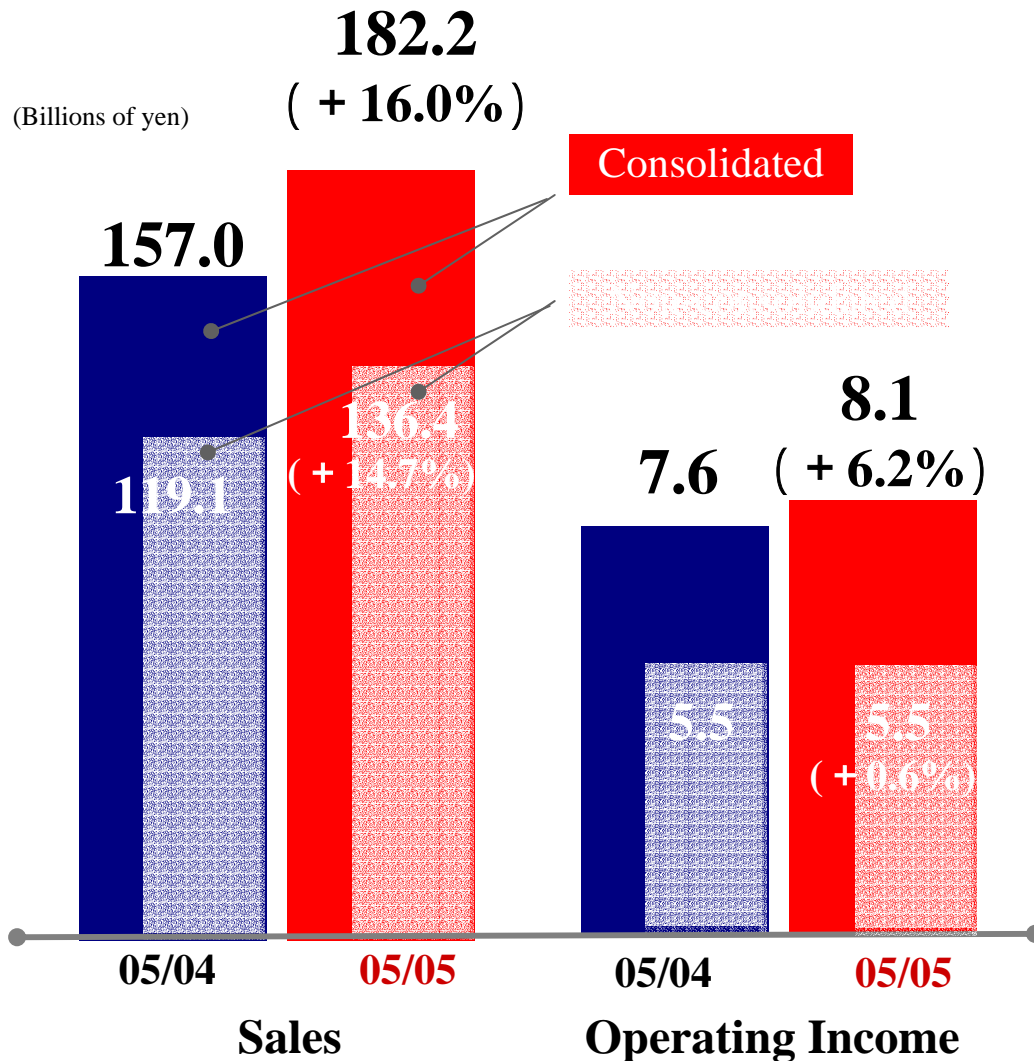
Cultivate new clients

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

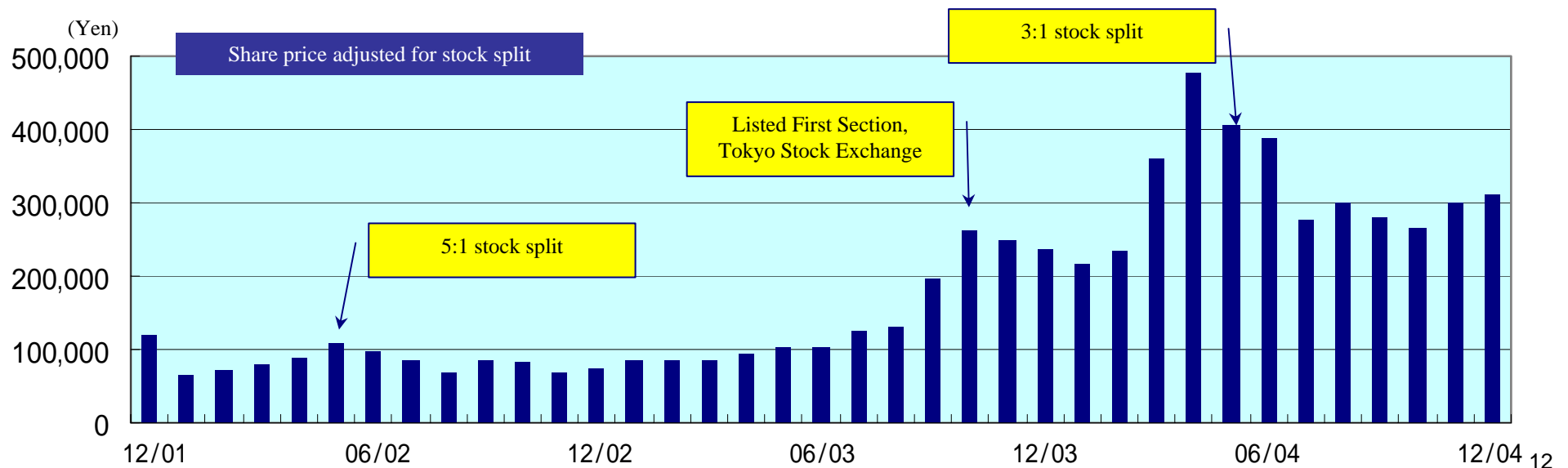
Forecast cash dividend

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

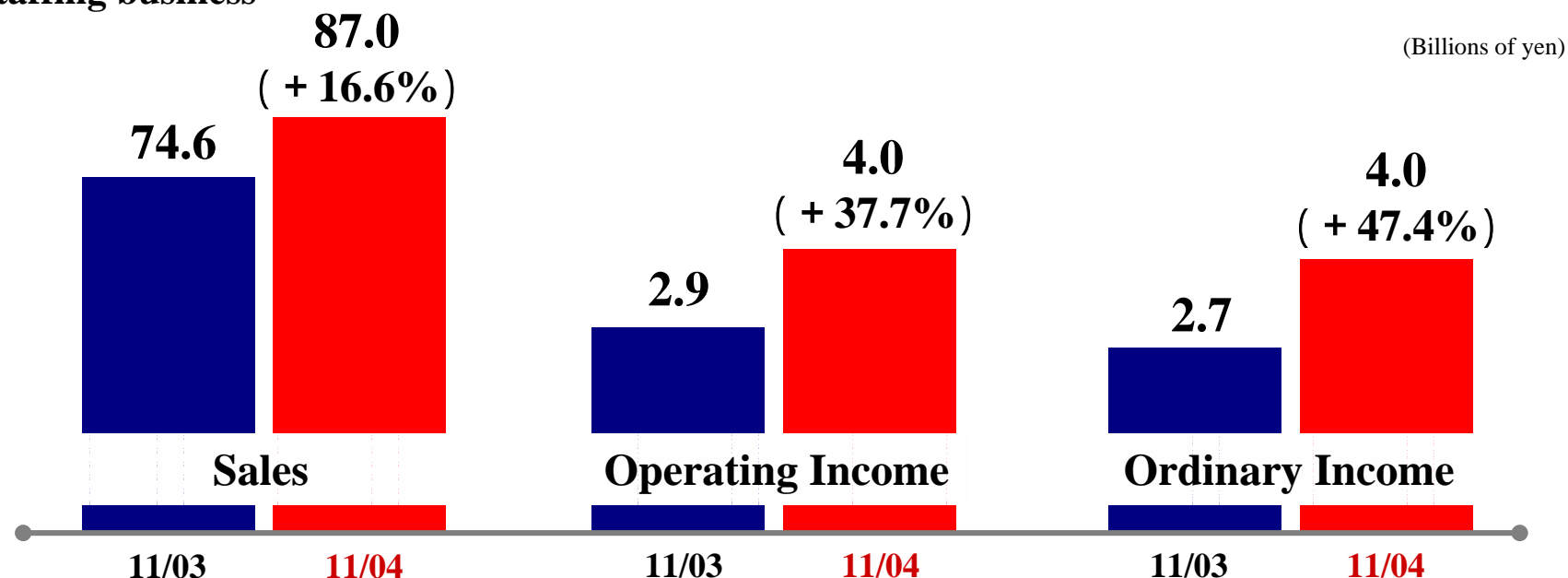


2. Overview of First Half Consolidated Results ended November 30, 2004

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

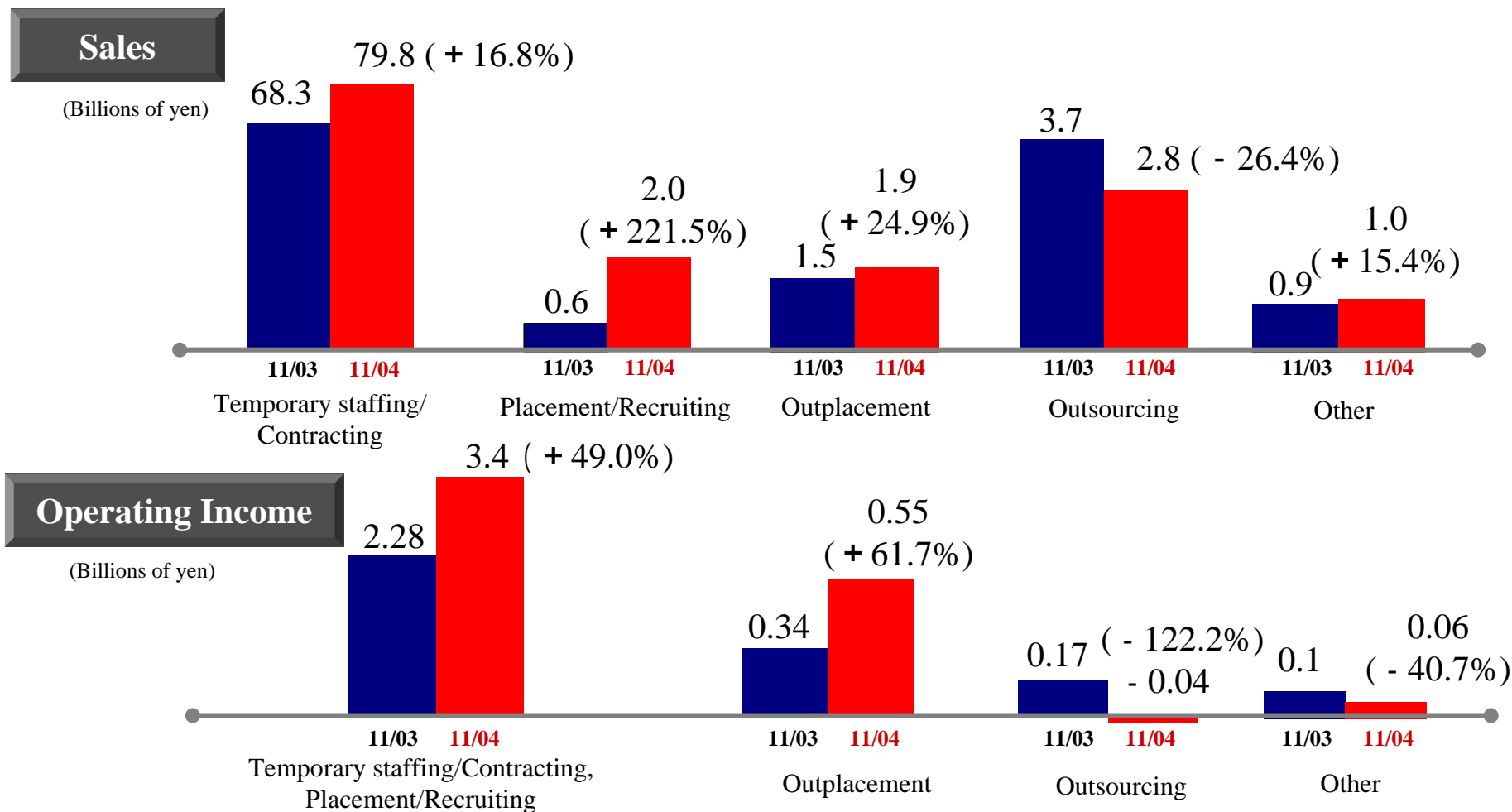
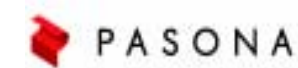
First Half Consolidated Results Ended November 2004

- Growth in revenue and earnings driven mainly by a strong performance in the temporary staffing business



(Millions of yen)	11/03	(%)	11/04	(%)	YoY
Sales	74,641	(100.0)	87,016	(100.0)	+16.6%
Gross Profit	14,983	(20.1)	17,888	(20.6)	+19.4%
Operating Income	2,892	(3.9)	3,982	(4.6)	+37.7%
Ordinary Income	2,707	(3.6)	3,990	(4.6)	+47.4%
Net Income	1,272	(1.7)	2,319	(2.7)	+82.2%

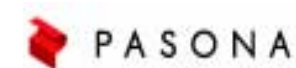
First Half Consolidated Results Ended November 2004 by Service Segment



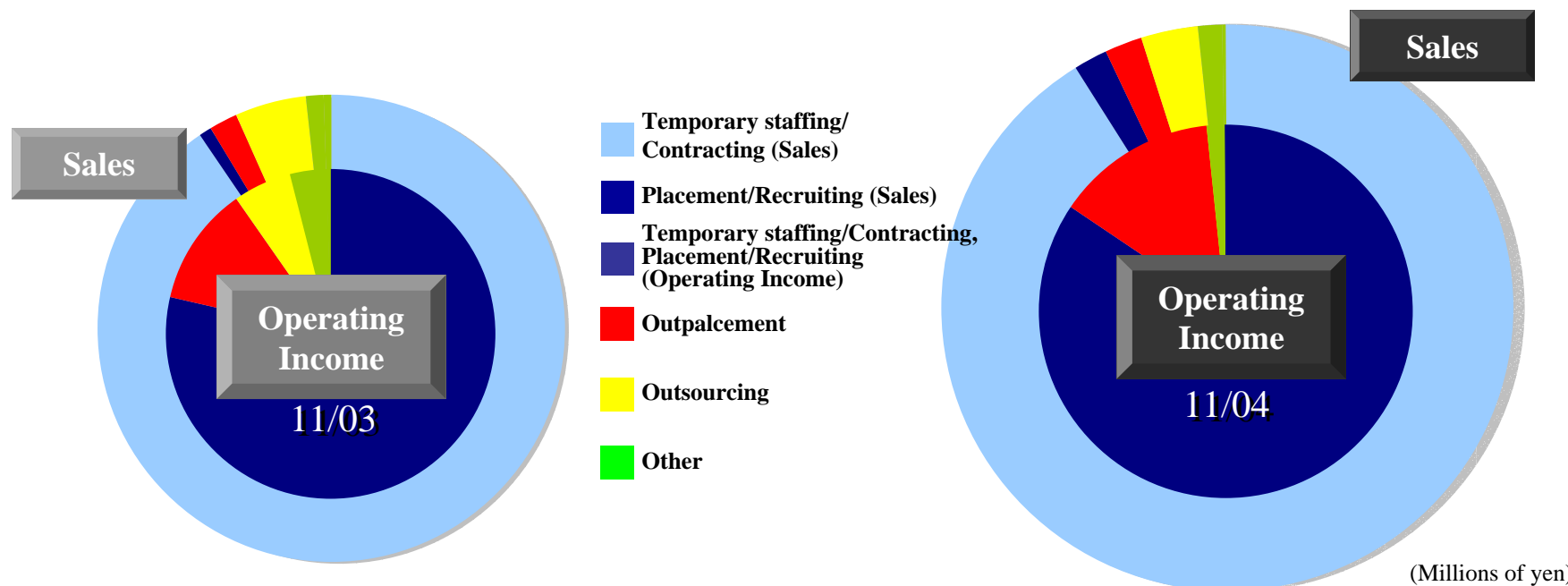
*1. Figures are before Group intersegment eliminations *2. Results for Temporary staffing and Placement/Recruiting have been combined (Millions of yen)

	Temporary staffing/Contracting			Placement/Recruiting			Outplacement			Outsourcing			Other			Eliminations & Corporate	
	11/03	11/04	YoY	11/03	11/04	YoY	11/03	11/04	YoY	11/03	11/04	YoY	11/03	11/04	YoY	11/03	11/04
Sales	68,269	79,770	16.8%	607	1,952	221.5%	1,509	1,885	24.9%	3,739	2,753	-26.4%	872	1,005	15.4%	-356	-351
Operating Income	2,280	3,399	49.0%				341	552	61.7%	171	-38	-122.2%	104	62	-40.7%	-6	6

First Half Consolidated Results Ended November 2004 by Service Segment Composition



- Expansion in the relatively profitable Placement/Recruiting and Outplacement

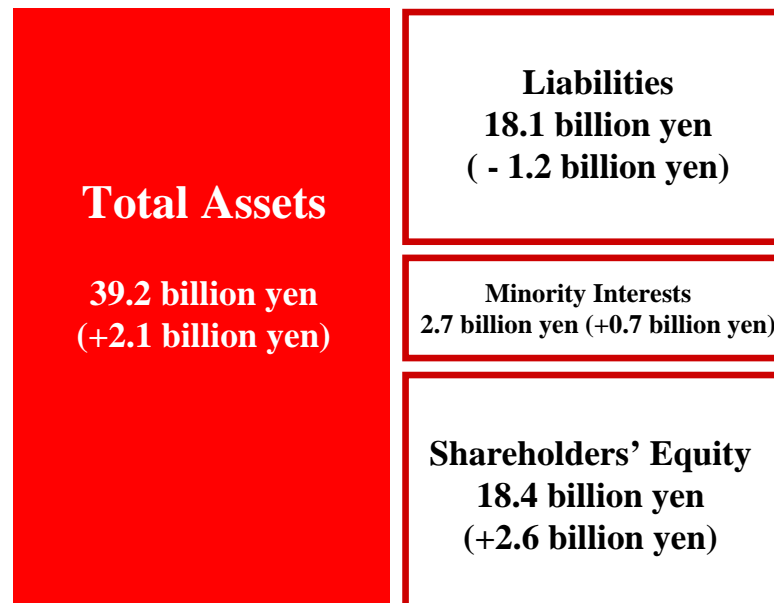


	11/03				11/04			
	Sales	%	Operating Income	%	Sales	%	Operating Income	%
Temporary staffing/ Contracting	68,269	91.5%	2,280	78.9%	79,770	91.7%	3,399	85.3%
Placement/Recruiting	607	0.8%			1,952	2.2%		
Outplacement	1,509	2.0%	341	11.8%	1,885	2.2%	552	13.9%
Outsourcing	3,739	5.0%	171	5.9%	2,753	3.2%	- 38	- 1.0%
Other	872	1.2%	104	3.6%	1,005	1.1%	62	1.6%
Eliminations & Corporate	- 356	- 0.5%	- 6	- 0.2%	- 351	- 0.4%	6	0.2%
Total	74,641	100.0%	2,892	100.0%	87,016	100.0%	3,982	100.0%

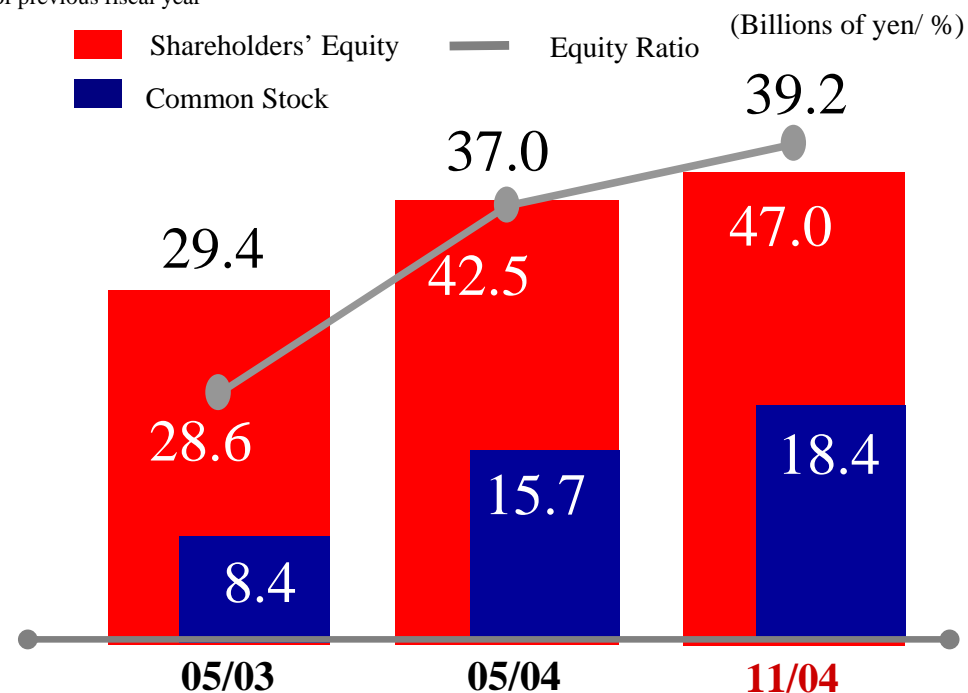
Balance Sheet

11/04

* Figures in parentheses indicate changes from the end of previous fiscal year



Shareholders' Equity, Common Stock, Equity Ratio



Cash Flow

	11/03	11/04
Cash flow from operating activities	6	0
Cash flow from investing activities	-9	-18
Cash flow from financing activities	23	12
Free cash flows	-2	-18

- Increase in accounts receivable 2.1 billion yen
- Income tax and other payments 1.7 billion yen

Principle components:

- Tangible fixed assets 0.8 billion yen
- Intangible fixed assets 0.2 billion yen
- Headquarter relocation and other investments 0.7 billion yen (Net amount)

3. Overview by Business Segment

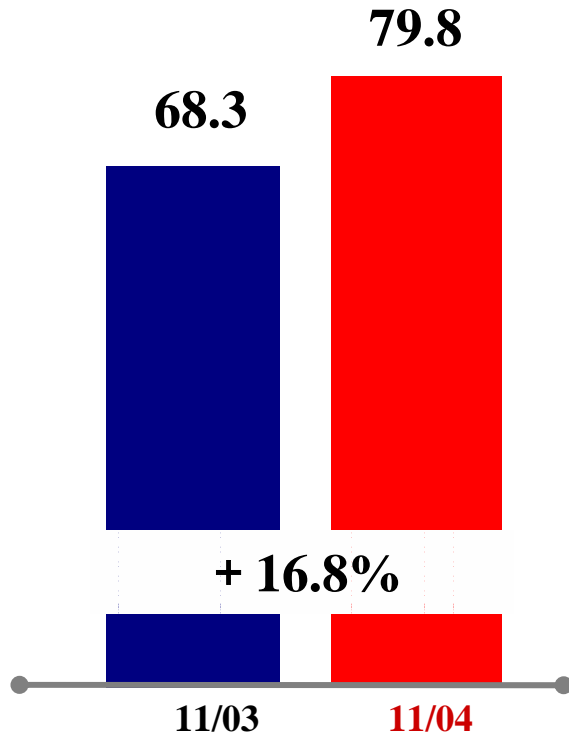
Units in billions of yen have been rounded to the nearest first decimal place. Units in millions of yen have been rounded down.

Increased opportunities spurred by strong demand from the finance industry

Sales

Temporary staffing/Contracting

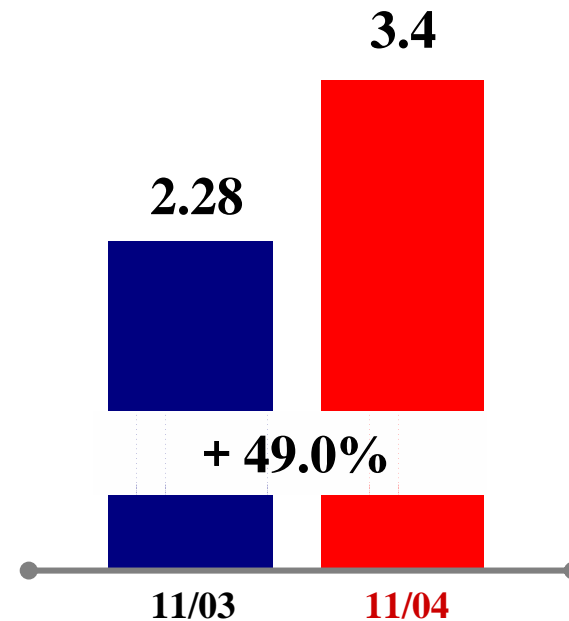
(Billions of yen)



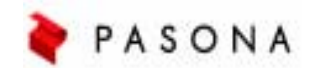
Operating Income

Temporary staffing/Contracting, Placement/ Recruiting

(Billions of yen)

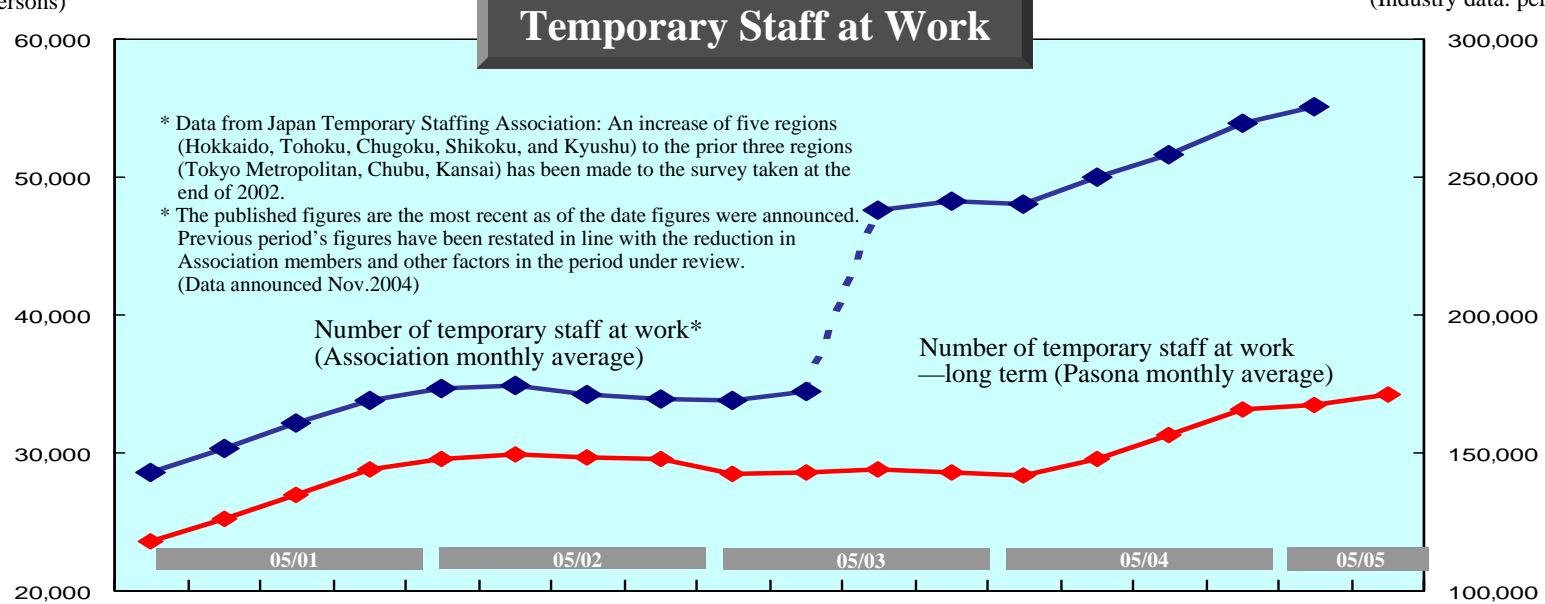


Temporary staffing/Contracting (2)



(Pasona data: persons)

(Industry data: persons)



	FY ended 2002				FY ended 2003				FY ended 2004				FY ending 2005			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Industry-wide	173,116	174,598	171,019	169,810	169,070	172,368	238,063	241,211	240,093	249,729	258,413	269,373	275,663	-	-	-
Pasona	29,553	29,884	29,708	29,581	28,527	28,613	28,753	28,572	28,372	29,543	31,295	33,138	33,510	34,208	-	-
YoY	25.2%	18.5%	10.1%	2.6%	- 3.5%	- 4.3%	- 3.2%	- 3.4%	- 0.5%	3.2%	8.8%	16.0%	18.1%	15.8%	-	-

Orders (long term) Monthly Average			Contract Starts (long term) Monthly Average				Contract Completion (long term) Monthly Average			
	Number	YoY		Number	YoY		Number	YoY		
11/03	4,568	16.4%	11/03	2,526	7.5%	11/03	2,507	6.5%		
11/04	6,960	52.3%	11/04	2,940	16.4%	11/04	2,949	17.6%		
Contracts Signed (long term) Monthly Average			Temporary Staffing Prices				Number of New Registered Staff(Consolidated)			
	Rate	YoY		Contract Price	Payment		Persons	YoY		
11/03	55.3%	-- 4.6%	11/03	2,054	- 2.1%	1,493	- 2.0%	57,439	21.4%	
11/04	42.2%	- 13.0%	11/04	2,028	- 1.3%	1,478	- 1.0%	49,177	- 14.4%	

* Non-consolidated Pasona data, except figures for new registered staff

* Figures for Temporary Staff at Work (monthly average), Orders, Contract Starts, Completions, and Signed exclude Special Project matters beyond September 2002

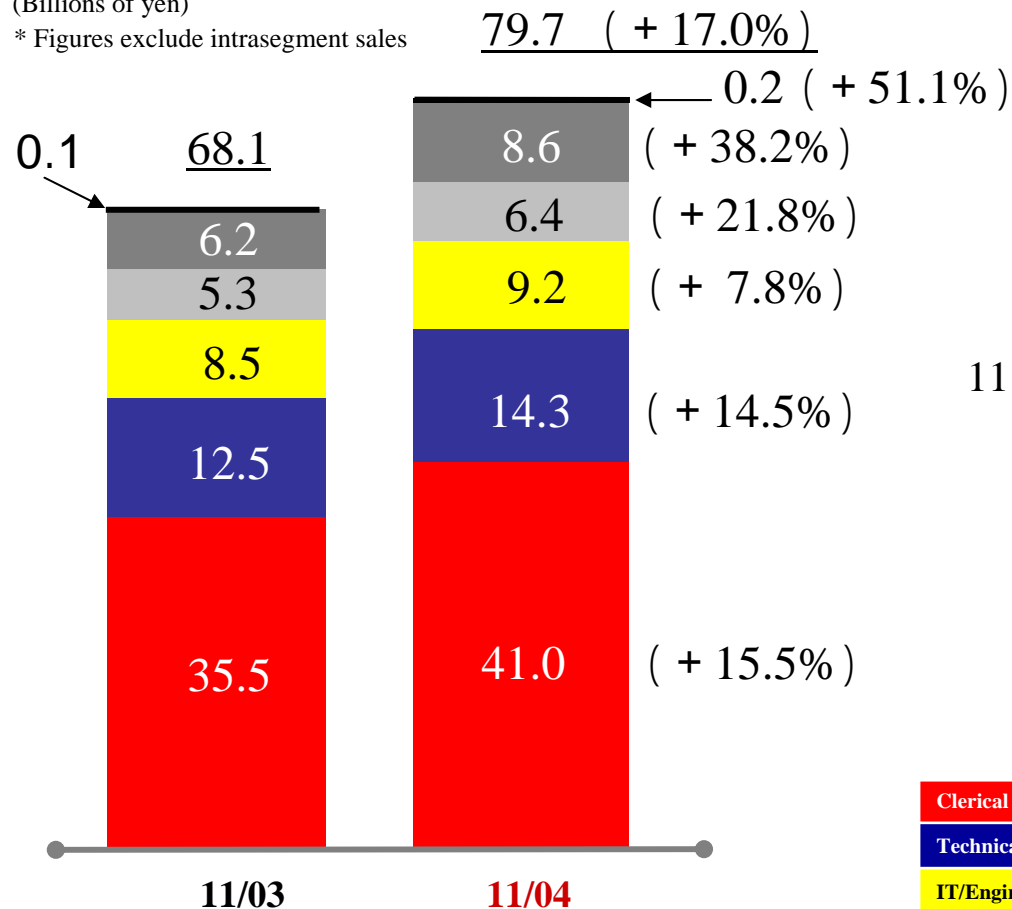
* New method applied with gross work hours as a base for Temporary Staffing prices beyond May 2004.

Temporary staffing/Contracting (3)

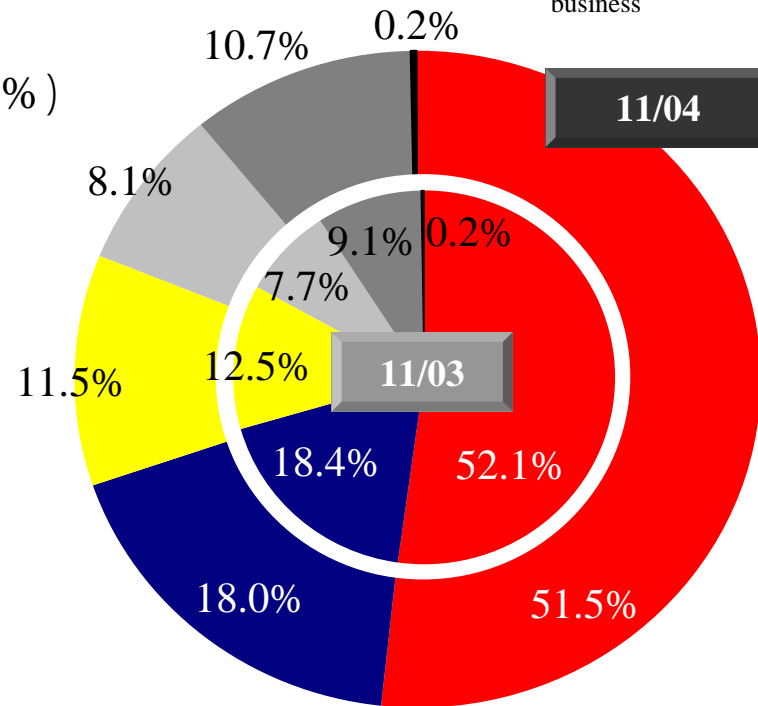
Sales by Staffing Type/Share

(Billions of yen)

* Figures exclude intrasegment sales



- Clerical (General office work)
- Technical (Specialized office work)
- IT/Engineering
- Marketing/Sales
- Other
- Temporary staffing-related business



	11/03	YoY	11/04	YoY
Clerical	35,534	+ 5.5%	41,037	+ 15.5%
Technical	12,522	+ 3.8%	14,335	+ 14.5%
IT/Engineering	8,503	+ 4.1%	9,166	+ 7.8%
Marketing/Sales	5,279	+ 49.5%	6,428	+ 21.8%
Other	6,187		8,553	+ 38.2%
Temporary Staffing-Related Business	115	-	174	+ 51.1%
Total	68,144	+ 10.4%	79,696	+ 17.0%

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.

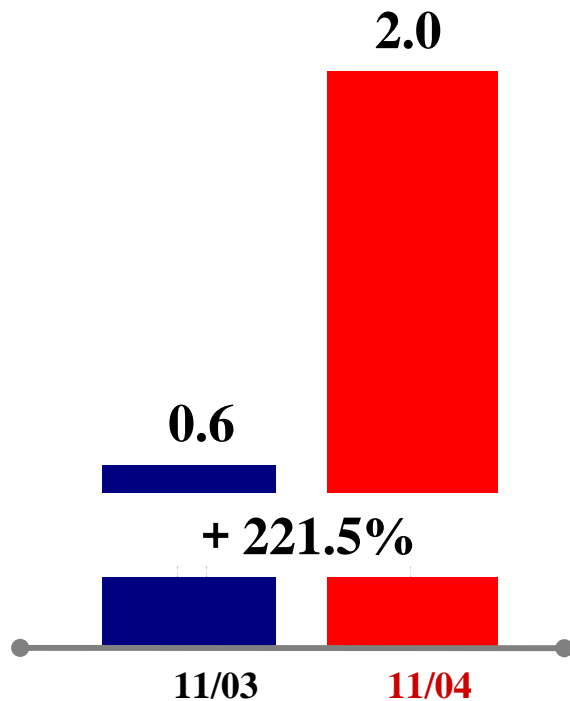
IT/Engineering includes temporary positions for network engineers, programmers, manufacturing and design engineers, PC experts, and other work in IT-related fields.

Marketing/Sales are fields that were made possible by the revised Dec. 1999 Temporary Workers' Law. Other includes part-time employment opportunities in the manual labor, routine, contract and labor fields. Temporary staffing-related business includes training and EQ inspection work.

**High growth focused in the Tokyo Metropolitan area.
Overseas subsidiaries contribute to growth.**

Sales

(Billions of yen)

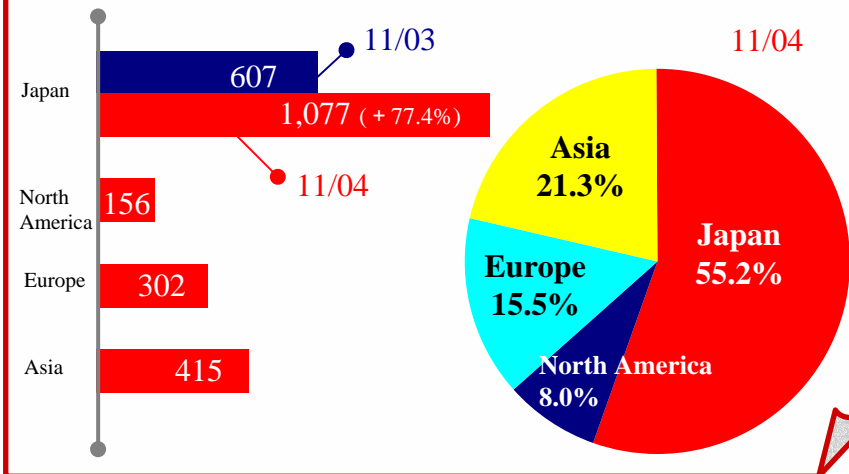


TOPICS

- Pasona Carent, Inc.
Expand into the Nagoya region, an area exhibiting strong demand (July 2004)
- Solid growth by overseas subsidiaries

Sales by Region

(Millions of yen)

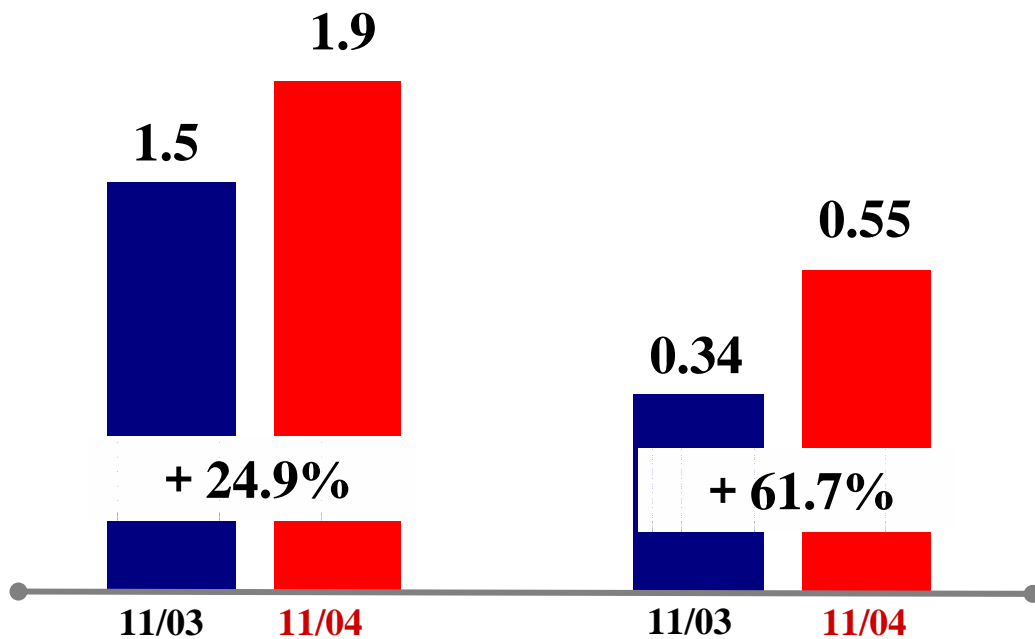


Year-on-year increase in orders. Increase in revenues and earnings.

Sales

Operating Income

(Billions of yen)



TOPICS

Successfully expand network (74 locations nation-wide). Orders increased nation-wide

Job cafes and other activities, full-fledged commencement of outplacement business on behalf of regional government authorities

No. of clients - 6.2%

No. of accepted persons per company + 40.2%

No. of orders + 31.5%

Cost of orders + 21.8%

(Millions of yen)

	09/03	09/04	YoY
Orders	1,701	2,070	+ 21.8%

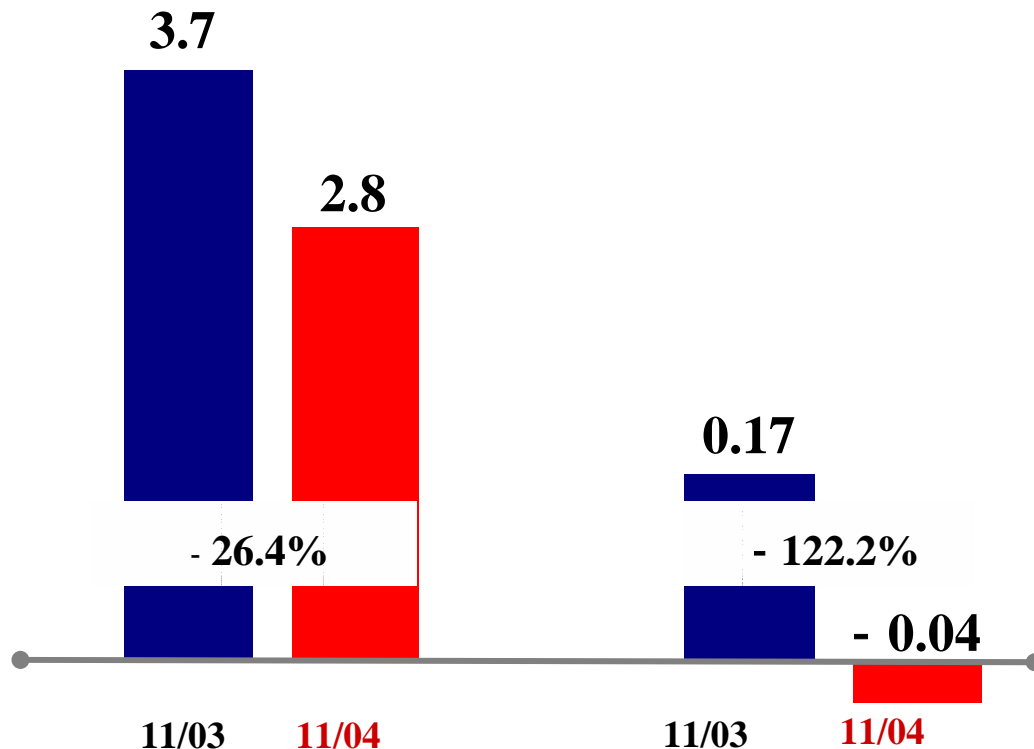
Solid growth in new orders. Enhanced business platform.

Sales

Operating Income

* Included in results for 11/03 is the contribution from Pasona Telemarketing.
Pasona Telemarketing was sold in June 2004.

(Billions of yen)



TOPICS

- Public listing (September 2004)
- Take on a portion of Cendant Japan Co., Ltd.'s marketing business (November 2004)
- Solid growth in new orders from companies including Matsushita Electric Industrial Co., Ltd. (Members as of the end of the interim period: In excess of 1.03 million)

[Benefit One Inc. Results]

(Millions of yen)

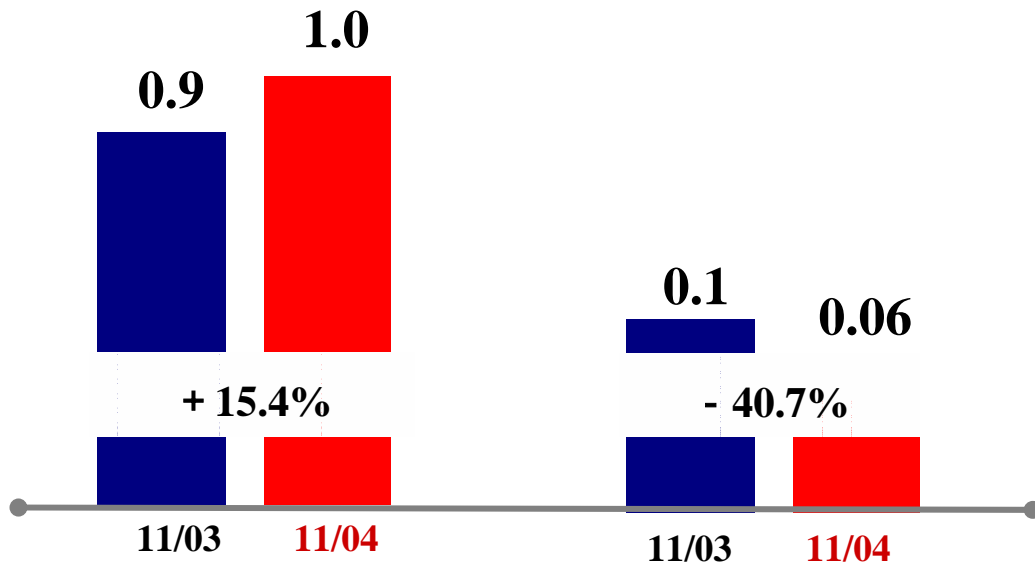
	09/03	09/04	YoY
Sales	2,989	2,753	- 7.9%
Operating Income	182	72	- 60.5%
Ordinary Income	182	52	- 71.2%

Growth in childcare business. Less contribution from PC training business .

Sales

Operating Income

(Billions of yen)



TOPICS

- Contribution by the language education company (Pasona Education) from the period under review
- Solid performance by the child and nursing-care businesses



* Pasona Education Co., Ltd. is involved not only in language education, but also in business manner and other training

Results vs. Forecasts for the First Half Ended November 2004 (Non-Consolidated)

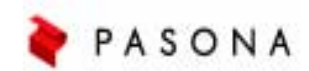


- **Solid growth in earnings due to reduction in SG&A expenses**
 - **Timing difference with payment of expenses**
 - **Change in classification of expenses, other**

- Incorporate the new graduate temporary staffing business
- Payment of SG&A expenses in the second half

Non-Consolidated	11/04 Forecasts	11/04 Results	Change	Percentage Change
Sales	65,680	65,053	- 627	- 1.0 %
Gross Profit	11,586	11,287	- 299	- 2.6%
Operating Income	2,170	2,625	455	+ 21.0%
Ordinary Income	2,180	2,741	561	+ 25.7%
Net Income	1,180	1,347	167	+ 14.2%

Results vs. Forecasts for the First Half Ended November 2004 (Consolidated)



- **Jump in earnings brought by subsidiaries and also non-consolidated factors**

Consolidated	11/04 Forecasts	11/04 Results	Change	Percentage Change
Sales	85,750	87,016	1,266	+1.5 %
Gross Profit	17,350	17,888	538	+3.1 %
Operating Income	2,640	3,982	1,342	+50.8 %
Ordinary Income	2,560	3,990	1,430	+55.9 %
Net Income	1,190	2,319	1,129	+94.9 %

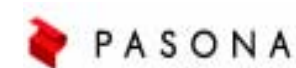
- Payment of non-consolidated SA&A expenses in the second half
- Solid performance in Outplacement in the first half

- Extraordinary gain related to the public listing of Benefit One

4. Forecast of Consolidated Results for FY Ending May 31, 2005

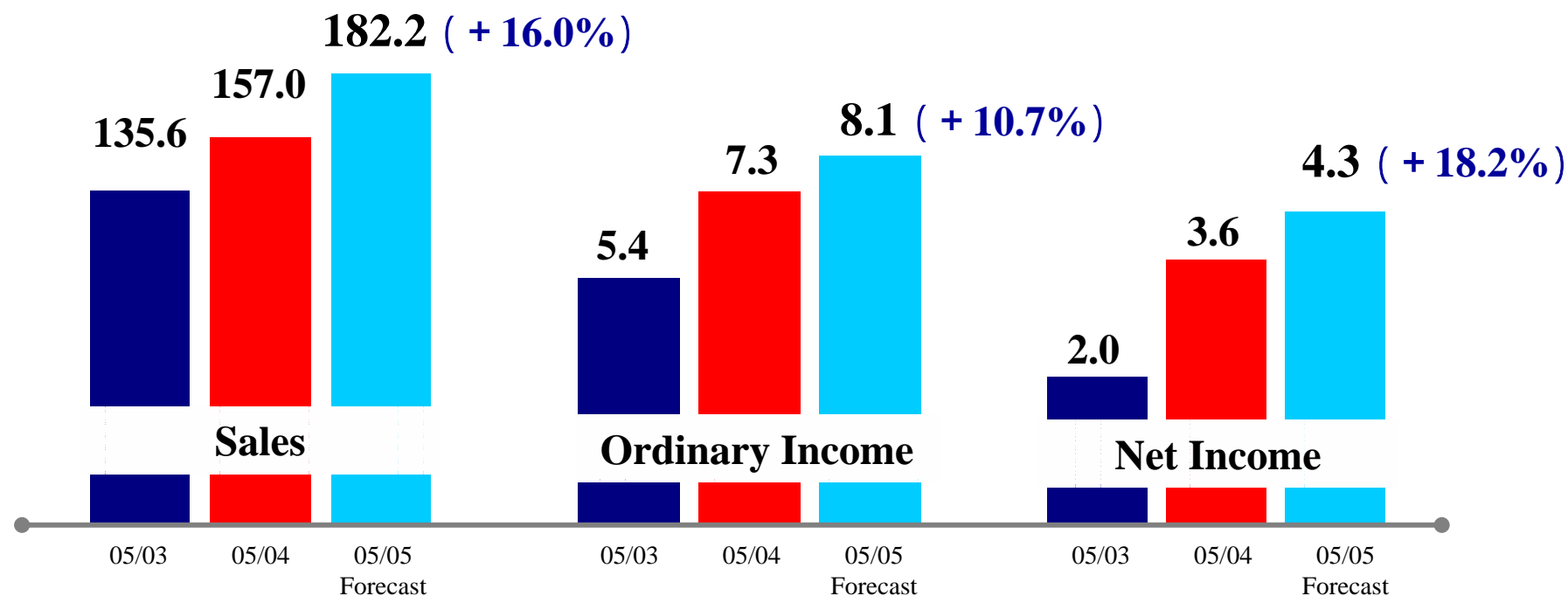
Units in billions of yen have been rounded to the nearest first decimal place. Units in millions of yen have been rounded down.

Forecasts for FY Ending May 2005 (Consolidated)



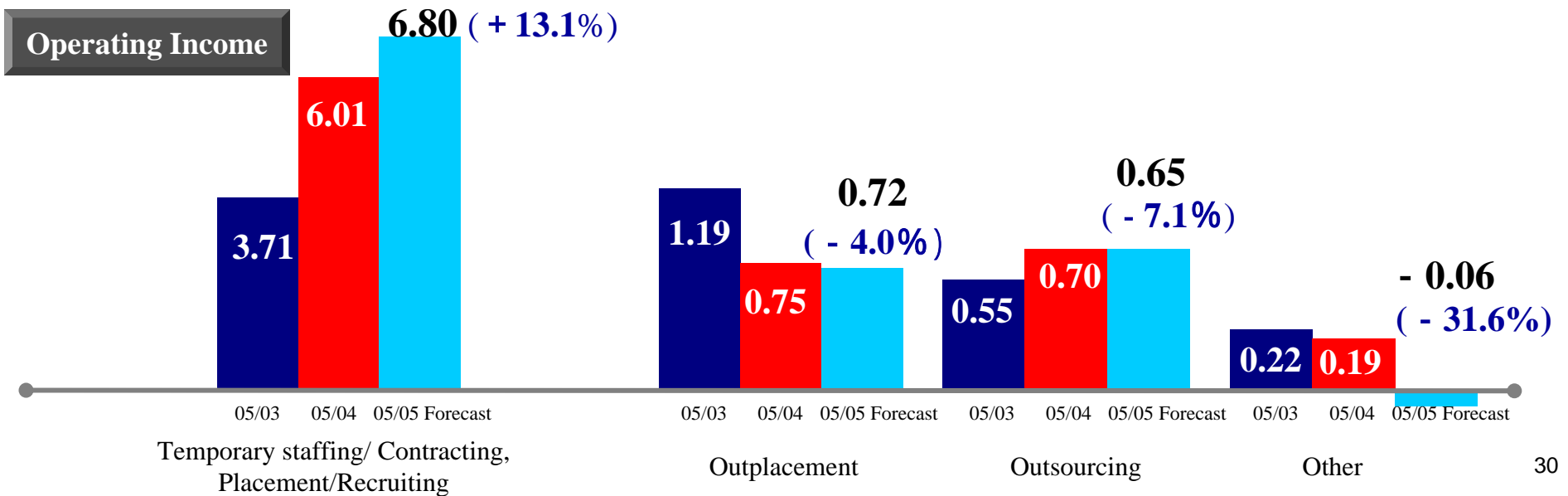
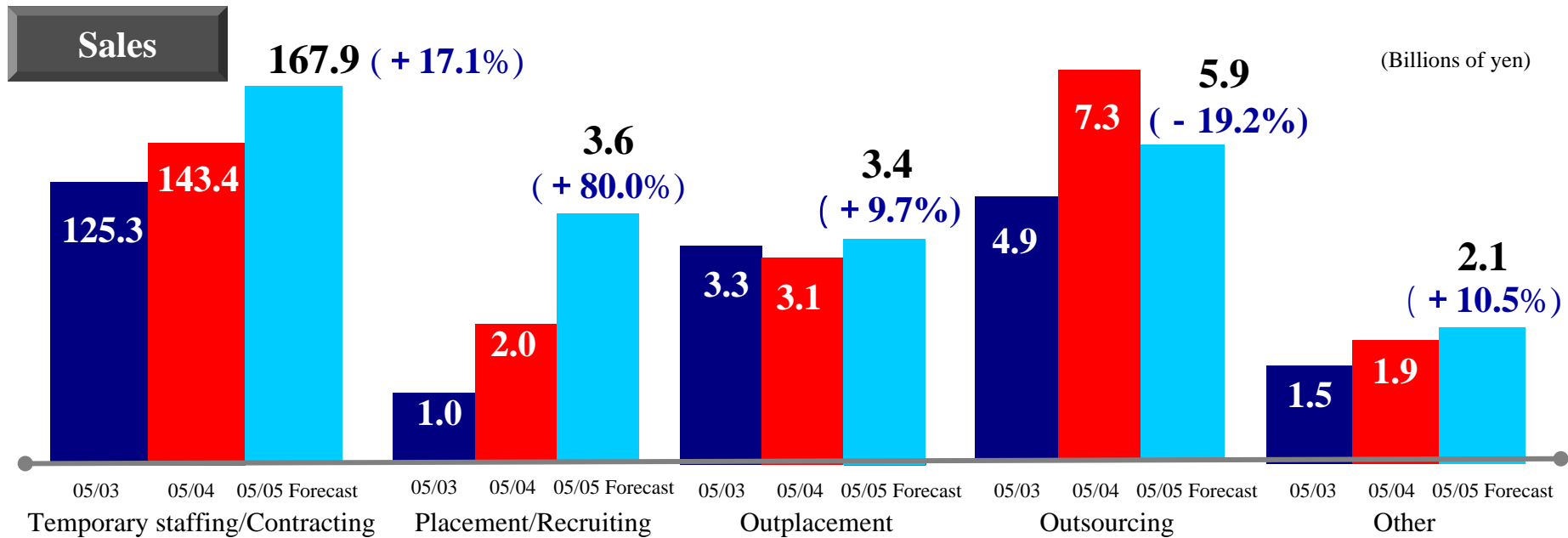
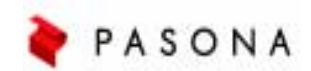
- Slightly Upward revision of full-year forecasts due to strong temporary staffing business performance

(Billions of yen)



(Millions of yen)	05/04	(%)	Initial Forecast	Change	05/05	(%)	YoY
Sales	156,979	(100.0)	178,420	+ 3,740	182,160	(100.0)	+16.0%
Gross Profit	32,753	(20.9)	37,277	+ 353	37,630	(20.7)	+14.9%
Operating Income	7,648	(4.9)	8,120	+ 0	8,120	(4.5)	+ 6.2%
Ordinary Income	7,329	(4.7)	8,060	+ 50	8,110	(4.5)	+10.7%
Net Income	3,647	(2.3)	4,000	+ 310	4,310	(2.4)	+18.2%

Forecast of Consolidated Results for FY Ending May 2005 (by Business Segment)



Investor Relations Desk Corporate Strategy & Planning Dept.

Tel : +81-3-6734-1100 Mail : ir@pasona.co.jp URL : <http://www.pasona.co.jp/>

Disclaimer: This data has been compiled for the express purpose of disclosing our financial situation for the first half of the fiscal year ending May 31, 2005, and not to persuade investors to purchase our stock. Furthermore, this report has been prepared using recent data available as of November 30, 2004. 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.