

# Results for the Fiscal Year Ended May 2008

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Pasona Group Inc.  
First Section TSE, Hercules (2168)

## Controversies Surrounding Revisions to the Worker Dispatch Law

Full-time VS irregular employment

Promoting employment diversity, securing work opportunities

Expanding the safety net

Proposals in connection with revisions to the Worker Dispatch Law are scheduled for submission around autumn 2008

Daily contracting of temporary staff to be in principle prohibited

Rules relating to exclusive temporary staffing to be strengthened

[Daily Contracting of Temporary Staff]

Temporary staffing on a daily contract basis or for periods not 30 days or less

[Exclusive Temporary Staffing]

Providing exclusive temporary staffing services to a specified party



An underlying prerequisite of temporary staffing companies is to provide "a sense of safety and security"

Client firms = Compliance

Temporary staff = Employee welfare benefits

Increased compensation

# 1. Results for the Fiscal Year Ended May 31, 2008

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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 Inc. consolidated business results for the fiscal year ended May 31, 2007 have been used for comparative purposes.

## Important Measures

Established Pasona Group Inc., a pure holding company on December 3, 2007

Accelerate the Group's growth strategy by shifting to a pure holding company structure,  
Work to realize strong, sound Group growth

Promote Group initiatives on an individual management function basis

Group Human Resources (recruitment, education, rule maintenance and improvement)

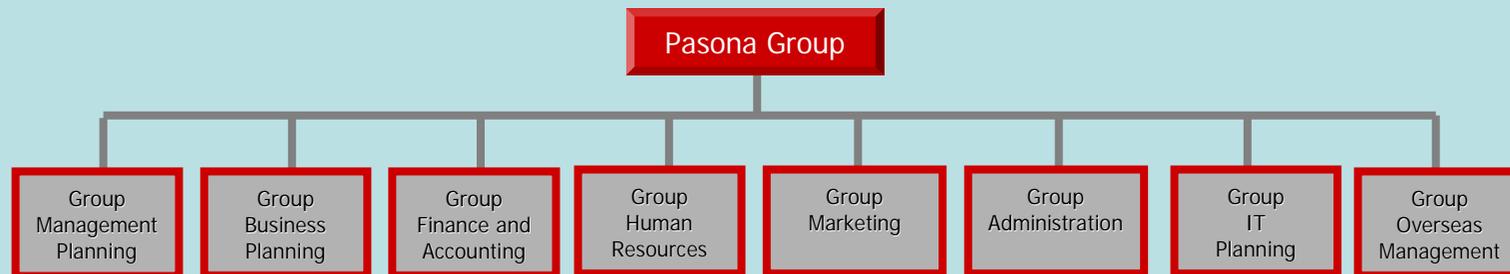
Group Administration (office strategy, group procurement)

Group Finance (Group CMS implementation and commencement)

Group Legal Affairs & Compliance (compliance training, seminars on temporary staffing legislation)

Group Internal Control (response to Japan's Financial Instruments and Exchange Law)

Bolster the corporate governance function,  
Enhance efficiency,  
Reduce costs



➔ Building a robust platform based on a diversified (ONE PASONA) strategy

## Business Environment

Uncertainties surrounding future economic conditions continuing to mount  
 Shift in corporate sector human resource strategies  
 Temporary staffing attracting a negative image

## Business Strategy

Redoubling efforts to promote a diversification strategy  
 Initiatives to promote long-term stable contracts  
 Management resource allocation to growth fields

### Temporary Staffing Long-Term Contract Stability

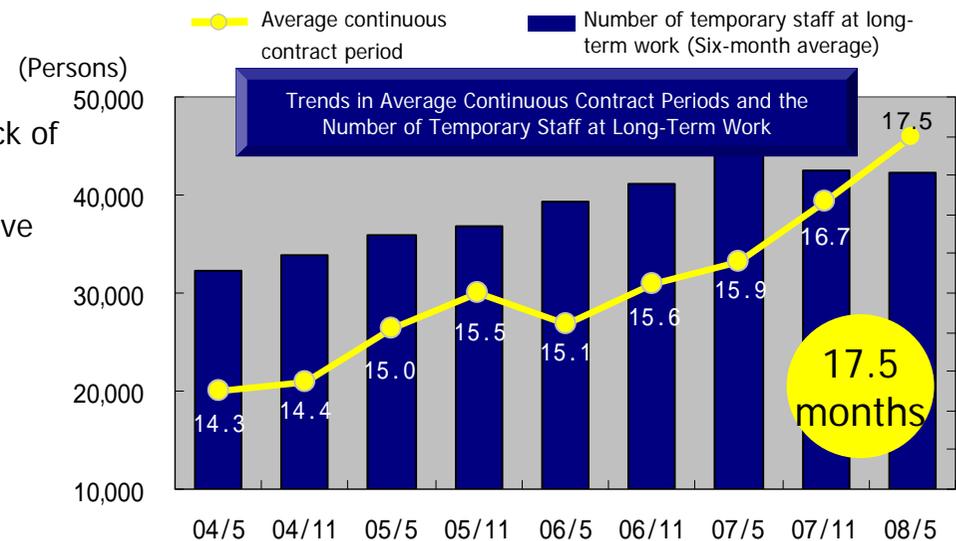
Increase in average continuous contract terms on the back of efforts to enhance compensation and conditions  
 Payment of transportation expenses, measures to improve employee welfare benefits  
 Average continuous contract period

15.9 months      17.5 months

### Promoting a Diversified Strategy

Double-digit percentage revenue growth in strategic fields  
 Continuous resource allocation to growth fields  
 Promoting the "ONE PASONA" project  
 Temporary staffing / Contracting component ratio

90.3%      88.1%



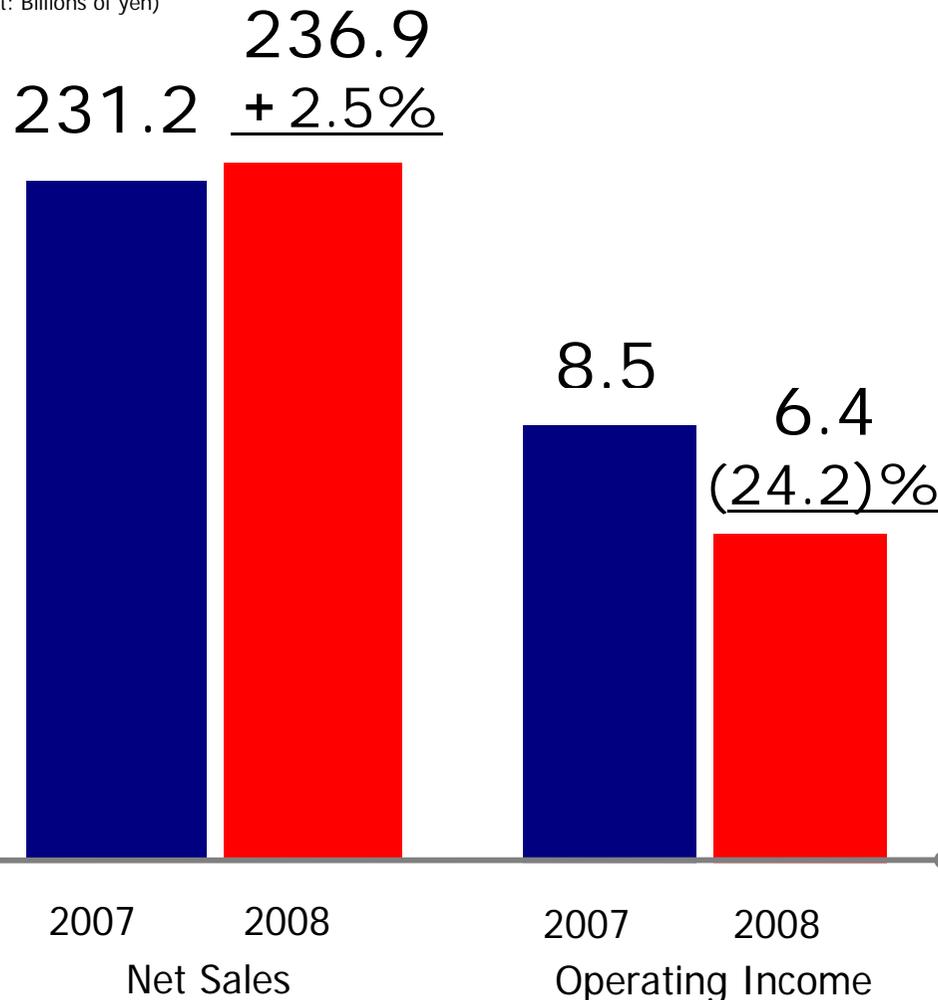
Pasona Inc. marketing data, average continuous contract period for the fiscal year ended May 31, 2007 excluding the impact of special demand

Net Sales	07/5	08/5	YoY
Placement	6,645	7,676	+ 15.5%
Outplacement	4,408	5,858	+ 32.9%
Outsourcing	10,226	13,732	+ 34.3%

# Consolidated Results for the Fiscal Year Ended May 31, 2008

- Growth in placement, outplacement and outsourcing activities on the back of a diversification strategy
- Upswing in anticipatory costs reflecting strategic investments to establish the Group Head Quarter office and augment employee welfare benefits as well as human resource investment in growth fields

(Unit: Billions of yen)



(Unit: Millions of yen)

Consolidated	2007	2008
Net sales	231,231	236,945
(YoY)	(+13.5%)	(+2.5%)
Operating income	8,507	6,444
	(+9.8%)	(-24.2%)
Ordinary income	8,807	6,637
	(+12.3%)	(-24.6%)
Net income	4,198	2,962
	(+17.0%)	(-29.4%)

Important Measures

Further efforts to promote a ONE PASONA diversification strategy  
Pursue administrative efficiency  
Make every effort to strengthen outsourcing services

Redouble efforts to promote a ONE PASONA diversification strategy

ONE PASONA Project

Expand Group service sales and strengthen cross sell  
Promote personnel exchange within the Group

Share Group resources

Further strengthen growth fields

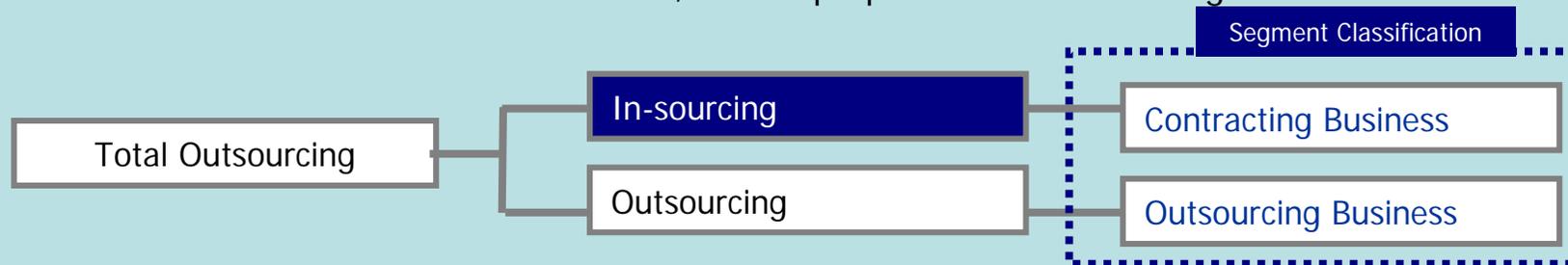
Pursue administrative efficiency

Promote shared services among back office departments  
Implement Group business reorganization

Make every effort to strengthen outsourcing services

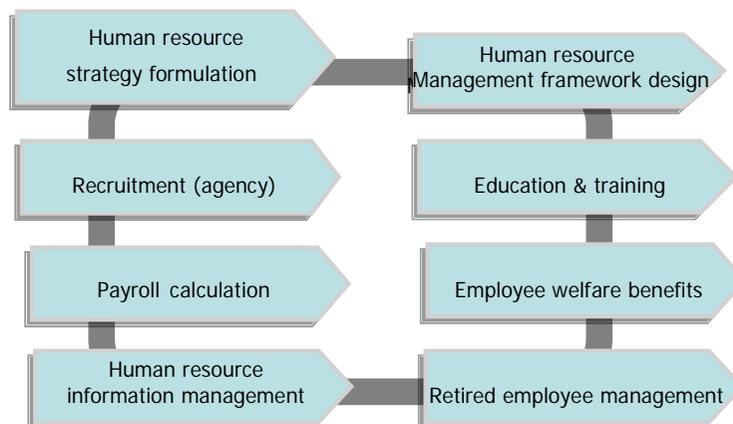
Develop outsourcing service menus (including business tie ups and alliances)

Undertake human resource investment, build a proposal-based marketing structure



## Providing Full-Line Human Resource Services

Consolidate the know-how of the Pasona Group, Provide a full outsourcing human resource menu



## Strengthening Outsourcing Services on an Individual Function Basis

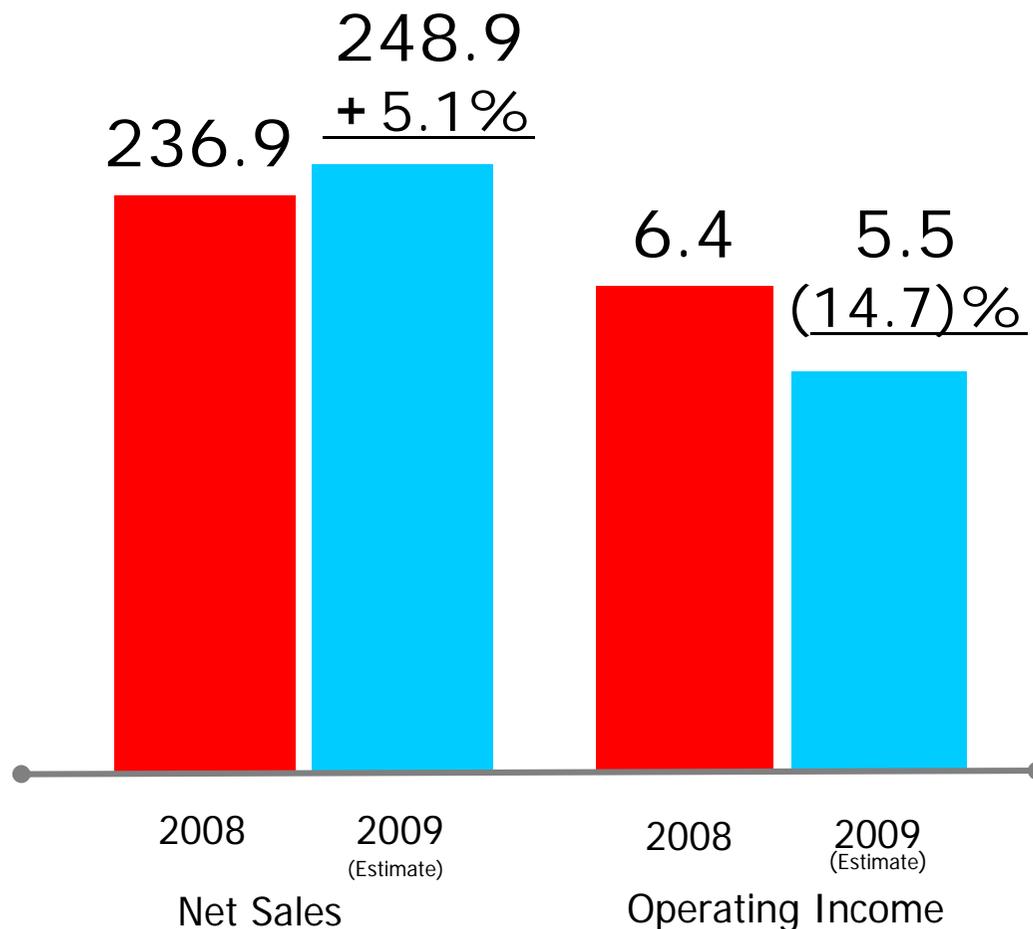
Utilize the human resources of the Pasona Group, Provide outsourcing services on a varied and individual function basis



# Forecast Consolidated Results for the Fiscal Year Ending May 31, 2009

- Persistent difficult conditions in the temporary staffing and contracting as well as the placement and recruiting businesses due to a sense of economic downturn, forecast of a recovery in temporary staffing demand in the second half
- Forecast for a drop in earnings attributed to an increase in costs mainly in the temporary staffing business (health insurance and related fees)

(Unit: Billions of yen)



(Unit: Millions of yen)

Consolidated	2008	2009
Net sales	236,945	248,920
(YoY)	(+2.5%)	(+5.1%)
Operating income	6,444	5,500
	(-24.2%)	(-14.7%)
Ordinary income	6,637	5,810
	(-24.6%)	(-12.5%)
Net Income	2,962	2,560
	(-29.4%)	(-13.6%)

## Dividend Policy

Maintaining the basic policy to ensure continuous and stable cash dividends as the basis for returning profits to shareholders taking into consideration the Company's overall business performance

Fiscal year ended May 31, 2008: Cash dividend of **¥2,500 per share** (interim cash dividend ¥1,200 per share; fiscal year-end cash dividend ¥1,300 per share)

Stable dividend-based policy, Consolidated cash dividend payout ratio of around 25%

Forecast of Fiscal year ending May 31, 2009: Cash dividend of **¥2,500 per share** (interim cash dividend ¥1,200 per share; fiscal year-end cash dividend ¥1,300 per share)

	2004	2005	2006	2006	2008	2009 (Planned)
Cash dividend per share (Yen)	667	1,500	1,800	2,000	2,500	2,500
Payout ratio (Consolidated)	7.8%	15.7%	21.7%	20.0%	35.2%	40.7%

## Treasury Stock

Working to maximize shareholder profit, resolutions to establish own share acquisition limit and to cancel treasury stock

### Resolution to establish an own share acquisition limit on July 25, 2008

Type of shares to be acquired	Common stock of Pasona Group Inc.
Total number of shares to be acquired	A maximum limit of 50,000 shares * 11.99% of the total number of shares issued and outstanding (excluding treasury stock)
Total acquisition amount of shares to be acquired	A maximum limit of ¥3,500 million
Period of acquisition	July 28, 2008 to October 31, 2008

### Resolution to cancel treasury stock on July 25, 2008

Acquired 17,500 own shares in August 2006

Type of shares to be cancelled	Common stock of Pasona Group Inc.
Total number of shares to be cancelled	17,500 shares * 4.03% of the total number of shares issued and outstanding before cancellation
Planned date of cancellation	August 29, 2008

## 2. Medium-Term Management Visions

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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 Inc. consolidated business results for the fiscal year ended May 31, 2007 have been used for comparative purposes.

## Corporate Philosophy

### To Provide Solutions to Society's Problems

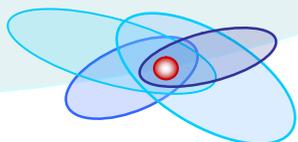
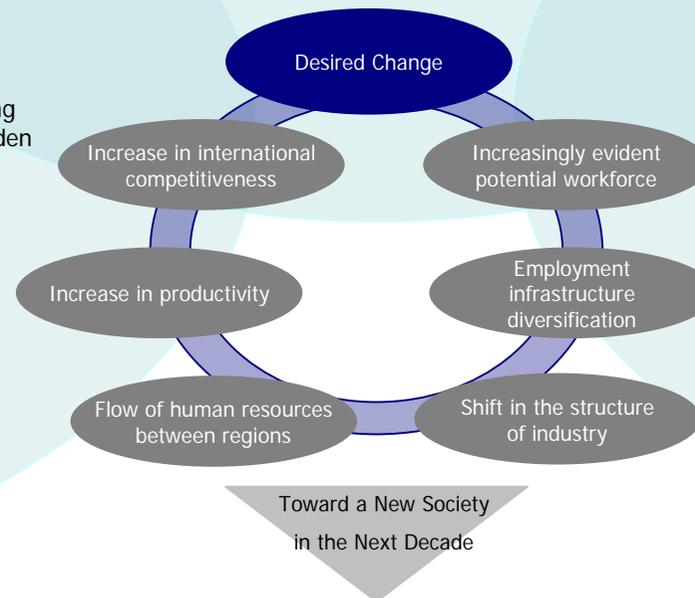
The Pasona Group strives to help each and every individual in their efforts to reenter the workplace, seek new challenges, achieve new goals by solving the diverse employment issues that confront job seekers and to cultivate new employment opportunities where individuals can create their own comfortable lifestyles and freely choose the kind of work they wish to do.

#### Changes in the Social Environment

Increase in the number of elderly and a declining birthrate = An increase in the social insurance burden  
 Shift in the structure of industry (Service industry, Primary industry)  
 IT technology innovation = A ubiquitous environment

#### Changes in the Labor Market

Increase in the number of elderly and a declining birthrate = A drop in the workforce  
 Increase in the ratio of atypical employees (Irregular, unemployed workers)  
 Global human resource flows



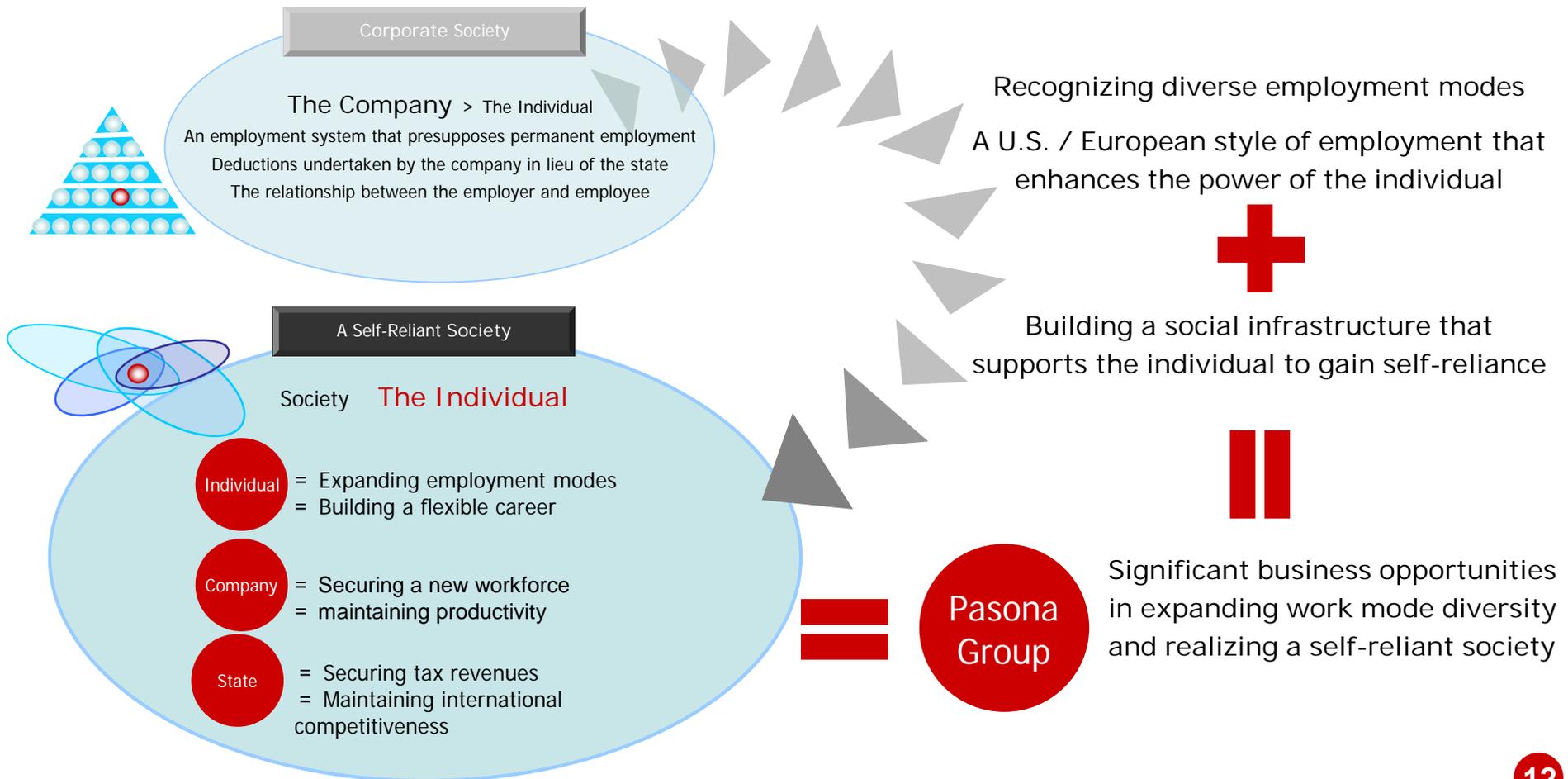
An Independent Society = **A Self-Reliant Society Based on the Individual**

# An Independent Society

## Long-Term Vision

An Independent Society = Realizing a Self-Reliant Society Based on the Individual

Shifting from a Corporate Society to a Self-Reliant Society Based on the Individual



# Medium-Term Management Objectives and Medium-Term Management Strategies

## Medium-Term Management Objectives

To become “**Japan’s Personnel Department**” for society, working people and client firms with the aims of promoting “self-reliance,” “nurturing” “self-supporting” individuals and realizing a self-reliant society based on the individual



## Medium-Term Management Strategy

Build a structure and strengthen functions to become **Japan’s Personnel Department**

### Strengthen Group Collaboration

Build a ONE PASONA promotion structure  
Enhance human resource and organizational capabilities

### Further Enhance Administrative Efficiency

**Promote shared services among back office departments**  
Reorganize Group businesses

### Expand Service Functions

**Expand human resource service functions** Ensure greater service depth and width, new businesses, alliances  
**Expand comprehensive human resource placement services**

# Shared Service Strategy

Medium-Term Management Strategy: Further Enhance Administrative Efficiency

Promote shared services among back office departments



An educational institution for Group human resources

## Phase 1

Promoting shared services

Promoting shared services mainly among back office department

Building shared management know-how

Effect

Reduce costs by enhancing administrative efficiency across the Group

## Phase 2

Promoting external service sales

Creating a profit center

Promoting external sales of outsourcing services to the corporate sector

Targeting business growth

Ensuring that the service infrastructure functions equally for individual business proprietors

Effect

Increase sales  
Expand service areas

## Phase 3

Fulfilling a human resource educational function

Utilizing the workplace as an OJT training ground for registered temporary staff with limited work experience through shared services

Implementing training focusing mainly on the young and housewives, functioning as a constant source of temporary staffing supply

Effect

Contribute to expanding sales across the Group

## Medium-Term Management Strategy: Expanding the Service Function

Focus on specialized temporary staffing with skills and specialty, and total outsourcing business fields

### Strengthen Specialist Temporary Staffing Domains

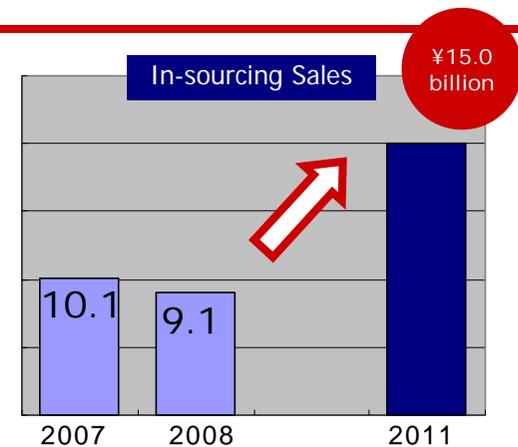
New fields: Ensure human resource training by establishing specialist departments and through business tie up, alliance and M&A  
 Existing fields: Undertake human resource investment and expand service area

New Fields	Strengthened Existing Fields
Legal field	Accounting and administration
Management (council, advice)	Manufacturing-type engineering
Pharmaceutical field (MR, clinical trials)	Care worker



### Expand Outsourcing Domains

Strengthen the in-sourcing business:  
 Develop and promote "in-sourcing" business service menus that encompass such client firm internal operating functions as contracting  
 Strategic human resource allocation  
 Actively consider business tie up, alliance and M&A



# Comprehensive Placement Business Expansion Strategy

Medium-Term Management Strategy: Expand the Service Function

Developing a comprehensive placement business that encompasses all areas



Strengthen Brand Prowess in Each Field, Promote a Comprehensive Strategy

Strengthen the placement business across each field

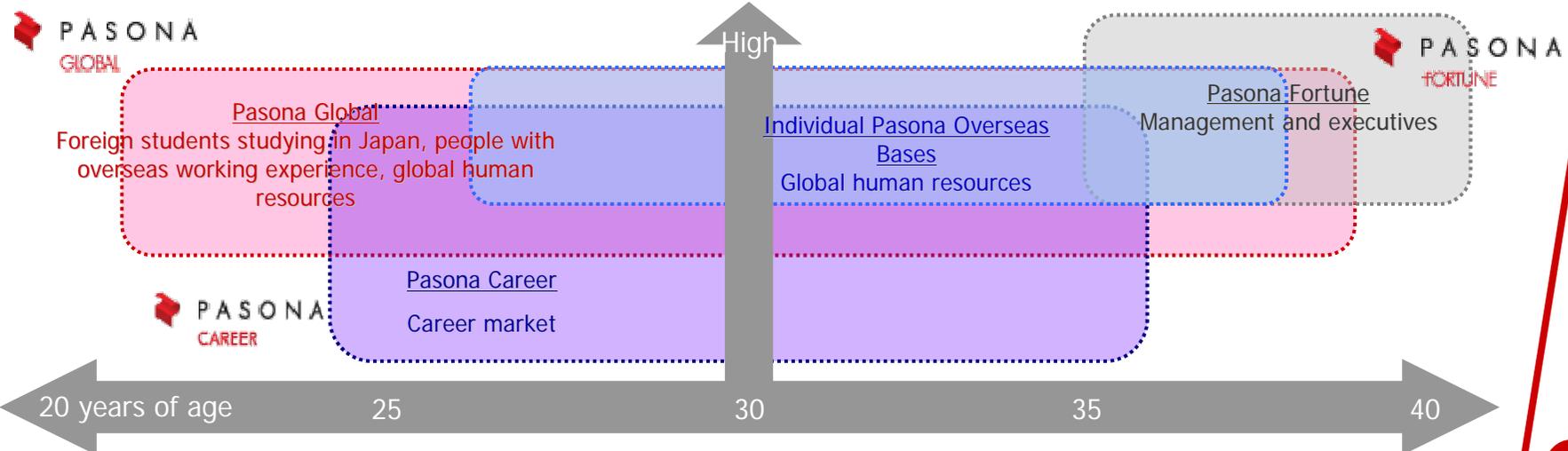
The experienced management market: Enhance service quality, expand service area

Secure global human resources:

Strengthen the global human resources placement business (foreigners working in Japan, Japanese with experience working and residing overseas)

Develop overseas employment support systems including "ASIA JOB EXPO"

JET Program, Pasona International Exchange Program



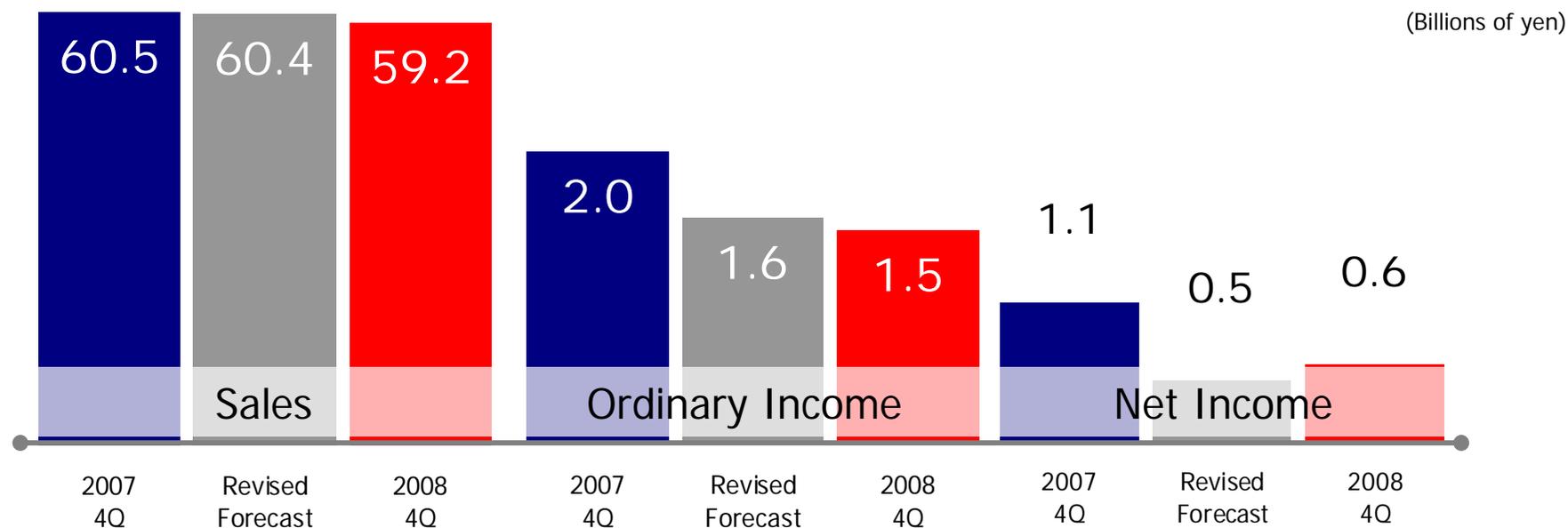
### 3. Results for the Fiscal Year Ended May 31, 2008

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#### Forecasts for the Fiscal Year Ending May 31, 2009

FY2008 4Q

Robust results in the Outplacement and Outsourcing businesses ;  
 Difficult operating environment in the Temporary Staffing and Contracting business  
 — under-performed the Revised Forecast

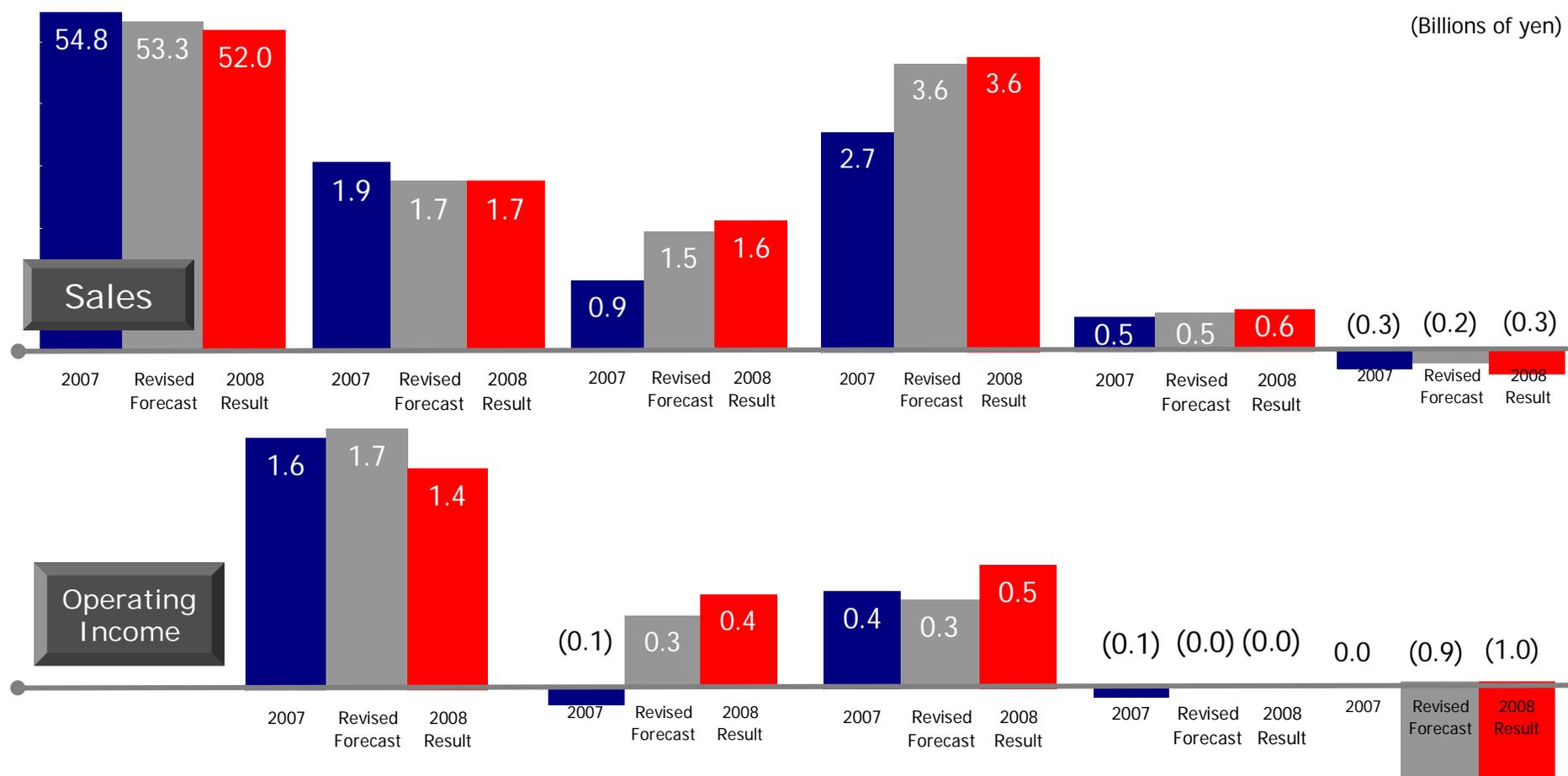


(Millions of yen)	2007 4Q	(%)	Revised Forecast	(%)	2008 4Q	(%)	Increase/ (Decrease)	YoY %	(%pt)
Sales	60,531	(100.0)	60,370	(100.0)	59,178	(100.0)	(1,192)	(2.0)%	(-)
Cost of sales	48,348	(79.9)	48,053	(79.6)	46,825	(79.1)	(1,227)	(2.6)%	(-0.5)
Gross profit	12,182	(20.1)	12,317	(20.4)	12,352	(20.9)	34	0.3%	(0.5)
SG&A expenses	10,320	(17.0)	10,921	(18.1)	10,995	(18.6)	74	0.7%	(0.5)
Operating income	1,862	(3.1)	1,396	(2.3)	1,356	(2.3)	(39)	(2.8)%	(-0.0)
Ordinary income	2,047	(3.4)	1,581	(2.6)	1,497	(2.5)	(84)	(5.3)%	(-0.1)
Net income	1,074	(1.8)	479	(0.8)	612	(1.0)	133	27.8%	(0.2)

# Consolidated Results for 4Q of Fiscal Year Ended May 31, 2008 (by Business Segment)



(Billions of yen)



(Millions of yen)

	Temporary staffing/Contracting					Placement/Recruiting					Outplacement				
	2007		2008	Increase/Decrease	YoY	2007		2008	Increase/Decrease	YoY	2007		2008	Increase/Decrease	YoY
Sales	54,847	53,276	51,961	(1,315)	(2.5)%	1,895	1,717	1,714	(3)	(0.2)%	882	1,493	1,634	141	9.5%
Operating Income	1,635	1,692	1,440	(251)	(14.9)%	-	-	-	-	-	(83)	318	411	93	29.3%
Operating Income Ratio	2.9%	3.1%	2.7%	-	(0.4)pt	-	-	-	-	-	(9.5)%	21.3%	25.2%	-	3.9pt
	Outsourcing					Other					Elimination and Corporate				
	2007		2008	Increase/Decrease	YoY	2007		2008	Increase/Decrease	YoY	2007		2008	Increase/Decrease	YoY
Sales	2,711	3,559	3,639	80	2.3%	468	528	571	42	8.0%	(272)	(205)	(342)	(137)	
Operating Income	375	343	476	133	38.7%	(65)	(12)	(10)	1	-	1	(945)	(961)	(16)	
Operating Income Ratio	13.8%	9.7%	13.1%	-	3.4pt	(14.1)%	(2.4)%	(1.9)%	-	0.5pt	-	-	-	-	

\* 1. Figures are before Group intersegment eliminations \* 2. Results for Temporary staffing / Contracting and Placement / Recruiting are recorded as one segment

# Consolidated Results for the Fiscal Year Ended May 31, 2008

## Forecasts for the Fiscal Year Ending May 31, 2009



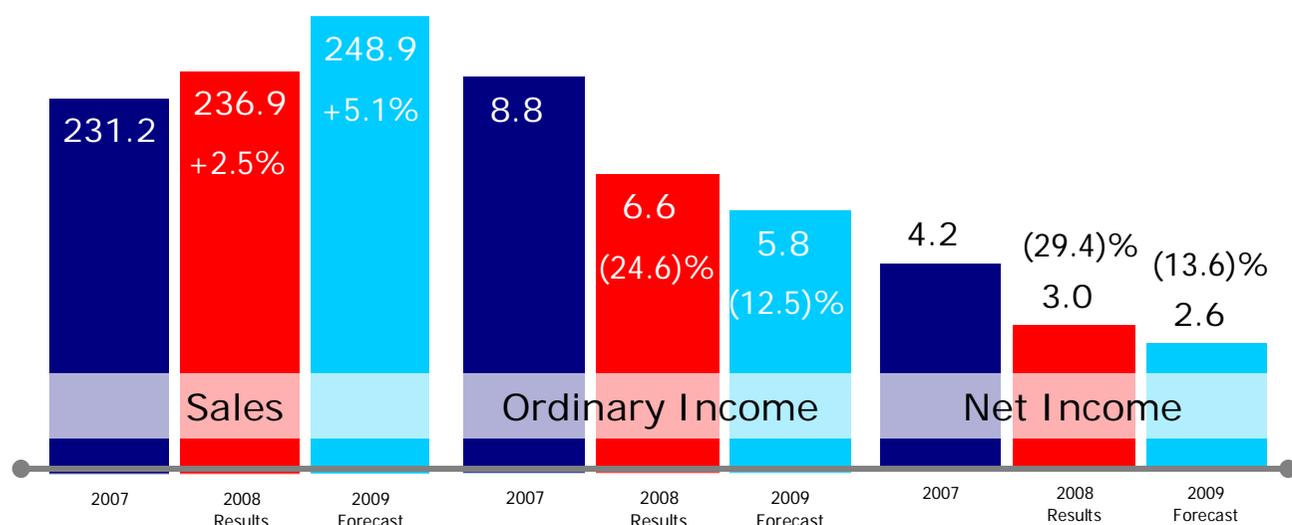
**FY2008**

Results in the Temporary Staffing and Contracting business stall. Increase in revenues attributed to contributions from other business segments. Drop in earnings due to strategic investments and leading costs.

**FY2009**

Focus on the Outsourcing business. Expectations of a recovery in the Temporary Staffing and Contracting business in the second half of the fiscal year.

Forecast drop in earnings owing to a significant growth in costs including an increase in temporary staff health insurance rates.



### Extraordinary gains, loss

Extraordinary gains 1,139 million

Gain on sale of securities  
in affiliated companies  
1,095 million  
(Pasona ADP Payroll, Inc.)

Extraordinary loss 777 million

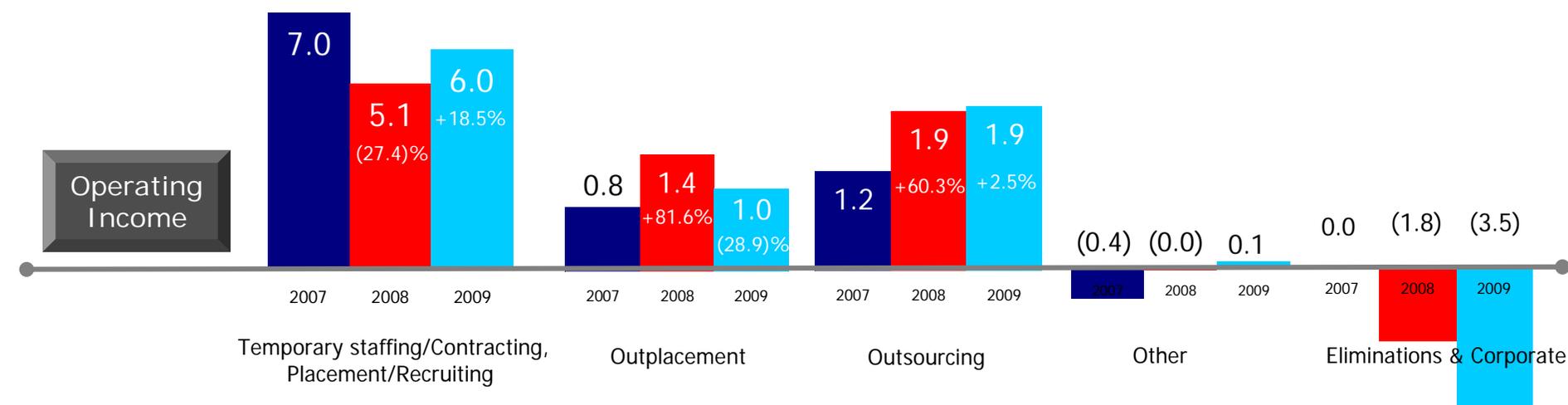
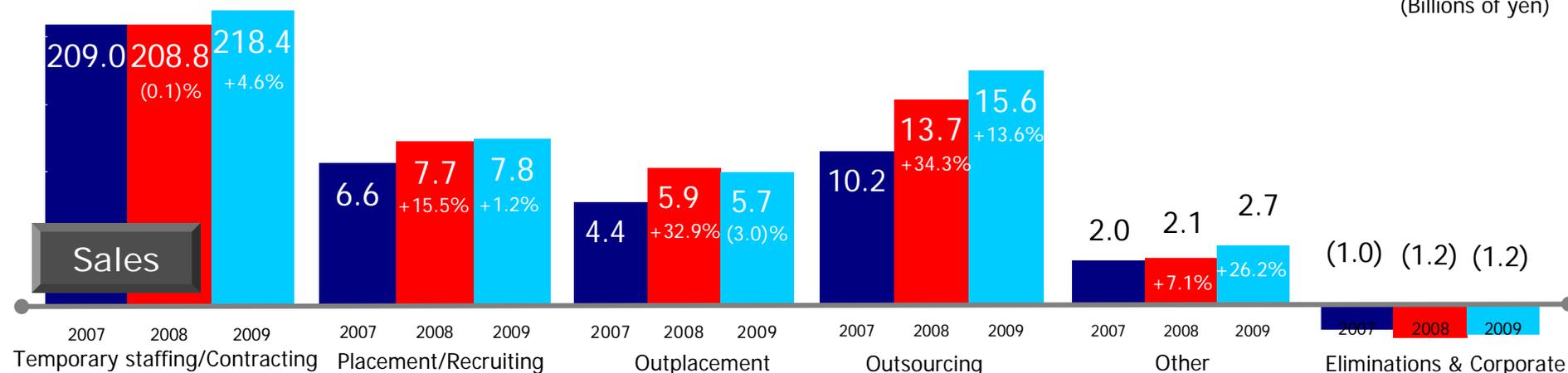
Allowance for head office relocation  
expenses 430 million

(Millions of yen)	2007	(%)	2008 Results	(%)	YoY %	2009 Forecast	(%)	Increase/ (Decrease)	YoY %
Sales	231,231	(100.0)	236,945	(100.0)	2.5%	248,920	(100.0)	11,974	5.1%
Cost of sales	184,181	(79.7)	187,575	(79.2)	1.8%	197,980	(79.5)	10,404	5.5%
Gross profit	47,050	(20.3)	49,369	(20.8)	4.9%	50,940	(20.5)	1,570	3.2%
SG&A expenses	38,542	(16.6)	42,925	(18.1)	11.4%	45,440	(18.3)	2,514	5.9%
Operating income	8,507	(3.7)	6,444	(2.7)	(24.2)%	5,500	(2.2)	(944)	(14.7)%
Ordinary income	8,807	(3.8)	6,637	(2.8)	(24.6)%	5,810	(2.3)	(827)	(12.5)%
Net income	4,198	(1.8)	2,962	(1.3)	(29.4)%	2,560	(1.0)	(402)	(13.6)%

# Consolidated Results for Fiscal Year Ended May 31, 2008 Forecasts for the Fiscal Year Ending May 31, 2009 (by Business Segment)



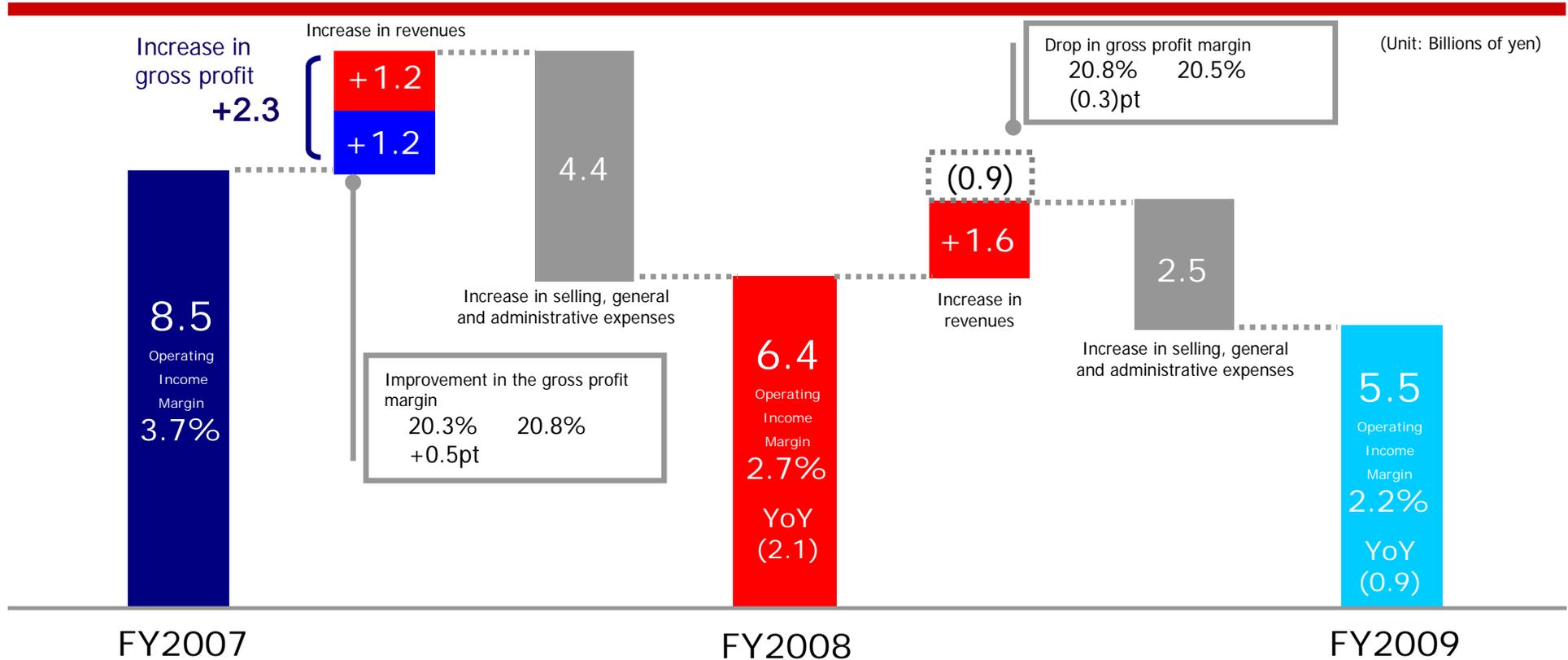
(Billions of yen)



	Temporary staffing/Contracting						Placement/Recruiting						Outplacement					
	2007	2008	YoY	2009	Increase/Decrease	YoY	2007	2008	YoY	2009	Increase/Decrease	YoY	2007	2008	YoY	2009	Increase/Decrease	YoY
Sales	208,952	208,810	(0.1)%	218,390	9,579	4.6%	6,645	7,676	15.5%	7,770	93	1.2%	4,408	5,858	32.9%	5,680	(178)	(3.0)%
Operating Income	6,964	5,056	(27.4)%	5,990	933	18.5%	-	-	-	-	-	-	758	1,377	81.6%	980	(397)	(28.9)%
Operating Income Ratio	3.2%	2.3%	(0.9)pt	2.6%	-	0.3pt	-	-	-	-	-	-	17.2%	23.5%	6.3pt	17.3%	-	(6.2)pt
	Outsourcing						Other						Elimination and Corporate					
	2007	2008	YoY	2009	Increase/Decrease	YoY	2007	2008	YoY	2009	Increase/Decrease	YoY	2007	2008	YoY	2009	Increase/Decrease	YoY
Sales	10,226	13,732	34.3%	15,600	1,867	13.6%	1,975	2,115	7.1%	2,670	554	26.2%	(976)	(1,248)	-	(1,190)	58	
Operating Income	1,174	1,883	60.3%	1,930	46	2.5%	(396)	(26)	-	100	126	-	6	(1,846)	-	(3,500)	(1,653)	
Operating Income Ratio	11.5%	13.7%	2.2pt	12.4%	-	(1.3)pt	(20.1)%	(1.3)%	18.8pt	3.7%	-	5.0pt	(0.6)%	-	-	-	-	

\* 1. Figures are before Group intersegment eliminations \* 2. Results for Temporary staffing / Contracting and Placement / Recruiting are recorded as one segment

# Operating Income Analysis



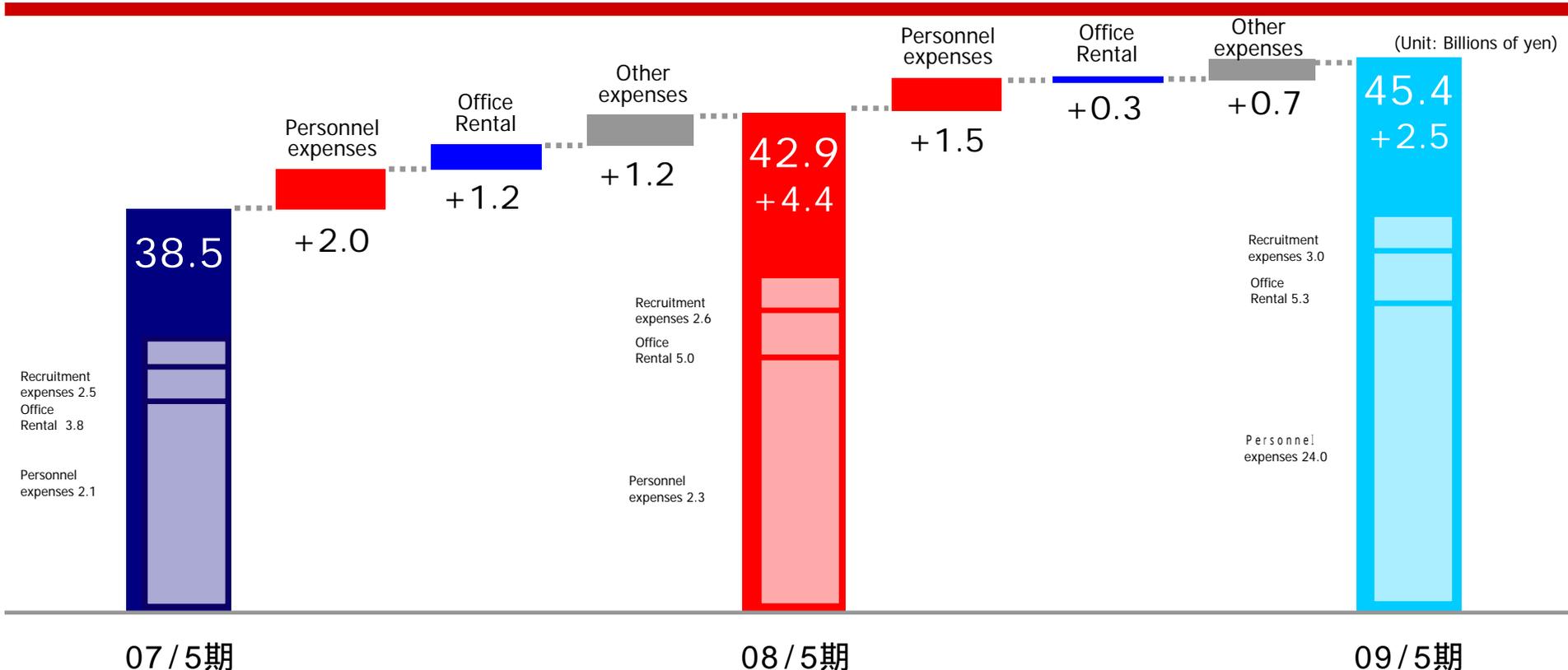
FY Ended May 2008

- Improvement in the gross profit margin  
20.3%    20.8%    +0.5pt
- Growth in the proportion of highly profitable business
- Increase in outsourcing gross profit margin +1.9pt  
Drop in costs due to business scale growth, enhanced efficiency
- Increase in costs due to strategic investments

FY Ending May 2009

- Drop in gross profit margin  
20.8%    20.5%    (0.3)%
- Temporary staffing    (0.4)pt  
Increase in health insurance rates, increase in costs
- Placement    +5.4pt  
Impact of sales of Pelham Search Pacific Limited and PELHAM INTERNATIONAL LIMITED
- Outplacement    (5.8)pt
- Increase mainly in on-going growing business recurring expansion cost

# Selling, General and Administrative Expenses Analysis



**FY Ended May 2008**

**Recurring expansion cost**  
 Increase in personnel expenses involving an upswing in human resources in on-going growing businesses  
 Consolidated (including contract employees) +689 people

**Strategic investments**  
 Increase in rental and related expenses due to the establishment of new strategic offices at the Shin-Marunouchi Building, Omotesando and others  
 Increase in compensation payable and related costs due to investments relating the shift to a holding company structure

**FY Ending May 2009**

**Maintenance and development costs**  
 Continuous investment in growth fields  
 Increase in recruitment expenses +¥0.4 billion  
 Increase in domestic human resource placement recruitment costs for individuals seeking a change of career

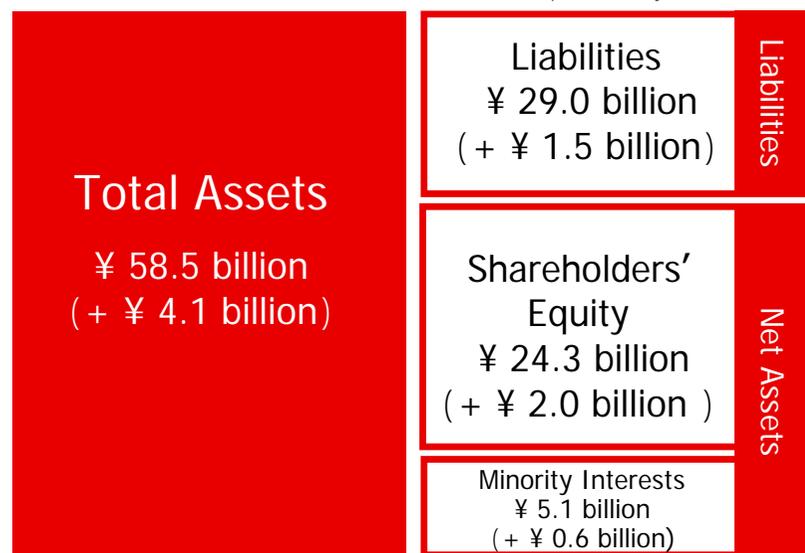
**Implementation of initiatives aimed at enhancing administrative efficiency**  
 Shared Service Center, Operational Process Reengineering; business reorganization and related measures

# Financial Condition and Cash Flows

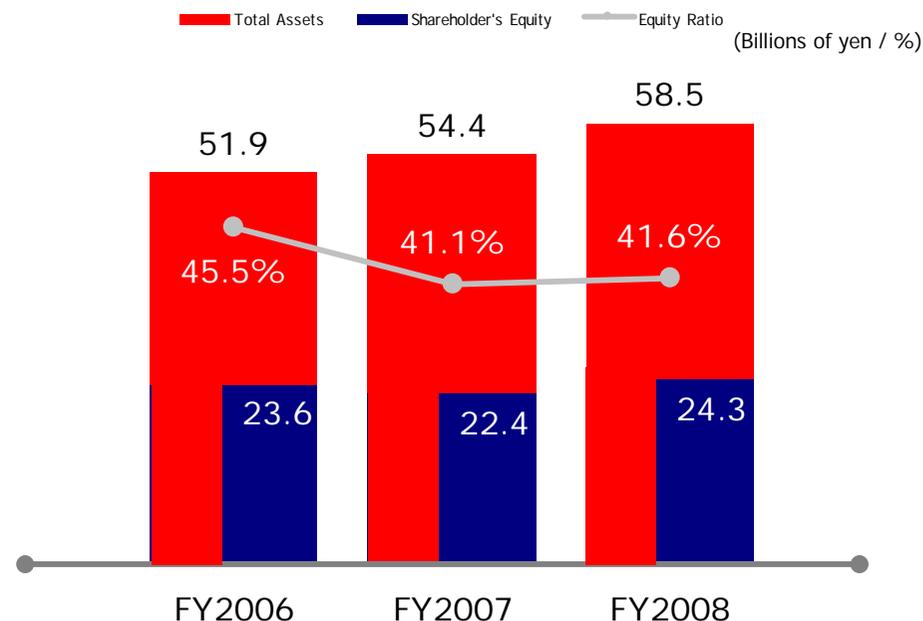
## Financial Standing

As of May 31, 2008

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



## Total Assets, Shareholders' Equity, Equity Ratio



## Cash Flows

	05/07	05/08
Cash flows from operating activities	5.9	6.0
Cash flows from investing activities	(3.2)	(3.0)
Cash flows from financing activities	(5.6)	(1.0)
Free cash flows	2.7	3.0

- Income before income taxes and minority interests ¥7.0 billion
- Decrease in accounts payable - trade ¥0.2 billion
- Income taxes paid ¥(4.1) billion

- Acquisition of tangible fixed assets ¥(2.1) billion
- Acquisition of intangible fixed assets ¥(1.4) billion

- Cash dividends paid ¥(1.1) billion

## 4. Overview by Business Segment

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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.

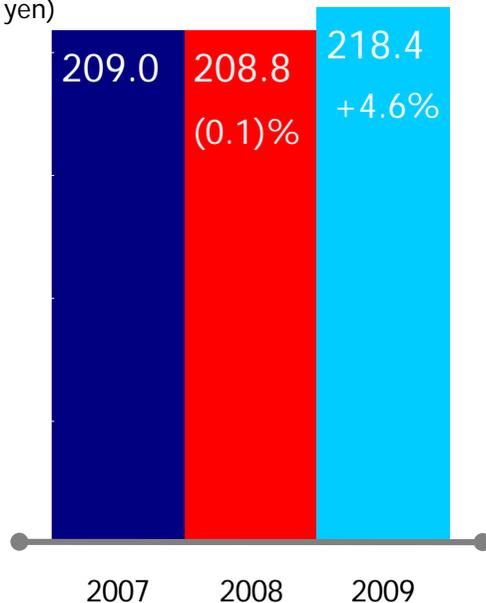
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# Temporary Staffing / Contracting (Sales by Staffing Type / Share)



## Sales

(Billions of yen)



Figures are **before** excluding intrasegment sales

## Sales by Staffing Type

Figures are **after** excluding intrasegment sales



(Millions of yen)

	FY 2007	YoY	FY 2008	YoY
Clerical	114,418	13.7%	112,968	(1.3)%
Technical	34,050	9.1%	33,653	(1.2)%
IT/Engineering	21,143	5.2%	22,253	5.2%
Marketing / Sales	17,367	25.9%	18,794	8.2%
Other	21,469	11.3%	20,623	(3.9)%
Temporary staffing-related	281	(12.9)%	220	(21.4)%
<b>Total</b>	<b>208,730</b>	<b>12.6%</b>	<b>208,513</b>	<b>(0.1)%</b>

FY Ended May 2008

Weak results in clerical and technical positions, growth in IT engineering, sales and marketing fields

Drop in demand by large corporation and in metropolitan areas, Lull in demand for human resources due to the recruitment of permanent, full-time employees

Constraints on the number of completed contracts  
Longer average contract periods

➔ Efficacy of efforts to promote long-term, stable contracts

FY Ending May 2009

Increased focus on compliance by client firms and temporary staff contributing to increased market share

Toward a demand recovery phase from the second half, strengthen activities in specialist fields and implement measure that secure quality human resources

Bolstering the Contracting (In-sourcing) business

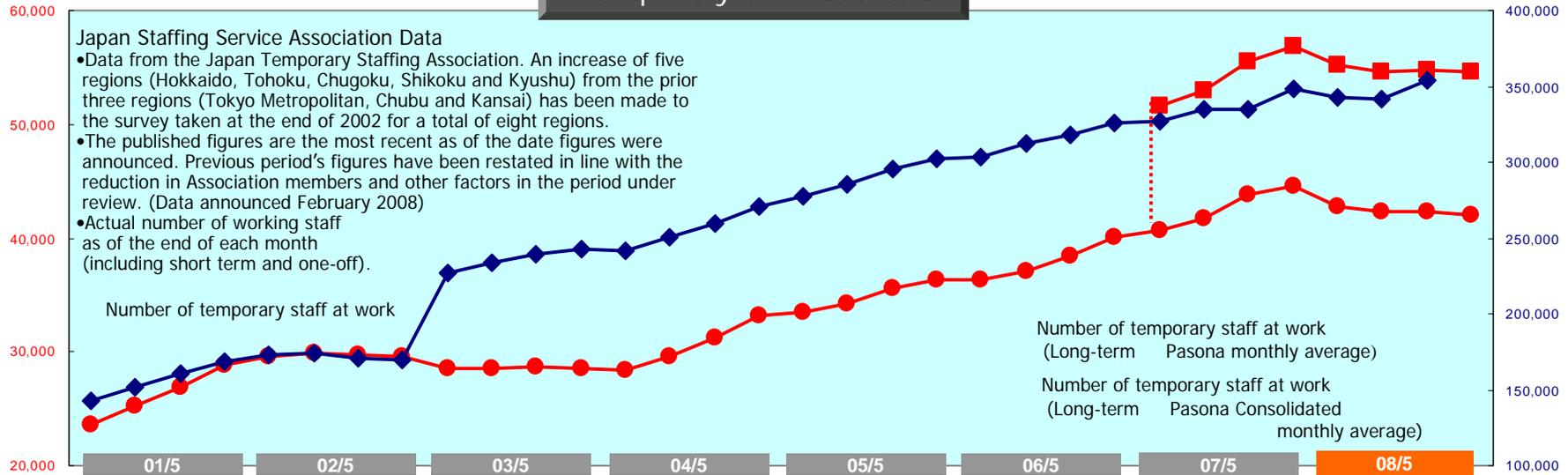
# Temporary Staffing / Contracting (Marketing Data/Pasona Inc.)



(Pasona data: Number of people)

## Temporary Staff at Work

(Japan Staffing Service Association: Number of people)



	2007				2008			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Industry -wide	327,110	334,570	340,784	348,667	342,784	341,996	353,834	353,834
YoY	7.7%	7.4%	7.2%	7.2%	4.8%	2.2%	3.8%	1.5%
Pasona Inc.	* 40,745	41,676	43,832	44,619	* 42,825	42,350	42,387	42,073
YoY	12.2%	12.3%	14.0%	11.3%	5.1%	1.6%	(3.3)%	(5.7)%
The Pasona Group Consolidated (Domestic)	51,586	52,889	55,566	56,881	55,168	54,619	54,758	54,573
YoY	13.4%	13.1%	14.9%	12.8%	6.9%	3.3%	(2.0)%	(4.1)%

\* Merger with Socio Inc. in the fourth quarter of the fiscal year ended May 31, 2006. Data for temporary staff includes Socio Inc.

\* Includes the number of special projects from the 1Q FY ending 2008

\* Non-consolidated Pasona data

\* Figures for temporary staff at work (monthly average), orders, contracts starts, completions and signed exclude special project items from Sep. 2002 to May 2007

\* Change in the presentation of temporary staffing payments from the fiscal year ended May 31, 2004. New presentation method based on gross number of work hours

\* Data for the number of contracts starts and completions from the fiscal year ended May 31, 2005 has been revised due to an error in previously reported data for a portion of the first half data for the fiscal year ended May 31, 2004

\* Monthly average data for the period under review is the average for the 12-month period ended May 31, 2007 (June 1, 2006 to May 31, 2007)

\*New registrants data presented on a consolidated basis. Disclosure of domestic temporary staffing business data: Pasona: June 1, 2006 to May 31, 2007; Subsidiary companies: April 1, 2006 to March 31, 2007

\*Marketing data for the fiscal year ended May 31, 2006 is exclusive of Socio Inc. data. Socio Inc. data is included in data from the fiscal year ended May 31, 2007.

With the impact of the number of special projects becoming limited, included from FY ending 2008.

Figures in italics are a comparison with the previous period due to the change in numerical criterion and provided for reference purposes only.

	Orders (long term) Monthly Average (Pasona Inc.)		Contract Starts (long term) Monthly Average (Pasona Inc.)		Contract Completion (long term) Monthly Average (Pasona Inc.)		Rate of Contracts Signed (Long-Term Contract Starts / Long-Term Orders)		Number of Annual New Registered Staff (Consolidated/ Japan)	
	Number	YoY	Number	YoY	Number	YoY	Contract Rate	YoY	Persons	YoY
FY2007	8,032	7.5%	3,272	8.8%	3,284	16.1%	40.7%	0.4pt	100,703	5.9%
FY2008	7,112	11.4%	2,780	15.0%	3,076	6.4%	39.1%	1.6pt	88,439	12.2%

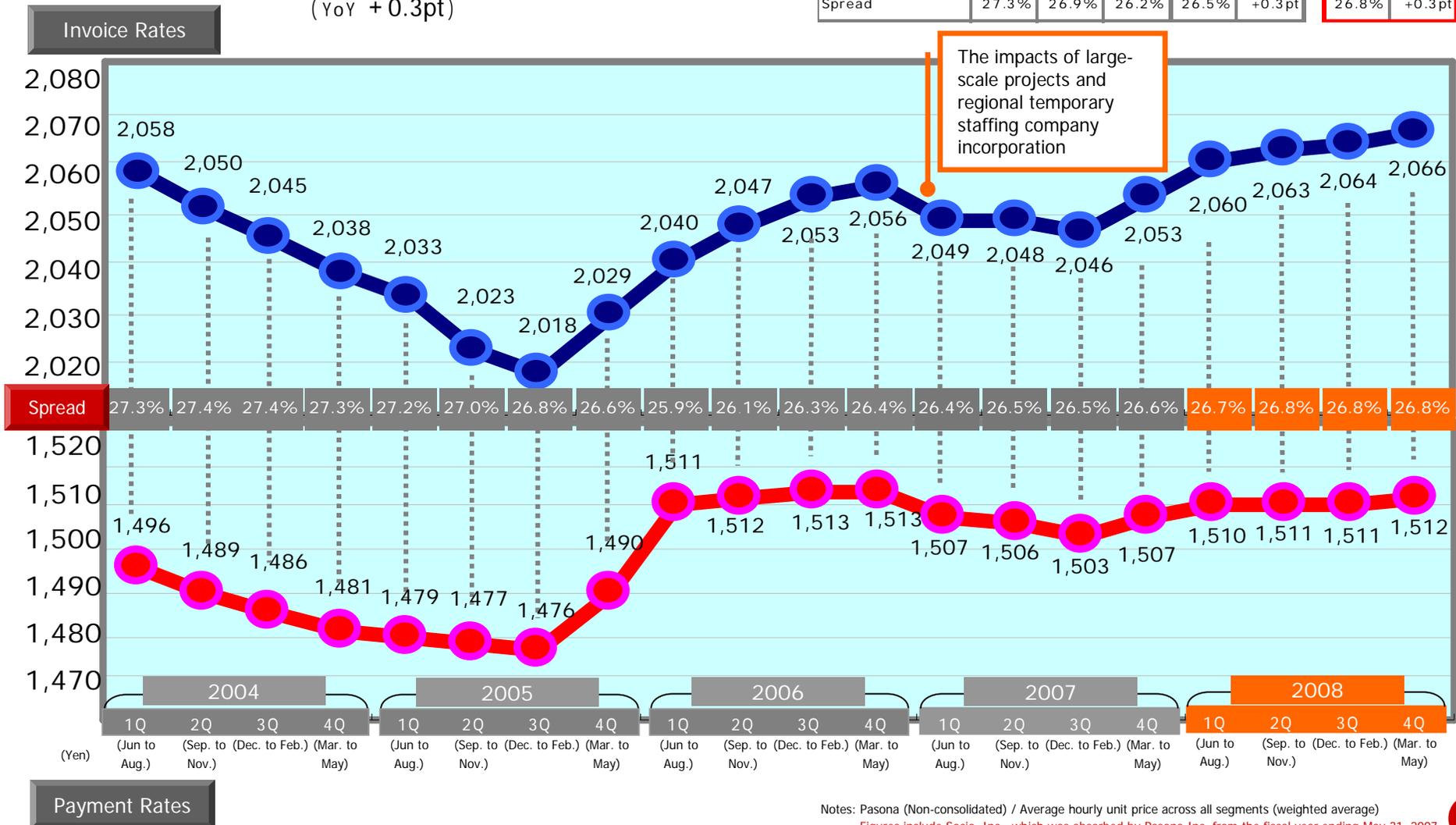
# Temporary Staffing / Contracting (Unit Price / Pasona Inc.)

Steady improvement in the spread between unit prices at the invoice and payment levels due to continuous negotiation. Results in excess of initial estimates.

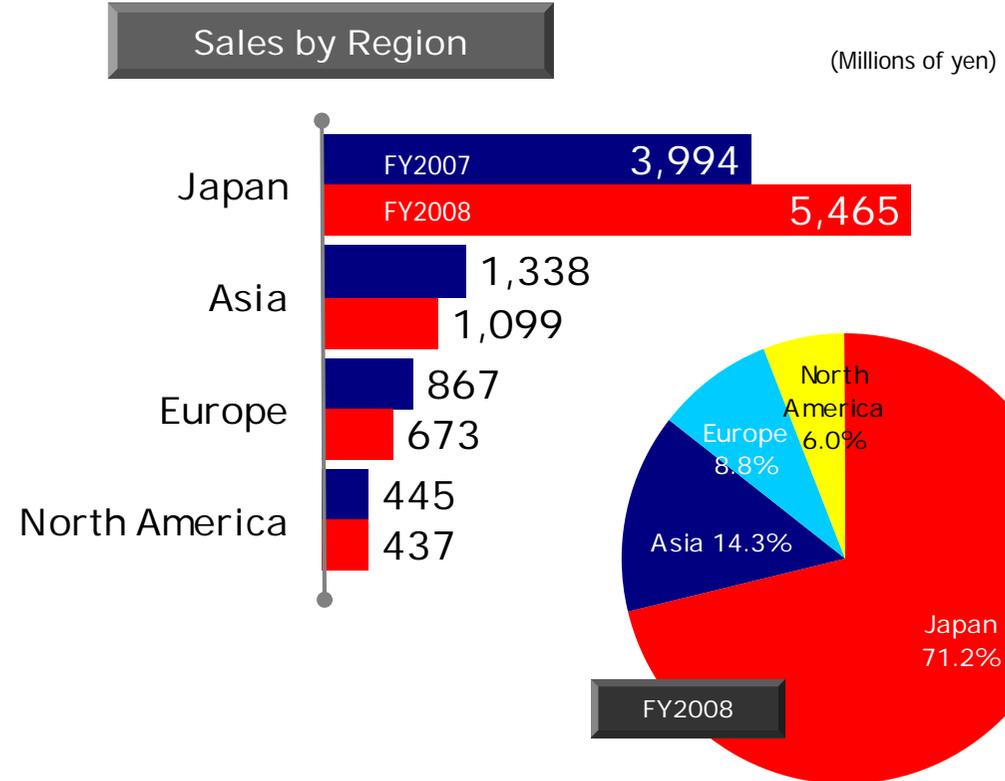
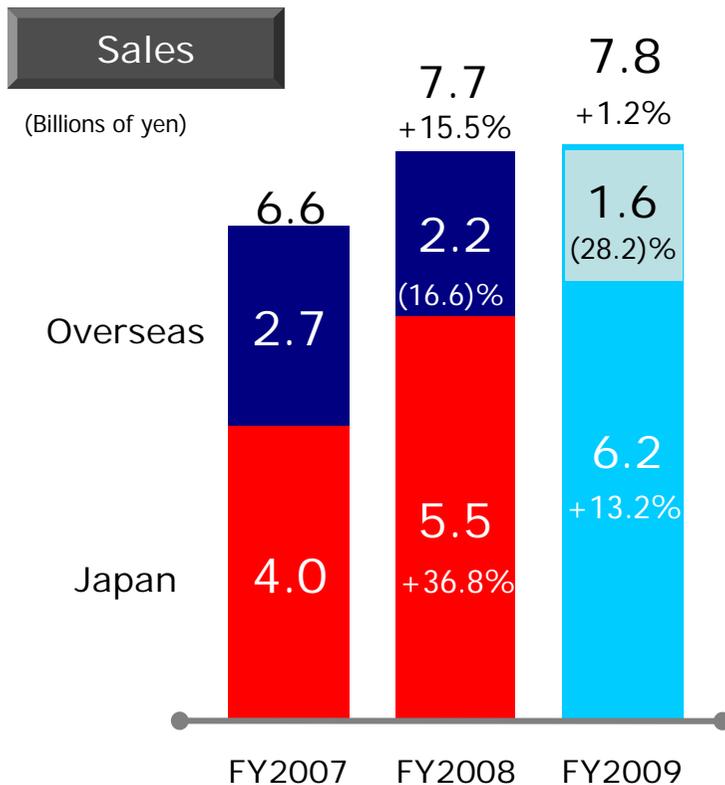
FY 2008 **26.8%**

(YoY + 0.3pt)

	2004	2005	2006	2007 (Average)	YoY	2008 (Average)	YoY
Invoice Rates	2,048	2,026	2,049	2,049	0.0%	2,063	0.7%
Payment Rates	1,488	1,481	1,512	1,506	-0.4%	1,511	0.3%
Spread	27.3%	26.9%	26.2%	26.5%	+0.3pt	26.8%	+0.3pt



Notes: Pasona (Non-consolidated) / Average hourly unit price across all segments (weighted average)  
 Figures include Socio, Inc., which was absorbed by Pasona Inc. from the fiscal year ending May 31, 2007.



**FY Ended May 2008**

#### Domestic Placement

- In addition to the young age and career brackets, increase placement activities in management level
- Steady results in temp-to perm
- While the willingness to recruit employees remains high in the corporate sector, demands are increasingly focusing on higher skill levels

#### Overseas Placement

- Negative impacts of sub-prime loan issues and fluctuations in foreign currency exchange rates

**FY Ending May 2009**

#### Domestic Placement

- In order to enhance service quality Bolster consultant education and training
- Strengthen placement activities in connection with global human resources and management level employees

#### Overseas Placement

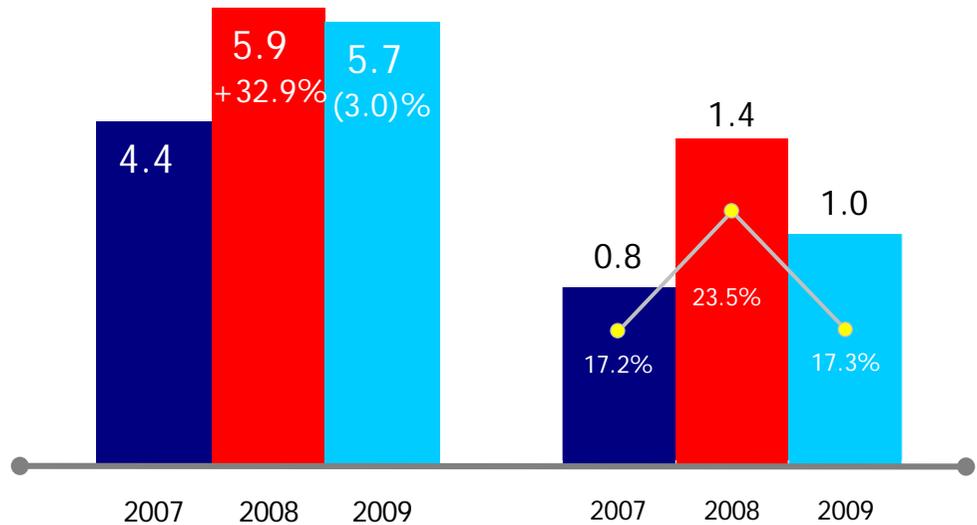
- Negative growth reflecting the sale of subsidiaries (approximately ¥0.9 billion)
- Strengthening business activities in China and India; working toward a growth trajectory

# Outplacement (Pasona Career Inc., Other)

## Sales

## Operating Income, Operating Income Margin

(Billions of yen)



## Marketing Data (YoY)

Number of clients +10.0%  
 Number of personnel +43.1%  
 per company +57.1%  
 Number of orders (persons)

(Millions of yen)

	FY2007	FY2008	YoY
Orders	4,260	6,012	41.1%

FY Ended May 2008

Bottoming out of contraction trends in the Outplacement support market  
 Enhancing the efficiency of bases and consultants through large-scale demand  
 → Achieved record high results in both sales and profits

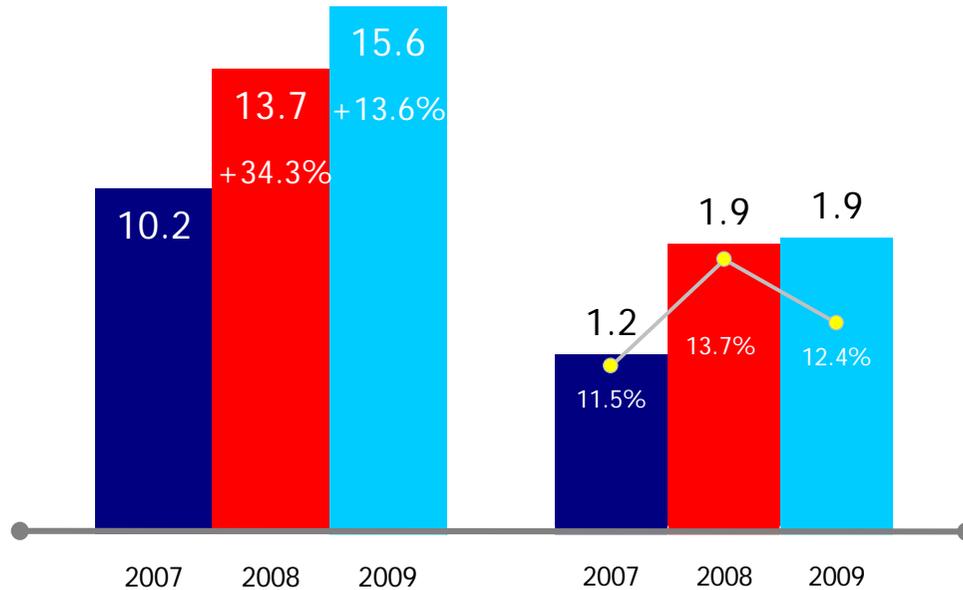
FY Ending May 2009

Continued uncertainty with regard to economic conditions, persistent steady demand in the first half  
 Striving to enhance service levels  
 Focusing on securing additional market share  
 Drop off of the impact of ad-hoc demand experienced during the fiscal year ended May 31, 2008  
 Forecast downturn in both sales and profits

## Sales

## Operating Income, Operating Income Margin

(Billions of yen)



## [ Bebenef One Inc. Results ]

(Millions of yen)

	FY2007	FY2008	FY2009
Sales	10,226	13,735	15,624
Operating income	1,271	1,948	2,021

YoY

Sales	34.3%	13.8%
Operating income	53.3%	3.7%

FY Ended May 2008

Total compensation  
(Aggregate compensation management)  
Promoting proposal-based marketing;  
expanding employee welfare benefit services

Increased operating efficiency  
(Matsuyama Call Center in operation),  
Contributions to cost cutting

➔ Achieved substantial increase  
in revenues and earnings

FY Ending May 2009

Review of employee welfare benefit systems by the  
corporate sector; steady progress in the Outsourcing  
business

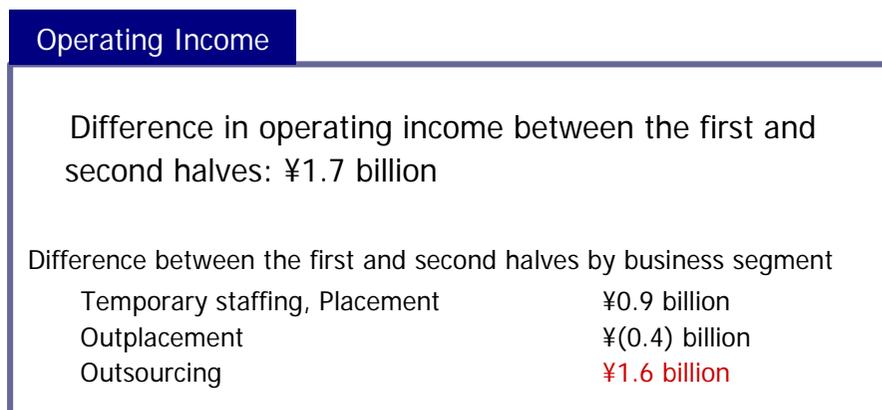
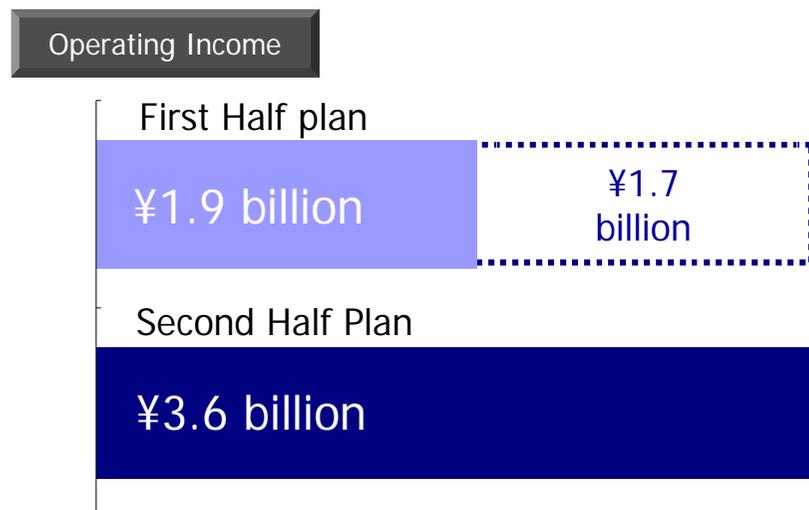
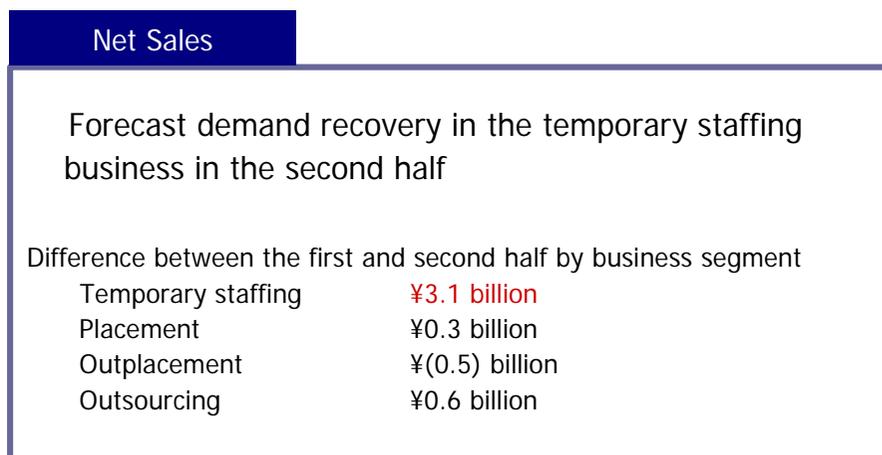
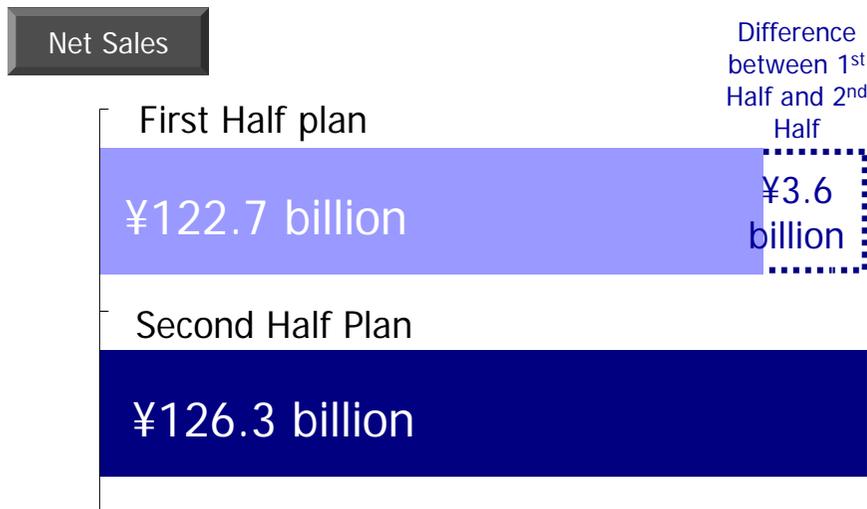
Promoting service contents differentiation, improvement  
and expansion

Contributions from the Customer Loyalty Program  
business as well as the Health Care business  
encompassing metabolic syndrome and related fields

Steady progress toward  
➔ increased sales and profits

# Balance Between the First and Second Halves of the Fiscal Year Ending May 31, 2009

Significant impact of seasonal factors on the Outsourcing business, Disparity growth in profits between the first and second halves of the fiscal year ending May 31, 2009



## 5. Reference

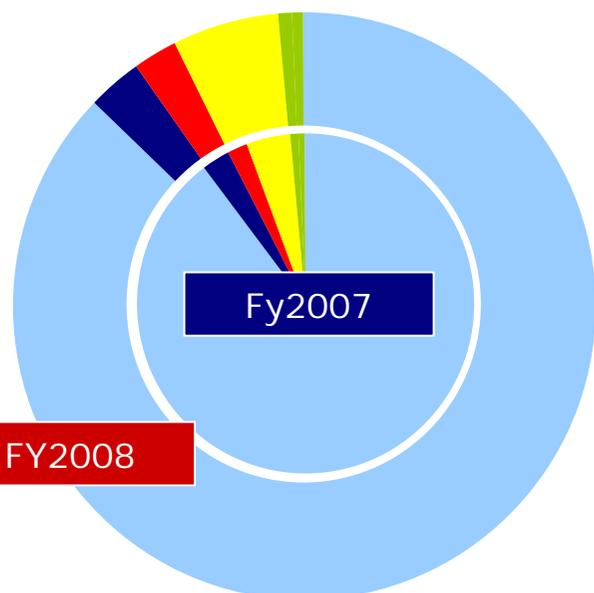
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Units in billions of yen have been rounded to the nearest first decimal place. Units in millions of yen have been rounded down.

Pasona Inc. consolidated business results for the fiscal year ended May 31, 2007 have been used for comparative purposes.

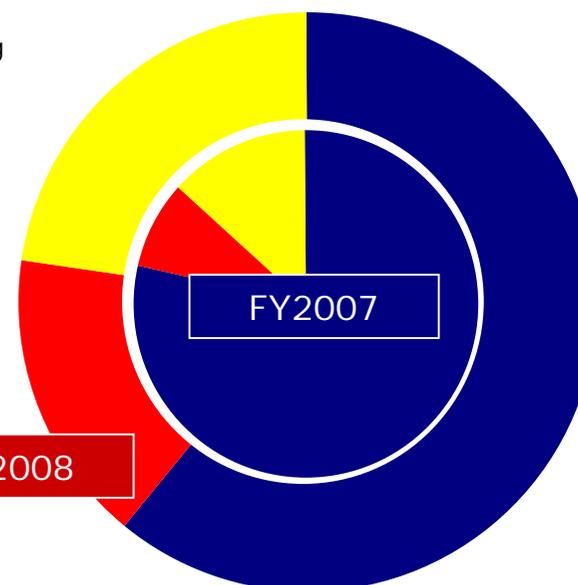
# Consolidated Results for the Fiscal Year Ended May 31, 2008 by Business Segment Composition

## Sales



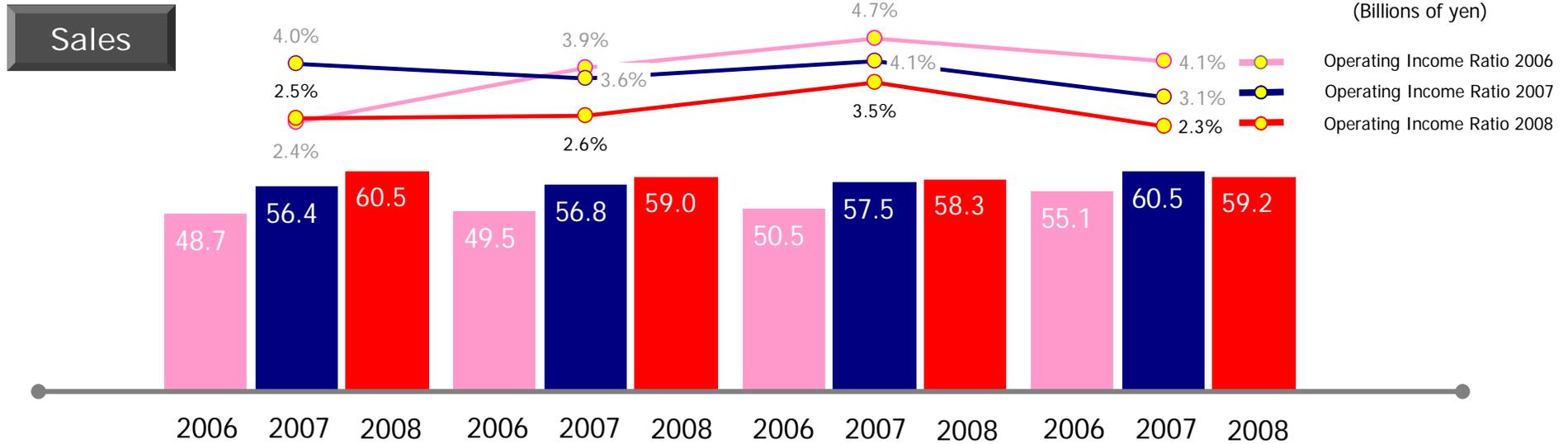
## Operating Income

Note: Operating income data for Temporary staffing / Contracting, Placement / Recruiting, Outplacement and Outsourcing segments only.



	2007				2008			
	Sales	%	Operating Income	%	Sales	%	Operating Income	%
Temporary staffing / Contracting	208,952	90.3%	6,964	81.9%	208,810	88.1%	5,056	78.4%
Placement / Recruiting	6,645	2.9%			7,676	3.2%		
Outplacement	4,408	1.9%	758	8.9%	5,858	2.5%	1,377	21.4%
Outsourcing	10,226	4.4%	1,174	13.8%	13,732	5.8%	1,883	29.2%
Other	1,975	0.9%	(396)	(4.7)%	2,115	0.9%	(26)	(0.4)%
Eliminations & Corporate	(976)	(0.4)%	6	0.1%	(1,248)	(0.5)%	(1,846)	(28.6)%
Total	231,231	100.0%	8,507	100.0%	236,945	100.0%	6,444	100.0%

# Trends in Quarterly Consolidated Results by Business Segment



(Millions of yen)

	1Q (June to August)					2Q (September to November)					3Q (December to February)					4Q (March to May)					
	06/5	07/5	Change	08/5	Change	06/5	07/5	Change	08/5	Change	06/5	07/5	Change	08/5	Change	06/5	07/5	Change	08/5	Change	
<b>Sales</b>																					
Temporary staffing / Contracting	44,432	50,723	14.2%	53,596	5.7%	45,178	51,213	13.4%	52,090	1.7%	45,699	52,167	14.2%	51,162	(1.9)%	50,273	54,847	9.1%	51,961	(5.3)%	
Placement / Recruiting	1,063	1,704	60.2%	2,260	32.6%	999	1,516	51.8%	1,905	25.7%	1,149	1,529	33.0%	1,795	17.4%	1,329	1,895	42.6%	1,714	(9.5)%	
Outplacement	890	1,328	49.2%	1,213	(8.7)%	1,007	1,260	25.0%	1,421	12.8%	1,079	937	(13.2)%	1,588	69.5%	1,031	882	(14.5)%	1,634	85.4%	
Outsourcing	2,033	2,415	18.8%	3,217	33.2%	2,030	2,502	23.2%	3,389	35.4%	2,086	2,596	24.4%	3,486	34.3%	2,068	2,711	31.1%	3,639	34.2%	
Other	519	496	(4.3)%	472	(4.9)%	505	495	(1.9)%	498	0.4%	670	514	(23.3)%	574	11.7%	608	468	(23.0)%	571	22.0%	
Eliminations & Corporate	(212)	(225)	-	(270)	-	(201)	(231)	-	(278)	-	(201)	(246)	-	(356)	-	(226)	(272)	-	(342)	-	
<b>Operating Income</b>																					
Temporary staffing/ Contracting, Placement / Recruiting	1,248	2,076	66.2%	1,384	(33.3)%	1,582	1,411	(10.8)%	618	(56.2)%	1,802	1,841	2.2%	1,613	(12.4)%	1,922	1,635	(14.9)%	1,440	(11.9)%	
Outplacement	211	451	113.5%	226	(49.8)%	275	350	27.3%	361	3.0%	294	40	(86.3)%	378	836.3%	185	(83)	-	411	-	
Outsourcing	(154)	(119)	-	(72)	-	264	340	28.5%	550	61.6%	440	577	31.1%	929	60.8%	351	375	6.7%	476	27.0%	
Other	(86)	(134)	-	(9)	-	(215)	(62)	-	10	-	(158)	(133)	-	(17)	-	(238)	(65)	-	(10)	-	
Eliminations & Corporate	(31)	3	-	0	0.0%	27	(2)	-	1	-	2	4	56.3%	(887)	-	19	1	(92.8)%	(961)	-	
<b>Operating Income Margin</b>																					
Temporary staffing/ Contracting, Placement / Recruiting	2.7%	4.0%	1.3pt	2.5%	(1.5)pt	3.4%	2.7%	(0.7)pt	1.1%	(1.6)pt	3.8%	3.4%	(0.4)pt	3.0%	(0.4)pt	3.7%	2.9%	(0.8)pt	2.7%	(0.2)pt	
Outplacement	23.7%	34.0%	10.3pt	18.6%	(15.4)pt	27.4%	27.8%	0.4pt	25.4%	(2.4)pt	27.2%	4.3%	(22.9)pt	23.8%	19.5pt	18.0%	(9.5)%	(27.5)pt	25.2%	34.7pt	
Outsourcing	(7.6)%	(4.9)%	2.7pt	(2.3)%	2.6pt	13.0%	13.6%	0.6pt	16.2%	2.6pt	21.1%	22.3%	1.2pt	26.6%	4.3pt	17.0%	13.8%	(3.2)pt	13.1%	(0.7)pt	
Other	(16.6)%	(27.0)%	(10.4)pt	(2.0)%	25.0pt	(42.7)%	(12.7)%	30.0pt	2.2%	14.9pt	(23.6)%	(25.9)%	(2.3)pt	(3.0)%	22.9pt	(39.3)%	(14.1)%	25.2pt	(1.9)%	12.2pt	

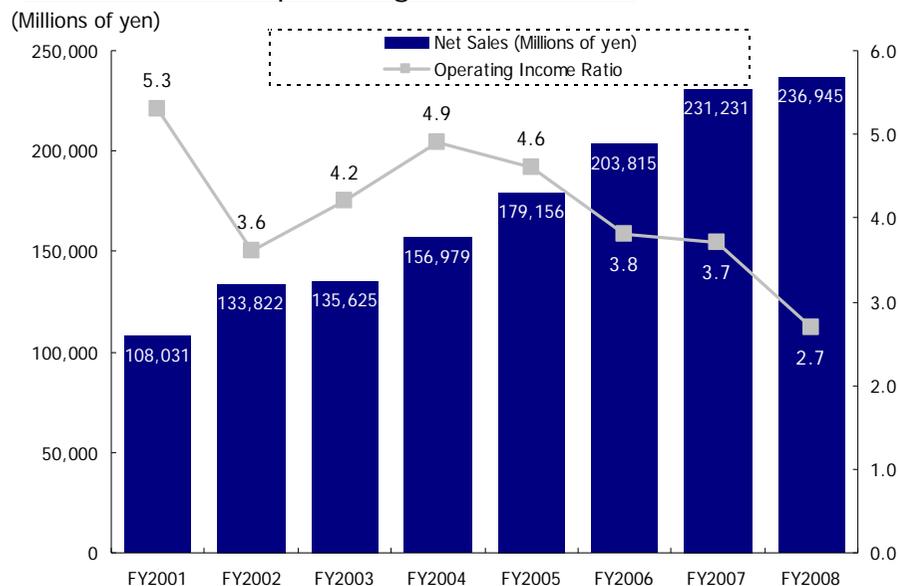
# Trends in Quarterly Consolidated Results

(Millions of yen)

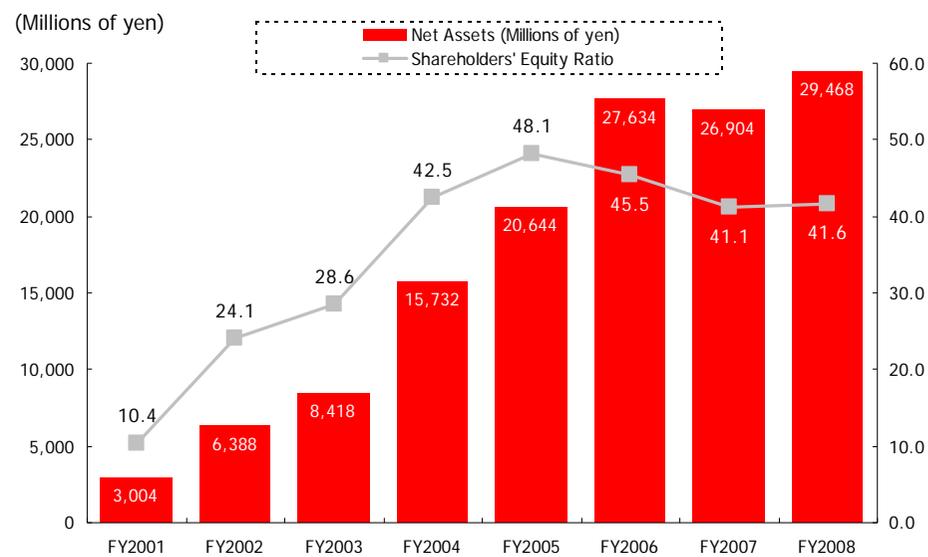
	1Q (June to August)					2Q (September to November)					3Q (December to February)					4Q (March to May)					
	06/5	07/5	Change	08/5	Change	06/5	07/5	Change	08/5	Change	06/5	07/5	Change	08/5	Change	06/5	07/5	Change	08/5	Change	
	Consolidated																				
Sales	48,726	56,444	15.8%	60,489	7.2%	49,520	56,757	14.6%	59,026	4.0%	50,484	57,498	13.9%	58,250	1.3%	55,084	60,531	9.9%	59,178	(2.2)%	
Gross profit	9,438	11,308	19.8%	12,115	7.1%	9,975	11,660	16.9%	12,230	4.9%	10,614	11,897	12.1%	12,671	6.5%	11,208	12,182	8.7%	12,352	1.4%	
SG&A expenses	8,250	9,031	9.5%	10,585	17.2%	8,040	9,623	19.7%	10,688	11.1%	8,232	9,567	16.2%	10,655	11.4%	8,967	10,320	15.1%	10,995	6.5%	
Operating income	1,188	2,277	91.6%	1,529	(32.8)%	1,934	2,037	5.3%	1,541	(24.3)%	2,382	2,330	(2.2)%	2,015	(13.5)%	2,240	1,862	(16.9)%	1,356	(27.1)%	
Ordinary income	1,207	2,377	96.9%	1,584	(33.4)%	1,895	2,014	6.2%	1,560	(22.5)%	2,381	2,367	(0.6)%	1,994	(15.8)%	2,360	2,047	(13.2)%	1,497	(26.9)%	
Net income	543	1,125	107.1%	795	(29.4)%	939	947	0.9%	268	(71.7)%	1,113	1,050	(5.7)%	1,286	22.5%	992	1,074	8.3%	612	(43.0)%	
Gross profit margin	19.4%	20.0%	0.6pt	20.0%	0.0pt	20.1%	20.5%	0.4pt	20.7%	0.2pt	21.0%	20.7%	(0.3)pt	21.8%	1.1pt	20.3%	20.1%	(0.2)pt	20.9%	0.8pt	
SG&A expense ratio	17.0%	16.0%	(1.0)pt	17.5%	1.5pt	16.2%	16.9%	0.7pt	18.1%	1.2pt	16.3%	16.6%	0.3pt	18.3%	1.7pt	16.2%	17.0%	0.8pt	18.6%	1.6pt	
Operating income margin	2.4%	4.0%	1.6pt	2.5%	(1.5)pt	3.9%	3.6%	(0.3)pt	2.6%	(1.0)pt	4.7%	4.1%	(0.6)pt	3.5%	(0.6)pt	4.1%	3.1%	(1.0)pt	2.3%	(0.8)pt	
Ordinary income margin	2.5%	4.2%	1.7pt	2.6%	(1.6)pt	3.8%	3.5%	(0.3)pt	2.6%	(0.9)pt	4.7%	4.1%	(0.6)pt	3.4%	(0.7)pt	4.3%	3.4%	(0.9)pt	2.5%	(0.9)pt	
Net income margin	1.1%	2.0%	0.9pt	1.3%	(0.7)pt	1.9%	1.7%	(0.2)pt	0.5%	(1.2)pt	2.2%	1.8%	(0.4)pt	2.2%	(0.4)pt	1.8%	1.8%	0.0pt	1.0%	(0.8)pt	

# Key Indicators (Full Year)

## Net Sales and Operating Income Ratio



## Net Assets and Shareholders' Equity Ratio



## Results

Key Indicators	'01/05	'02/05	'03/05	'04/05	'05/05	'06/05	'07/05	'08/05
Net Sales	108,031	133,822	135,625	156,979	179,156	203,815	231,231	236,945
Gross Profit Margin	20.8%	18.2%	19.7%	20.9%	20.8%	20.2%	20.3%	20.8%
SGA Expenses	16,695	19,557	21,058	25,104	28,992	33,491	38,542	42,925
SGA Expenses Ratio	15.5%	14.6%	15.5%	16.0%	16.2%	16.4%	16.6%	18.1%
Operating Income	5,742	4,786	5,687	7,648	8,238	7,745	8,507	6,444
Operating Income Ratio	5.3%	3.6%	4.2%	4.9%	4.6%	3.8%	3.7%	2.7%
Ordinary Income	5,464	4,222	5,373	7,329	8,289	7,844	8,807	6,637
Ordinary Income Ratio	5.1%	3.2%	4.0%	4.7%	4.6%	3.8%	3.8%	2.8%
Net Income (Loss)	(6,849)	1,974	2,027	3,647	4,363	3,588	4,198	2,962
Return on Sales	(6.3)%	1.5%	1.5%	2.3%	2.4%	1.8%	1.8%	1.3%
Total Assets	28,849	26,526	29,425	37,004	42,884	51,931	54,425	58,513
Net Assets *1	3,004	6,388	8,418	15,732	20,644	27,634	26,904	29,468
Shareholders' Equity Ratio *2	10.4%	24.1%	28.6%	42.5%	48.1%	45.5%	41.1%	41.6%
Current Ratio	114.3%	121.6%	122.3%	160.2%	182.8%	170.8%	152.1%	154.2%
Number of Employees (Does not include contract workers)	1,371	1,537	1,687	1,979	2,204	2,608	3,126	3,647

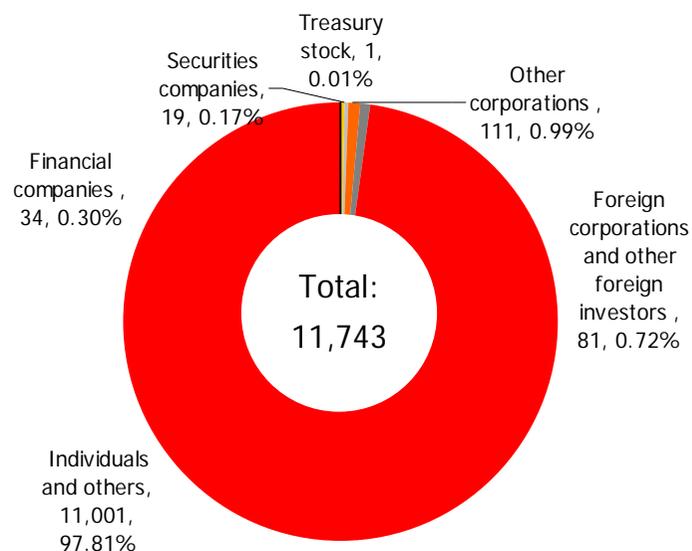
Notes: 1. Presentation of shareholders' equity amended to a net assets basis in line with changes to accounting standards and policies.

Minority interests included in presentation of net assets since the fiscal year ended May 31, 2006

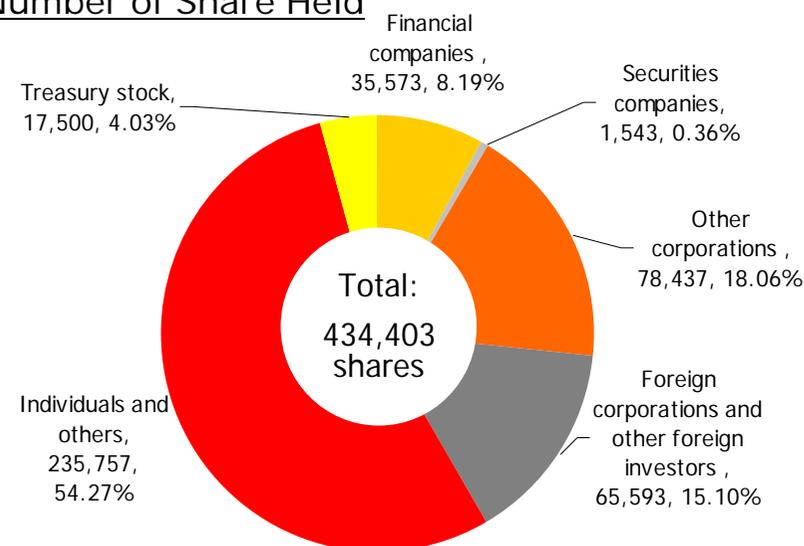
2. Despite changes in calculation methods for net assets following the introduction of changes to accounting standards and policies, the shareholders' equity ratio since the fiscal year ended May 31, 2006 is calculated utilizing an amount equivalent to net assets applicable to common shares

# Stock Information

## Breakdown of Shareholders by Type



## Breakdown of Shareholders by Number of Share Held



## Principal Stockholders

	No. of Shares Held	%
Yasuyuki Nambu	147,632	33.99%
State Street Bank and Trust Company	42,462	9.77%
Nambu Enterprise Inc.	35,688	8.22%
Nikko Cordial Corporation	33,330	7.67%
Yamato Life Insurance Co.	9,918	2.28%
Eizaburo Nambu	9,000	2.07%
Mellon Bank N.A as agent for its client Mellon Omnibus US Pension	7,072	1.63%
Japan Trustees Service Bank, Ltd. (Trust Account)	5,125	1.18%
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,484	1.03%
Pasona Group Employees' Sharefolding Association	3,721	0.86%

Note: In addition to the aforementioned, Pasona holds 17,500 shares of treasury stock (4.03%) of the Company's total shares issued and outstanding. As prescribed under Article 308-2 of the Corporation Law, treasury stock is exclusive of voting rights.

# Corporate Data

Tokyo Stock Exchange, 1st Section, Osaka Securities Exchange "Hercules" 2168

Corporate Name	Pasona Group Inc.
Headquarters	Shin Marunouchi Bldg. 1-5-1, Marunouchi, Chiyoda-ku, Tokyo 100-6514 Phone 03-6734-0200
Established	December 3, 2007 ( Founding February 1976)
Paid-in Capital	5,000 million yen
Representative	Yasuyuki Nambu
Business Activities	Temporary staffing/Contracting Placement/Recruiting Outplacement Outsourcing Other (education, training and other)
Number of Employees	[Consolidated] Employees 3,647 / Contract workers 1,335
Group Companies	Subsidiaries 42, Affiliates 5
URL	<a href="http://www.pasonagroup.co.jp/">http://www.pasonagroup.co.jp/</a>

(As of May 31, 2008)

# Full Line Service of Pasona Group



# Total Support Structure

Pasona is establishing a total support structure that encompasses work, employee welfare benefits, health care, lifestyle advice and consulting services for all of its staff.

## Total Support

