

**CONSOLIDATED FINANCIAL REPORT (Japanese GAAP)**  
**FY2012 (June 1, 2012 to May 31, 2013)**  
**Three Months Ended August 31, 2012**

Listing Stock exchange: The First Section of the Tokyo Stock Exchange  
 Securities code number: 2168  
 URL: <http://www.pasonagroup.co.jp/>  
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 Tel. +81-3-6734-0200  
 Scheduled filing date of quarterly report: October 12, 2012  
 Supplementary materials prepared for quarterly financial results: Yes  
 Holding of quarterly financial results meeting: None

(All amounts are in millions of yen rounded down unless otherwise stated)

## 1. CONSOLIDATED BUSINESS RESULTS

### (1) Consolidated Financial Results

Percentage figures are the increase / (decrease) for the corresponding period of the previous fiscal year.

	Net Sales		Operating Income		Ordinary Income		Net Income (Loss)	
		%		%		%		%
Three months ended August 31, 2012	51,270	11.7	335	(44.3)	330	(41.0)	(193)	—
Three months ended August 31, 2011	45,901	3.0	601	93.9	560	75.4	111	—

(Note) Comprehensive income 3M FY2012: ¥(104) million 3M FY2011: ¥238 million

	Net Income (Loss) per Share	Diluted Net Income per Share
	Yen	Yen
Three months ended August 31, 2012	(517.74)	—
Three months ended August 31, 2011	297.99	297.68

### (2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio (%)
August 31, 2012	68,492	25,157	29.0
May 31, 2012	70,889	26,295	29.0

(Reference) Equity As of August 31, 2012: ¥19,867 million As of May 31, 2012: ¥20,542 million

## 2. DIVIDENDS

Record Date	Dividends per Share				Total
	End of First Quarter	End of Second Quarter	End of Third Quarter	Fiscal Year-End	
FY2011	Yen —	Yen 0.00	Yen —	Yen 1,000.00	Yen 1,000.00
FY2012	—	—	—	—	—
FY2012 (Forecast)	—	0.00	—	1,000.00	1,000.00

(Note) Revision to dividend forecast in the current quarter: None

## 3. FORECAST OF RESULTS FOR THE FISCAL YEAR ENDING MAY 31, 2013

Percentage figures are the increase / (decrease) for the corresponding period of the previous fiscal year.

	Net Sales		Operating Income		Ordinary Income		Net Income (Loss)		Net Income(Loss) per Shares
		%		%		%		%	Yen
First Half	103,000	13.3	800	10.4	750	0.7	(300)	—	(801.06)
Full Fiscal Year	212,000	16.8	3,000	52.7	2,900	38.7	350	1,086.4	934.57

(Note) Revision to forecast of results in the current quarter: None

## 4. NOTES

- (1) Changes in important subsidiaries during the current period : None  
(Changes in specified subsidiaries that caused changes in the scope of consolidation)
- (2) Application of the special accounting practices in the preparation of quarterly consolidated financial statements:  
None
- (3) Changes of accounting principles, changes in accounting estimates and retrospective restatement
  - 1) Changes of accounting principles in line with revisions to accounting and other standards: Yes
  - 2) Changes of accounting principles other than 1) above: None
  - 3) Changes in accounting estimates: Yes
  - 4) Retrospective restatement: NoneNote: For more details, please refer to “2. Matters Relating to Notes” on page 5.
- (4) Number of shares issued and outstanding (Common shares)
  - 1) The number of shares issued and outstanding as of the period-end (including treasury stock)  
August 31, 2012: 416,903 shares      May 31, 2012: 416,903 shares
  - 2) The number of treasury stock as of the period-end  
August 31, 2012: 42,401 shares      May 31, 2012: 42,401 shares
  - 3) Average number of shares for the period (Quarterly cumulative period)  
Three Months ended August 31, 2012: 374,502 shares  
Three Months ended August 31, 2011: 374,502 shares

### Information regarding the implementation of quarterly review procedures

As of the date of disclosure of this report, a review of the quarterly financial statements has been completed in accordance with the Financial Instruments and Exchange Act.

### Cautionary statement and other explanatory notes

The aforementioned forecasts are based on assumptions and beliefs in light of information available to management at the time of document preparation and accordingly include certain unconfirmed factors. As a result, readers are advised that actual results may differ materially from forecasts for a variety of reasons. Please refer to “Qualitative Information Concerning Consolidated Forecasts” on page 5 with regard to the assumptions and other related matters concerning consolidated financial results forecasts for the fiscal year ending May 31, 2013.

### Method to obtain supplementary materials for quarterly financial results

Supplementary materials for the quarterly financial results under review have been posted on the Company’s website today (October 5, 2012).

# Consolidated Financial Report

Three Months Ended August 31, 2012

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## 3M FY2012 Consolidated Financial Report

(June 1, 2012 - August 31, 2012)

### 1. Qualitative Information Concerning Quarterly Consolidated Business Results

#### (1) Information Concerning Consolidated Business Results

##### Consolidated Business Results

	3M FY2011	3M FY2012	YoY
Net sales	45,901	51,270	11.7%
Operating income	601	335	(44.3)%
Ordinary income	560	330	(41.0)%
Net income (loss)	111	(193)	—

(Millions of yen)

##### Segment Information (Figures include intersegment sales)

##### Consolidated Net Sales by Segment

	3M FY2011	3M FY2012	YoY
<b>HR Solutions</b>	45,717	51,061	11.7%
Expert Services (Temporary staffing), Insourcing (Contracting), Others	39,787	44,449	11.7%
Expert Services (Temporary staffing)	31,435	32,971	4.9%
Insourcing (Contracting)	6,716	9,149	36.2%
HR Consulting, Others	494	916	85.4%
Place & Search (Placement / Recruiting)	571	743	30.1%
Global Sourcing (Overseas)	569	668	17.4%
Outplacement	2,501	2,724	8.9%
Outsourcing	3,428	3,886	13.4%
<b>Life Solutions</b>			
<b>Public Solutions</b>	889	987	10.9%
<b>Shared</b>			
Eliminations and Corporate	(706)	(777)	—
Total	45,901	51,270	11.7%

(Millions of yen)

##### Consolidated Operating Income by Segment

	3M FY2011	3M FY2012	YoY
<b>HR Solutions</b>	1,376	1,461	6.1%
Expert Services (Temporary staffing), Insourcing (Contracting), Others	643	603	(6.2)%
Expert Services (Temporary staffing)			
Insourcing (Contracting)			
HR Consulting, Others	643	603	(6.2)%
Place & Search (Placement / Recruiting)			
Global Sourcing (Overseas)			
Outplacement	361	388	7.6%
Outsourcing	372	469	26.1%
<b>Life Solutions</b>			
<b>Public Solutions</b>	21	40	89.7%
<b>Shared</b>			
Eliminations and Corporate	(796)	(1,166)	—
Total	601	335	(44.3)%

(Millions of yen)

## **(2) Qualitative Information Concerning Consolidated Financial Position**

### **Status of Assets, Liabilities and Net Assets**

#### 1) Assets

Total assets as of August 31, 2012 stood at ¥68,492 million, a decrease of ¥2,396 million or 3.4%, compared with May 31, 2012. This was mainly attributable to certain factors including a decrease of ¥3,660 million in the balance of cash and deposits due to the payment of cash dividends as well as income taxes.

#### 2) Liabilities

Total liabilities as of August 31, 2012 decreased ¥1,258 million or 2.8%, compared with May 31, 2012 totaling ¥43,335 million. The principal decreases in total liabilities was accounts payable—trade of ¥1,118 million.

#### 3) Net Assets

Net assets as of August 31, 2012 stood at ¥25,157 million, a decline of ¥1,137 million or 4.3%, compared with May 31, 2012. This was mainly attributable to the net loss of ¥193 million and the payment of cash dividends totaling ¥374 million, as well as a decrease of ¥462 million in minority interests.

Accounting for the aforementioned, the equity ratio as of August 31, 2012 became 29.0%.

## **(3) Qualitative Information Concerning Consolidated Forecasts**

Results for the first quarter of the fiscal year ending May 31, 2013 are essentially in line with initial estimates. As of the date of this report, there are no changes to the forecast of first half and full fiscal year results announced on July 13, 2012.

## **2. Matters Relating to Notes**

### **Changes of accounting principles, changes in accounting estimates and retrospective restatement**

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)

In accordance with the revision of the Corporation Tax Act of Japan, the depreciation method for property, plant and equipment acquired on or after June 1, 2012 has been changed to the method under the revised act from the first quarter of this fiscal year. The impact of this change to operating income, ordinary income, and Income before income taxes is immaterial.

### 3. Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of May 31, 2012	As of August 31, 2012
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	22,763	19,102
Notes and accounts receivable—trade	22,379	22,109
Other	4,335	4,984
Allowance for doubtful accounts	(61)	(57)
Total current assets	49,417	46,138
<b>Noncurrent assets</b>		
Property, plant and equipment	7,009	7,743
Intangible assets		
Goodwill	4,292	4,303
Other	3,410	3,832
Total intangible assets	7,702	8,136
Investments and other assets		
Other	7,125	6,838
Allowance for doubtful accounts	(25)	(23)
Allowance for investment loss	(340)	(340)
Total investments and other assets	6,759	6,474
Total noncurrent assets	21,471	22,354
<b>Total assets</b>	<b>70,889</b>	<b>68,492</b>

	As of May 31, 2012	As of August 31, 2012
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable—trade	2,034	915
Short-term loans payable	3,105	3,125
Accrued expenses	12,611	12,839
Income taxes payable	941	301
Provision for bonuses	1,969	1,077
Provision for directors' bonuses	16	7
Asset retirement obligations	10	10
Other	11,259	12,712
<b>Total current liabilities</b>	<b>31,949</b>	<b>30,990</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	8,262	7,739
Provision for retirement benefits	1,164	1,202
Asset retirement obligations	796	801
Other	2,421	2,601
<b>Total noncurrent liabilities</b>	<b>12,644</b>	<b>12,344</b>
<b>Total liabilities</b>	<b>44,593</b>	<b>43,335</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Capital stock	5,000	5,000
Capital surplus	6,054	6,054
Retained earnings	13,075	12,479
Treasury stock	(3,493)	(3,493)
<b>Total shareholders' equity</b>	<b>20,636</b>	<b>20,040</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	40	25
Foreign currency translation adjustment	(134)	(198)
<b>Total accumulated other comprehensive income</b>	<b>(93)</b>	<b>(172)</b>
Minority interests	5,752	5,289
<b>Total net assets</b>	<b>26,295</b>	<b>25,157</b>
<b>Total liabilities and net assets</b>	<b>70,889</b>	<b>68,492</b>

**(2) Quarterly Consolidated Statements of Income**

(Millions of yen)

	Three months ended August 31, 2011	Three months ended August 31, 2012
Net sales	45,901	51,270
Cost of sales	37,412	41,753
Gross profit	8,488	9,517
Selling, general and administrative expenses	7,886	9,181
Operating income	601	335
Non-operating income		
Interest income	3	3
Equity in earnings of affiliates	—	6
Subsidy	24	4
Other	18	42
Total non-operating income	47	56
Non-operating expenses		
Interest expenses	42	45
Commitment fee	13	7
Commission fee	22	—
Equity in losses of affiliates	3	—
Other	6	7
Total non-operating expenses	88	60
Ordinary income	560	330
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	7	23
Total extraordinary loss	7	23
Income before income taxes	553	306
Income taxes—current	206	233
Income taxes—deferred	112	103
Income taxes	318	337
Income (loss) before minority interests	234	(30)
Minority interests in income	123	163
Net income (loss)	111	(193)



**(3) Quarterly Consolidated Statements of Comprehensive Income**

(Millions of yen)

	Three months ended August 31, 2011	Three months ended August 31, 2012
Income (loss) before minority interests	234	(30)
Other comprehensive income (loss)		
Valuation difference on available-for-sale securities	15	(19)
Foreign currency translation adjustment	(12)	(53)
Total other comprehensive income (loss)	3	(73)
Comprehensive income (loss)	238	(104)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	114	(258)
Comprehensive income attributable to minority interests	124	154

#### (4) Notes to Going Concern Assumption

Not applicable

#### (5) Segment Information

Information regarding net sales and segment income (loss) by reporting segment

Three months ended August 31, 2011

(Millions of yen)

	Reporting segments				Others (Note 2)	Total	Adjustment (Note 3)	Figures in consolidated statements of income (Note 4)
	HR Solutions			Subtotal				
	Expert Services (Temporary staffing), Insourcing (Contracting), Others (Note 1)	Outplacement	Outsourcing					
Net sales								
(1) Sales to outside customers	39,692	2,497	3,370	45,560	340	45,901	—	45,901
(2) Intersegment sales and transfers	94	4	57	156	549	706	(706)	—
Total	39,787	2,501	3,428	45,717	889	46,607	(706)	45,901
Operating income	643	361	372	1,376	21	1,398	(796)	601

Notes:

1. The “Expert Services (Temporary staffing), Insourcing (Contracting), Others” segment includes each of the businesses of Expert Services (Temporary staffing), Insourcing (Contracting), HR Consulting, Place & Search (Placement / Recruiting) and Global Sourcing (Overseas).
2. The “Others” segment is not included in reporting segments, and includes Life Solutions, Public Solutions, and Shared operations.
3. Adjustment is as follows: Operating loss of ¥796 million includes the elimination of intersegment transactions of ¥3 million and corporate expenses of ¥799 million. Corporate expenses are not allocated to reporting segments. Corporate expenses primarily consist of Group management costs relating to the Company.
4. Segment income is adjusted with operating income under consolidated statements of income.

Three months ended August 31, 2012

(Millions of yen)

	Reporting segments				Others (Note 2)	Total	Adjustment (Note 3)	Figures in consolidated statements of income (Note 4)
	HR Solutions			Subtotal				
	Expert Services (Temporary staffing), Insourcing (Contracting), Others (Note 1)	Outplacement	Outsourcing					
Net sales								
(1) Sales to outside customers	44,289	2,724	3,833	50,847	423	51,270	—	51,270
(2) Intersegment sales and transfers	160	0	53	213	563	777	(777)	—
Total	44,449	2,724	3,886	51,061	987	52,048	(777)	51,270
Operating income	603	388	469	1,461	40	1,501	(1,166)	335

Notes:

1. The “Expert Services (Temporary staffing), Insourcing (Contracting), Others” segment includes each of the businesses of Expert Services (Temporary staffing), Insourcing (Contracting), HR Consulting, Place & Search (Placement / Recruiting) and Global Sourcing (Overseas).
2. The “Others” segment is not included in reporting segments, and includes Life Solutions, Public Solutions, and Shared operations.
3. Adjustment is as follows: Operating loss of ¥1,166 million includes the elimination of intersegment transactions of ¥4 million and corporate expenses of ¥1,161 million. Corporate expenses are not allocated to reporting segments. Corporate expenses primarily consist of Group management costs relating to the Company.
4. Segment income is adjusted with operating income under consolidated statements of income.

(6) Notes on Significant Changes in the Amount of Shareholders' Equity

Not applicable

(7) Important Subsequent Events

Not applicable