

# Results for the Fiscal Year Ended May 31, 2012

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FY2011 (June 1, 2011-May 31, 2012)

**Pasona Group Inc.**

First Section TSE (2168)

July 17, 2012

<http://www.pasonagroup.co.jp/>

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

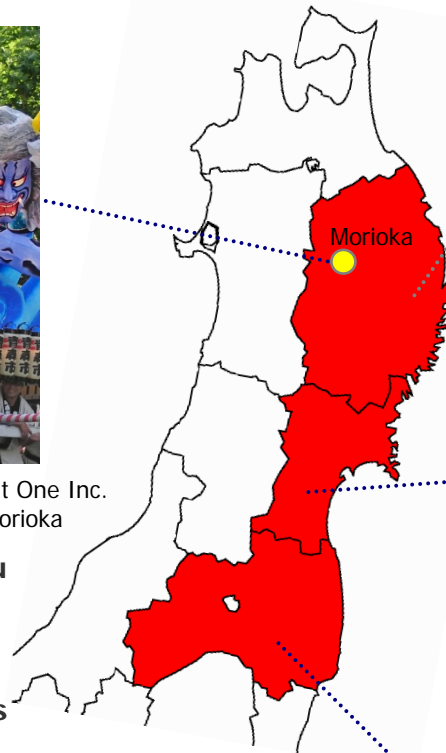
## Reconstruction Support Initiatives

### Sponsorship of the Tohoku Rokkon Festival



Following last year's performance in Sendai, Benefit One Inc. planned and held the Tohoku Rokkon Festival in Morioka

- Hiroshima:** Emergency assistance for Tohoku agricultural products
- Osaka:** Job placement assistance for disaster victims
- Kobe:** Information services for refugees in the city
- Miyazaki:** Providing networking opportunities for agriculture companies and employment support for disaster victim job seekers
- Hiroshima:** Employment assistance for workers dislocated by the earthquake
- Saitama:** Reemployment support for disaster victims
- Shimane:** Employment training for disaster victims



### <Iwate Prefecture>

- HRD for food processing and marketing in the agriculture and fisheries industries
- Employment and HRD for disaster victim job seekers
- Subsidies for business recovery employment creation
- Management body development support for corporations in agricultural areas

### <Miyagi Prefecture>

- HRD for Internet-based smartphone application development
- HRD for smartphone application development
- HRD for Internet shop entrepreneurs
- Recruiting assistance

### <Fukushima Prefecture>

- Recruiting of 400 interns
- Operation of Fukushima employment information center
- Operation of Fukushima employment assistance center
- Call center operations in Tomioka, Fukushima

## Employment Assistance Initiatives for Young People

### Various Ideas for Styles of Employment

- 2005** “Shigoto (work) College” practical education and work training for new graduates
- 2009** “Academic Work Café” career counseling service for university students
- 2010** “Fresh Career” career exploration opportunities for new graduates
- 2011** “Cococala Mura” HRD project for Awaji Island  
Joint project with Hyogo Prefecture
- 2012** “Gap Challenge Program” career exploration program for new graduates  
Three courses: Venture entrepreneurship, Global business, Agriculture management

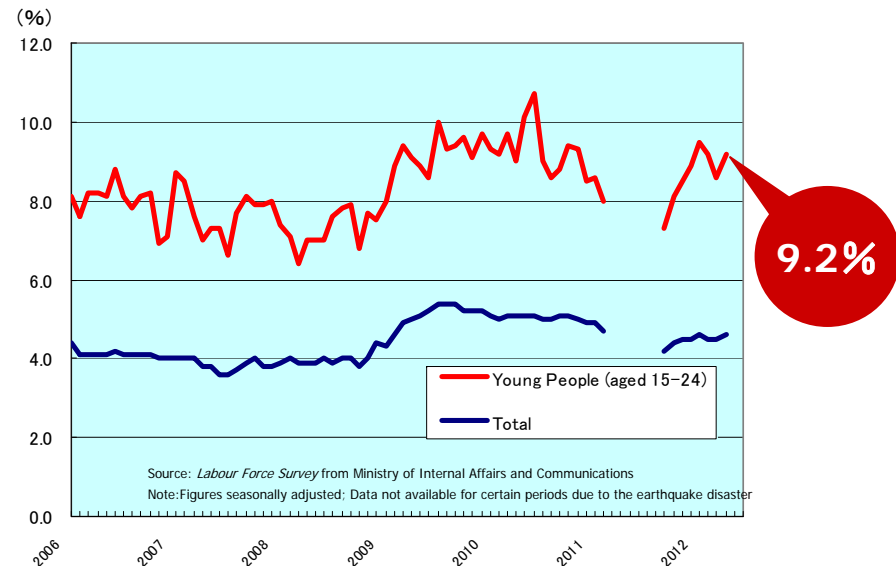
### Emergency Employment Measures

- 2010** Job matching support for young people and SMEs  
Job search assistance for new graduates  
HRD and job search assistance for young people etc...

## Jobs Created for Young People

FY2011  
**11,000**

● Unemployment Rate for 15-24 year olds (as of April 2012)



“Academic Work Café” career counseling service for university students



「PASONA 学職カフェ」は、就職活動に真剣に取り組む学生の皆さんを応援します！

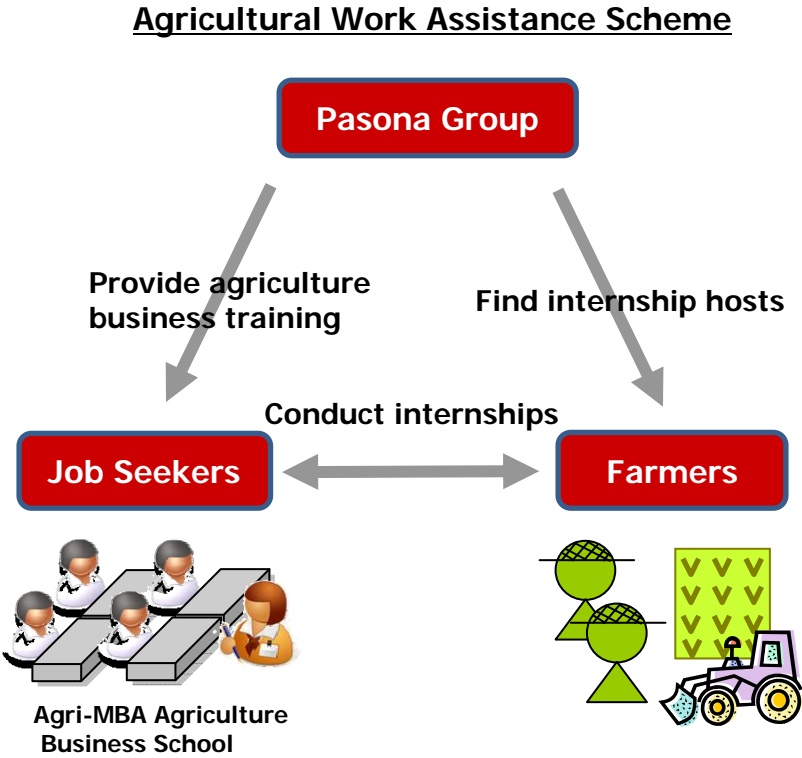
## New Initiatives for the Agriculture Field

**Pasona Agri-Partners Inc. established**  
(December 2011)

**Business activities:**

- Agriculture-related consulting
- Agriculture-related training
- Temporary staffing and placement for agriculture-related positions

- Agriculture-related Projects from Japanese Government Organizations Nationwide**
- Hokkaido:** Employment support for management development for agriculture companies
  - Toyota:** HRD for successors for regional agriculture operations
  - Aichi:** Agriculture HRD
  - Gunma:** Work experience program for regional HRD
  - Yamaguchi:** Assistance for young people and others seeking careers in agriculture, and employment management operations
  - Hiroshima:** 2011 project to assist people seeking a career in agriculture
  - Iwate:** Fiscal 2011 project to assist people seeking a career in agriculture
  - Shimane:** Employment training for earthquake disaster victims
  - Fukuoka:** Campaign to bolster agriculture support organizations
  - Aomori:** HRD program for agriculture produce coordinators
  - Tokyo:** Farmer assistance program etc..



## Regional Revitalization Efforts on Hyogo Prefecture's Awaji Island

Establishing "Pasona Furusato Incubation Corp."  
(Slated for September, 2012)  
※Joint venture with Benefit One Inc.  
Business activities:  
•Entertainment Business  
•Take charge of performances at regional events  
•Operate a café and restaurant  
•Operate a farmers' market, etc.



Former Nojima Elementary School

### ●Cococala Mura Project

FY 2011 Hyogo Furusato Job Revitalization Project  
FY 2012 Project for Job Creation in Hyogo Prefecture in Priority Fields

### ●Revitalization of the Former Nojima Elementary School

Propose a regional revitalization model that includes measures to promote regional interaction and to attract tourists

### ●Designated Management Project Awaji City Sunshine Hall and Shizuka Hall



"ONE STEP" musical by members of "Cococala Mura"

## Synergies Generated through M&A

- Strengthen professional recruiting and growth businesses, and meet diversifying customer needs



Clerical work for import and export trade, education and training  
Talent management system



Joint management with  
Mitsubishi Corporation  
(Made subsidiary in May 2012)

Contact center, business process outsourcing (BPO)  
Industry-leading operations analysis  
Project management capabilities



Nationwide network  
Expertise in temporary staffing and contracting

Yaskawa Electric Group  
Strengthen business operations in the Kyushu region



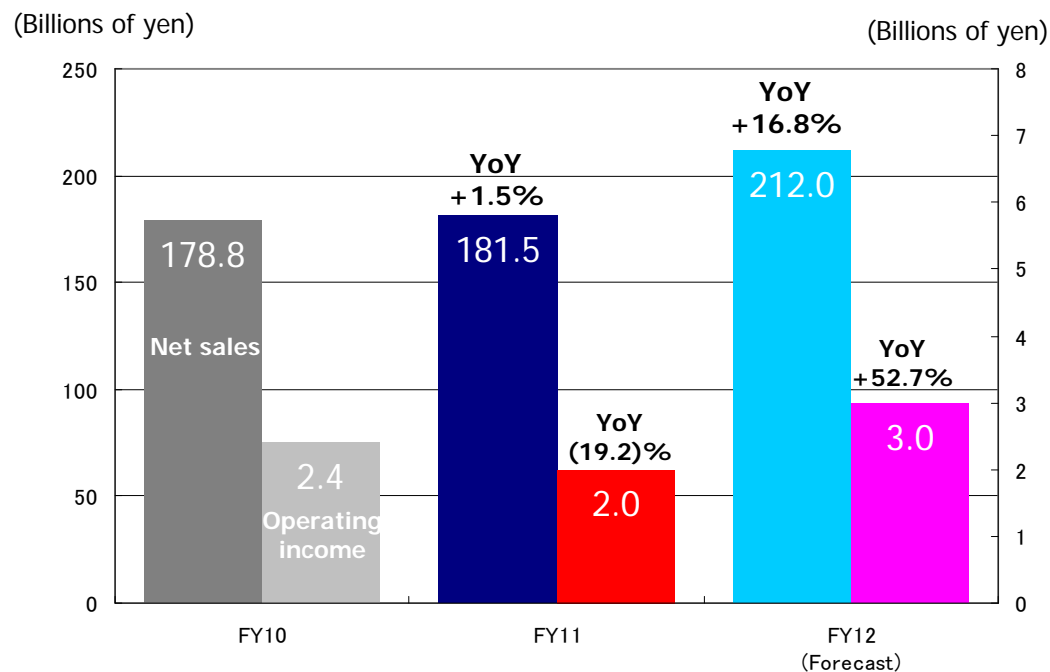
Strengthen professional staff including translation and interpretation



(Consolidated in December 2011)

\* Corporate name to be changed to Pasona Language on August 1, 2012

# Consolidated Forecasts for the Fiscal Year ending May 31, 2012



(Millions of yen)

Consolidated	FY2011	FY2012 (Forecast)
Net Sales (YoY)	181,498 (+1.5%)	212,000 (+16.8%)
Cost of Sales	147,693 (+1.7%)	171,900 (16.4%)
Gross Profit	33,805 (+0.7%)	40,100 (+18.6%)
SG&A Expenses	31,840 (+2.3%)	37,100 (+16.5%)
Operating Income	1,964 (-19.2%)	3,000 (+52.7%)
Ordinary Income	2,091 (-18.7%)	2,900 (+38.7%)
Net Income	29 (-92.9%)	350 (+1,086.4%)

## Dividend Policy

Basic policy to deliver adequate returns to shareholders while taking into consideration performance; while at the same time providing continuous and stable dividends

## Dividends

Plan to keep unchange to ¥1,000 per share for the fiscal year ending May 31, 2013

- 12/5 Dividend per share                      **¥1,000**                      (Interim ¥-                      **Period-End                      ¥1,000**)
- 13/5 Dividend forecast per share   **¥1,000**                      (Interim ¥-                      **Period-End                      ¥1,000**)

	FY2009	FY2010	FY2011	FY2012 (Forecast)
Cash dividend per share (Yen)	500	1,000	1,000	1,000
Payout ratio (consolidated)	88.5%	90.8%	1,269.4%	107.0%



# 1. Results for the Fiscal Year Ended May 31, 2012

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# Concerning Non-Attainment of Full Year Consolidated Plan for Fiscal Year Ended May 2012

- Gross interest rates worsened compared to the initial forecast, and gross profit decreased
- Costs were reduced, but expenses necessary to achieve growth in the next fiscal period swelled
- The increase in minority interests in income and tax system reform impacted results, and net income for the given fiscal period decreased significantly

FY2011	Initial Forecast	Results	Change (amount)	Change (%)
Net Sales	183,000	181,498	(1,501)	(0.8)%
Gross Profit	34,350	33,805	(544)	(1.6)%
SG&A Expenses	31,500	31,840	340	1.1%
Operating Income	2,850	1,964	(885)	(31.1)%
Ordinary Income	2,900	2,091	(808)	(27.9)%
Net Income	650	29	(620)	(95.5)%

● **Net Sales**  
Did not achieve sales goals for Expert Services, Insourcing or Outsourcing

● **Gross Profit**  
Significantly impacted by the drop in gross interest rates for Insourcing

● **SG&A Expenses**  
Accelerated plans to establish an Insourcing and BPO business system which included increasing the number of Insourcing personnel and making system investments, etc.

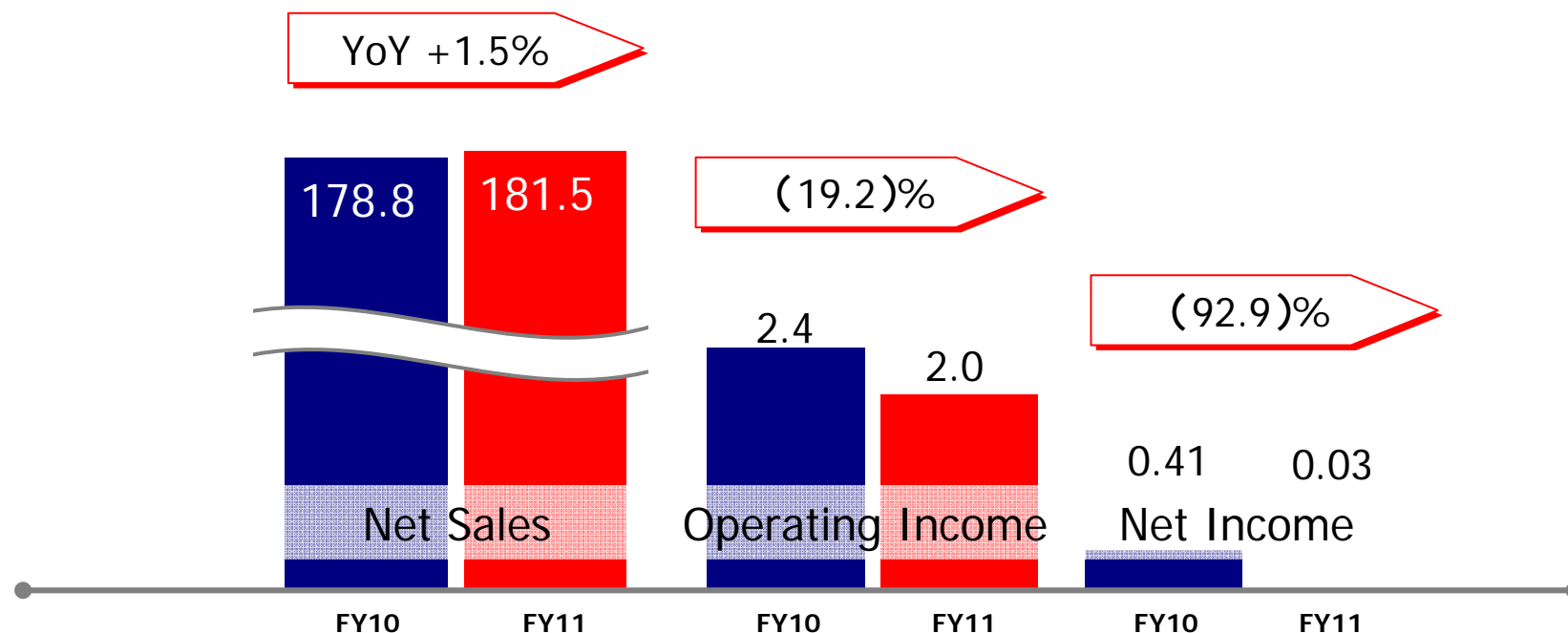
● **Net Income**  
Impacted by the increase in minority Interests in income and by tax system reforms

Gross Profit margin	18.8%	18.6%	(0.2)%pt
SG&A Expenses margin	17.2%	17.5%	0.3)%pt
Operating Income margin	1.6%	1.1%	(0.5)%pt

# Consolidated Results for the Fiscal Year Ended May 31, 2012



(Billions of yen)



(Millions of yen)	FY10	to net sales %	FY11	to net sales %	vs FY10 Increase/Decrease	YoY
Net sales	178,806	100.0	181,498	100.0	2,692	1.5%
Cost of sales	145,247	81.2	147,693	81.4	2,445	1.7%
Gross profit	33,558	18.8	33,805	18.6	246	0.7%
SG&A expenses	31,125	17.4	31,840	17.5	714	2.3%
Operating income	2,432	1.4	1,964	1.1	(468)	(19.2)%
Ordinary income	2,571	1.4	2,091	1.2	(480)	(18.7)%
Net income	412	0.2	29	0.0	(383)	(92.9)%

# Consolidated Results by Segment

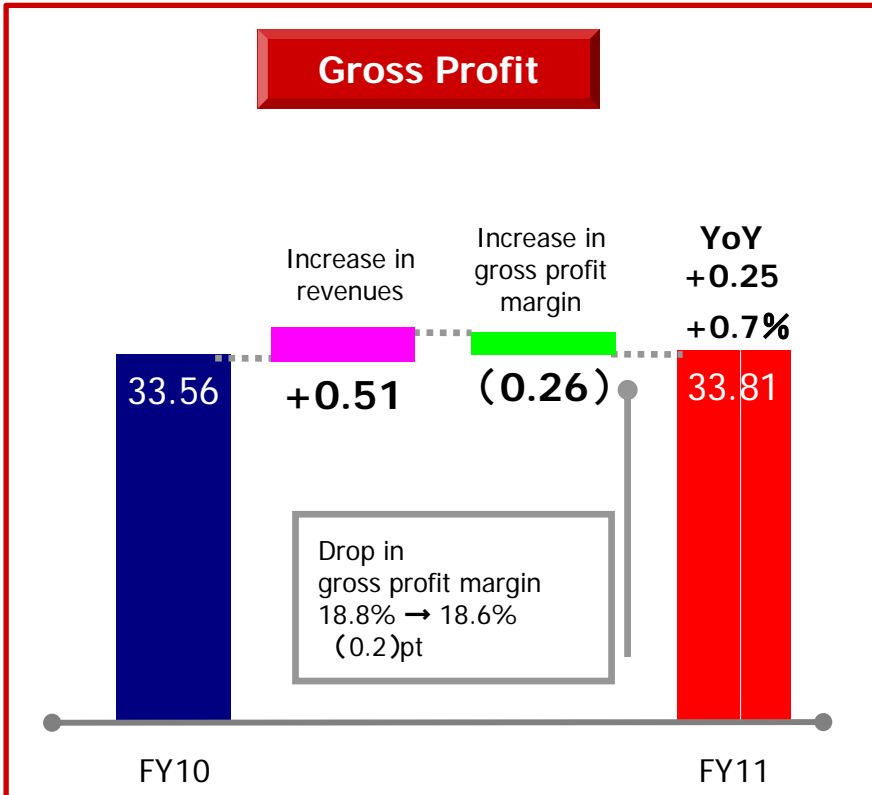
(Millions of yen)

	Segment	Net sales				Operating income				Operating income margin		
		FY10	FY11	Increase/ Decrease	YoY	FY10	FY11	Increase/ Decrease	YoY	FY10	FY11	Increase/ Decrease
1	Expert Services	130,647	122,491	(8,155)	(6.2)%	1,980	2,211	230	11.7%	1.3%	1.4%	0.1pt
2	Insourcing	16,365	26,748	10,383	63.4%							
3	HR Consulting (including TTP, nursing care)	2,227	1,767	(460)	(20.6)%							
4	Place & Search	1,833	2,692	858	46.8%							
5	Global Sourcing	2,031	2,327	296	14.6%							
Subtotal		153,106	156,028	2,922	1.9%							
6	Outplacement	9,807	9,594	(213)	(2.2)%	1,011	834	(176)	(17.4)%	10.3%	8.7%	(1.6)pt
7	Outsourcing	14,690	14,959	269	1.8%	2,227	2,479	252	11.3%	15.2%	16.6%	1.4pt
8	Life Solutions Public Solutions Shared	3,564	3,732	168	4.7%	134	42	(91)	(68.2)%	3.8%	1.1%	(2.7)pt
9	Eliminations and Corporate	(2,362)	(2,816)	(454)	-	(2,920)	(3,603)	(683)	-	-	-	-
10	Total	178,806	181,498	2,692	1.5%	2,432	1,964	(468)	(19.2)%	1.4%	1.1%	(0.3)pt

※ Partial net sales transfers were undertaken between the Expert Services and HR Consulting segment during the previous period.

# Gross Profit, SG&A Expenses

(Billions of yen)

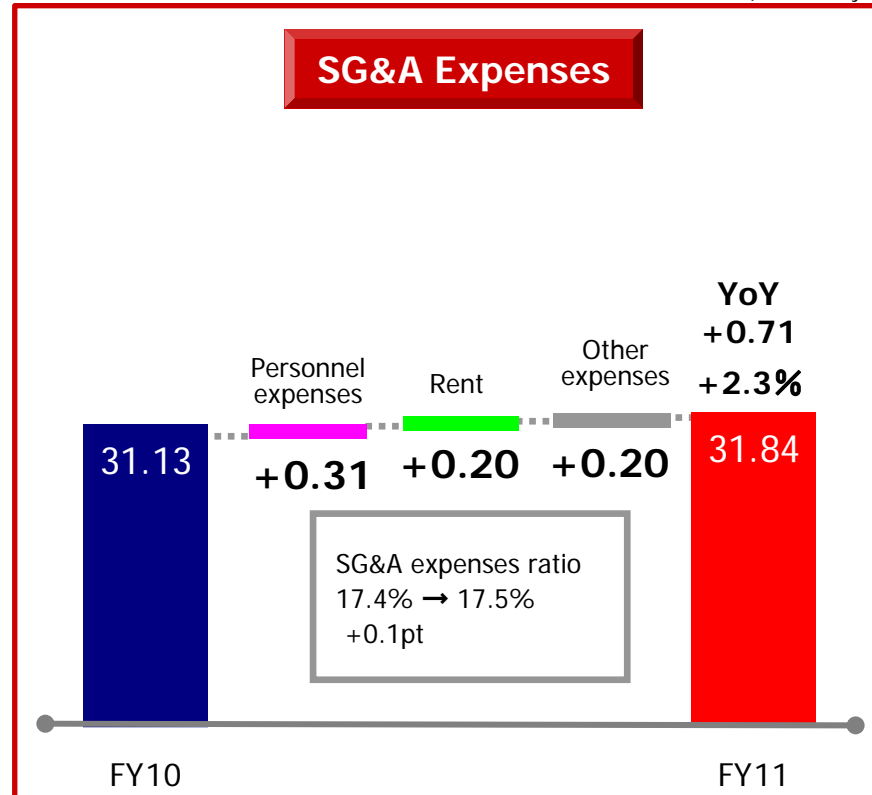


(Billions of yen)

	FY10	Q1 FY11	Q2 FY11	Q3 FY11	Q4 FY11	FY11	Increase/Decrease
Gross profit	33.56	8.49	8.16	8.25	8.91	33.81	0.25
Gross profit margin	18.8%	18.5%	18.1%	18.6%	19.3%	18.6%	(0.2)pt

(Reference)

	FY07	FY08	FY09	FY10	FY11
Gross profit margin	20.8%	19.9%	20.0%	18.8%	18.6%



(Billions of yen)

	FY10	Q1 FY11	Q2 FY11	Q3 FY11	Q4 FY11	FY11	Increase/Decrease
Personnel	18.15	4.55	4.68	4.58	4.64	18.46	0.31
Advertisement and recruitment	0.79	0.19	0.22	0.22	0.24	0.86	0.07
IT	1.97	0.52	0.49	0.46	0.51	1.97	0.00
Rent	3.56	0.91	0.99	0.95	0.92	3.77	0.20
Others	6.65	1.72	1.66	1.68	1.71	6.78	0.13
<b>Total</b>	<b>31.13</b>	<b>7.89</b>	<b>8.04</b>	<b>7.89</b>	<b>8.02</b>	<b>31.84</b>	<b>0.71</b>
SG&A expenses ratio	17.4%	17.2%	17.9%	17.8%	17.3%	17.5%	+0.1pt

(Reference)

	FY07	FY08	FY09	FY10	FY11
SG&A expenses ratio	18.1%	18.6%	18.0%	17.4%	17.5%

# Non-operating/Extraordinary income, Others

(Millions of yen)

	FY10	Q1 FY11	Q2 FY11	Q3 FY11	Q4 FY11	FY11	Increase/Decrease	YoY
Operating income	2,432	601	122	355	884	1,964	(468)	(19.2)%
Non-operating income	437	47	120	82	133	383	(54)	(12.4)%
Non-operating expenses	298	88	58	44	65	256	(41)	(14.0)%
Ordinary income	2,571	560	184	393	952	2,091	(480)	(18.7)%
Extraordinary income	523	0	58	0	116	175	(348)	(66.5)%
Extraordinary loss	598	7	8	9	23	47	(551)	(92.1)%
Income before income taxes	2,496	553	234	384	1,046	2,218	(277)	(11.1)%
Income taxes—current	1,533	206	277	382	540	1,406	(126)	(8.3)%
Income taxes—deferred	(148)	112	(127)	(69)	108	24	172	-
Minority interests in income	698	123	121	253	260	758	60	8.6%
Net income (loss)	412	111	(36)	(181)	136	29	(383)	(92.9)%

● **Non-operating Income**  
Insurance premiums refunded cancellation ¥71 million

● **Extraordinary income**  
Gain on sales of investment securities ¥463 million

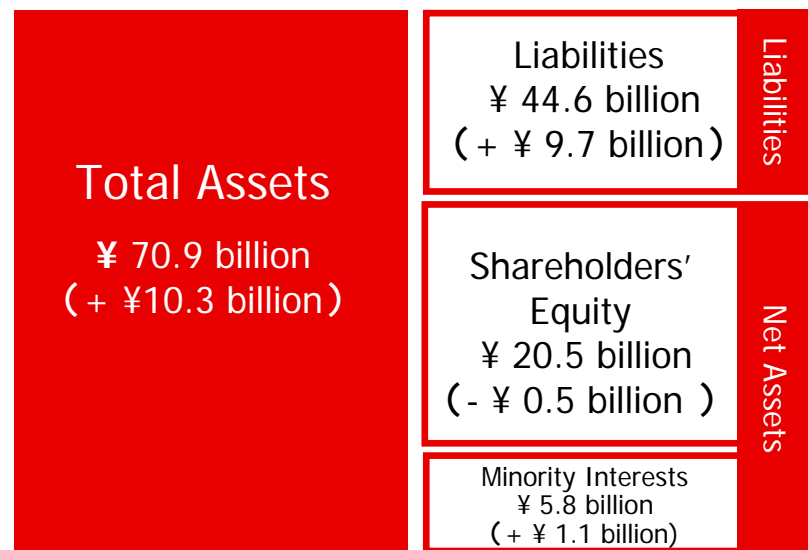
● **Extraordinary income**  
Gain on donation of noncurrent asset ¥58 million (Q2)  
Gain on sales of investment securities ¥116 million (Q4)

● **Extraordinary loss**  
Asset retirement obligations ¥480 million

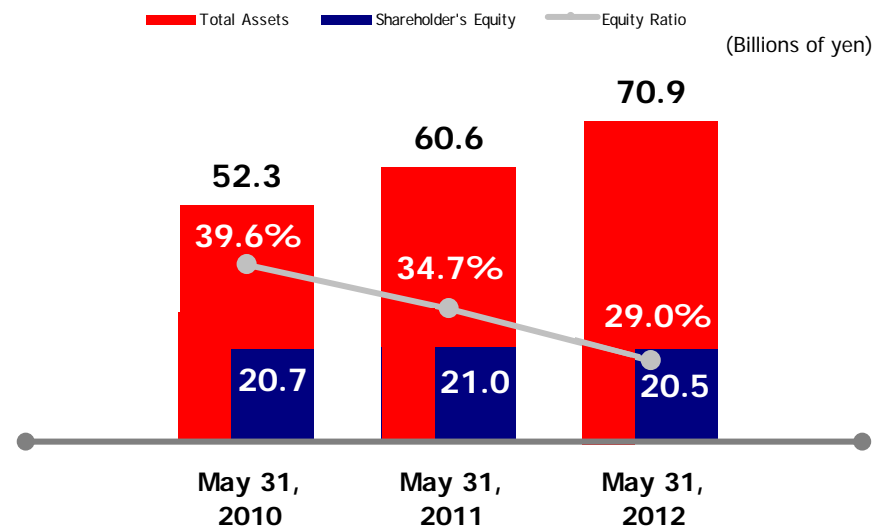
● **Income taxes—deferred**  
The impact of the revised Corporation Tax Act ¥102 million

## Financial Position

As of May 31, 2012  
 •Figures in parentheses indicate changes from the end of the previous fiscal year.



## Total Assets, Shareholders' Equity, Equity Ratio



(Billions of yen)	May 31, 2011	May 31, 2012	Increase/Decrease
Current assets	44.4	49.4	5.0
Noncurrent assets	16.2	21.5	5.3
<b>Total assets</b>	<b>60.6</b>	<b>70.9</b>	<b>10.3</b>
Current liabilities	25.3	31.9	6.6
Noncurrent liabilities	9.6	12.6	3.1
<b>Total liabilities</b>	<b>34.9</b>	<b>44.6</b>	<b>9.7</b>
<b>Total net assets</b>	<b>25.6</b>	<b>26.3</b>	<b>0.7</b>

The principal increase were due to the consolidation of CAPLAN, Yaskawa Business Staff and Bewith. (Increase by those three companies)

- Increase in accounts receivable—trade +¥4.0 billions (+¥3.0 billions)
- Increase in intangible assets +¥4.4 billions (+¥4.7 billions)
- Increase in lease and guarantee deposits +¥0.7 billions (+¥0.5 billions)

- Increase in short-term loans payable +¥1.0 billions
- Increase in accounts payable—other +¥1.6 billions (+¥0.8 billions)
- Increase in accrued expenses +¥1.8 billions (+¥1.4 billions)
- Increase in long-term loans payable +¥3.0 billions

- Net income ¥0.03 billions
- Increase in minority interests +¥1.1 billions (+¥0.6 billions)
- Cash dividends paid ¥0.4 billions

# Cash Flows

## Cash Flows

(Billions of yen)	FY10	FY11	Increase/ Decrease	
Cash flows from operating activities	6.4	3.4	(3.0)	<ul style="list-style-type: none"> <li>Income before income taxes ¥2.2 billions</li> <li>Increase in operating debt ¥0.5 billions</li> <li>Depreciation and amortization ¥2.1 billions</li> <li>Income taxes paid ¥(1.7) billions</li> </ul>
Cash flows from investing activities	0.2	(5.7)	(5.9)	<ul style="list-style-type: none"> <li>Sales of investment securities ¥0.3 billions</li> <li>Collection of lease and guarantee deposits ¥0.4 billions</li> <li>Purchase of investments in subsidiaries resulting in change in scope of consolidation ¥(4.4) billions</li> <li>Purchase of property, plant and equipment ¥(0.7) billions</li> <li>Purchase of intangible assets ¥(0.7) billions</li> <li>Payments for transfer of business ¥(0.4) billions</li> </ul>
Cash flows from financing activities	3.7	2.5	(1.2)	
Cash and cash equivalents at the end of the period	22.6	22.7	0.2	
Free cash flows	6.6	(2.3)	(8.9)	<ul style="list-style-type: none"> <li>Proceeds from long-term loans payable ¥5.6 billions</li> <li>Repayment of long-term loans payable ¥(2.1) billions</li> <li>Cash dividends paid ¥(0.7) billions</li> <li>Repayments of finance lease obligations ¥(0.8) billions</li> </ul>



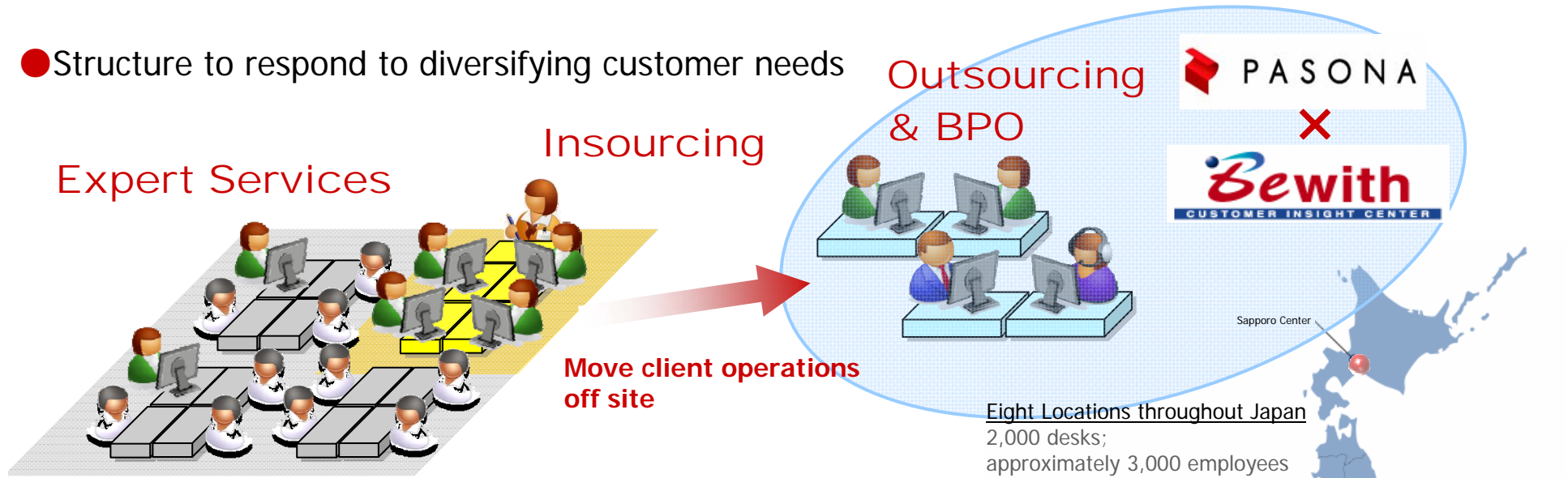
## **2. Strategic Priorities and Consolidated Forecast for the Fiscal Year Ending May 31, 2013**

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

## Strengthen Solution Services

- Structure to respond to diversifying customer needs



- Endeavor to maximize group synergy

CAPLAN Corporation	➔	Clerical work for import and export trade, education and training HR Solutions
Yaskawa Business Staff Corporation	➔	Yaskawa Electric Group Strengthen business operations in the Kyushu region
International Transaction Center Ltd.	➔	Strengthen professional staff including translation and interpretation

## Strengthen Strategies for Interacting with the Public

- Expand scope of agent services for government administrative services

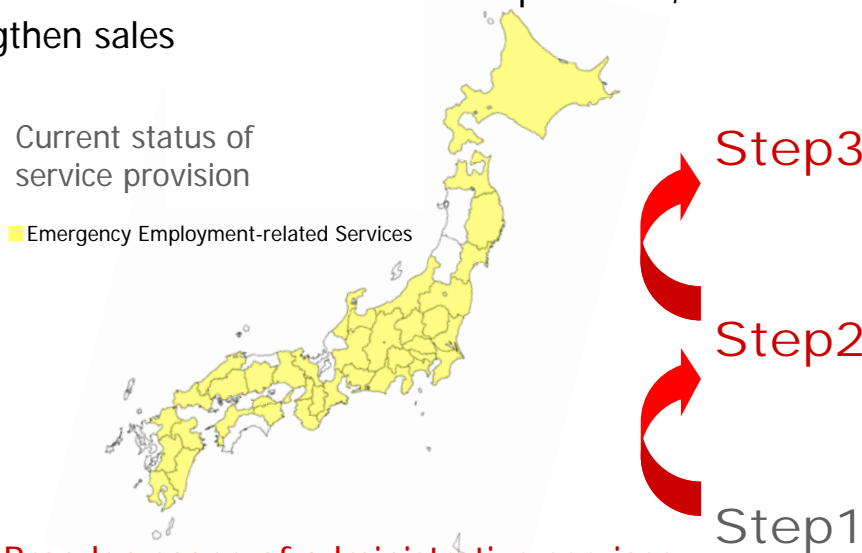
Gain contracts for more complex services based on previous record, and expand scope of service offerings

- Service package lineup through tie-ups with partner companies

Enhance added-value in contracted operations, and strengthen sales



Central Suica Payment Counter in Chiyoda-ku



➔ **Broaden scope of administrative services** based on our track record with emergency employment projects

**Package Service Proposals with Partner Companies**  
 Electronic payment service counters with electronics manufacturers  
 Disaster victim community support with major telecom companies  
 Government payroll services utilizing cloud services

**General Finances**  
 Administrative centers  
 Resident services  
 Tax services

**Emergency Employment Measures**  
**Employment Creation for Business Recovery**  
 Work assistance for young people  
 Work assistance for disaster victims

## III Cultivate and Expand Global Business Operations

- Overseas strategies for the changing business environment

Independent network of 34 locations in 10 regions allows for prompt services

- Global service expansion



Service Expansion

- Shift management resources to growth regions

- Step up office openings in growth regions, focusing on Asia
- Expand services to companies entering Shanghai
- Launch benefits service for Chinese employees

RECRUITING TALENT GLOBALLY

Cross-border Recruiting

EXPATRIATE HR MANAGEMENT

SENIOR EXPERT MANAGEMENT

Expat Support Services

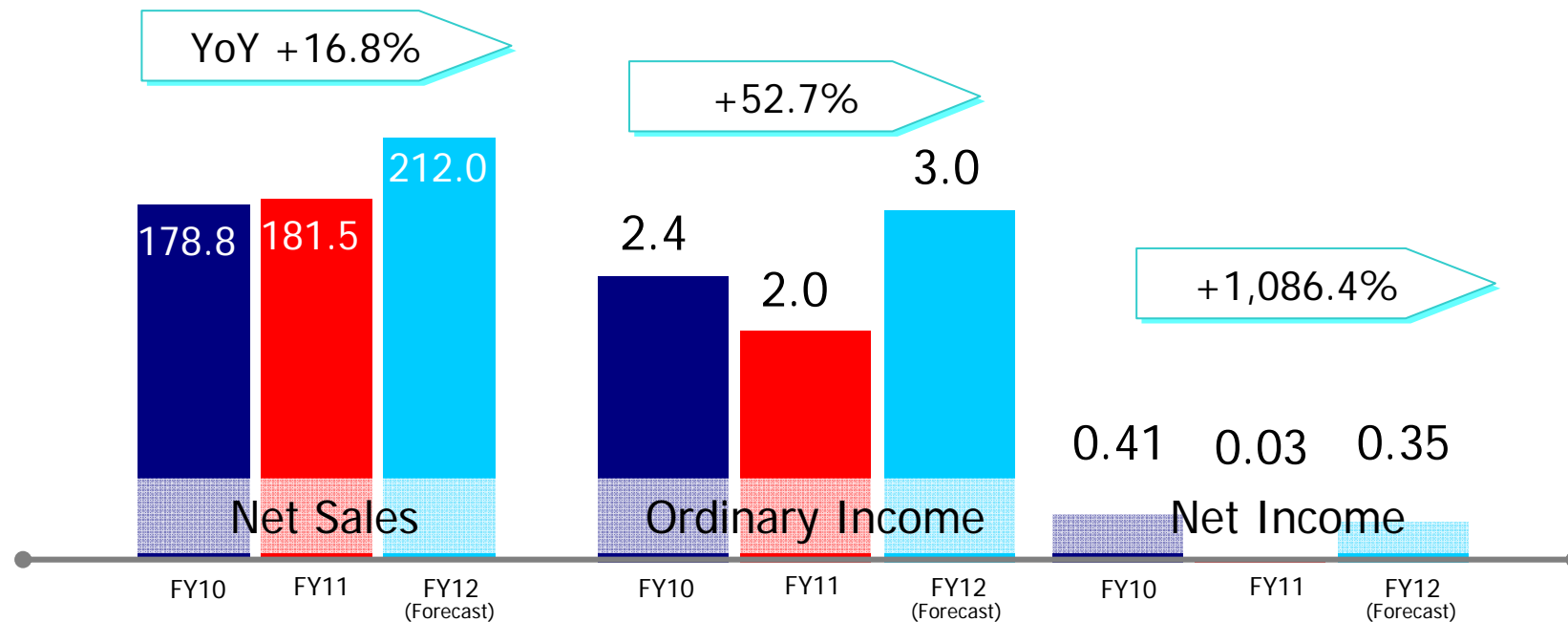
Outplacement Support for Seniors



# Consolidated Forecasts for the Fiscal Year Ending May 31, 2013



(Billions of yen)

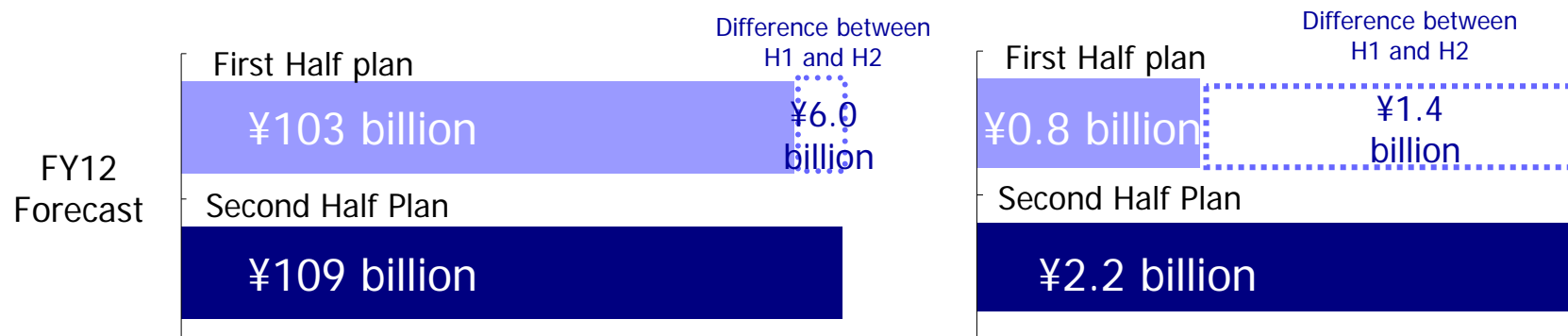


(Millions of yen)	FY10	to net sales %	FY11	to net sales %	FY12 Forecast	to net sales	vs FY11 Increase/Decrease	YoY
Net sales	178,806	100.0	181,498	100.0	212,000	100.0	30,501	16.8%
Cost of sales	145,247	81.2	147,693	81.4	171,900	81.1	24,206	16.4%
Gross profit	33,558	18.8	33,805	18.6	40,100	18.9	6,294	18.6%
SG&A expenses	31,125	17.4	31,840	17.5	37,100	17.5	5,259	16.5%
Operating income	2,432	1.4	1,964	1.1	3,000	1.4	1,035	52.7%
Ordinary income	2,571	1.4	2,091	1.2	2,900	1.4	808	38.7%
Net income	412	0.2	29	0.0	350	0.2	320	1,086.4%

# Balance Between the First and Second Half of the Fiscal Year Ending May 31, 2013

Net Sales

Operating Income



(Millions of yen)	H1	to net sales	vs FY11	%	H2	to net sales	vs FY11	%	FY12	to net sales	vs FY11	%
Net Sales	103,000	100.0	12,119	13.3%	109,000	100.0	18,382	20.3%	212,000	100.0	30,501	16.8%
Cost of sales	83,850	81.4	9,616	13.0%	88,050	80.8	14,590	19.9%	171,900	81.1	24,206	16.4%
Gross profit	19,150	18.6	2,502	15.0%	20,950	19.2	3,791	22.1%	40,100	18.9	6,294	18.6%
SG&A expenses	18,350	17.8	2,427	15.2%	18,750	17.2	2,832	17.8%	37,100	17.5	5,259	16.5%
Operating income	800	0.8	75	10.4%	2,200	2.0	959	77.4%	3,000	1.4	1,035	52.7%
Ordinary income	750	0.7	5	0.7%	2,150	2.0	803	59.7%	2,900	1.4	808	38.7%
Net income (loss)	(300)	-	(375)	-	650	0.6	695	-	350	0.2	320	1,086.4%

# Consolidated Forecasts by Segment for the Fiscal Year Ending May 31, 2013

(Millions of yen)

Segment	Sales				Operating income			
	FY11	FY12 Forecast	VS FY11 Increase/Decrease	VS FY11 %	FY11	FY12 Forecast	VS FY11 Increase/Decrease	VS FY11 %
Expert Services	122,491	133,250	10,758	8.8%	2,211	3,130	918	41.5%
Insourcing	26,748	39,950	13,201	49.4%				
HR Consulting (including TTP, nursing care)	1,767	4,050	2,282	129.1%				
Place & Search	2,692	3,000	307	11.4%				
Global Sourcing	2,327	2,650	322	13.8%				
Subtotal	156,028	182,900	26,871	17.2%				
Outplacement	9,594	10,190	595	6.2%	834	1,070	235	28.2%
Outsourcing	14,959	17,910	2,950	19.7%	2,479	2,800	320	12.9%
Life Solutions Public Solutions Shared	3,732	3,920	187	5.0%	42	0	(42)	-
Eliminations and Corporate	(2,816)	(2,920)	(103)	-	(3,603)	(4,000)	(396)	-
Consolidated	181,498	212,000	30,501	16.8%	1,964	3,000	1,035	52.7%

※ Partial net sales transfers were undertaken between the Expert Services and HR Consulting segment during the previous period.

## 3. Overview by Business Segment

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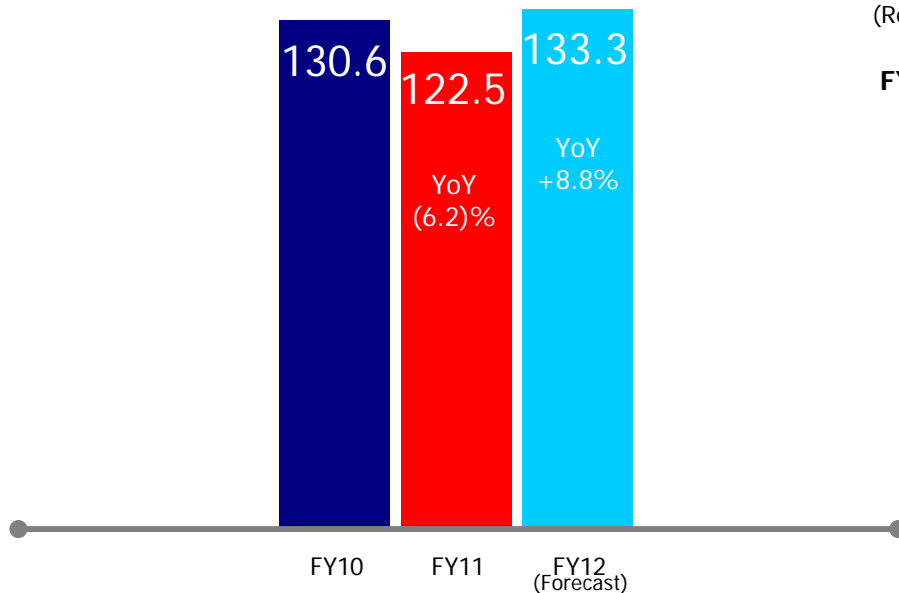
# Expert Services (Temporary staffing) Sales by Staffing Type



## Net Sales

※ Segment figures include intersegment sales

(Billions of yen)



## Sales by Staffing Type

※ Figures exclude intrasegment sales

### Sales Composition



(Millions of yen)

	(Reference) FY10	FY11	(Reference) YoY
Clerical	74,124	69,121	(6.7)%
Technical	25,716	24,754	(3.7)%
IT engineering	16,029	15,781	(1.5)%
Sales and Marketing	8,577	7,631	(11.0)%
Other Expert Services	5,895	4,980	(15.5)%
Total	130,344	122,269	(6.2)%

Note: Year-on-year data is for reference purposes only due to changes in job-type classifications.

### FY11

- Demand for temporary staffing remained suppressed
- Actively pursued M&A deals KIS Co., Ltd.; RICOH subsidiaries (Contribution to earnings from June 1, 2011) International Transaction Center Ltd. (contribution to earnings in Jan-Mar period)
- Growth in fostering-type temporary staffing such as secretarial and medical

### FY12 Strategies

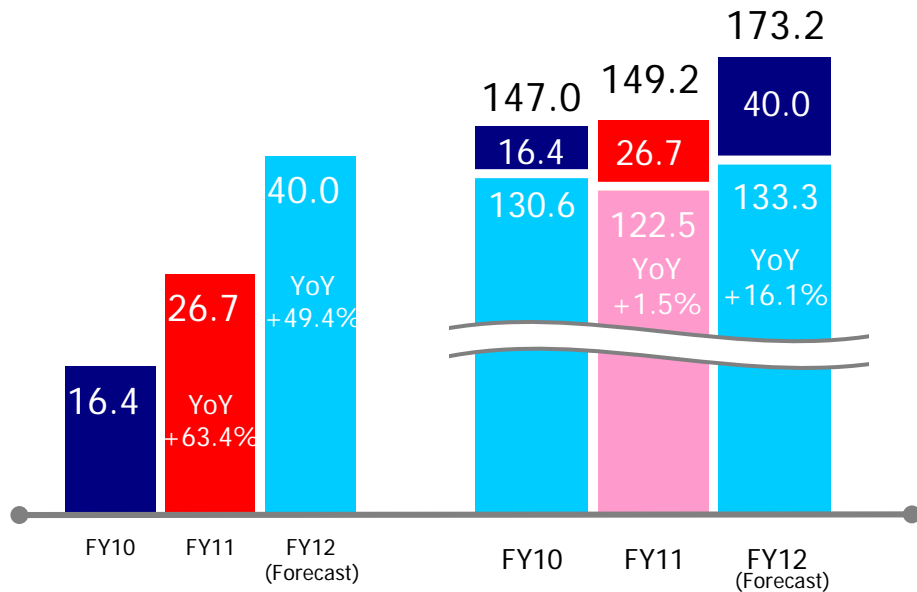
- Demand for personnel steadily expected to revive with economic upturn, led by recovery-related demand
- Pursue group synergies, including with new subsidiaries Yaskawa Business Staff Corporation and CAPLAN Corporation to contribute to earnings in FY2012
- Enhance general human resource consulting services, centered on specialist staff

# Insourcing (Contracting)

## Net Sales

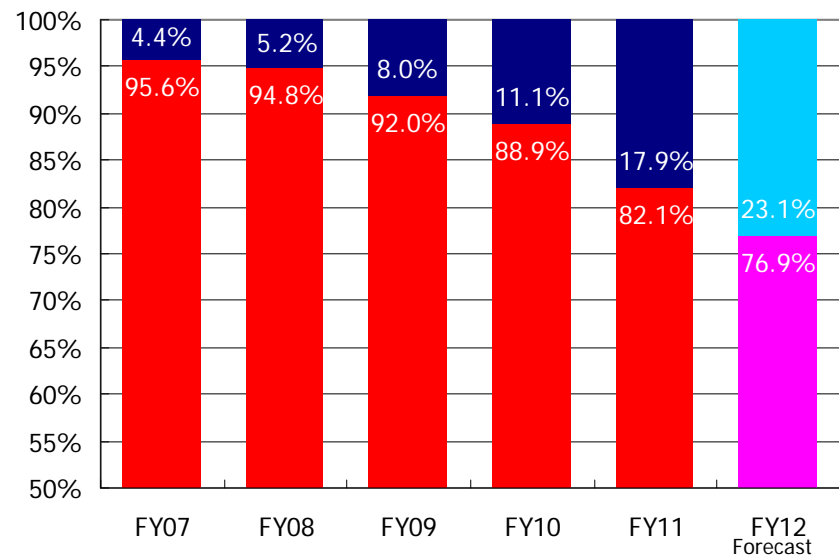
■ Insourcing (Contracting)  
■ Expert Services (Temporary staffing)

(Billions of yen)



## Net Sales Composition

■ Insourcing (Contracting)  
■ Expert Services (Temporary staffing)



### FY11

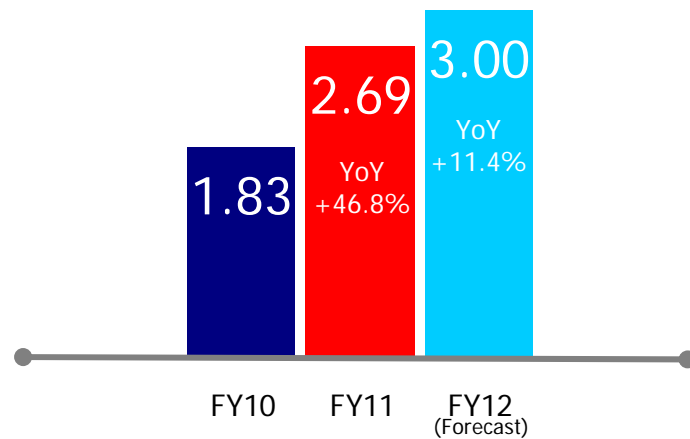
- Emergency employment projects increased, such as job assistance for disaster victims as part of recovery-related demand
- Focused on expansion of business domains, such as administrative centers and service offices for local government bodies
- Acquired 60% of shares in Bewith Inc. from Mitsubishi Corporation, establishing a foundation in the BPO business

### FY12 Strategies

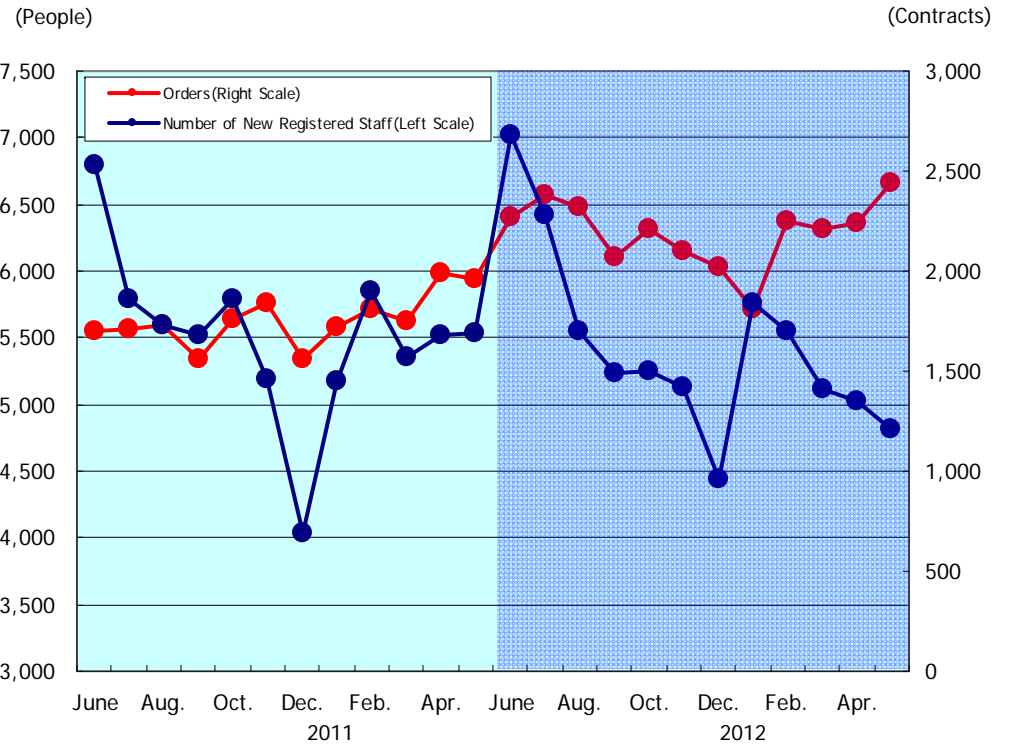
- Expand the service lineup for insourcing and BPO series through tie-ups with new subsidiary Bewith Inc.
- Enhance sales of agent services for government services and other operations, based on our record with local government bodies
- Acquire expertise in BPO, enhance quality of service proposals

## Net Sales

(Billions of yen)



## No. of Orders and New Registered Staff (Consolidated)



### FY11

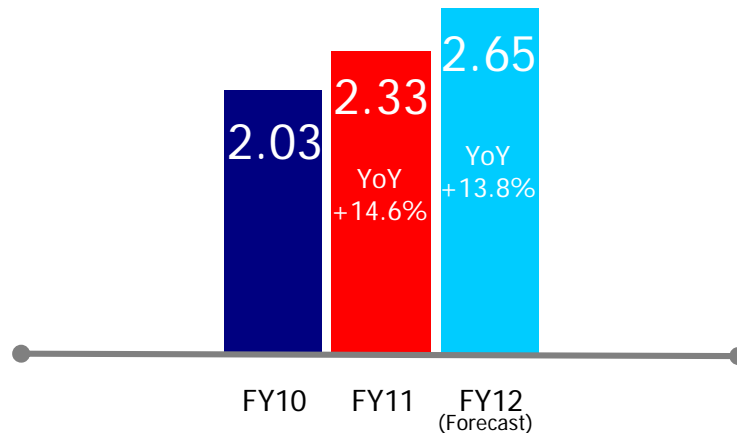
- Hiring of regular employees was brisk, centered on the IT and medical industries
- Recruitment increased as Japanese companies expand abroad
- Success rate improved as a result of better consulting and narrower focus

### FY12 Strategies

- Recruitment demand expected to remain strong amid the continued
- Increase in personnel demand anticipated for foreign language-related services
- Renovate our candidate recruiting structure and increase the number of consulting personnel to strengthen business foundations

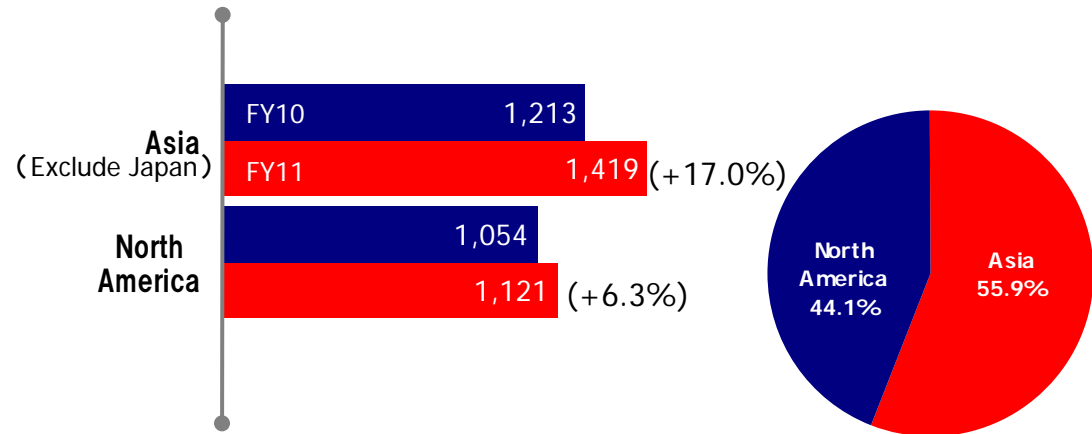
## Net Sales

(Billions of yen)



## Net Sales by Region

(Millions of yen)



	FY10	FY11	YoY
Temporary Staffing	744	902	+21.2%
Placement / Recruiting	959	1,053	+9.8%
Contracting (Payroll, others)	292	336	+15.0%
Others	35	35	+0.6%
<b>Total</b>	<b>2,031</b>	<b>2,327</b>	<b>+14.6%</b>

### FY11

- Growth in recruiting centered on Asia as companies shift operations overseas
- Temporary staffing and payroll outsourcing services also increased
- Business network and service lineup expanded in overseas growth areas
  - ⇒ Entered South Korea and Indonesia markets
  - ⇒ Established Payroll Center in Shanghai, and expanded outsourcing service lineup

### FY12 Strategies

- Focus on management with respect to the particular needs and business environment of each region
- Increase use of the Talent Management System (an integrated HR management system), and expand lineup for global training services (tie-up with CAPLAN Corp.)
  - ⇒ Strengthen consulting
- Adapt to changes in demand for management-level positions
  - ⇒ Strengthen cross-border services between overseas offices

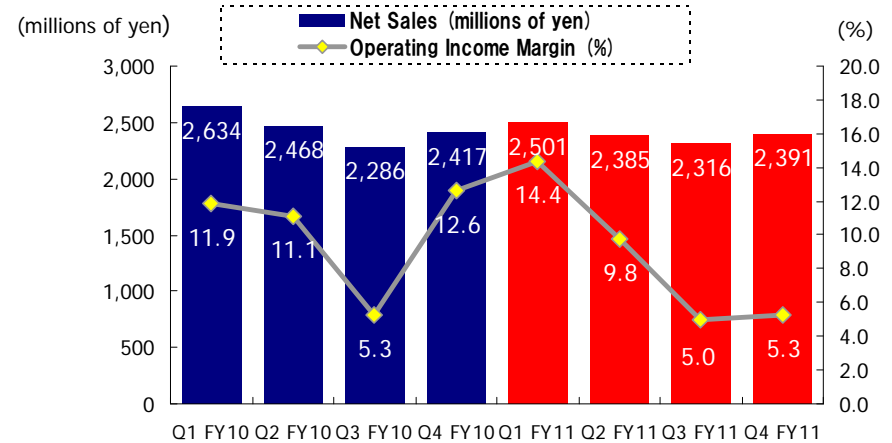
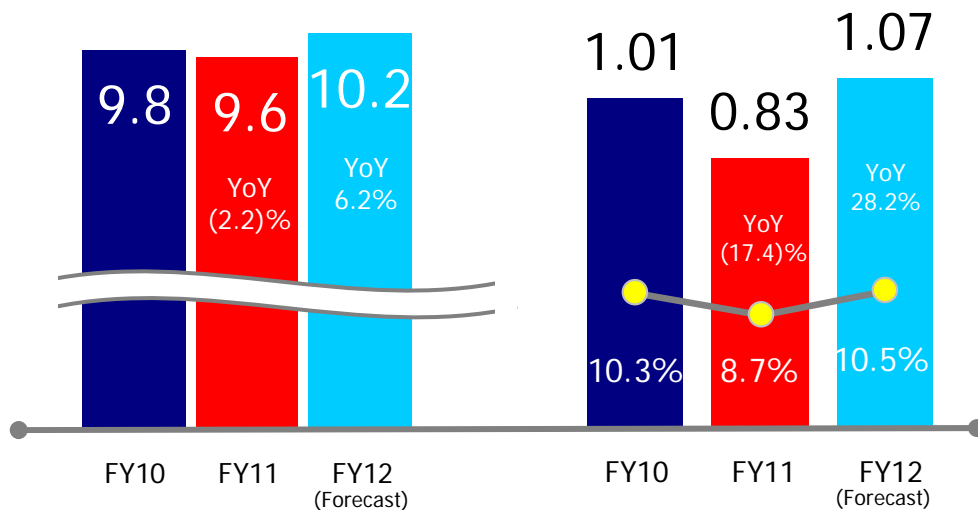
# Outplacement

## Net Sales

## Operating Income, Operating Income Margin

## Quarterly Net Sales and Operating Income Margin

(Billions of yen)



	FY10	FY11	YoY	FY12 (Forecast)	YoY
Sales	9,807	9,594	(2.2)%	10,190	6.2%
Operating income	1,011	834	(17.4)%	1,070	28.2%

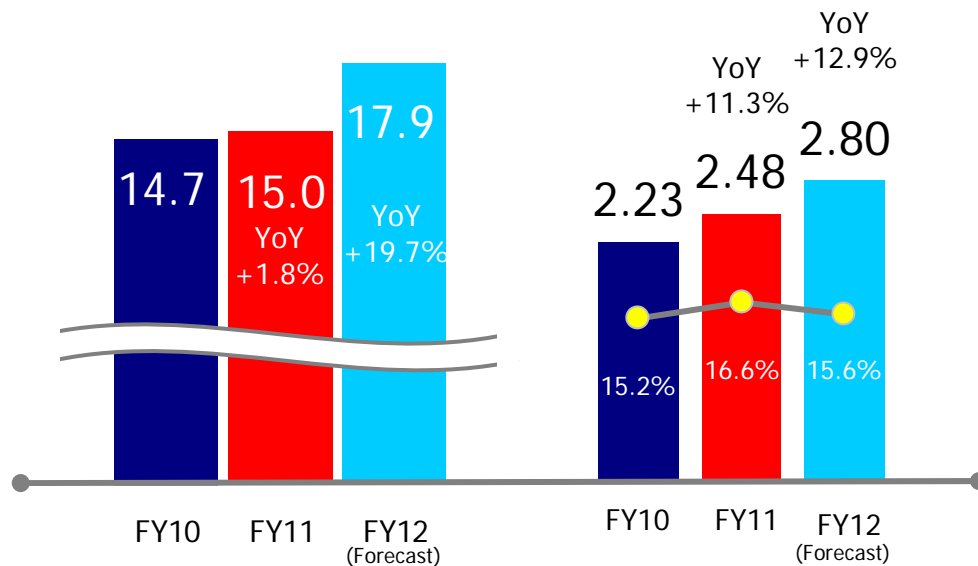
### FY11

- The number of new contracts declined year on year, but orders increased overall as companies adjusted hiring in response to the economic downturn, and shifted operations overseas
- Up-front investments to increase personnel and establish business offices made in anticipation of rising demand from FY2012

### FY12 Strategies

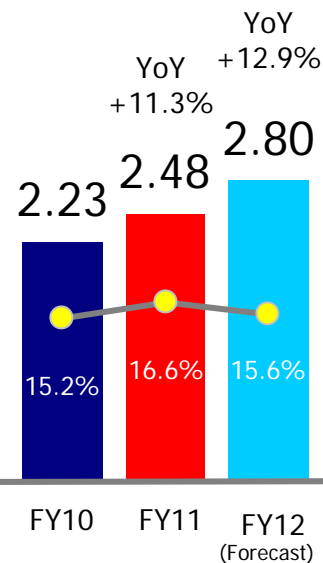
- Demand underfoot is strength
- Increase consulting services related to outplacement obligations
- Focus on early training for consultants, and improving individual productivity

## Net Sales



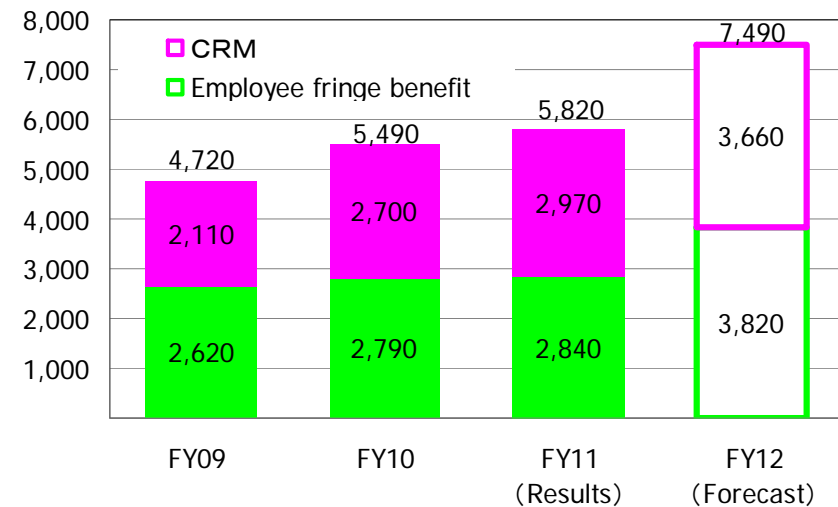
## Operating Income, Operating Income Margin

(Billions of yen)



## Benefit One Membership

(Thousands people)



	FY10	FY11	YoY	FY12 (Forecast)	YoY
Sales	14,690	14,959	1.8%	17,910	19.7%
Operating income	2,227	2,479	11.3%	2,800	12.9%

### FY11

- Number of employee benefit business members increased, but the number of high unit value members declined  
Revenue increased as a result of positive performance in the Incentive and CRM businesses
- M&A deals concluded  
Benefit One Solutions, Inc. (March 2012)  
Benefit one Health care Co., Ltd. (May 2012)  
⇒ Contribution to earnings in FY2012

### FY12 Strategies

- Generate synergies with newly consolidated subsidiaries  
⇒ Expand service lineup in such areas as cost reduction consulting and healthcare
- Establish Benefit One Shanghai Inc. in May 2012  
⇒ Provide incentive and other services to Chinese employees of Japanese companies

## 6.Reference

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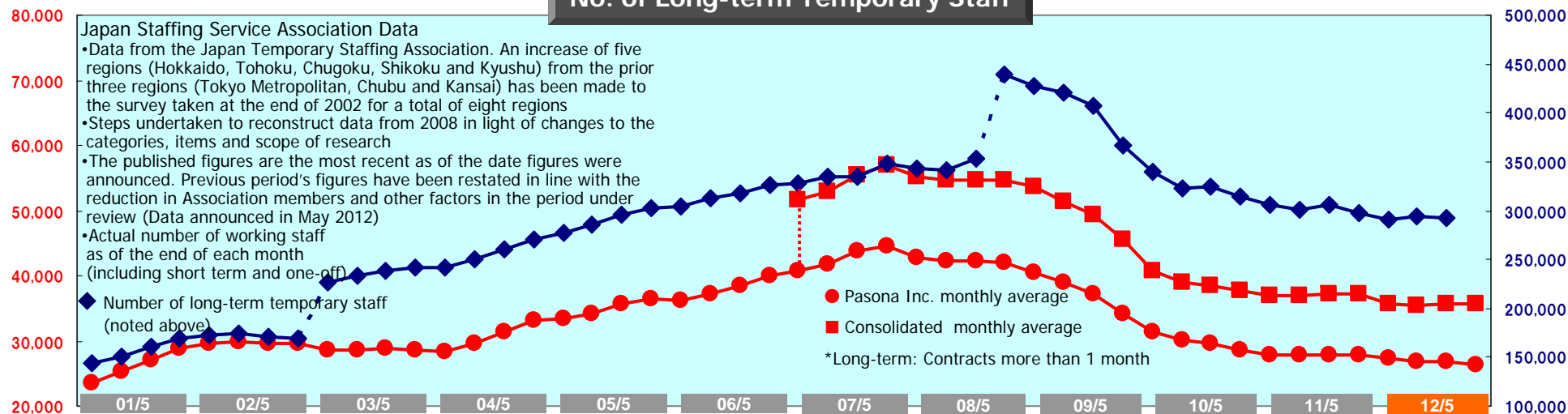
# Expert Services Marketing Data



(Pasona data: Number of people)

## No. of Long-term Temporary Staff

(Japan Staffing Service Association: Number of people)



	FY09				FY10				FY11			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Industry - wide	339,893	322,598	323,788	315,073	306,253	300,404	305,326	297,522	290,833	294,843	293,053	
YoY	(20.5)%	(23.4)%	(20.3)%	(13.9)%	(9.9)%	(6.9)%	(5.7)%	(5.6)%	(5.0)%	(1.9)%	(4.0)%	
Pasona Inc.	31,384	30,019	29,529	28,659	27,798	27,796	27,927	27,937	27,389	26,888	26,765	26,392
YoY	(22.7)%	(22.9)%	(20.7)%	(16.4)%	(11.4)%	(7.4)%	(5.4)%	(2.5)%	(1.5)%	(3.3)%	(4.2)%	(5.5)%
Consolidated (Domestic)	40,866	38,932	38,398	37,690	36,959	36,989	37,138	37,337	35,731	35,481	35,642	35,698
YoY	(23.8)%	(24.4)%	(22.3)%	(17.2)%	(9.6)%	(5.0)%	(3.3)%	(0.9)%	(3.3)%	(4.1)%	(4.0)%	(4.4)%

### ● Three - month Average (Pasona Inc.)

#### Long-term Orders

	Q1	Q2	Q3	Q4
FY10	3,959	4,363	4,149	4,332
YoY	25.6%	39.0%	29.4%	19.5%
FY11	3,478	3,665	3,423	3,665
YoY	(12.1)%	(16.0)%	(17.5)%	(15.4)%

#### Rate of Contracts Signed

	Q1	Q2	Q3	Q4
FY10	46.2%	49.2%	47.5%	53.3%
YoY	(12.0)pt	(2.0)pt	(1.8)pt	(2.3)pt
FY11	59.4%	50.8%	46.9%	59.3%
YoY	13.2pt	1.6pt	(0.6)pt	6.0pt

#### Long-term Contract Starts

	Q1	Q2	Q3	Q4
FY10	1,830	2,146	1,972	2,311
YoY	(0.3)%	33.5%	24.6%	14.7%
FY11	2,067	1,862	1,607	2,175
YoY	12.9%	(13.2)%	(18.5)%	(5.9)%

#### Rate of Contracts Completion

	Q1	Q2	Q3	Q4
FY10	7.5%	7.5%	7.1%	10.7%
YoY	0.2pt	1.5pt	1.4pt	1.7pt
FY11	7.4%	6.6%	5.9%	9.7%
YoY	(0.1)pt	(0.9)pt	(1.2)pt	(1.0)pt

#### Long-term Contract Completion

	Q1	Q2	Q3	Q4
FY10	2,071	2,088	1,987	2,984
YoY	(9.2)%	14.9%	17.3%	15.6%
FY11	2,018	1,786	1,592	2,548
YoY	(2.6)%	(14.5)%	(19.9)%	(14.6)%

#### Number of New Registered Staff for three months (Consolidated / Japan)

	Q1	Q2	Q3	Q4
FY10	12,071	10,616	9,715	13,836
YoY	(49.2)%	(23.3)%	(9.3)%	6.2%
FY11	10,126	10,387	9,527	11,404
YoY	(16.1)%	(2.2)%	(1.9)%	(17.6)%

#### Reference : Industry - wide 2012

	January	February	March	Ave.
2012	289,250	291,601	293,634	291,495
YoY	(5.6)%	(4.9)%	(5.1)%	(8.3)%

※ New registrants data presented on a consolidated and domestic basis. Temporary staffing business data: Pasona Inc.: June 1 to May 31; Other subsidiaries: April 1 to March 31.

※ The following consolidated factors are reflected in operating data. Contributions from the merger with AIG STAFF CORPORATION are included in the data of Long-term Orders for Q1 FY10.

※ Contributions from the merger with Pasona Nagasaki Inc. are included in the data of Long-term Orders for Q2 FY10.

※ Data for Q4 FY10 include the contributions from the merger with Pasona Kyoto Inc. (in Orders) and RICOH-related companies (in Orders, New registration).

※ Contributions from the merger with RICOH-related companies are included in the data of Long-term Contract Starts for Q1 FY11.

※ Contributions from the merger with Kantou Employment Creation Organization Inc. and Kansai Employment Creation Organization Inc. are included in the data of Long-term Orders for Q2 FY11.



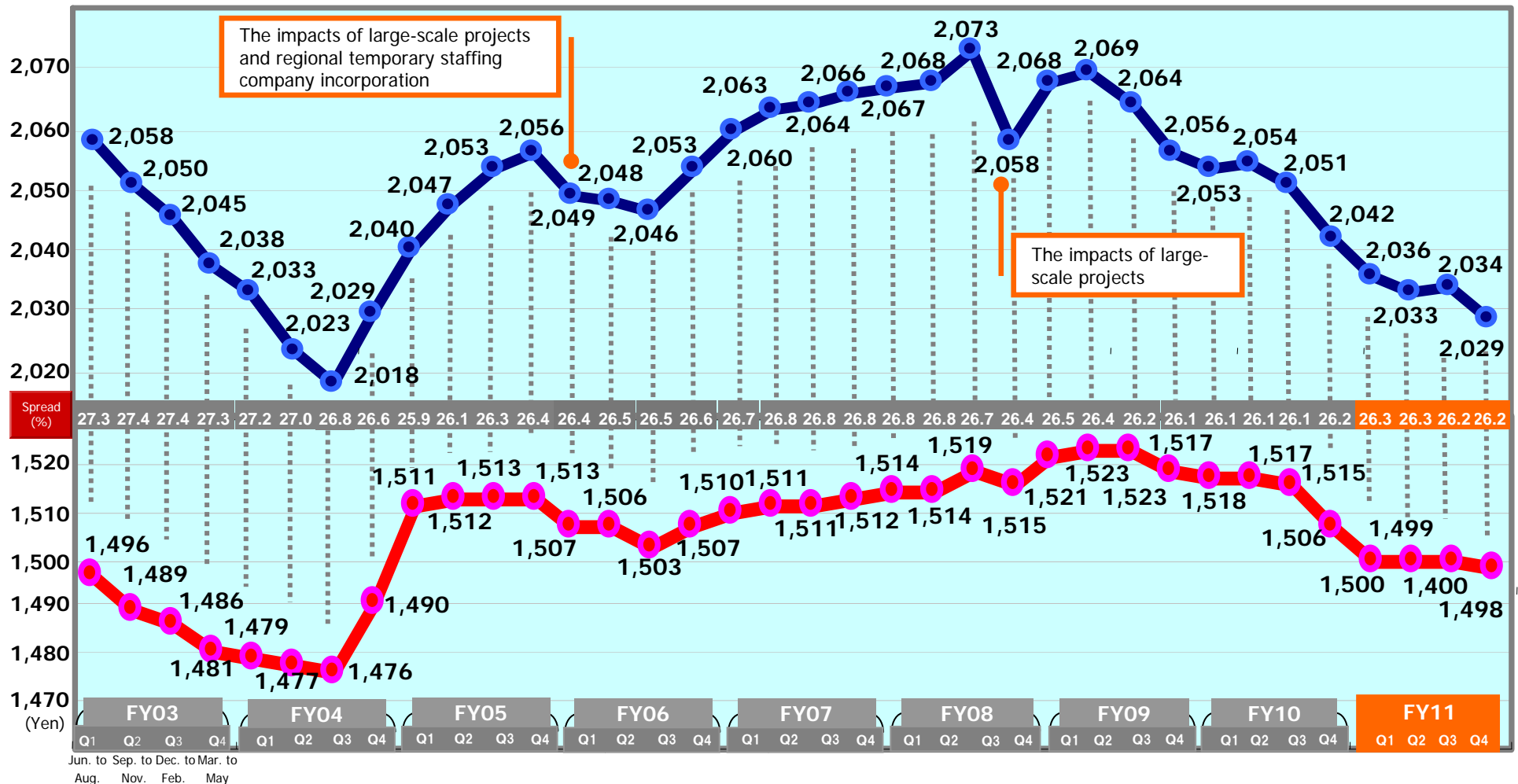
# Expert Services (Unit Price / Pasona Inc.)

The spread between unit prices at the invoice and payment levels.

Q4 FY11 **26.2%** (YoY -0.1pt)

Invoice Rates

	FY07	FY08	FY09	FY10	FY11 (Average)	YoY	Q4 FY11	
					FY11 (Average)	YoY	Q4	YoY
Invoice Rates	2,063	2,067	2,064	2,050	2,033	(0.8)%	2,029	(0.6)%
Payment Rates	1,511	1,516	1,521	1,514	1,499	(1.0)%	1,498	(0.5)%
Spread	26.8%	26.7%	26.3%	26.2%	26.2%	+0.1pt	26.2%	(0.0)pt

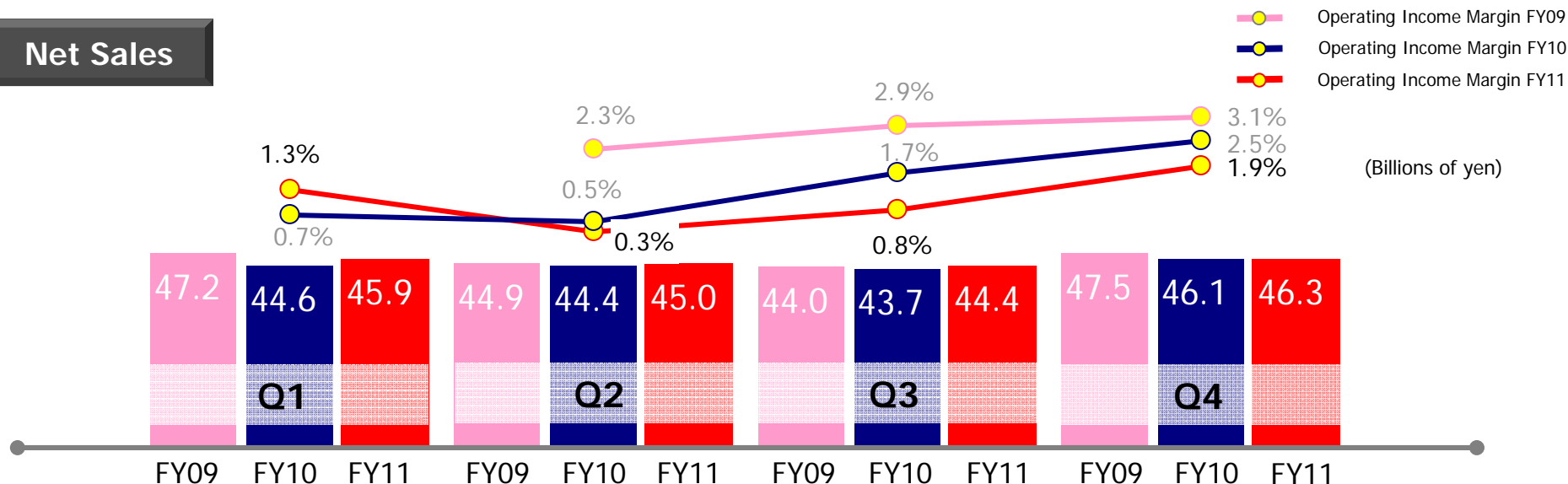


Payment Rates

Notes: Pasona Inc. (Non-consolidated) / Average hourly unit price across all segments (weighted average)

# Quarterly Earnings Trends

## Net Sales



(Millions of yen)

	Q1 (June to August)					Q2 (September to November)					Q3 (December to February)					Q4 (March to May)					
	FY09	FY10	YoY	FY11	YoY	FY09	FY10	YoY	FY11	YoY	FY09	FY10	YoY	FY11	YoY	FY09	FY10	YoY	FY11	YoY	
	<b>Consolidated</b>																				
Net sales	47,161	44,574	(5.5)%	45,901	3.0%	44,908	44,419	(1.1)%	44,979	1.3%	43,977	43,669	(0.7)%	44,364	1.6%	47,468	46,142	(2.8)%	46,252	0.2%	
Gross profit	8,834	8,142	(7.8)%	8,488	4.3%	8,855	8,031	(9.3)%	8,158	1.6%	9,062	8,381	(7.5)%	8,249	(1.6)%	9,979	9,003	(9.8)%	8,908	(1.1)%	
SG&A expenses	8,968	7,831	(12.7)%	7,886	0.7%	7,815	7,811	(0.1)%	8,035	2.9%	7,772	7,630	(1.8)%	7,894	3.5%	8,513	7,857	(7.7)%	8,023	2.1%	
Operating income (loss)	(134)	310	-	601	93.9%	1,039	220	(78.8)%	122	(44.4)%	1,289	750	(41.8)%	355	(52.6)%	1,465	1,145	(21.8)%	884	(22.8)%	
Ordinary income (loss)	(119)	319	-	560	75.4%	1,052	258	(75.4)%	184	(28.7)%	1,469	747	(49.1)%	393	(47.3)%	1,641	1,240	(24.4)%	952	(23.2)%	
Net income (loss)	(1,102)	(471)	-	111	-	(594)	(77)	-	(36)	-	292	214	(26.8)%	(181)	-	1,608	747	(53.5)%	136	(81.7)%	
Gross profit margin	18.7%	18.3%	(0.4)pt	18.5%	+0.2pt	19.7%	18.1%	(1.6)pt	18.1%	+0.0pt	20.6%	19.2%	(1.4)pt	18.6%	(0.6)pt	21.0%	19.5%	(1.5)pt	19.3%	(0.2)pt	
SG&A expense ratio	19.0%	17.6%	(1.4)pt	17.2%	(0.4)pt	17.4%	17.6%	+0.2pt	17.9%	+0.3pt	17.7%	17.5%	(0.2)pt	17.8%	+0.3pt	17.9%	17.0%	(0.9)pt	17.3%	+0.3pt	
Operating income margin	-	0.7%	-	1.3%	+0.6pt	2.3%	0.5%	(1.8)pt	0.3%	(0.2)pt	2.9%	1.7%	(1.2)pt	0.8%	(0.9)pt	3.1%	2.5%	(0.6)pt	1.9%	(0.6)pt	
Ordinary income margin	-	0.7%	-	1.2%	+0.5pt	2.3%	0.6%	(1.7)pt	0.4%	(0.2)pt	3.3%	1.7%	(1.6)pt	0.9%	(0.8)pt	3.5%	2.7%	(0.8)pt	2.1%	(0.6)pt	
Net income margin	-	-	-	0.2%	-	-	-	-	-	-	0.7%	0.5%	(0.2)pt	-	-	3.4%	1.6%	(1.8)pt	0.3%	(1.3)pt	

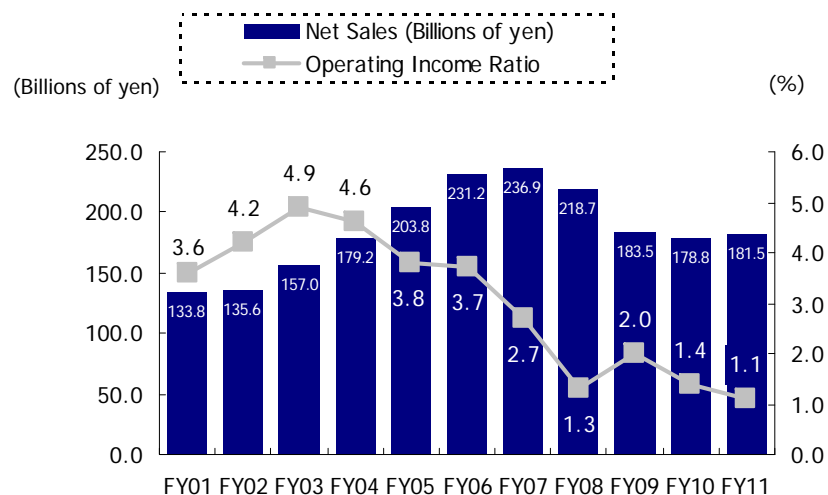
# Quarterly Earnings Trends by Segment

(Millions of yen)

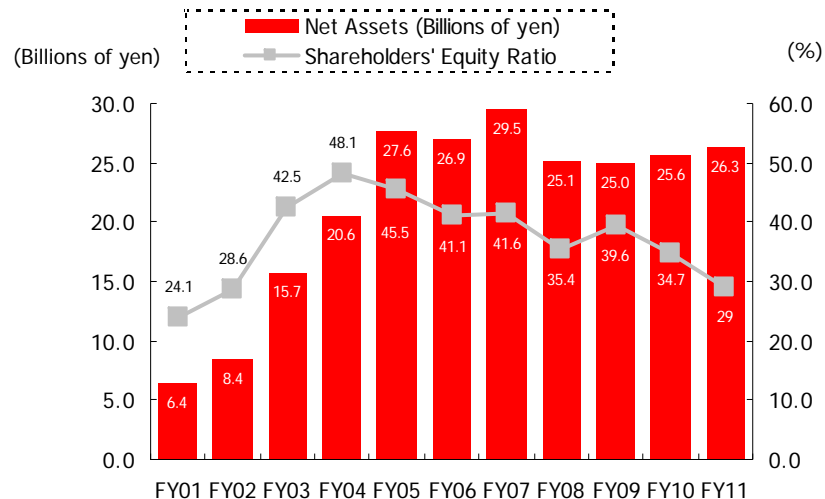
		Sales						Operating income					
Segment		Q4 FY10	Q1 FY11	Q2 FY11	Q3 FY11	Q4 FY11	YoY	Q4 FY10	Q1 FY11	Q2 FY11	Q3 FY11	Q4 FY11	YoY
1	Expert Services	32,526	31,435	30,283	29,935	30,836	(5.2)%						
2	Insourcing	5,160	6,716	6,770	6,459	6,802	31.8%						
3	HR Consulting (including TTP, nursing care)	616	494	460	367	444	(27.8)%						
4	Place & Search	597	571	672	687	759	27.2%						
5	Global Sourcing	560	569	502	541	714	27.5%						
Subtotal		39,461	39,787	38,690	37,992	39,557	0.2%	829	643	405	225	936	13.0%
6	Outplacement	2,417	2,501	2,385	2,316	2,391	(1.1)%	303	361	232	115	125	(58.5)%
7	Outsourcing	3,938	3,428	3,639	3,772	4,118	4.6%	814	372	393	863	850	4.5%
8	Life Solutions Public Solutions Shared	920	889	940	954	947	3.0%	30	21	26	59	(63)	-
9	Eliminations and Corporate	(595)	(706)	(675)	(671)	(762)	-	(831)	(796)	(935)	(907)	(965)	-
10	Total	46,142	45,901	44,979	44,364	46,252	0.2%	1,145	601	122	355	884	(22.8)%

# Key Indicators (Full Year)

## Net Sales and Operating Income Ratio



## Net Assets and Shareholders' Equity Ratio



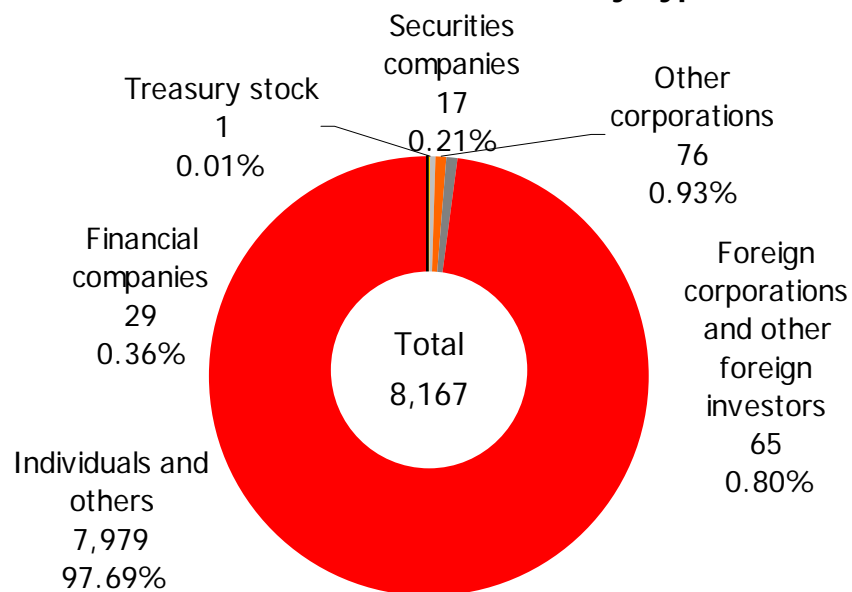
## Results

Key Indicators	'02/05	'03/05	'04/05	'05/05	'06/05	'07/05	'08/05	'09/05	'10/05	'11/05	'12/05
Net Sales	133,822	135,625	156,979	179,156	203,815	231,231	236,945	218,699	183,515	178,806	181,498
Gross Profit Margin	18.2%	19.7%	20.9%	20.8%	20.2%	20.3%	20.8%	19.9%	20.0%	18.8%	18.6%
SG&A Expenses	19,557	21,058	25,104	28,992	33,491	38,542	42,925	40,735	33,070	31,125	31,840
SG&A Expenses Ratio	14.6%	15.5%	16.0%	16.2%	16.4%	16.6%	18.1%	18.6%	18.0%	17.4%	17.5%
Operating Income	4,786	5,687	7,648	8,238	7,745	8,507	6,444	2,850	3,660	2,432	1,964
Operating Income Ratio	3.6%	4.2%	4.9%	4.6%	3.8%	3.7%	2.7%	1.3%	2.0%	1.4%	1.1%
Ordinary Income	4,222	5,373	7,329	8,289	7,844	8,807	6,637	3,361	4,044	2,571	2,091
Ordinary Income Ratio	3.2%	4.0%	4.7%	4.6%	3.8%	3.8%	2.8%	1.5%	2.2%	1.4%	1.2%
Net Income (Loss)	1,974	2,027	3,647	4,363	3,588	4,198	2,962	312	204	412	29
Net Income Ratio	1.5%	1.5%	2.3%	2.4%	1.8%	1.8%	1.3%	0.1%	0.1%	0.2%	0.0%
Total Assets	26,526	29,425	37,004	42,884	51,931	54,425	58,513	55,468	52,269	60,564	70,889
Net Assets *1	6,388	8,418	15,732	20,644	27,634	26,904	29,468	25,148	24,979	25,642	26,295
Shareholders' Equity Ratio *2	24.1%	28.6%	42.5%	48.1%	45.5%	41.1%	41.6%	35.4%	39.6%	34.7%	29.0%
Current Ratio	121.6%	122.3%	160.2%	182.8%	170.8%	152.1%	154.2%	129.6%	163.3%	175.2%	154.7%
Number of Employees (Does not include contract workers)	1,537	1,687	1,979	2,204	2,608	3,126	3,647	3,671	3,643	3,956	4,452

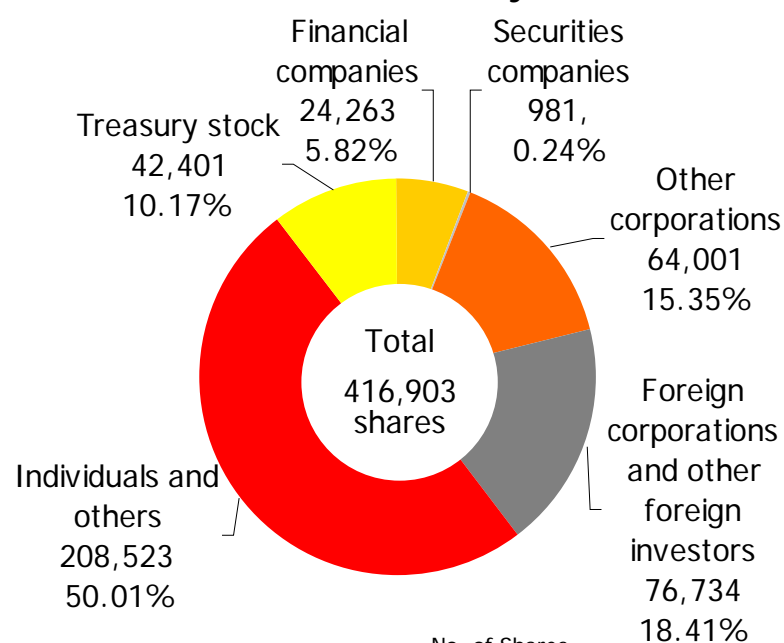
Notes: 1. Presentation of shareholders' equity amended to a net assets basis in line with changes to accounting standards and policies. Minority interests included in presentation of net assets since the fiscal year ended May 31, 2006.  
 2. Despite changes in calculation methods for net assets following 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.  
 3. The data for the periods up to and including the fiscal year ended May 31, 2007 are consolidated data for Pasona Inc. The data for the periods commencing the fiscal year ended May 31, 2008 and beyond are consolidated data for Pasona Group Inc.

# Stock Information (As of May 31, 2012)

## Breakdown of Shareholders by Type



## Breakdown of Shareholders by Number of Share Held



## Principal Shareholders

Shareholder Name	No. of Shares Held	%
Yasuyuki Nambu	147,632	35.41%
Pasona Group Inc.	42,401	10.17%
Nambu Enterprise Inc.	37,378	8.97%
State Street Bank and Trust Company 505223	32,254	7.74%
Sanrio Company, Ltd.	12,000	2.88%
State Street Bank and Trust Company	10,980	2.63%
State Street Bank and Trust Company 505225	8,082	1.94%
Mellon Bank N.A. as agent for its client Mellon Omnibus US Pension	6,962	1.67%
State Street Bank and Trust Company	6,882	1.65%
Pasona Group Employees' Shareholding Association	5,796	1.39%

1. The Company's treasury stock (42,401 shares, 10.17% of total issued shares) ranked second. In accordance with Article 308.2 of the Corporations Law, there are no voting rights attached to treasury stock.
2. Pasona Group received a notification from Harris Associates L.P., that it held 59,690 shares as of March 28, 2011 outlined the delivery of a Substantial Shareholding Report submitted to the Kanto Local Finance Bureau on April 1, 2011. As the Company is unable to confirm the number of shares held as of November 30, 2011, Harris Associates L.P. has been omitted from the list of major shareholders identified.

Tokyo Stock Exchange, 1st Section 2168

<b>Corporate Name</b>	Pasona Group Inc.	
<b>Headquarters</b>	Shin Marunouchi Bldg. 1-5-1, Marunouchi, Chiyoda-ku, Tokyo 100-6514	<u>Comprehensive Group office</u> Otemachi 2-6-4 Chiyoda-ku, Tokyo 100-8228 Phone 03-6734-0200
<b>Established</b>	December 3, 2007 (Founding February 1976)	
<b>Paid-in Capital</b>	5,000 million yen	
<b>Representative</b>	Yasuyuki Nambu	
<b>Business Activities</b>	Expert Services (Temporary staffing), Insourcing (Contracting), HR Consulting Place & Search (Placement/Recruiting) Global Sourcing (Overseas) Outplacement Outsourcing Life Solutions, Public Solutions, Shared	
<b>Number of Employees</b>	5,539 (Consolidated, including contract workers)	
<b>Group Companies</b>	Subsidiaries 34, Affiliates 2	
<b>URL</b>	<a href="http://www.pasonagroup.co.jp/english/">http://www.pasonagroup.co.jp/english/</a>	

(As of May 31, 2012)