

Results for the First Quarter of the Fiscal Year Ending May 31, 2016

FY2015 (June 1, 2015 - May 31, 2016)
Three months ended August 31, 2015

Pasona Group Inc.

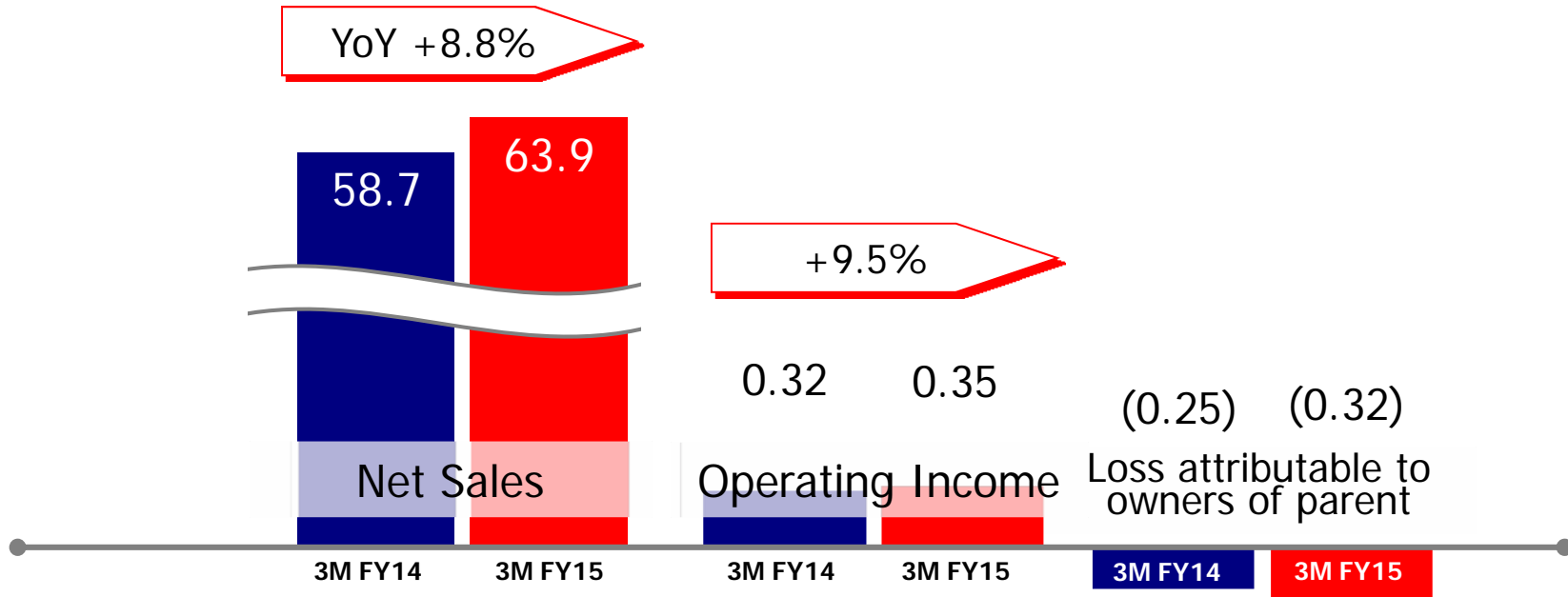
First Section TSE (2168)

October 9, 2015

www.pasonagroup.co.jp/english

Consolidated Results

(Billions of yen)



(Millions of yen)	3M FY14	to net sales %	3M FY15	to net sales %	vs FY14 Increase/Decrease	YoY
Net sales	58,727	100.0	63,891	100.0	5,164	8.8%
Cost of sales	47,277	80.5	50,479	79.0	3,202	6.8%
Gross profit	11,450	19.5	13,412	21.0	1,962	17.1%
SG&A expenses	11,130	19.0	13,061	20.4	1,931	17.4%
Operating income	320	0.5	350	0.5	30	9.5%
Ordinary income	286	0.5	256	0.4	(29)	(10.2)%
Loss attributable to owners of parent	(253)	-	(323)	-	(70)	-

Consolidated Results by Segment

(Millions of yen)

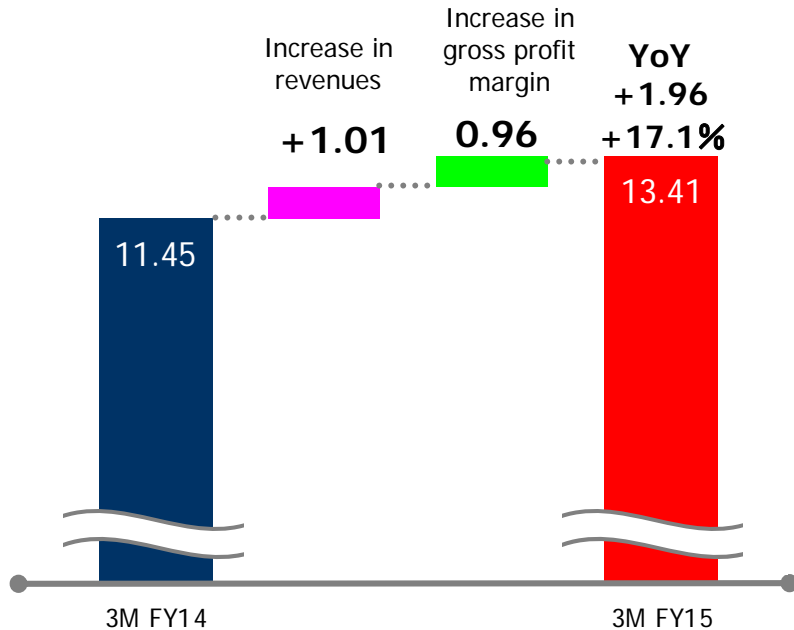
Segment	Net sales				Operating income (loss)				Operating income margin		
	FY14 3M	FY15 3M	Increase/ Decrease	YoY	FY14 3M	FY15 3M	Increase/ Decrease	YoY	FY14 3M	FY15 3M	Increase/ Decrease
Expert Services	35,211	33,221	(1,989)	(5.7)%							
Insourcing	11,372	16,925	5,552	48.8%							
HR Consulting, others	1,356	1,504	147	10.9%	472	325	(147)	(31.1)%	1.0%	0.6%	(0.4)pt
Global Sourcing	1,088	1,420	331	30.4%							
Subtotal	49,028	53,070	4,041	8.2%							
Career Solutions	3,386	4,032	646	19.1%	335	794	459	137.1%	9.9%	19.7%	9.8pt
Outsourcing	4,852	5,971	1,119	23.1%	572	641	68	12.0%	11.8%	10.7%	(1.1)pt
Life Solutions Public Solutions	1,926	1,342	(583)	(30.3)%	(58)	(192)	(133)	-	-	-	-
Eliminations and Corporate	(465)	(524)	(59)	-	(1,001)	(1,218)	(217)	-	-	-	-
Total	58,727	63,891	5,164	8.8%	320	350	30	9.5%	0.5%	0.5%	0.0pt

*From FY2015, "Place & Search" and "Outplacement" are integrated into "Career Solutions" segment.
FY2014 results of "Career Solutions" has been reallocated and presented in the new segment.

Gross Profit, SG&A Expenses

Gross Profit

(Billions of yen)



(Billions of yen)

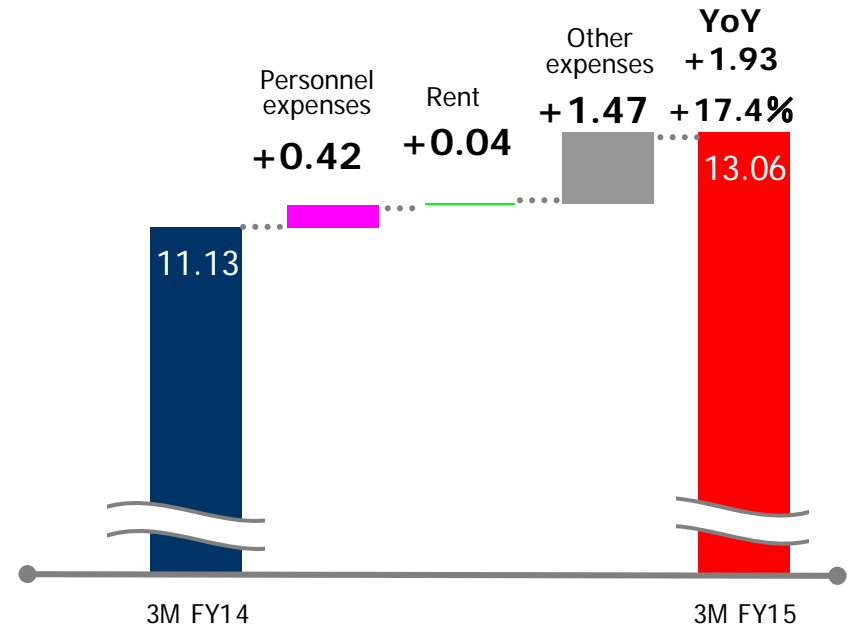
	3M FY14	3M FY15	Increase/Decrease
Gross profit	11.45	13.41	+1.96
Gross profit margin	19.5%	21.0%	+1.5pt

(Reference)

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	3M FY15
Gross profit margin	19.9%	20.0%	18.8%	18.6%	19.3%	19.3%	20.3%	21.0%

SG&A Expenses

(Billions of yen)



(Billions of yen)

	3M FY14	3M FY15	Increase/Decrease
Personnel	6.56	6.98	+0.42
Advertisement and recruitment	0.37	0.42	+0.06
IT	0.65	0.64	(0.01)
Rent	1.07	1.11	+0.04
Others	2.48	3.90	+1.42
Total	11.13	13.06	+1.93
SG&A expense ratio	19.0%	20.4%	+1.4pt

(Reference)

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	3M FY15
SG&A expense ratio	18.6%	18.0%	17.4%	17.5%	17.8%	17.7%	18.7%	20.4%

Non-operating/Extraordinary income (loss), Others

(Millions of yen)

	3M FY14	3M FY15	Increase/ Decrease	YoY
Operating income	320	350	30	9.5%
Non-operating income	63	57	(6)	(10.0)%
Non-operating expenses	98	151	52	54.0%
Ordinary income	286	256	(29)	(10.2)%
Extraordinary income	0	22	22	-
Extraordinary loss	13	21	7	53.5%
Income before income taxes	272	258	(13)	(5.1)%
Income taxes — current	359	479	119	33.4%
Income taxes — deferred	(14)	(61)	(46)	-
Profit attributable to non-controlling interests	180	163	(16)	(9.4)%
Loss attributable to owners of parent	(253)	(323)	(70)	-

• Loss on investment in affiliates
68

Balance sheet

(Billions of yen)

Item of Increase/Decrease	May 31,2015	Aug 31,2015	Increase/ Decrease
Assets	88.6	82.2	(6.5)
Current assets	58.1	52.3	(5.8)
Cash and deposits	21.1	17.0	(4.1)
Notes and accounts receivable—trade	29.5	27.5	(2.0)
Other	6.5	6.7	0.2
Noncurrent assets	30.5	29.9	(0.6)
Property, plant and equipment	9.8	9.1	(0.7)
Intangible assets	9.8	9.7	(0.1)
Investments and other assets	10.9	11.1	0.1
Liabilities	59.0	54.5	(4.5)
Current liabilities	46.3	39.6	(6.6)
Accounts payable	5.2	2.8	(2.4)
Income taxes payable	1.4	0.6	(0.9)
Provision for bonuses	2.8	2.3	(0.6)
Other	20.2	17.4	(2.8)
Noncurrent liabilities	12.8	14.9	2.1
Long-term loans payable	7.4	9.5	2.0
Net assets	29.6	27.6	(2.0)
Shareholders' equity	20.5	19.4	(1.2)
Accumulated other comprehensive income	0.8	0.8	(0.0)
Non Controlling Interest	8.3	7.5	(0.8)
Equity stock ratio	24.1%	24.5%	0.4pt

Item of Increase/Decrease

【Cash and deposits】

Decrease due to the payment of taxes as well as the settlement of accounts payable - trade

【Accounts receivable-table】

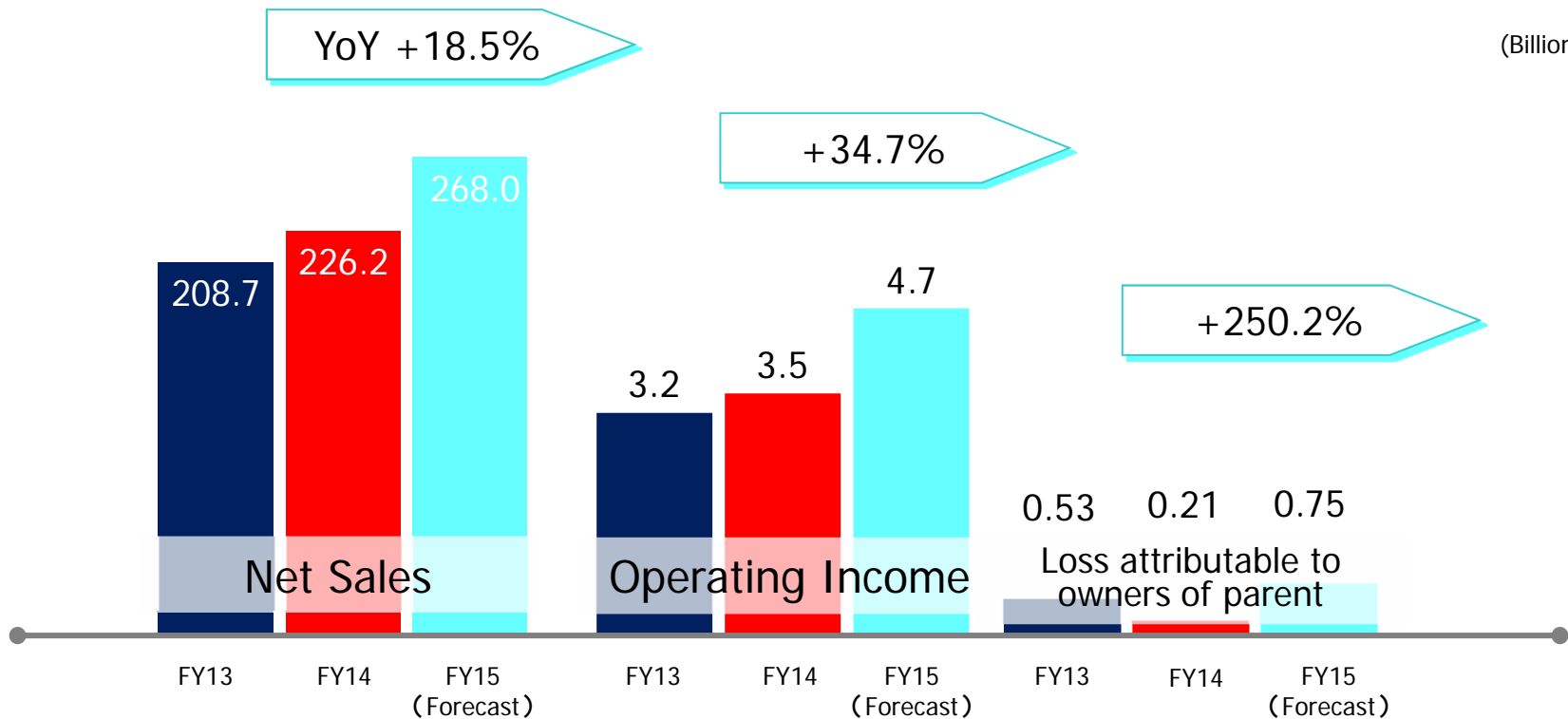
Decrease attributable to seasonal factors

【Liabilities】

Decrease due to the payment of consumption taxes payable

Consolidated Forecasts for FY2015

(Billions of yen)



(Millions of yen)	FY13	to net sales %	FY14	to net sales %	FY15 Forecast	to net sales %	vs FY14 Increase/Decrease	YoY
Net sales	208,660	100.0	226,227	100.0	268,000	100.0	41,772	18.5%
Cost of sales	168,420	80.7	180,355	79.7	212,400	79.3	32,044	17.8%
Gross profit	40,239	19.3	45,871	20.3	55,600	20.7	9,728	21.2%
SG&A expenses	37,029	17.7	42,381	18.7	50,900	19.0	8,518	20.1%
Operating income	3,210	1.5	3,490	1.5	4,700	1.8	1,209	34.7%
Ordinary income	3,135	1.5	3,343	1.5	4,600	1.7	1,256	37.6%
Profit attributable to owners of parent	526	0.3	214	0.1	750	0.3	535	250.2%

Consolidated Forecasts by Segment for FY2015

(Millions of yen)

Segment	Sales				Operating income (loss)			
	FY14	FY15 Forecast	VS FY14 Increase/Decrease	VS FY14 %	FY14	FY15 Forecast	VS FY14 Increase/Decrease	VS FY14 %
Expert Services	132,621	133,380	758	0.6%	2,485	3,090	604	24.3%
Insourcing	43,985	74,250	30,264	68.8%				
HR Consulting, others	5,536	6,300	763	13.8%				
Global Sourcing	4,840	5,870	1,029	21.3%				
Subtotal	186,984	219,800	32,815	17.5%				
Career Solutions	14,196	15,450	1,253	8.8%	1,855	2,050	194	10.5%
Outsourcing	21,643	28,890	7,246	33.5%	3,193	4,280	1,086	34.0%
Life Solutions Public Solutions	5,433	5,710	276	5.1%	(60)	(150)	(89)	-
Eliminations and Corporate	(2,030)	(1,850)	180	-	(3,983)	(4,570)	(586)	-
Consolidated	226,227	268,000	41,772	18.5%	3,490	4,700	1,209	34.7%

*From FY2015, "Place & Search" and "Outplacement" are integrated into "Career Solutions" segment.
FY2014 results of "Career Solutions" has been reallocated and presented in the new segment.

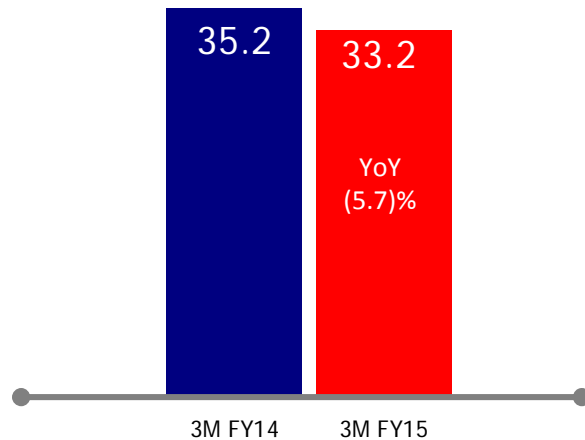
Segment information

Expert Services (Temporary staffing)

Net Sales

※ Segment figures include intersegment sales

(Billions of yen)



Business Conditions

● 3M FY15

- Increase in orders from a wide range of industries including the service and manufacturing sectors
- Growth in various technical fields including accounting, trading and finance
- Posted operating results for a five-month period in the previous period following a change in the account settlement date of certain subsidiaries; slight increase compared with the previous period after excluding the aforementioned contribution

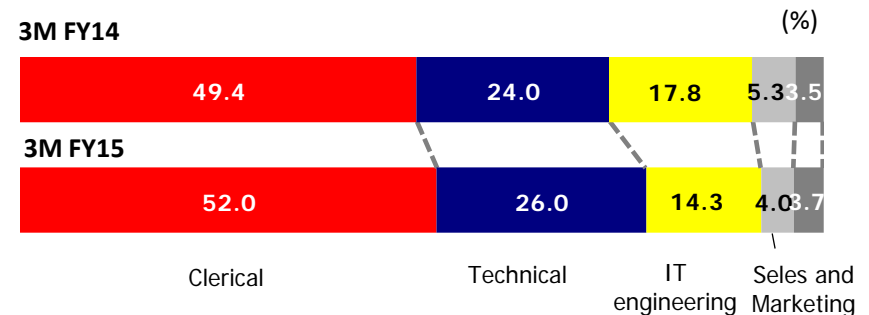
Sales by Staffing Type

※ Figures exclude intersegment sales

(Millions of yen)

	3M FY14	3M FY15	YoY
Clerical	17,372	17,217	(0.9)%
Technical	8,425	8,606	2.1%
IT engineering	6,260	4,750	(24.1)%
Sales and Marketing	1,869	1,340	(28.3)%
Other Expert Services	1,218	1,226	0.7%
Total	35,145	33,140	(5.7)%

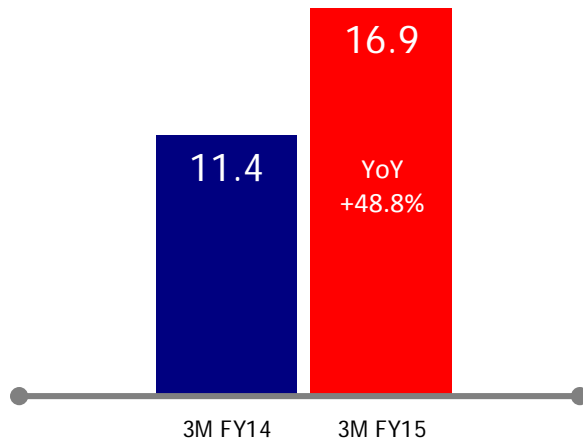
Sales Composition



In sourcing (Contracting)

Net Sales

(Billions of yen)



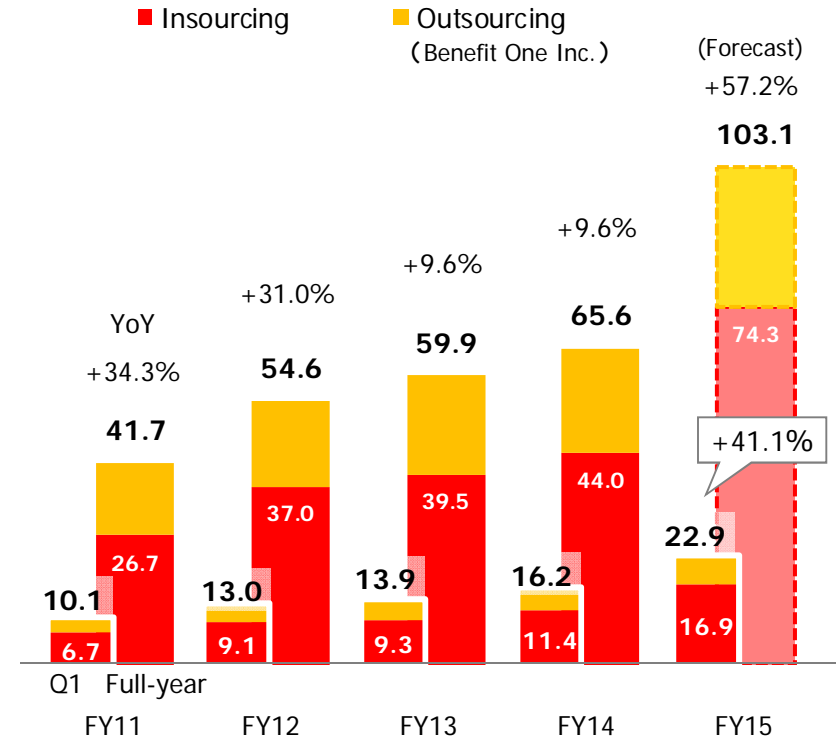
Business Conditions

● 3M FY15

- Increase in lateral business customer expansion in the private sector; increase in new customers
- Upswing in the childcare administration, public affairs work and other businesses in the public sector
- Contributions from Pasona Panasonic Business Service Co., Ltd. and Shin nihon kogyo co., ltd.

BPO Sales

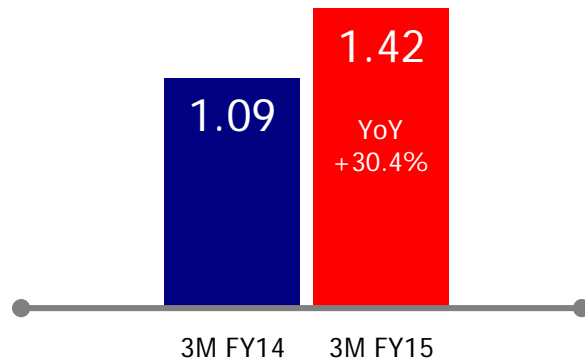
(Billions of yen)



Global Sourcing (Overseas)

Net Sales

(Billions of yen)



Business Conditions

3M FY15

- Increase in recruiting contracts across a number of countries and regions including North America; growth in executive search projects
- Increase in Outsourcing sales across all categories on the back of successful efforts to provide a wide range of services to the growing number of customer using BPOs including payroll agency services

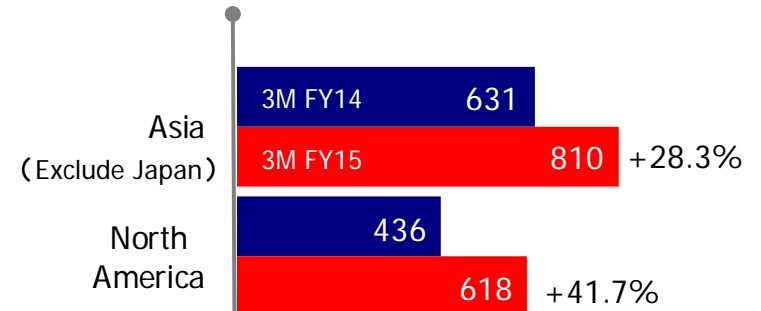
Sales by Business Segment

(Millions of yen)

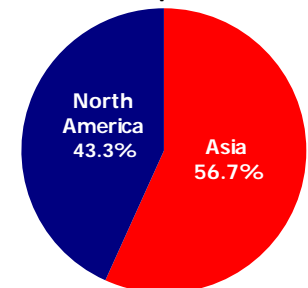
	3M FY14	3M FY15	YoY
Temporary Staffing	392	468	19.4%
Placement / Recruiting	413	576	39.5%
Contracting (Payroll, others)	200	270	34.7%
Others	82	105	26.7%
Total	1,088	1,420	30.4%

Sales by Region

(Millions of yen)

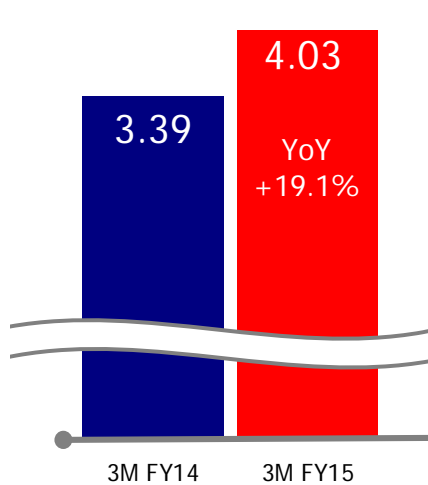


Sales composition



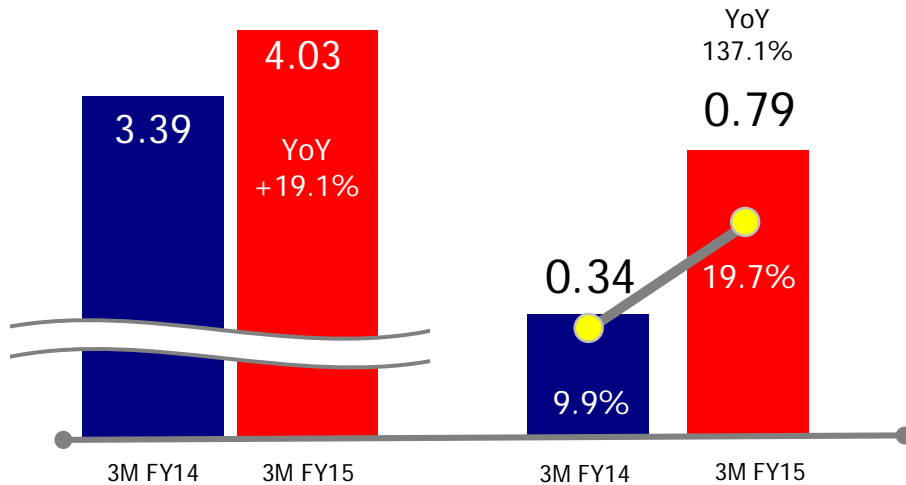
Career Solutions (Recruiting/ Outplacement)

Net Sales



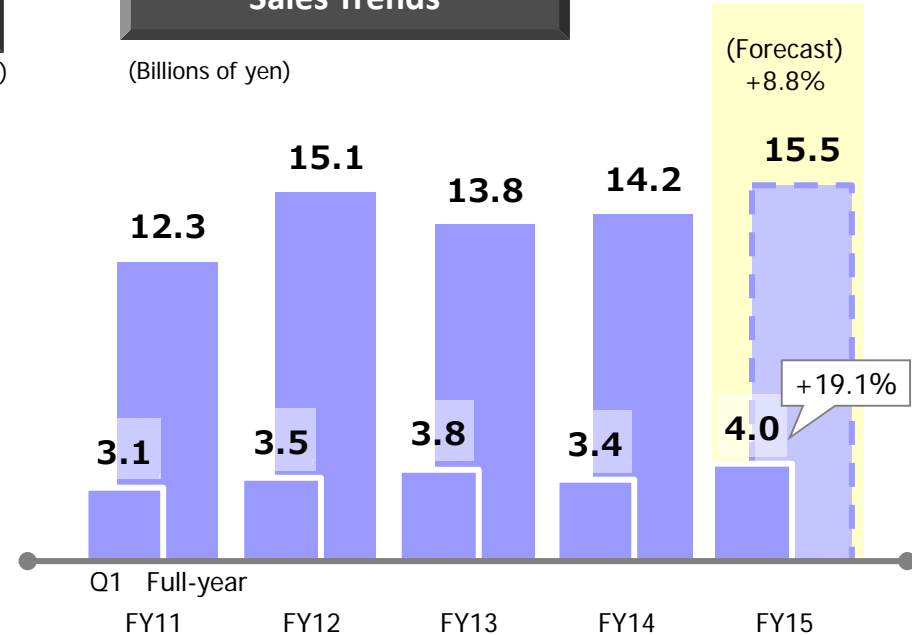
Operating Income, Operating Income Margin

(Billions of yen)



Sales Trends

(Billions of yen)



Business Conditions

● 3M FY15 (Placement / Recruiting)

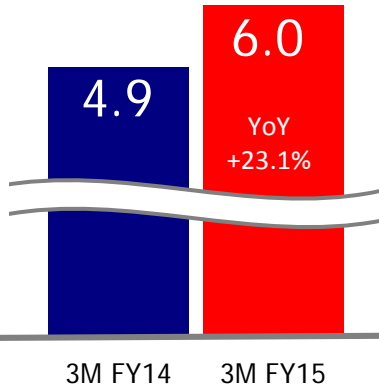
- Robust contract trends in the middle-level management manufacturing and other sectors; increase in female middle-level management candidate personnel
- Increase in the number of persons registered by way of word-of-mouth as a result of continuous activities aimed at enhancing user satisfaction

● 3M FY15(Outplacement)

- Positive steps toward steadily capturing orders against the backdrop of a sense that employment adjustments had partially bottomed out
- Quicker and definitive turnaround in placements of service users as a result of successful efforts to raise consultant productivity

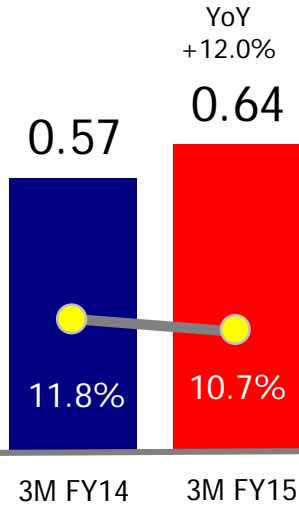
Outsourcing (Benefit One Inc.)

Net Sales



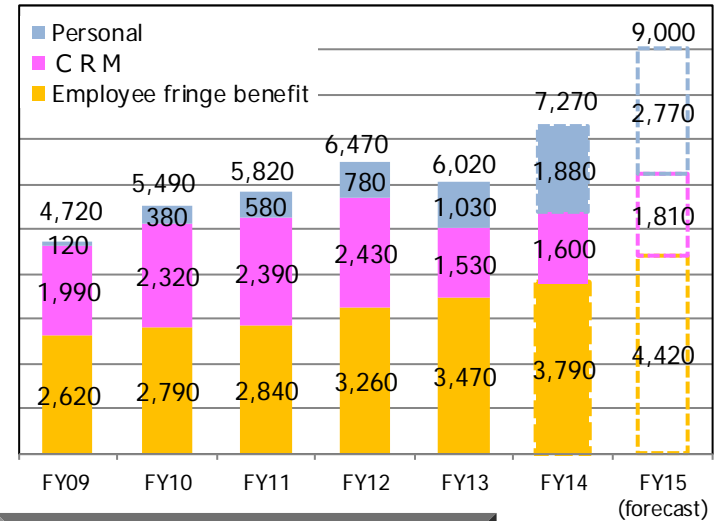
Operating Income, Operating Income Margin

(Billions of yen)



Benefit One Membership

(Thousands people)



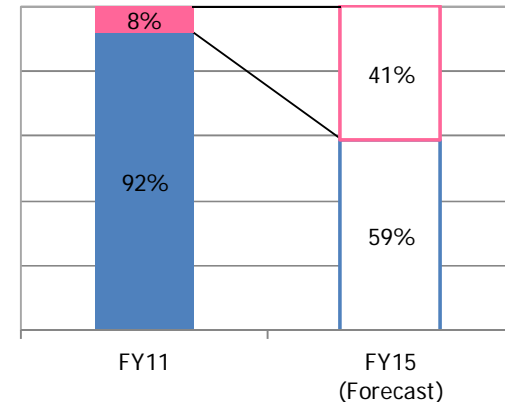
Business Conditions

3M FY15

- Steady increase in the number of members in each business including employee fringe benefit businesses
- Established Benefit One Payroll Inc. in August with the aim of promoting the BPO business and generating Group synergies

Diversification of Income

■ New business ■ Employee fringe benefit



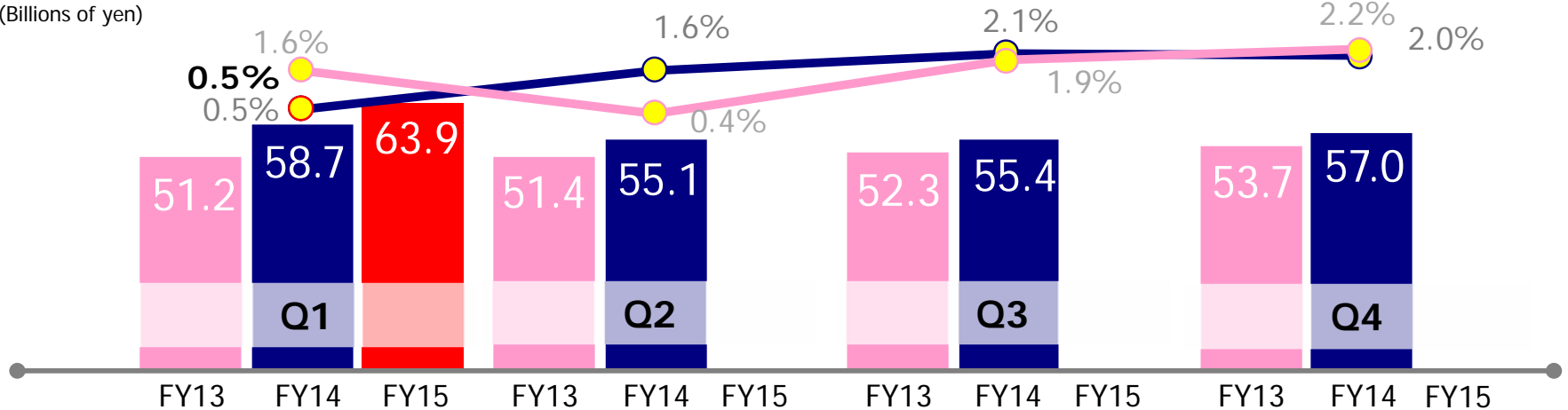
Reference

Quarterly Earnings Trends

Net Sales

(Billions of yen)

- Operating Income Margin FY13
- Operating Income Margin FY14
- Operating Income Margin FY15



(Millions of yen)

	Q1 (June to August)					Q2 (September to November)			Q3 (December to February)			Q4 (March to May)		
	FY13	FY14	YoY	FY15	YoY	FY13	FY14	YoY	FY13	FY14	YoY	FY13	FY14	YoY
	Consolidated													
Net sales	51,212	58,727	+14.7%	63,891	+8.8%	51,406	55,078	+7.1%	52,319	55,379	+5.8%	53,721	57,042	+6.2%
Gross profit	10,032	11,450	+14.1%	13,412	+17.1%	9,377	11,010	+17.4%	10,133	11,319	+11.7%	10,695	12,090	+13.0%
SG&A expenses	9,197	11,130	+21.0%	13,061	+17.4%	9,174	10,135	+10.5%	9,125	10,180	+11.6%	9,531	10,934	+14.7%
Operating income	834	320	(61.6)%	350	+9.5%	203	875	+330.5%	1,008	1,139	+12.9%	1,163	1,155	(0.7)%
Ordinary income	798	286	(64.2)%	256	(10.2)%	163	832	+410.3%	995	1,132	+13.8%	1,178	1,092	(7.3)%
Profit (Loss) attributable to owners of parent	103	△ 253	-	(323)	-	(128)	97	-	37	163	+335.8%	513	206	(59.8)%
Gross profit margin	19.6%	19.5%	(0.1)pt	21.0%	+1.5pt	18.2%	20.0%	+1.8pt	19.4%	20.4%	+1.0pt	19.9%	21.2%	+1.3pt
SG&A expense ratio	18.0%	19.0%	+1.0pt	20.4%	+1.4pt	17.8%	18.4%	+0.6pt	17.4%	18.4%	+1.0pt	17.7%	19.2%	+1.5pt
Operating income margin	1.6%	0.5%	(1.1)pt	0.5%	+0.0pt	0.4%	1.6%	+1.2pt	1.9%	2.1%	+0.2pt	2.2%	2.0%	(0.2)pt
Ordinary income margin	1.6%	0.5%	(1.1)pt	0.4%	(0.1)pt	0.3%	1.5%	+1.2pt	1.9%	2.0%	+0.1pt	2.2%	1.9%	(0.3)pt
Profit attributable to owners of parent margin	0.2%	-	-	-	-	-	0.2%	-	0.1%	0.3%	+0.2pt	1.0%	0.4%	(0.6)pt

Quarterly Earnings Trends by Segment

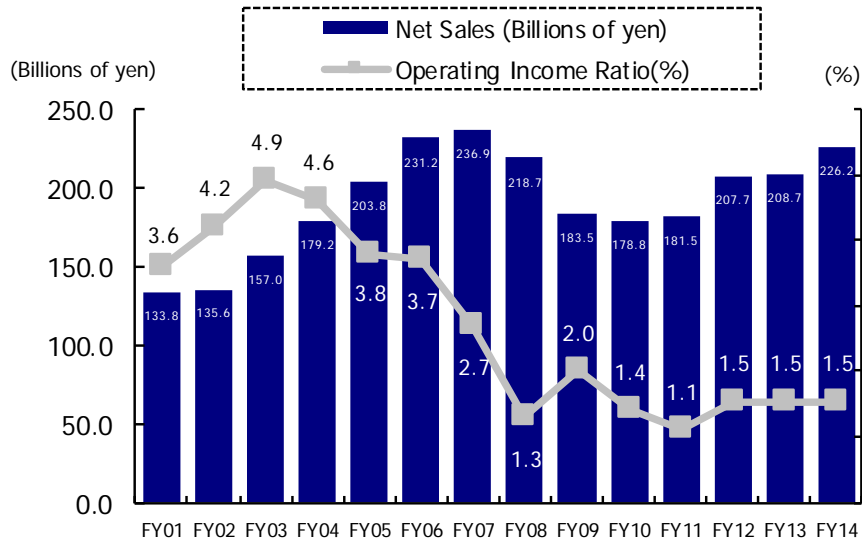
(Millions of yen)

Segment	Sales						Operating income					
	Q1 FY14	Q2 FY14	Q3 FY14	Q4 FY14	Q1 FY15	YoY	Q1 FY14	Q2 FY14	Q3 FY14	Q4 FY14	Q1 FY15	YoY
Expert Services	35,211	32,486	32,022	32,901	33,221	(5.7)%						
Insourcing	11,372	10,990	11,127	10,495	16,925	48.8%						
HR Consulting, others	1,356	1,335	1,426	1,418	1,504	10.9%	472	882	710	418	325	(31.1)%
Global Sourcing	1,088	1,149	1,245	1,357	1,420	30.4%						
Subtotal	49,028	45,961	45,821	46,172	53,070	8.2%						
Career Solutions	3,386	3,412	3,380	4,017	4,032	19.1%	335	379	356	784	794	137.1%
Outsourcing	4,852	5,083	5,565	6,142	5,971	23.1%	572	615	1,047	957	641	12.0%
Life Solutions Public Solutions	1,926	1,119	1,101	1,286	1,342	(30.3)%	(58)	24	(11)	(14)	(192)	-
Eliminations and Corporate	(465)	(499)	(489)	(576)	(524)	-	(1,001)	(1,027)	(963)	(991)	(1,218)	-
Total	58,727	55,078	55,379	57,042	63,891	8.8%	320	875	1,139	1,155	350	9.5%

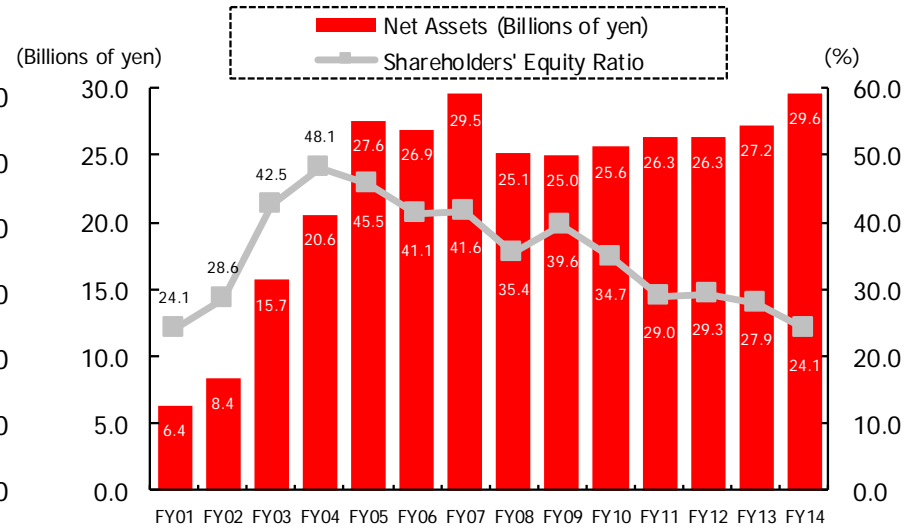
*From FY2015, "Place & Search" and "Outplacement" are integrated into "Career Solutions" segment.
FY2014 results of "Career Solutions" has been reallocated and presented in the new segment.

Full-Year Key Indicators

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	'13/05	'14/05	'15/05
Net Sales	133,822	135,625	156,979	179,156	203,815	231,231	236,945	218,699	183,515	178,806	181,498	207,685	208,660	226,227
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%	19.3%	19.3%	20.3%
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	36,898	37,029	42,381
SG&A Expense Ratio	14.6%	15.5%	16.0%	16.2%	16.4%	16.6%	18.1%	18.6%	18.0%	17.4%	17.5%	17.8%	17.7%	18.7%
Operating Income	4,786	5,687	7,648	8,238	7,745	8,507	6,444	2,850	3,660	2,432	1,964	3,176	3,210	3,490
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%	1.5%	1.5%	1.5%
Ordinary Income	4,222	5,373	7,329	8,289	7,844	8,807	6,637	3,361	4,044	2,571	2,091	3,187	3,135	3,343
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%	1.5%	1.5%	1.5%
Net Income	1,974	2,027	3,647	4,363	3,588	4,198	2,962	312	204	412	29	610	526	214
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%	0.3%	0.3%	0.1%
Total Assets	26,526	29,425	37,004	42,884	51,931	54,425	58,513	55,468	52,269	60,564	70,889	71,276	75,615	88,641
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	26,253	27,181	29,620
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%	29.3%	27.9%	24.1%
Current Ratio	121.6%	122.3%	160.2%	182.8%	170.8%	152.1%	154.2%	129.6%	163.3%	175.2%	154.7%	141.8%	131.3%	125.6%
Number of Employees (exclude contract workers)	1,537	1,687	1,979	2,204	2,608	3,126	3,647	3,671	3,643	3,956	4,452	4,778	5,022	6,584

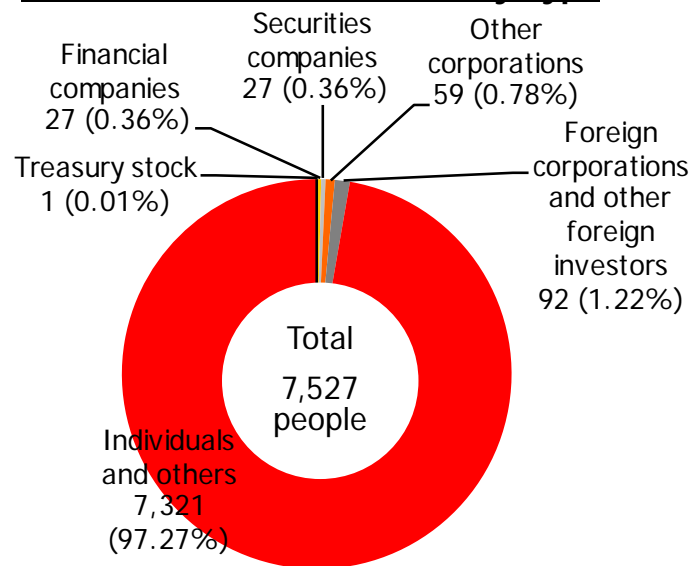
Notes: 1. Presentation of shareholders' equity amended to a net assets basis in line with changes to accounting standards and policies. Minority interests included in presentation of net assets since the fiscal year ended May 31, 2006.

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.

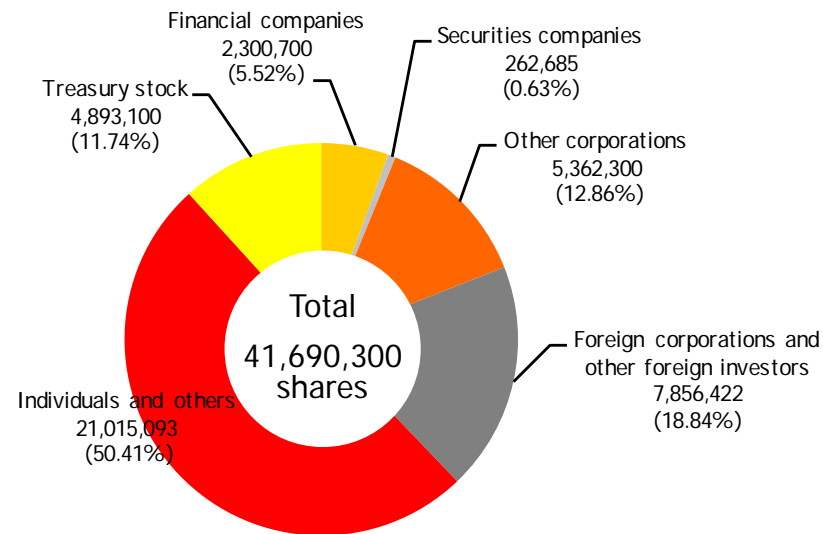
3. The data for the periods up to and including the fiscal year ended May 31, 2007 are consolidated data for Pasona Inc. The data for the periods commencing the fiscal year ended May 31, 2008 and beyond are consolidated data for Pasona Group Inc.

Stock Information (As of May 31, 2015)

Breakdown of Shareholders by Type



Breakdown of Shareholders by Number of Share Held



Principal Shareholders

	No. of Shares Held	%
Yasuyuki Nambu	14,763,200	35.41%
Pasona Group Inc.	4,893,100	11.74%
Nambu Enterprise Inc.	3,737,800	8.97%
Goldman Sachs International	1,433,577	3.44%
BNY GCM Client Account JPRD AC ISG (FE-AC)	1,358,146	3.26%
Credit Suisse AG Hong Kong Trust A/C Client	1,227,000	2.94%
Sanrio Company, Ltd.	905,000	2.17%
Pasona Group Employees' Shareholding Association	695,800	1.67%
The Master Trust Bank of Japan, Ltd (Trust account)	557,200	1.34%
The Bank of New York-JASDEC Treaty Account	531,800	1.28%

The Company's treasury stock (4,893,100 shares, 11.74% 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.

Group Companies (by segment)

Expert Services

Insourcing

HR Consulting, Education and Training, Others

Pasona Inc.	KIS Co.,Ltd.
Pasona Tech, Inc.	CAPLAN Corporation
Pasona Okayama Inc.	Yaskawa Business Staff Corporation
Pasona Logicom Inc.	Bewith, Inc.
Pasona Marketing Inc.	Asahi Beer Communications Co, Ltd.
Pasona Agri-Partners Inc.	Pasona Medical Inc.
ECOLOVE Inc.	Pasona Panasonic Business Service Co.,Ltd
Nihon Employment Creation Organization Inc.	
Pasona Tech Systems Inc.	e-Staffing Co., Ltd.*
Shin nihon kogyo Co.,Ltd.	
Pasona Tquila Inc.	Other

Global Sourcing

Pasona N A, Inc.	PASONA CANADA, INC.
Pasona Taiwan Co., Ltd.	Pasona Singapore Pte. Ltd.
PASONA ASIA CO., LIMITED	PT Pasona HR Indonesia
Pasona Korea Co., Ltd.	Pasona Education Co. Limited
PASONA India Private Limited	
MGR Consulting Co.,Ltd.	
Pasona Human Resources (Shanghai) Co., Ltd.	
Pasona HR Consulting Recruitment (Thailand) Co., Ltd.	
Pasona Tech Vietnam Co., Ltd	
Pasona HR Malaysia Sdn.Bhd.	Others

Career Solutions

Pasona Inc.	Pasona Fortune Inc.	Other
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Outsourcing

Benefit One Inc.	
Benefit one Health care Inc.	
Benefit One Solutions Inc.	
Benefit One Payroll Inc.	
Benefit One Asia Pte. Ltd.	
Benefit One Shanghai Inc.	
Benefit One USA, Inc.	
Benefit One (Thailand) Co., Ltd.	
PT. BENEFIT ONE INDONESIA	
Benefit One Deutschland GmbH	
Chunghwa Benefit One Co., Ltd.*	
National Examination Center Inc.*	Other

Life Solutions

Pasona Foster Inc.
Pasona Life Care Inc.

Public Solutions

Pasona Heartful Inc.	
Pasona Furusato Incubation Inc.	
Tango Kingdom Inc.	
Pasona Tohoku Sousei Inc.	Others

● Consolidated subsidiaries 55
Equity-method affiliates 4*

Corporate Data

Tokyo Stock Exchange, 1st Section 2168

Corporate Name	Pasona Group Inc.	
Headquarters	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
Established	December 3, 2007 (Founding February 1976)	
Paid-in Capital	5,000 million yen	
Representative	Yasuyuki Nambu	
Business Activities	Expert Services (Temporary staffing), Insourcing (Contracting), HR Consulting, education and training, others Global Sourcing (Overseas) Career Solutions (Recruiting/ Outplacement) Outsourcing Life Solutions, Public Solutions	
Number of Employees	7,908 (Consolidated, including contract workers)	(As of May 31, 2015)
Group Companies	Subsidiaries 55, Affiliates 4	
URL	www.pasonagroup.co.jp/english/	

(As of Aug 31, 2015)