



Interim Business Report for the Fiscal Year Ending May 31, 2008

June 1, 2007 to November 30, 2007



“Tulip” — A painting by Futoshi Tomonaga (intellectually disabled)

Based on the concept “talent knows no handicap,” the Art Village Project was launched in 1992. Since then, Pasona Group has worked enthusiastically to promote increased participation of the disabled in society through the medium of art.



Pasona's "ambition" is realizing the "dreams" of each and every individual in their efforts to reenter the workforce, seek new challenges, and achieve new goals.

Our raison d'etre is to build **a future where individuals can create their own comfortable lifestyles and freely choose the kind of work they wish to do.**

With unrelenting passion, Pasona is committed to creating **an infrastructure where each individual can nurture his or her own dream irrespective of age and gender.**

Unwavering in this mission, we will continue to stride forward, seek new challenges, and contribute to the prosperity of society.

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Pasona Group Progress Meeting January 2008

Seeing in the New Year, employees and directors of the Pasona Group came together to pledge their united support behind the stewardship of Yasuyuki Nambu, Group CEO and president.

Note:

1. In principle, figures in this Business Report are stated either in millions of yen rounded down or billions of yen rounded to the nearest first decimal place.

2. This Business Report is compiled using data from Pasona Inc. as of November 30, 2007. As a part of the Group's efforts to shift toward a holding company structure, Pasona Group Inc. was established as a publicly listed company.

2008年 パソナグループ 新年プログレスミーティング



PASONA



I am pleased to report that the Pasona Group successfully completed its shift to a pure holding company structure, culminating in the launch and new public listing of Pasona Group Inc. on December 3, 2007. In recognizing this milestone, I would also like to reconfirm the Group's unwavering commitment to nurture close ties with shareholders, client firms, temporary staff, local communities and society in general, and to ensure a unified bond among all employees that constitute the Pasona Group.

The Power to Prevail in a New Era

Seeing in the New Year, 2008, the first under its new holding company structure, the Pasona Group is confronted by turbulent conditions. Looking at the year ahead, I am convinced that we will encounter increased political and economic uncertainty, and a period that precludes the drawing of any premature conclusion. It is in these times of adverse conditions, however, that both the public and private sectors must work in unison to create innovative systems in step with the new era and to build up the power required to prevail.

The number of working-age persons (people aged between 15 and 65) as a share of Japan's total population is declining at a pace unequalled anywhere else in the world. In addition, attitudes toward employment and the composition of labor are becoming increasingly diverse, as more and more from the young age bracket, women, the elderly and foreigners enter the workforce. With a burgeoning variety of individual values and lifestyle needs, I am convinced of the need to establish and develop a society that allows each individual to freely choose the kind of work he or she wishes to do. At the same time, there is the equally important and urgent need to create a workplace environment that enhances the personality and talents of each individual, one that allows workers to fully exercise their capabilities. For its part, the Pasona Group has already initiated steps to realize such a society and workplace.

A Support Infrastructure that Eliminates Worker Disparity

For example, our "Shigoto (work) College" now extends beyond support for the young to include the middle-aged and elderly. This program also focuses on providing international employment opportunities as well as support to the agricultural sector. In addition to education, training and career planning support, we provide temporary staff with advice and useful information on health management and employee welfare benefits. The Pasona Group is committed to enhancing initiatives that allow workers to take full advantage of their capabilities in an atmosphere of comfort and security. It is therefore our goal to provide both work and lifestyle support. Utilizing the full and comprehensive resources of the Pasona Group, including its subsidiary Benefit One, Inc., we will create and develop a support infrastructure that eliminates worker disparity regardless of employment status, industry, company scale and location.

In addition to integrating the strategic planning and control functions at its new headquarters in the Shin-Marunouchi Building, the Pasona Group has also created an internal organization — the Shadow Cabinet — to identify and discuss social issues from the perspectives of government and public administration. Each bureau within the Shadow Cabinet has in turn established its own presentation area to put forward its findings and solutions from a corporate-sector viewpoint. These issues encompass employment through to education, the environment and initiatives aimed at revitalizing regional areas.

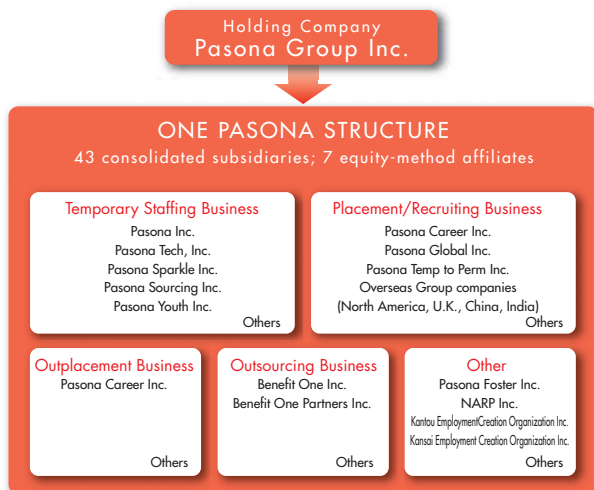
Pasona Group

www.pasona.co.jp/english

Pure Holding Company, Pasona Group Inc., Established on December 3, 2007

For 31 years since its foundation, the Pasona Group has continuously endeavored to create a broad-based employment infrastructure guided by its corporate philosophy, "Providing Solutions to Society's Problems." During this period, employment conditions in Japan have experienced significant change due mainly to an aging population combined with a declining birthrate and the constant drive toward globalization. Under these circumstances, attitudes toward work and the nature of employer human resource needs have become increasingly diverse from year to year.

In its efforts to remain firmly in step with changes in society, better promote and realize its corporate philosophy and ensure a period of sustained growth, the Pasona Group adopted a holding company structure. This has entailed the incorporation of Pasona Group Inc., a company responsible for formulating management strategies from an overall Group perspective, optimally allocating management resources to select growth fields and ensuring that individual operating companies execute their business activities in a strategic and flexible manner. In this fashion, the Group is endeavoring to shift from its traditional focus on temporary staffing to a more broad-based, comprehensive business portfolio. Furthermore, in strengthening its corporate governance structure and systems, the Pasona Group is working to further enhance its corporate value by raising the level of overall management transparency.



The role of the holding company is to build a structure that maximizes overall Group synergies on a function-by-function basis. Its ultimate aim is to secure additional Group growth as a single, unified "ONE PASONA" entity.

Pasona Group

www.pasona.co.jp/pasona_o2

Attracting Baby Boomers with a Wealth of Business Experience to the Agricultural Sector — A Series of Nationwide Agricultural Lectures

Forming a part of the assistance and support services provided by the Ministry of Agriculture, Forestry and Fisheries in Japan, a series of business management seminars organized through the Pasona Group were launched in October 2007. Held in 50 locations across Japan, experts from the business world were asked to impart their knowledge and experience to participants engaged in agriculture-, forestry- and fisheries-related activities. Topics of discussion included "ways in which to cultivate sales channels" and "product development." In an effort to address specific issues, individual consulting and detailed training were also provided at the conclusion of each seminar. Through this initiative, the Pasona Group is endeavoring to promote management development in the primary sector and to create employment opportunities for the baby boomer generation.



The Pasona Group's Agriculture, Forestry and Fisheries Business Management Tutorials received high praise. Recognizing the initiative as a unique opportunity to obtain invaluable information, participants called for a second series of seminars.

Pasona Global Inc.

www.pasona-global.com

Pasona Job Expo 2007 — The Power of Foreign Citizens Held

Pasona Global Inc., a company that provides human resource services to foreigners residing both in Japan and overseas, held a series of employment seminars and events in November 2007. The seventh in a series of Job Expositions, the scope of the event was extended from such countries as China, Thailand and Taiwan to encompass other nations and regions including Europe, the United States, India and Vietnam. The opportunity was provided to not only meet the hiring managers of a number of global firms and to obtain work- and employment-related information specific to a variety of countries, but also to gain advice on working in Japan. Looking ahead, Pasona Global Inc. will strengthen its global placement services in an effort to connect jobseekers with the rest of the world.



1,200 foreigners attended the event. Long queues of attendees waiting to obtain advice and information at corporate booths set up by major trading companies, financial institutions, manufacturers and other companies were a feature of the Exposition.



Building a Truly Prosperous Society

I believe that a truly prosperous society is one in which individuals are able to realize their ambitions and dreams, irrespective of age, gender and nationality, and to lead fulfilling and vital lives as they reenter the workforce, seek new challenges and achieve new goals. It is our ambition to provide solutions to society's problems and to promote innovative change in an effort to help create such a society. This is the true nature and essence of the Pasona Group's business.

With a greater sense of purpose and passion, we will work diligently toward achieving this goal. Looking ahead, we ask for your continued support and understanding.

February 2008

Yasuyuki Nambu
Group CEO and President

A handwritten signature in black ink that reads "Yasuyuki Nambu".

Pasona Group

www.pasona-global.com

China (Shanghai, Hong Kong) Chapter of the Japan Society for Chief Human Officer Launched

The Japan Society for Chief Human Officer, an association engaged in the education and training of future senior executives responsible for human resources, opened a chapter in Shanghai, China in July 2007 and in Hong Kong in September 2007, respectively. As the entry and activities of Japanese companies in China gather pace, local human resource training and labor management issues are becoming increasingly important. In an effort to support Japanese companies in further developing their businesses in China, the Pasona Group is endeavoring to provide a forum for the exchange of local human resources information and to create an environment of mutual study and learning.



Officers of Japanese companies responsible for human resources in China participated in study groups held by the Shanghai Chapter of the Japan Society of Chief Human Officer. Topics of discussion included human resources training and local labor management.

Benefit One Inc.

www.benefit-one.co.jp

Matsuyama Call Center Established

Benefit One Inc. newly established the Matsuyama Call Center, a telephone and Internet customer service located in Matsuyama City, Ehime Prefecture in March 2007. Focusing mainly on the arrangement of facilities, Matsuyama is the Pasona Group's third such call center, augmenting its existing Tokyo and Osaka network.



In order to strengthen the security and safekeeping of personal and other information, call centers are equipped with the latest in operating terminals. While increasing the number and structure of operators, the Pasona Group will endeavor to augment its service menu.

Designed to accommodate expansion in the scope of Benefit One's business activities, the new call center was also established to provide enhanced customer service. Plans are in place to increase the number of operators to 500 and to position Matsuyama as the Group's principal call center in 2010.

Pasona Tech, Inc.

www.pasonatech.co.jp

A U.S. Silicon Valley Office Established

Pasona Tech, Inc., a company that specializes in IT-related human resource services, established a U.S. Silicon Valley office in November 2007. In addition to serving as a focal point for the dissemination of IT sector-related personnel



Chika Watanabe, chief executive officer of a local technology-related consulting company, was selected to head the new office. Ms. Watanabe operates a local report page on Pasona Tech, Inc.'s Web site. www.pasonatech.co.jp/hatarake_sv/

strategy information, this office organizes inspection tours of local companies and holds meetings and other events to promote information exchange among local engineers. For Japanese engineers interested in working in Silicon Valley, the office also provides career planning support and employment information, as a springboard for global engineers of the future.

Pasona Youth Inc. www.20works.jp/job/event/secondlife.html

"Second Life" Virtual Space Branch Opened

Pasona Youth Inc. opened a branch within "Second Life/a 3-D virtual world." "Second Life" is a game in which an avatar, a computer user's representation of himself or herself, can experience life in a virtual setting. Through the newly established branch, Pasona Youth provides employment information and details of its service menu. A moving image service that introduces a variety of companies and a game through which players can acquire business communication skills has also been commenced. Moreover, plans are in place to install a "chat" function encompassing career planning and counseling services.



People, who are unable to directly visit Pasona Youth Inc., can freely visit the company's "Second Life" branch and gain wide-ranging information as an avatar.

We firmly believe that the nature and essence of our business activities — supporting individuals in their efforts to realize their full potential — is in step with this Group's endeavors to fulfill its corporate social responsibility. Each and every employee of the Pasona Group is committed to implementing this basic corporate philosophy and as a social activist to contribute wholeheartedly to the wellbeing and prosperity of local communities.

Compliance

Compliance as a Fundamental Management Principle

The Pasona Group is united in its commitment to enhance compliance as a fundamental management principle. In addition to its handling of an enormous volume of temporary staff and employee information, the Pasona Group works diligently to comply with the Corporation Law, the Worker Dispatch Law and a host of statutory and regulatory requirements in the pursuit of its ongoing day-to-day business.

In light of continuous growth in the scope of human resources services, and constant revisions to statutory and regulatory requirements, this focus on compliance is becoming increasingly important.

Education, a Core Responsibility of the Compliance Committee

Established in 2000, the Compliance Committee is currently comprised of 14 members. Through a variety of measures including periodic meetings, the Committee investigates and deliberates on a host of issues with the aim of reinforcing compliance throughout the entire Pasona Group. In an effort to raise awareness among Group employees, Pasona Group has also conducted systematic, individual layer-based compliance training over the past 12 years. Focusing on the Worker Dispatch Law, the Committee supervises training course revisions on an annual basis. Accordingly, employees are obligated to attend refresher courses for each year of continuous service.

Looking ahead, the Pasona Group will expand this individual layer-based compliance-training program to ensure steady improvement throughout the Group.

Pasona Group Compliance Seminar

The Pasona Group's compliance seminars are not only held internally, but are also periodically conducted for client firms. Penalties applicable to breaches of the Worker Dispatch Law can be levied against the client firm as well as the temporary staffing company (vendor). However, it is very difficult to fully comprehend this complex legislation. For these reasons, client firms and local government authorities regularly call upon the Pasona Group to conduct seminars in this field. In 2007, for example, the Group held approximately 50 seminars nationwide, while over the four-year period from 2004 to 2007, 8,000 client firm officers attended Pasona Group seminars. As a leading company active in the provision of human resources services, Pasona Group's mission is to continuously raise awareness across the industry as a whole. Looking ahead, we will aggressively pursue activities in compliance education.



Client firm seminars held periodically

Corporate Social Activity Highlights



Pasona (Kanagawa District) June 2007
Yokohama Port Opening Memorial Festival

As a part of the Group's volunteer activities, employees participated in a miniature shrine carrying parade involving young children. This event was an excellent opportunity to interact with both the children and the local community.



Pasona (Hokuriku District) June 2007
Yuhidera / Satoyama Preservation Activities

Employees of the Group's three branches in the Hokuriku District came together to clear a bamboo grove. Despite the heavy rain, the cleared area, enclosed by bamboo, made for a brighter picture.



Pasona Utsunomiya October 2007
Flower and Greenery Festival

Employees of the Pasona Group participated in volunteer activities, which included the distribution of seedlings and potted plants to local residents and the collection of donations for the Utsunomiya Beautification Fund. The goal of these activities is to beautify the city area with increased greenery.

Pasona Pink Ribbon Campaign 2007

The Importance of Early Detection

The Pink Ribbon Campaign is a global initiative that promotes breast cancer awareness and the importance of early detection, diagnosis and treatment. As a Group that prides itself on the support provided to workingwomen, Pasona launched the Pasona Pink Ribbon Campaign 2007 as a part of its corporate social activities.

Breast cancer is the most common form of cancer among women in Japan, surpassing stomach cancer in 1995. Recent data indicates that one in every 20 women develop breast cancer. While this form of cancer is most prevalent among women in their 40s and 50s, an increasing number of young women are being diagnosed with this disease. The progress of breast cancer is inversely proportional to the individual's age. The younger the individual the more rapid is the progress. This highlights the critical importance of early detection.

Promoting Medical Examination and Consultation

Breast cancer cannot be easily seen or felt, particularly in its early stage. Regular mammograms and ultrasound examination are therefore critical to early detection. Breast cancer should not be considered a fatal disease. With treatment, more than 90% of breast cancer patients are cured when the cancer is detected at an early stage. While the Pasona Group encourages its registered temporary staff to take a medical examination at least once a year, the percentage of young employees that undergo an examination is low. A Pasona Group survey indicates that while 60% of employees in their 40s take a medical examination, this figure drops to 30% for workers in their 20s. There is no more prized asset than the health of our employees and temporary staff. Accordingly, the Pasona Group is committed to further bolstering its promotion of medical examination and consultation.

Recognizing the need for relevant information and an accurate understanding of this disease, the Pasona Group conducts nationwide breast cancer seminars as a part of its educational activities. Open not only to women, but also their life partners, the Pasona Group is keen to establish a robust support system.

With excessive animal fats in one's diet, obesity and stress said to contribute to the onset of breast cancer, the Pasona Group also engages in dietary and lifestyle education in an effort to help workingwomen lead long, healthy and fulfilling lives.



Pasona Yamaguchi, Pasona Kita Kyushu October 2007
Tsunoshima Cleanup Activities

Employees of the Pasona Group's Yamaguchi and Kita Kyushu branches joined together to help in cleanup activities along the shores of Tsunoshima, Yamaguchi Prefecture. Individual awareness and responsibility are essential to a clean and natural environment.



Pasona Fukuoka, Benefit One Fukuoka Branch,
Pasona Youth Fukuoka Branch November 2007
Umi-no-Nakamichi Relay Marathon

Employees from each office participated as volunteers in the organization and operation of the Umi-no-Nakamichi Relay Citizens' Marathon. Among the many Pasona volunteers, certain employees entered the marathon, successfully completing their allotted course.



● Shostakovich Concert

As a part of its Pink Ribbon Campaign activities, the Pasona Group cooperated with Michiyoshi Inoue, a world-renowned conductor, in his challenge to perform all of the symphonic works of Shostakovich. Prior to the concert, the Pasona Group held a Pink Ribbon Campaign seminar, attended by a participating audience of approximately 500. At this seminar, Mr. Inoue outlined details of the concert format and his hopes.

Held at the historic Hibiya Public Hall, which was surrounded by crimson foliage abundant throughout Hibiya Park at the time, the concert was a welcome relief to the stress of everyday life, both physically and spiritually therapeutic and a support to the promotion of invaluable good health.



The world-renowned conductor Michiyoshi Inoue providing an outline of the concert



Pasona Tokyo Headquarters November 2007

Participation in the Special Olympics "Charity Walk & Run Festival"

Pasona employees joined together with a team of intellectually disabled athletes to participate in a charity walk and run around the Imperial Palace grounds. This was a wonderful opportunity to build and strengthen friendships.

In an effort to promote a better understanding of its philosophy and beliefs, the Pasona Group is committed to activities that help deepen its bond with diverse stakeholders. Our goal is to promote the innate qualities of kindness and warmth.

The Pasona Group Bond

The Pasona Group Sports Festival

The Pasona Group's annual sports festival was again held in Tokyo, Osaka and Nagoya, bringing together over 1,200 Group employees, their families and temporary staff. This is an important day in the Group's social calendar and helps to further strengthen the deep bond that Pasona treasures with its employees and temporary staff. It is also an invaluable opportunity to foster close ties with employee family members.

Client Seminars Covering Wide-Ranging Topics

The Pasona Group is conducting a large number of client seminars at its Shin-Marunouchi Building office. These seminars cover a wide spectrum of topics that encompass labor and employment issues, ranging from "the effective use of temporary staffing," "the employment and use of the disabled and foreigners," "youth employment information" and "diversity management"; lifestyle concerns such as "methods to combat metabolic syndrome" and "communication," a lecture by Sanshi Katsura, president of the Kamigata Rakugo (Storytelling) Association; and social commentaries including "Japan, a state founded on the principle of environmental protection," by Toshiro Kojima, Vice-Minister for Global Environmental Affairs, Ministry of the Environment, "a vision for the region," by Shingo Mimura, Governor of Aomori Prefecture, and "reform and Japan's future," by Heizo Takenaka.

From Work through Relaxation — Developing Close Ties with Temporary Staff through Constant Interaction

In April 2007, the Pasona Group opened CLUB PASONA OMOTESANDO for the benefit of temporary staff. This comprehensive facility offers access to work and training advice, nail care and reflexology as well as a café and restaurant. In addition to a wealth of work-related seminars, the event hall is also periodically used for temporary staff parties, providing invaluable opportunities for interaction and the development of close ties.

Benefit One Festa

Benefit One Inc., a company that provides fringe benefit outsourcing services, held an event for members and their families on December 2, 2007. The theme for the event was "A Balanced Life! Toward a Prosperous Society through Work / Life Balance." Entertainment for this event was both wide-ranging and numerous. In addition to staged "Kamen Rider" (Masked Rider) and "Pokemon" shows, a popular children's action hero and animated character in Japan, proceedings included a lecture by Heizo Takenaka, an economist and professor at Keio University, and former Minister of Internal Affairs and Communications and Minister of State for Privatization of the Postal Service serving in the Koizumi Cabinet, a speech by Teruhisa Kitahara, author of "Otakara Hakken!," and a comedic routine (Bakusho Stage) performed by entertainers from Yoshimoto Kogyo, a major Japanese entertainment conglomerate. To ensure the active involvement of invited guests, a tug-of-war competition was organized among member companies, stalls offering food, small items and entertainment were erected for families, experts in the cutting and preparation of tuna demonstrated their skills and audience-participation contests were held. The majority of those attending enthusiastically expressed their delight, commenting what a wonderful time they had had.



The event was held at the Tokyo Big Site

The Pasona Group Sports Festival



Tokyo October 2007

Approximately 850 employees and their families attended. Through interaction and mutual exchange, we are deepening the bond that is treasured within the Pasona Group family.



Osaka November 2007

Wearing t-shirts with the "kizuna" (bond) motif, employees performed original dance routines. Approximately 250 participants came together as one.



Nagoya November 2007

Originating in Nagoya, a soft volleyball competition was held among 120 participants, spurred on by cheerleaders.

Pasona Group Headquarters (Shin-Marunouchi Building)

Flagship of the Pasona Group

The Pasona Group opened a new office in the Shin-Marunouchi Building in September 2007. As the flagship of the Group, this office is responsible for all headquarter functions and serves as a nerve center, developing client services and distributing information.

With “employment” as its initial point of entry, a “Shadow Cabinet” has been created within the Pasona Group organization to investigate, research, deliberate, propose and announce solutions to social issues as required. To this end, a “Social Solutions Room” has been established within the new Shin-Marunouchi Building location. Among a host of facilities, this new office offers event halls through which the Group conducts seminars for its client firms and related companies as well as a communication space to the free and open exchange of views and ideas.

The Pasona Group Shadow Cabinet

Coinciding with the Group’s foundation date on February 16, 1976, Pasona created the Shadow Cabinet on February 16, 2007. This in-house organization was established to examine issues relating not only to the industry but also to society in general, and to propose solutions from the perspective of a corporate entity. In incorporating the views of both the government and public administration, employees also deliberate, formulate and recommend alternatives that most effectively address major issues of the day. As a by-product of this innovative initiative, the Cabinet’s proposals generate potential for future new business creation.

Positioning “employment” as its initial point of entry, the Cabinet discusses issues across 13 broad themes (ministries) comprising: women’s employment, youth age group employment, senior age group employment, employment for people with disabilities, global employment, the environment, agriculture, local revitalization, business incubation, education, medicine, social security and deregulation.

Reflecting the success of the Group’s efforts, a department of deregulation of the Cabinet’s proposal relating to deregulation of eligibility qualifications for examination as a child carer was raised in the second report on regulatory reform by Cabinet Office.



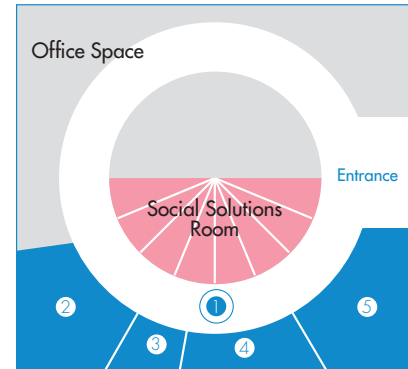
Social gatherings are also held with customers and temporary staff in the cafeteria, where a healthy menu is provided using vegetables harvested from PASONA O.



Beginning with the Japan Society for Chief Human Officer forum, seminars based on the theme of “people” are held for client firms and temporary staff on a daily basis.



A number of areas have been set aside as free space for meetings. The office has been designed to promote lively communication.



1 Concierge desk

A concierge has been appointed to explain to visitors the Group’s menu of social solutions services, as well as specialist career therapists, who provide employment and career counseling and coaching to temporary staff.

2 Seminar room

With a seating capacity exceeding 200, the seminar room is used for timely events to address a variety of issues including societal change and the needs of client firms.

3 Vitamin room

A relaxation room where full-time staff provide aroma treatment tailored to the individual, reflexology and counseling. The Group is committed to supported sound health both in mind and body. Pasona promotes a wide spectrum of health issues including regular examination for breast cancer.

4 Work station

The work station offers an open and expansive feel and is used for counseling and consultation.

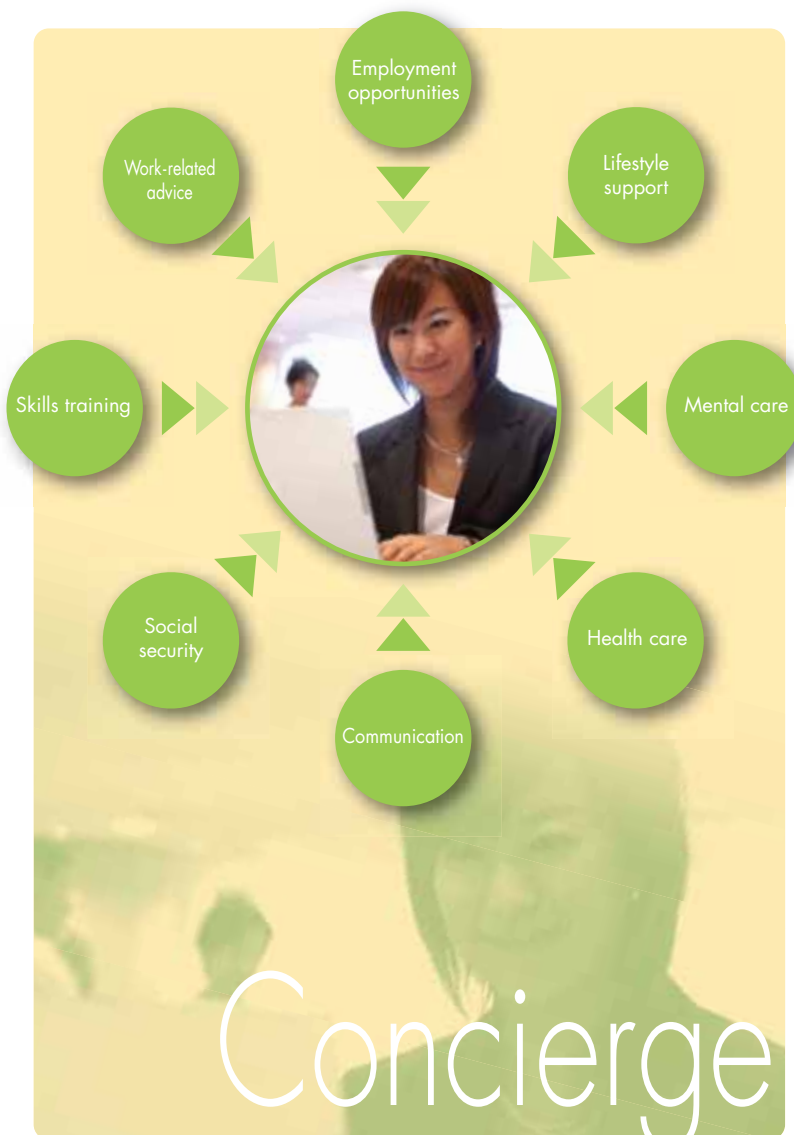
5 Cafeteria

A cafeteria space for use by Pasona Group employees, temporary staff, client firms and customers.



Next to the Marunouchi Building, the landmark Shin-Marunouchi Building fronts Tokyo Station. Centrally located, the building provides excellent access. Connected to the station by an underground walkway, users and visitors of the building are unaffected by weather conditions.

Pasona's goal is to serve as a "life concierge" to all temporary staff, providing total work and lifestyle support. To this end, we have developed and continuously augment a comprehensive menu of services encompassing social insurance and paid vacations, skills training, health and 24/7 mental care.



Registering with Pasona



Pasona has introduced the "My Coach" system, under which full-time specialist counselors provide tailored advice, matching employment opportunities with the experience and skills of each individual.

Other support systems

• "Pasomail"
Employment-related information specific to desired areas and location; a weekly Internet-based mail delivery information service.



Advice & Support



Mami Fujii
Receptionist

After giving birth, and a period that I felt was important for nurturing my child, I chose to work on a temporary staffing basis as it allows me the flexibility to address both my work and family needs. A receptionist's duties are quite detailed and difficult, and I frequently sought the advice of marketing personnel. Always attentive, they made it extremely easy for me to work. I believe that their detailed and comprehensive support greatly contributed to peace of mind and allowed me to work efficiently and effectively. From personal experience, I am convinced that Pasona is a company that truly cares about temporary staff.

Support services during employment



With genuine concern, marketing personnel continuously follow up on the progress and wellbeing of temporary staff. In addition to work-related advice and consulting, Pasona provides skills training and information on upcoming events.

Other support systems

- **Catch the Heart**
A free dial advisory service that encompasses work-related problems and needs.
- **Safety Net Service**
A consulting service for advice on mental care and general lifestyle concerns.
- **My PASONA**
An exclusive temporary staff Web page to handle a wide variety of applications.
- **Medical examination and consultation support**

Voice

● Catch the Heart

It is now 11 years since I first commenced work on a temporary staffing basis. With each new job and experience, I feel that my interests and hobbies are expanding. Currently my work involves the management of operating manuals and data collection. With its comprehensive menu of support services, Pasona affords me the opportunity to freely seek advice on matters outside my job. I feel that I can work with a real sense of comfort and security. Catch the Heart is particularly helpful. Marketing personnel really listen to my opinions and concerns and I feel that they are being accepted. I am extremely impressed with Pasona's support capabilities.



Hideyo Morita
Back Office

Skills training



Pasona provides temporary staff with opportunities to shine as a professional through a series of useful work-related business, OA and language courses and support in acquiring a vast array of qualifications.

Other support systems

- **Pasona College 2000**
Over 2,000 special offer discount price courses useful across a wide cross section of employment fields.
- **Precious Career Academy**
Small group, women's only courses.
- **Business etiquette training**



Voice

● Improving Skills



Chie Yoshida
English language
clerical work

I am studying to lift my TOEIC score while working at a foreign securities company. Originally from Kyushu, I came to Tokyo on Pasona's Tokyo Business Study Program. I could not have done it without the help of Pasona, who provided both soft and hard support including a housing allowance, assistance and information on work opportunities. I was able to acquire qualification as a second class securities broker, something that I had wanted to do for a long time. My plans in the future are to build a career in the finance sector.

Lifestyle support



Pasona offers a comprehensive service menu that not only encompasses employment including social insurance and paid vacation, but also general lifestyle support.

Other support systems

- **Social Insurance**
Health insurance, welfare annuity, unemployment insurance and worker's compensation.
- **Benefit Station**
Facility coupons for use at over 25,000 locations in Japan and overseas and a host of useful products and services at member rates.
- **Relaxation services**
CLUB PASONA OMOTESANDO; Esthetic salon and culture school courses at Pasona Grace at inexpensive prices.
- **Paid vacations**
- **Taxes withheld**
- **Special payment for the birth of a child**
- **Special payment for marriage**
- **Condolence payment for family bereavement**



Voice

● Relaxation

I currently use a Benefit Station-affiliated sports club. I think it's great that I can freely use the facility as a visitor at a reduced rate. Last year, I was able to make a booking at a Japanese inn and hot spring in Atami through Benefit Station again at a rate below the general public. I had a wonderful time with my parents. In the future, I want to take a nail care course at CLUB PASONA OMOTESANDO. I would like to improve my skills while enjoying a full life.



Haruko Shimizu
Administration

■ The Pasona Group experienced sustained revenue growth for the first half of the fiscal year ending February 29, 2008. Despite a slight softness in the temporary staffing market owing to the imbalance between supply and demand, consolidated net sales rose 5.6% compared with the corresponding period of the previous fiscal year to ¥119.5 billion reflecting steady progress in diversification efforts.

■ In the period under review, the Group continued to promote long-term stability for quality temporary staff while strategically reinforcing its efforts in growth fields.

In the temporary staffing business, the market experienced sustained long-term stability for quality temporary staff during the six-month period ended November 30, 2007. Growth in the number of temporary staff stalled, however, reflecting an imbalance between supply and demand. In order to address diversifying needs, the Group implemented a variety of measures to strategically strengthen its business in such growth fields as placement and recruiting as well as outsourcing. As a result of these endeavors, consolidated net sales for the period under review amounted to ¥119,516 million, an increase of 5.6% compared with the corresponding period of the previous fiscal year.

On the earnings front, the Group's consolidated gross profit margin edged up 0.1 of a percentage point year on year. Impacted by an upswing in costs, however, on the back of measures designed to improve temporary staffing benefits and conditions, as well as strategic investments aimed at generating medium- to long-term growth, the Group's overall earnings declined. For the period under review, consolidated operating income fell 28.8% compared with the

corresponding period of the previous fiscal year to ¥3,071 million while consolidated ordinary income decreased 28.4% year on year to ¥3,145 million.

Turning to the retained earnings of overseas subsidiaries, the Company recorded a lump-sum amount as income taxes — deferred, attributed to the application of tax-effect accounting. Accounting for this factor, consolidated net income for the period under review declined 48.7% compared with the corresponding period of the previous fiscal year to ¥1,063 million.

Temporary staffing / Contracting, Placement / Recruiting (Pasona Inc., Pasona Tech, Inc., Pasona Career Inc., Others)

[Temporary staffing / Contracting]

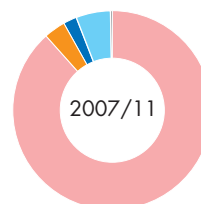
During the period under review, signs began to emerge of a slight pause in the demand for temporary staff among certain sections of the corporate sector. Indications of a mismatch between registered temporary staff and client needs also became evident, impacted by increasing diversity in temporary staffing demand. Despite difficult conditions, small and medium-sized enterprises continued to exhibit firm demand. On an industry-by-industry basis, demand from life and casualty insurance companies declined. Activity by other industries for the six months to November 30, 2007, however, was essentially unchanged from the corresponding period of the previous fiscal year. By job type, demand from the sales and marketing sector remained robust, fueling significant year-on-year growth.

The Pasona Group is working to security a pool of quality temporary staff while implementing comprehensive measures designed to promote stability in its

Consolidated Results for the 1st Half of the Fiscal Year Ending May 31, 2008 (Pasona Inc.)

(Millions of yen)	06/11	(%)	07/11	(%)	Increase/Decrease	YoY	(%pt)
Net sales	113,202	(100.0)	119,516	(100.0)	6,313	+5.6%	(+)
Cost of sales	90,233	(79.7)	95,169	(79.6)	4,936	+5.5%	(-0.1)
Gross profit	22,969	(20.3)	24,346	(20.4)	1,377	+6.0%	(+0.1)
SGA expenses	18,654	(16.5)	21,274	(17.8)	2,619	+14.0%	(+1.3)
Operating income	4,314	(3.8)	3,071	(2.6)	(1,242)	(28.8)%	(-1.2)
Ordinary income	4,392	(3.9)	3,145	(2.6)	(1,246)	(28.4)%	(-1.3)
Net income	2,073	(1.8)	1,063	(0.9)	(1,009)	(48.7)%	(-0.9)

Segment Sales Share Information (Consolidated)



Temporary staffing/Contracting	88.4%
Placement/Recruiting	3.5%
Outplacement	2.2%
Outsourcing	5.6%
Other	0.8%
Elimination and Corporate	(0.5)%

long-term staffing contracts. Underpinned by these efforts to promote long-term stability among quality temporary staff, the development and delivery of services grounded in comprehensive compliance, increased understanding from client firms of the Pasona Group's initiatives and strategies and tenacious negotiations in connection with compensation, temporary staffing payments continued their upward spiral throughout the first half of the fiscal year under review. Accounting for these and other factors, net sales from temporary staffing and contracting activities totaled ¥105,687 million, an increase of 3.7% compared with the corresponding period of the previous fiscal year.

[Placement / Recruiting]

In recognizing the significant growth potential of the placement and recruiting business domain, the Pasona Group is working diligently to fortify its systems and structure in an effort to deliver a wide range of services that encompass each service area, career level and age demographic. Endeavoring to lift registration numbers of those individuals seeking a career change, the Pasona Group also conducted events, undertaking other promotional activities, and encouraged the effective use of the Internet and other media. In this manner, the Group focused on more efficient and effective ways to attract registrants.

As a result, net sales in the domestic placement and recruiting business rose 46.0% compared with the corresponding period of the previous fiscal year to ¥2,738 million. Taking into consideration contributions from this segment's overseas business, which increased 6.1% year on year to ¥1,427 million, total net sales in the placement and recruiting domain grew 29.4% compared with the corresponding period of the previous fiscal year to ¥4,166 million.

From a profit perspective, the Group experienced a moderate improvement in

the earnings spread reflecting an increase in unit prices for temporary staff at the invoice level. During the period under review, however, the Pasona Group undertook strategic investments for the establishment of a new headquarter structure in the Shin Marunouchi Building, "CLUB PASONA OMOTESANDO," an employee benefit welfare facility and other growth-oriented purposes. As a result, selling, general and administrative expenses climbed in this segment compared with the corresponding period of the previous fiscal year. Accounting for all of these factors, net sales in the Temporary staffing / Contracting and Placement / Recruiting segment increased 4.5% year on year to ¥109,853 million, while operating income in the segment decreased 42.6% year on year to ¥2,002 million.

Outplacement (Pasona Carer Inc., Others)

As a leader in the outplacement industry, the Pasona Group worked tirelessly to secure growth, recognizing its responsibilities to consistently deliver high quality services. As a result of these endeavors, we continued to gain the trust and confidence of client firms, securing a record level of orders in the period under review.

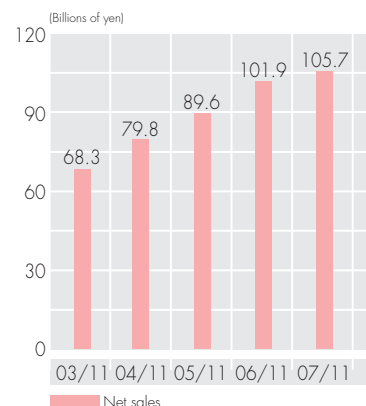
Accounting for these factors, net sales for the first half of the fiscal year ending May 31, 2008 were ¥2,634 million, an increase of 1.8% year on year. Operating income, on the other hand, declined 26.7% year on year to ¥587 million. This is attributable to the temporary spike in segment sales and profitability during the corresponding period of the previous fiscal year. Buoyed by the substantial year-on-year jump in orders in the first half of the fiscal year under review, expectations are high that the Group will secure concrete growth in the second half.

Results by Business Segment

Net Sales	(Millions of yen)		
	06/11	07/11	YoY
Temporary staffing/Contracting	101,937	105,687	+3.7%
Placement/Recruiting	3,220	4,166	+29.4%
Outplacement	2,589	2,634	+1.8%
Outsourcing	4,918	6,606	+34.3%
Other	992	970	(2.3)%
Elimination and Corporate	(456)	(549)	—

Operating Income	(Millions of yen)		
	06/11	07/11	YoY
Temporary staffing / Contracting, Placement/Recruiting	3,487	2,002	(42.6)%
Outplacement	802	587	(26.7)%
Outsourcing	221	477	+115.7%
Other	(196)	1	—
Elimination and Corporate	0	2	—

Temporary staffing / Contracting



Note: On December 3, 2007, the pure holding company Pasona Group Inc. was established through the transfer of shares realizing the Group's shift to a holding company structure. Operating performance for the first half of the fiscal year ending May 31, 2008 represent an outline and financial data for Pasona Inc.

Outsourcing(Benefit One Inc., Others)

Benefit One, Inc., a company active in the outsourcing market for employee benefit programs, continues to enjoy high rates of growth on the back of demand for, and the promotion of, employee benefit program outsourcing services that match the needs and values of employees. During the six-month period ended November 30, 2007, we successfully secured an increase in corporate member orders for our total compensation program^{*1}. Growth in new services such as "Incentive Café^{*2}" and the "Customer Loyalty Program"^{*3} was also relatively steady. These collective gains are allowing us to further cement our position as an industry leader.

On the earnings front, the Pasona Group reported a substantial improvement in profitability owing to cutbacks in cost of sales, selling, general and administrative expenses and overheads. Based on the aforementioned, we enjoyed significant growth in both revenue and earnings. Net sales in the outsourcing segment for the first half of the fiscal year ending May 31, 2008 totaled ¥6,606 million, an increase of 34.3% compared with the corresponding period of the previous fiscal year. Operating income jumped 115.7% year on year to ¥477 million.

^{*1}. A service that combines the management of employee salaries and wages with welfare benefits in a single package

^{*2}. A points system that encompasses incentives

^{*3}. A service designed to enhance client firm satisfaction

Other

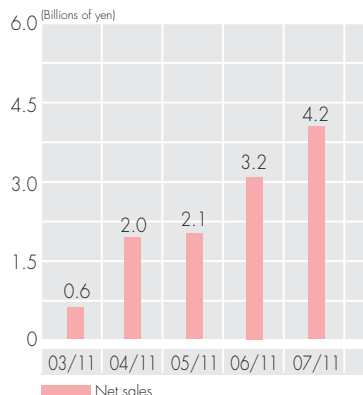
In the first half of the fiscal year ending May 31, 2008, the Pasona Group's child-care and education businesses remained steady. In addition, the Group's new lifestyle support services targeting the elderly and shared services covering the temporary staffing subsidiaries of major companies took hold, gradually gaining impetus.

Despite a decline in net sales for the six-month period ended November 30, 2007 to ¥970 million, down 2.3% compared with the corresponding period of the previous fiscal year, operating income for the period under review was ¥1 million, a considerable turnaround from the net loss of ¥196 million in the six-month period ended November 30, 2006.

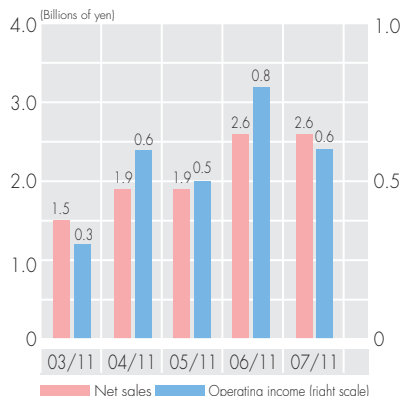
Outlook for the Fiscal Year Ending May 31, 2008

While the pace of growth appears to be tapering across certain human resource fields, reflecting uncertainties surrounding Japan's economy and its future, improvements in the industry as a whole remain firm. In the temporary staffing market in particular, indications of a lull in demand are beginning to emerge. This is attributed to companies increasing their ranks of full-time personnel. The Pasona Group considers this a short-term phenomenon, however, with economic uncertainty contributing to potential demand growth in the use of external human resources. In addition, regional companies are working toward the full-fledged use of temporary staff. Despite previous weak demand in areas outside the major metropolitan cities, this new trend is expected to broaden the Group's client firm base. From a compliance perspective, the growing incidence

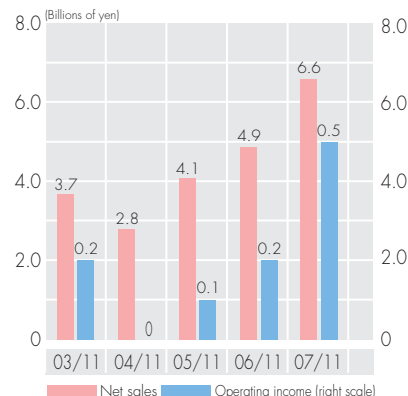
Placement/Recruiting



Outplacement



Outsourcing



of fraudulent contracting and daily-rated workers is having its impact among client firms. Companies are adopting a more selective approach toward temporary staffing companies, placing considerable importance on compliance structures. In this context, the Pasona Group is well positioned and is confident of its competitive advantage.

The Pasona Group will continue to promote its existing initiatives, which include efforts to augment employee welfare benefits and to raise hourly wage rates. We will also enhance compensation by paying travel expenses and providing a variety of value-added benefits. Moreover, the Group will raise its ability in both quantitative and qualitative terms to arrange and match orders with the right temporary staff. In this manner, the Pasona Group will link the aforementioned measures to a steady increase in the number of temporary staff at work. Seeing the shift to a holding company structure as an excellent opportunity to better realize business growth across the entire Group, and guided by an overriding Group-wide strategy, the Pasona Group will further strengthen its activities in high-growth fields including placement and recruiting as well as outsourcing, in addition to its temporary staffing business. At the same time, we will endeavor to implement Group marketing in earnest.

In the six months ended November 30, 2007, the Pasona Group established a central and strategic base at the Shin Marunouchi Building to serve among other things as a hot-spot for communication with client firms and temporary staff. In this manner, we continue to undertake strategic investment essential to medium-term growth.

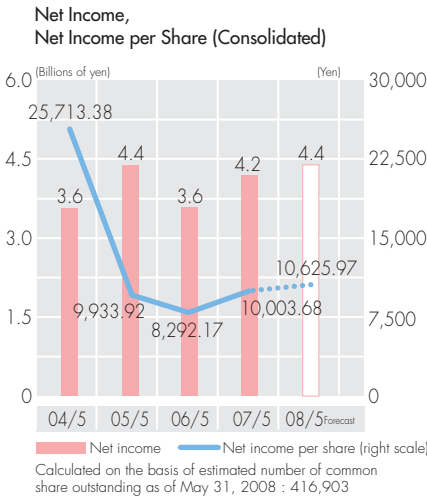
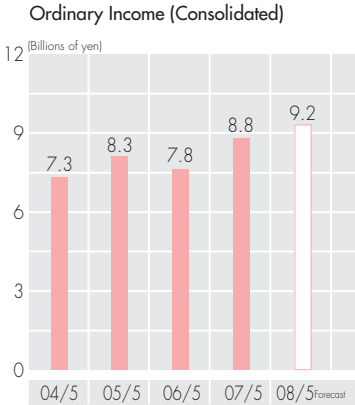
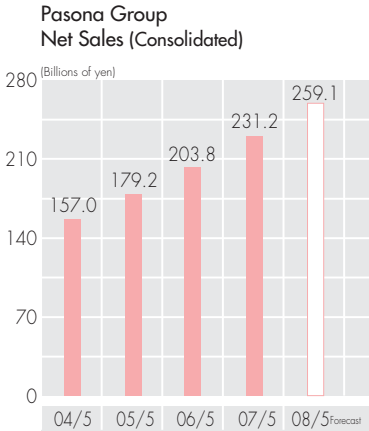
Based on the operating environment and specific measures outlined above, the Pasona Group does not expect significant change in operating forecasts disclosed to date. Accordingly, we are anticipating consolidated net sales of

¥259,130 million, consolidated operating income of ¥9,190 million, consolidated ordinary income of ¥9,230 million and consolidated net income of ¥4,430 million for the fiscal year ending May 31, 2008.

In specific terms, the Pasona Group has included an extraordinary gain of approximately ¥1,000 million, representing a gain on the sale of securities in affiliated companies accounted for by the equity method, in its full fiscal year forecasts. We also intends to record a portion of our restoration expenses related to our Otemachi office during the fiscal period under review. The relevant amount is unclear at this time and accordingly has not been included in current forecasts.

Dividends

Pasona Group maintains the basic policy of appropriating profits to shareholders in line with operating results. In this context, we are targeting a consolidated dividend payout ratio of 25%. For the first half of the fiscal year ending May 31, 2008, Pasona Group has declared an interim dividend of ¥1,200 per common share, consistent with forecasts at the beginning of the period. In connection with the fiscal year-end dividend, Pasona Group intends to pay a cash dividend of ¥1,300 per common share. As a result the full year dividend for the fiscal year ending May 31, 2008 is forecast to total ¥2,500 per common share.



Interim Consolidated Balance Sheets (Summary)

(Millions of yen)

	1st Half, FY ended 2007 (As of November 30, 2006)	1st Half, FY ending 2008 (As of November 30, 2007)
ASSETS		
Current assets	36,020	38,610
Fixed assets	13,897	16,606
Property and equipment	3,826	5,196
Intangible assets	2,520	2,954
Investments and other assets	7,550	8,454
Total assets	49,918	55,216
LIABILITIES		
Current liabilities	23,644	25,607
Long-term liabilities	1,700	1,872
Total liabilities	25,345	27,480
NET ASSETS		
Common stock	8,329	8,391
Capital surplus	7,464	7,526
Retained earnings	8,931	11,283
Treasury stock	(4,287)	(4,287)
Total shareholders' equity	20,438	22,913
Total valuation and conversions	173	151
Minority interests	3,961	4,670
Total net assets	24,573	27,736
Total liabilities and net assets	49,918	55,216

Fixed Assets

Compared with the previous fiscal year-end, fixed assets rose ¥1,267 million, or 8.3%, as of November 30, 2007. Major components were property and equipment, which increased ¥811 million, or 18.5%, compared with May 31, 2007, reflecting the establishment of a central strategic office for the Group in the Shin-Marunouchi Building, and intangible assets, which climbed ¥307 million, or 11.6%.

Net Assets

Net assets increased ¥831 million, or 3.1%, compared with the end of the previous fiscal year to ¥27,736 million as of November 30, 2007. Accounting for the aforementioned, the equity ratio rose 0.7 of a percentage point compared with the previous fiscal year-end to 41.8%.

Interim Consolidated Statements of Income (Summary)

(Millions of yen)

	1st Half, FY ended 2007 (June 1, 2006 to November 30, 2006)	1st Half, FY ending 2008 (June 1, 2007 to November 30, 2007)
Net sales	113,202	119,516
Cost of sales	90,233	95,169
Gross profit	22,969	24,346
Selling, general and administrative expenses	18,654	21,274
Operating income	4,314	3,071
Non-operating income	132	296
Non-operating expenses	55	222
Ordinary income	4,392	3,145
Extraordinary gain	0	44
Extraordinary loss	117	153
Income before income taxes and minority interests	4,274	3,036
Income taxes - current	2,077	1,502
Income taxes - deferred	(64)	183
Minority interests	188	287
Net Income	2,073	1,063

Net Sales

The Pasona Group experienced solid growth in growth fields. Compared with the corresponding period of the previous fiscal year, segment sales in the placement and recruiting business climbed ¥945 million, or 29.4%, while results in the outsourcing segment improved ¥1,688 million, or 34.3%. In overall terms, the share of sales derived outside the temporary staffing business is steadily rising.

Operating Income

While the Pasona Group enjoyed sales growth in relatively high profit businesses, this was offset by an upswing in costs in connection with efforts to further enhance compensation and benefits. During the period under review, for example, the Pasona Group commenced the payment travel expenses to temporary staff in certain areas. In addition, we undertook capital investments including the establishment of a new office as a part of our efforts to secure medium-term growth. As a result, operating income for the six-month period ended November 30, 2007 declined ¥1,242 million, or 28.8%, compared with the corresponding period of the previous fiscal year to ¥3,071 million. For the period under review, the operating income margin fell 1.2 of a percentage point to 2.6%.

Net Income

Turning to the retained earnings of overseas subsidiaries, and accounting for the period up to which cash dividends will in future be received, the Pasona Group recorded an accumulated lump-sum amount of approximately ¥230 million as income taxes — deferred in connection with overseas subsidiaries acquired after 2003 for the first half of the fiscal year ending May 31, 2008. This is attributed to the application of tax-effect accounting and relates to the amount accrued due to differing tax rates between Japan and host nations. Accounting for this factor, consolidated net income for the period under review declined ¥1,009 million, or 48.7%, compared with the corresponding period of the previous fiscal year to ¥1,063 million.

Interim Consolidated Statements of Changes in Shareholders' Equity

(Millions of yen)

	Shareholders' Equity					Valuation and Conversions			Minority Interests	Total Net Assets
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity	Net Unrealized Holding Gain on Other Securities	Foreign Currency Translation Adjustment	Total Valuation and Conversions		
Balance as of May 31, 2006	8,322	7,457	7,664	—	23,444	140	61	201	3,988	27,634
<i>Movements during the first half of the fiscal year ended May 31, 2007:</i>										
Issuance of new shares	7	7	—	—	14	—	—	—	—	14
Distribution of surplus	—	—	(779)	—	(779)	—	—	—	—	(779)
Net income	—	—	2,073	—	2,073	—	—	—	—	2,073
Payment of directors' bonus	—	—	(2)	—	(2)	—	—	—	—	(2)
Acquisition of treasury stock	—	—	—	(4,287)	(4,287)	—	—	—	—	(4,287)
Decrease due to the decrease in subsidiary companies	—	—	(23)	—	(23)	—	—	—	—	(23)
Net change in line items other than shareholders' equity	—	—	—	—	—	(41)	13	(28)	(26)	(55)
<i>Total due to movements during the first half of the fiscal year ended May 31, 2007</i>	7	7	1,267	(4,287)	(3,005)	(41)	13	(28)	(26)	(3,060)
Balance as of November 30, 2006	8,329	7,464	8,931	(4,287)	20,438	98	74	173	3,961	24,573
Balance as of May 31, 2007	8,358	7,493	10,636	(4,287)	22,200	96	79	175	4,528	26,904
<i>Movements during the first half of the fiscal year ending May 31, 2008:</i>										
Issuance of new shares	32	32	—	—	65	—	—	—	—	65
Distribution of surplus	—	—	(416)	—	(416)	—	—	—	—	(416)
Net income	—	—	1,063	—	1,063	—	—	—	—	1,063
Net change in line items other than shareholders' equity	—	—	—	—	—	(20)	(3)	(24)	142	118
<i>Total due to movements during the first half of the fiscal year ending May 31, 2008</i>	32	32	647	—	713	(20)	(3)	(24)	142	831
Balance as of November 30, 2007	8,391	7,526	11,283	(4,287)	22,913	75	75	151	4,670	27,736

Interim Consolidated Statements of Cash Flows (Summary)

(Millions of yen)

	1st Half, FY ended 2007 (June 1, 2006 to November 30, 2006)	1st Half, FY ending 2008 (June 1, 2007 to November 30, 2007)
Cash flows from operating activities	(91)	(865)
Cash flows from investing activities	(1,778)	(2,211)
Cash flows from financing activities	(2,172)	3,007
Effect of exchange rate changes on cash and cash equivalents	14	1
Net decrease in cash and cash equivalents	(4,027)	(67)
Cash and cash equivalents at beginning of the period	14,656	11,750
Cash and cash equivalents at end of the period	10,629	11,683

Cash Flows from Operating Activities

Major movements in cash flows from operating activities included a year-on-year decrease in income before income taxes of ¥1,238 million, decrease in accounts payable — trade of ¥2,037 million and income taxes paid of ¥2,078 million.

Cash Flows from Investing Activities

During the period under review, principal increases and decreases in cash flows from investing activities comprised payments for purchases of fixed assets totaling ¥1,167 million and payments for purchases of intangible assets such as software of ¥745 million.

Cash Flows from Financing Activities

In financing cash flows, among its activities, the Pasona Group undertook an increase in short-term loans payable of ¥3,509 million and payments for dividends amounting to ¥554 million. The year-on-year turnaround in cash flows from financing activities of ¥5,179 million is also attributed to the absence of payments for the acquisition of treasury stock totaling ¥4,287 million and the aforementioned increase in short-term loans payable, which on a year-on-year basis rose ¥433 million.

PRINCIPAL FINANCIAL INDICATORS

Interim Results (Consolidated)

(Millions of yen)

		1st Half, FY ended 2003	1st Half, FY ended 2004	1st Half, FY ended 2005	1st Half, FY ended 2006	1st Half, FY ended 2007	1st Half, FY ending 2008
Results	Net sales	66,822	74,641	87,016	98,247	113,202	119,516
	Gross profit margin	18.9%	20.1%	20.6%	19.8%	20.3%	20.4%
	Selling, general and administrative expenses	10,386	12,091	13,905	16,290	18,654	21,274
	SG&A expenses ratio	15.6%	16.2%	16.0%	16.6%	16.5%	17.8%
	Operating income	2,211	2,892	3,982	3,123	4,314	3,071
	Operating income margin	3.3%	3.9%	4.6%	3.2%	3.8%	2.6%
	Ordinary income	2,086	2,707	3,990	3,103	4,392	3,145
	Ordinary income margin	3.1%	3.6%	4.6%	3.2%	3.9%	2.6%
	Net income	931	1,272	2,319	1,482	2,073	1,063
	Net income to net sales	1.4%	1.7%	2.7%	1.5%	1.8%	0.9%
Financial Position	Total assets	26,796	32,759	39,150	43,526	49,918	55,216
	Net assets ^{*1}	7,316	13,374	18,381	21,509	24,573	27,736
	Shareholders' equity ratio ^{*2,3}	27.3%	40.8%	47.0%	49.4%	41.3%	41.8%
	Current ratio ^{*4}	122.7%	146.9%	177.2%	182.0%	152.3%	150.8%
Per Share Data ^{*5}	Net income (Yen) ^{*6}	6,821.95	9,252.53	5,422.71	3,427.77	4,896.12	2,553.65
	Total shareholders' equity (Yen) ^{*1,7}	53,559.69	94,443.66	42,595.58	49,707.75	49,581.02	55,326.07
Number of Employees *Excludes contract workers		1,501	1,886	2,000	2,297	2,761	3,264

Full-year Results (Consolidated)

(Millions of yen)

		FY ended 2003	FY ended 2004	FY ended 2005	FY ended 2006	FY ended 2007
Results	Net sales	135,625	156,979	179,156	203,815	231,231
	Gross profit margin	19.7%	20.9%	20.8%	20.2%	20.3%
	Selling, general and administrative expenses	21,058	25,104	28,992	33,491	38,542
	SG&A expenses ratio	15.5%	16.0%	16.2%	16.4%	16.6%
	Operating income	5,687	7,648	8,238	7,745	8,507
	Operating income margin	4.2%	4.9%	4.6%	3.8%	3.7%
	Ordinary income	5,373	7,329	8,289	7,844	8,807
	Ordinary income margin	4.0%	4.7%	4.6%	3.8%	3.8%
	Net income	2,027	3,647	4,363	3,588	4,198
	Net income to net sales	1.5%	2.3%	2.4%	1.8%	1.8%
Financial Position	Total assets	29,425	37,004	42,884	51,931	54,425
	Net assets ^{*1}	8,418	15,732	20,644	27,634	26,904
	Shareholders' equity ratio ^{*2,3}	28.6%	42.5%	48.1%	45.5%	41.1%
	Current ratio ^{*4}	122.3%	160.2%	182.8%	170.8%	152.1%
Per Share Data ^{*5}	Net income (Yen) ^{*6}	14,813.83	25,713.38	9,933.92	8,292.17	10,003.68
	Total shareholders' equity (Yen) ^{*1,7}	61,600.04	110,676.06	47,510.68	54,599.58	53,759.81
Number of Employees *Excludes contract workers		1,687	1,979	2,204	2,608	3,126

*1 The Pasona Group adopted "Accounting Standards for the Presentation of Net Assets in the Balance Sheet" from the fiscal year ended May 31, 2006.

*2 While the criteria for calculating net assets has changed in line with changes in accounting standards, Pasona has applied the conventional standard and utilized an amount equivalent to net assets applicable to common stock in the calculation of the shareholders' equity ratio from the fiscal year ended May 31, 2006.

*3 Net Assets applicable to common stock / Total Assets × 100 *4 Current Assets / Current Liabilities × 100

*5 Pasona conducted a 5:1 stock split on July 22, 2002. *6 Net Income / Average Outstanding Shares *7 Net Assets applicable to common stock / Average Outstanding Shares

Pasona Career Inc.

◆ Providing Nationwide Placement / Recruiting and Outplacement Support

Pasona Career Inc. is engaged in wide-ranging activities in the field of human resources. These activities include placement and recruiting, outplacement and consulting both on the personnel and organizational levels. Established in January 2007, Pasona Career was formed by the merger between Pasona Carent, Inc., a company that was originally incorporated following the spin-off from Pasona Inc. of its placement and recruiting activities, and Pasona career assets Inc., a company that was initially launched as an in-house outplacement venture boasting a nationwide network. Leveraging its collectively strengths in the placement and recruiting and outplacement businesses, the Pasona Group is endeavoring to bolster its capabilities across the board.

In addition to a branch network that extends across the length and breadth of Japan, this merger also represents the nation's first placement / recruiting and outplacement venture to boast a nationwide support network. As a result, Pasona Career is providing a higher level of service not only to those seeking a career change or reemployment in urban areas, but also those in areas outside Japan's major cities, U- and I-turn job-seekers, and worker movements between regions. Based on ongoing efforts to leverage our dominant market share in the outplacement business and to enhance brand power, the Pasona Group is anticipating sustained growth moving forward.

◆ Toward Building a New Employment Infrastructure in Japan

In 2007, the Pasona Group enjoyed high rates of growth in its placement and recruiting activities. On a year-on-year basis, orders were also significantly higher in its outplacement business. Working to build a new employment infrastructure in Japan, the Pasona Group is redoubling its efforts to deliver a consistent and high level service in each of the placement / recruiting and outplacement businesses across all of the nation's 47 prefectures from Hokkaido through Okinawa.

A key feature in achieving this objective is the Company's ability to provide caring and heartfelt advice. Our goal is to introduce employment opportunities that are ideally suited to the individual. Hand-in-hand, we hope to create and realize a bright and prosperous life plan for each and every job seeker. Looking ahead, Pasona Career will move diligently forward to create an organization that more than any other company engenders feelings of heartfelt care, joy and energy.

Company Profile

Company Name:	Pasona Career Inc.
Established:	April 14, 1988
Paid-in Capital:	¥399 million
Representative:	Takashi Watanabe, president and representative director
Business Activities:	Fee-based placement and recruiting, outplacement, consulting
Head Office Address:	Otemachi Nomura Building, 2-1-1 Otemachi Chiyoda-ku, Tokyo

"We hope to provide the bridge that leads each individual to his or her ideal job and this way engender a sense of wellbeing and fulfillment."



Takashi Watanabe,
president and representative director

Enjoying a high level of recognition of the Pasona Group among young women, Pasona Career established a specialist team of female consultants to assist young women seeking a career change.



In addition to the traditional 20s to 30s age brackets, Pasona Career is also leveraging the expertise of its consultants in the outplacement business to provide support to individuals in managerial positions, mainly in their 40s and 50s, to secure new employment.



www.pasonacareer.jp



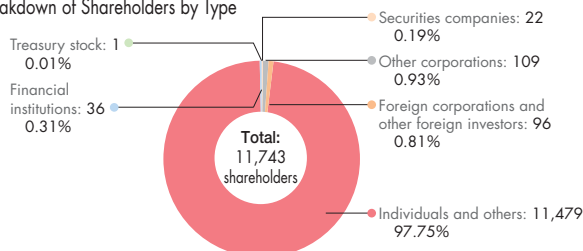
Stock Information

Number of authorized shares: 1,500,000 shares

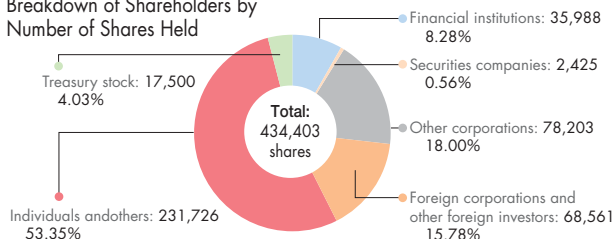
Number of shares issued and outstanding: 434,403 shares

Number of shareholders: 11,743

Breakdown of Shareholders by Type



Breakdown of Shareholders by Number of Shares Held



Note: Shares held by Japan Securities Depository Center, Inc. are included in "Other corporation."

Principal Stockholders

Yasuyuki Nambu	147,632shares	(33.99%)
Nambu Enterprise Inc.	35,688shares	(8.22%)
Nikko Cordial Corporation	33,330shares	(7.67%)
Investors Bank	28,951shares	(6.66%)
State Street Bank and Trust Company	17,108shares	(3.94%)
Yamato Life Insurance Co.	9,918shares	(2.28%)
Eizaburo Nambu	9,000shares	(2.07%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,973shares	(1.37%)
Japan Trustee Services Bank, Ltd. (Trust Account)	5,381shares	(1.24%)
Pasona Employees' Shareholding Association	3,522shares	(0.81%)

* In addition to the aforementioned, the Company holds 17,500 shares of treasury stock, representing 4.03% of Pasona's total shares issued and outstanding. In accordance with Article 308.2 of the Corporations Law, there are no voting rights attached to treasury stock.

Breakdown of Shareholders by Region

Hokkaido	140	(1.19%)
Tohoku	242	(2.06%)
Kanto	5,279	(44.97%)
Chubu	1,782	(15.18%)
Kinki	2,873	(24.46%)
Chugoku	507	(4.31%)
Shikoku	290	(2.46%)
Kyushu	536	(4.57%)
Overseas	92	(0.78%)
Shares held by Japan Securities Depository Center, Inc.	1	(0.01%)
Treasury Stock	1	(0.01%)

Share Price and Trading Volume



Directors and Auditors

Group CEO and President	Yasuyuki Nambu
Senior Managing Director	Junko Fukasawa
Senior Managing Director	Kinuko Yamamoto
Senior Managing Director	Masako Suzuki
Senior Managing Director	Yoshimichi Kawasaki
Managing Director	Hirotaaka Wakamoto
External Director	Hironori Aihara ¹⁾
External Director	Hajime Hirasawa ¹⁾
External Director	Hiroaki Eto ¹⁾
External Director	Yoshiharu Hayakawa ¹⁾
Standing Auditor	Kazuo Higo
External Auditor	Yuumi Akimoto ²⁾
External Auditor	Ken Goto ²⁾
External Auditor	Haruo Funabashi ²⁾

Notes:

1. Hironori Aihara, Hajime Hirasawa, Hiroaki Eto and Yoshiharu Hayakawa have been appointed as external directors pursuant to Article 2 Clause 15 of the Corporation Law.
2. Yuumi Akimoto, Ken Goto and Haruo Funabashi have been appointed as an external auditor pursuant to Article 2 Clause 16 of the Corporation Law.

CORPORATE DATA (As of December 3, 2007)

Corporate Name:	Pasona Group Inc.
Headquarters:	Shin-Marunouchi Bldg. 1-5-1 Marunouchi, Chiyoda-ku Tokyo 100-6514 Tel: +81-3-6734-0200
Founded:	February 16, 1976
Established:	December 3, 2007
Paid-In Capital:	¥5 billion
Business Activities	Formulate strategies for group management and support operation execution. Governance of management and proper allocation of management resources. Developing new businesses related to job creation.

Advisory Board

President, Research Institute for Local Government	Nobuo Ishihara
President, The Mechanical Social Systems Foundation	Yukiharu Kodama
President, National Federation of Workers and Consumers Insurance Cooperatives	Etsuya Washio
External Director of the Company	Hironori Aihara
Senior Advisor of the company (Professor Keio University, Director Global Security Research Institute)	Heizo Takenaka

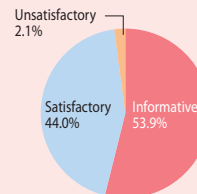
Results of Shareholder Survey

Pasona Group received responses from over 900 shareholders in connection with a survey relating to the Company's business results for the fiscal year ended May 31, 2007. We would like to thank all who participated for their cooperation.

The comments and opinions of shareholders are extremely important to the Company. Pasona Group will continue to incorporate these and other comments as well as requests from shareholders into future IR activities and will engage in business activities that fulfill the expectations of all stakeholders. We ask for your continued support and understanding.

Business Report Survey — The Fiscal Year Ended May 31, 2007 Overall Evaluation and Assessment

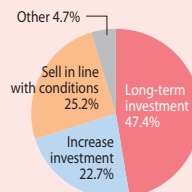
n=940



Pasona Group received an overall evaluation of "Informative" from 53.9% of respondents, "Satisfactory" from 44.0% of respondents and "Unsatisfactory" from 2.1% of respondents.

Thoughts Relating to Pasona Stocks

n=940

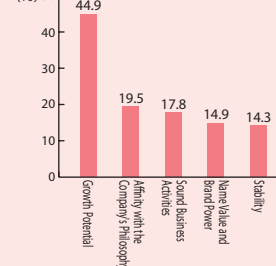


In response to a recent survey on shareholders' thoughts of Pasona stock, 47.4% of respondents indicated that their investment in the Company was long-term; 22.7% indicated their desire to increase their investment and 25.2% stated they would sell their investment given certain circumstances. On this basis, long-term investors in the Company comprise the largest portion of its shareholders. Looking ahead, the Pasona Group's management will make every effort to fulfill the expectations of shareholders for long-term growth.

Reasons for Acquiring Pasona Stock

n=940

(including multiple response)



Consistent with the previous survey, the largest proportion of respondents, 44.9%, identified "Growth Potential" as the principal reason for investing in the Company shares. This was followed by "Affinity with the Company's Philosophy".

Securities Code: 2168*

IR Calendar

Fiscal Year-End: May 31
 Annual General Meeting: August
 Record Date: Annual General Meeting May 31 (Annually)
 (The Company will announce other dates as and when required)
 Share Trading Unit: 1 share
 Stock Exchange: First Section, Tokyo Stock Exchange
 Listing: Hercules Nippon New Market, Osaka Securities Exchange
 Share Holding Agent: Mizuho Trust & Banking Co., Ltd.
 1-2-1 Yaesu, Chuo-ku, Tokyo
 Stock Handling Office: Mizuho Trust & Banking Co., Ltd.
 Head Office Securities Agent Department
 1-2-1 Yaesu, Chuo-ku, Tokyo
 (Mailing Address): Mizuho Trust & Banking Co., Ltd.
 Securities Agent Department
 1-17-7 Saga, Koto-ku, Tokyo
 135-8722
 (Telephone): +81-3-5213-5213
 Notifying Agent: All domestic branches of the Mizuho Trust & Banking Co., Ltd.
 Head office and all domestic branches of Mizuho Investors
 Securities Co., Ltd.

* The securities code was changed in accordance with the establishment of the holding company.

2007

Jun.

Jul.

Aug.

Sep.

Oct.

Nov.

Dec.

July 20 Earnings announcement for the fiscal year ended May 31, 2007

August 22 Annual General Meeting of Shareholders

September 26 Earnings announcement for the 1st quarter of the fiscal year ending May 31, 2008

2008

Jan.

Feb.

Mar.

Apr.

May.

Jun.

Jul.

Aug.

January 24 Earnings announcement for the interim period of the fiscal year ending May 31, 2008

Earnings announcement for the 3rd quarter of the fiscal year ending May 31, 2008 (planned)

Earnings announcement for the fiscal year ending May 31, 2008 (planned)

Annual General Meeting of Shareholders (planned)

Pasona Group Inc.

Shin-Marunouchi Bldg.
 1-5-1, Marunouchi, Chiyoda-ku, Tokyo 100-6514, Japan
 Phone: +81-3-6734-0200
<http://www.pasona.co.jp/english>



Cover:

"Tulips" — A painting by Futoshi Tomonaga

Mr. Tomonaga first entered Pasona Heartful Inc. in 2005. As an employee engaged in creating imaginative artwork, Mr. Tomonaga works enthusiastically at his craft and tasks. Using bold and expansive strokes, his paintings often extend beyond the boundaries of a single canvas.