

# Second Quarter of the Fiscal Year Ending May 31, 2009

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Presentation Material

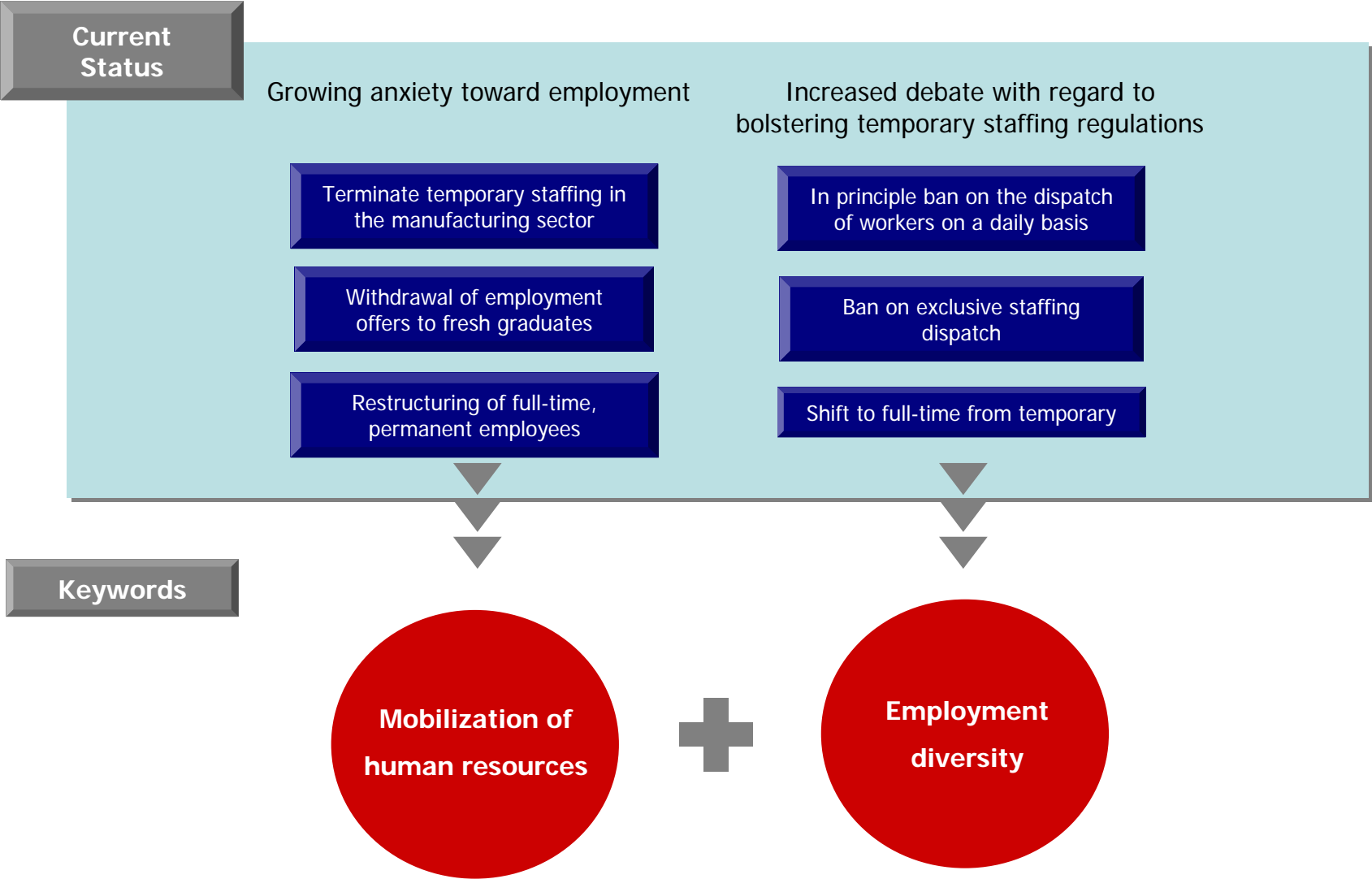
Pasona Inc.

First Section TSE, (2168)

January 2009

[www.pasonagroup.co.jp/ir/e](http://www.pasonagroup.co.jp/ir/e)

## Regarding the current employment environment



# 1. Results for the First Half of the Fiscal Year Ending May 31, 2009

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## Temporary Staffing

### Strategies to promote long-term stability

Continued **decline in the number of contracts completed**, ongoing **trend toward long-term temporary staffing stability**

Number of contracts completed 2,666 (Down 12.9% Y-on-Y)

Pasona Inc. estimate:

Average monthly number of long-term contracts completed 2Q FY2009

Effect

- Reduction in recruitment expenditure (Down ¥200 mn Y-on-Y) (Down ¥340 mn A-to-P)
- Trend toward a growth trajectory in the number of new registrants driven mainly by word-of-mouth

Number of new registrants 1Q FY2009 19,366 (Down 14.8%)

2Q FY2009 22,153 (Up 1.5%)

Consolidated cumulative estimate

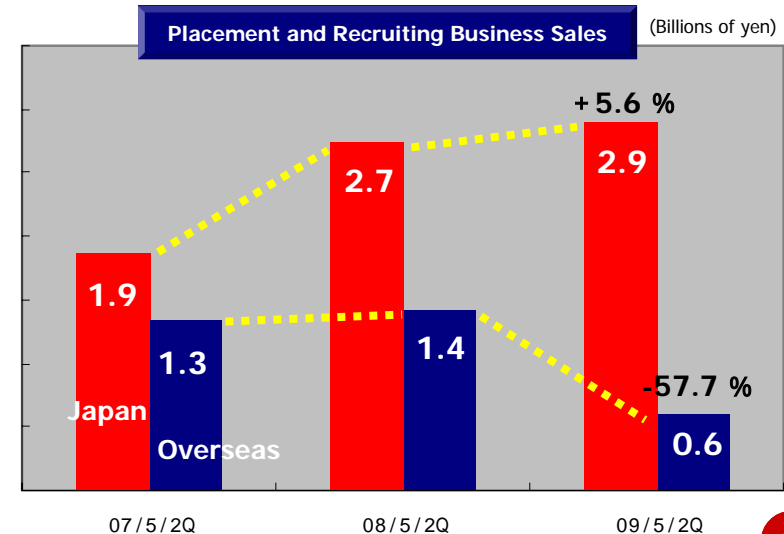
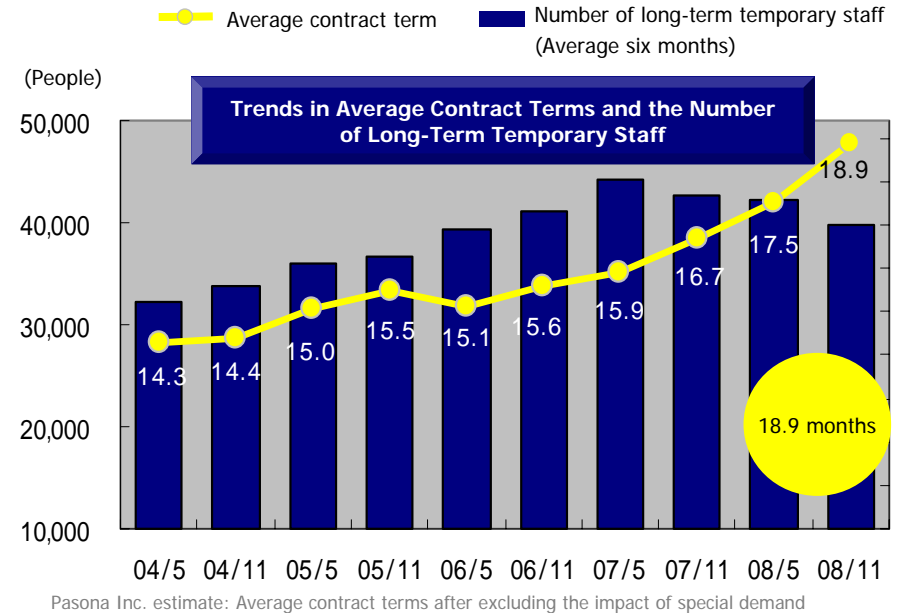
## Placement and Recruiting

### Domestic Placement and Recruiting business so far steady, but signs of weakness

**Domestic:** Service area expansion

Increased activities focusing on specialist and senior positions

**Overseas:** Drop in revenue due mainly to the sale of consolidated subsidiaries at the end of the previous period (approximate impact ¥730 mn) on the back of a review of overseas businesses



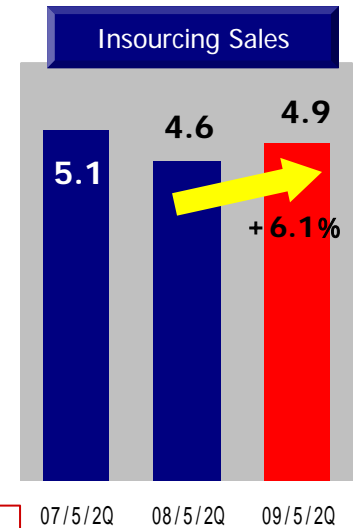
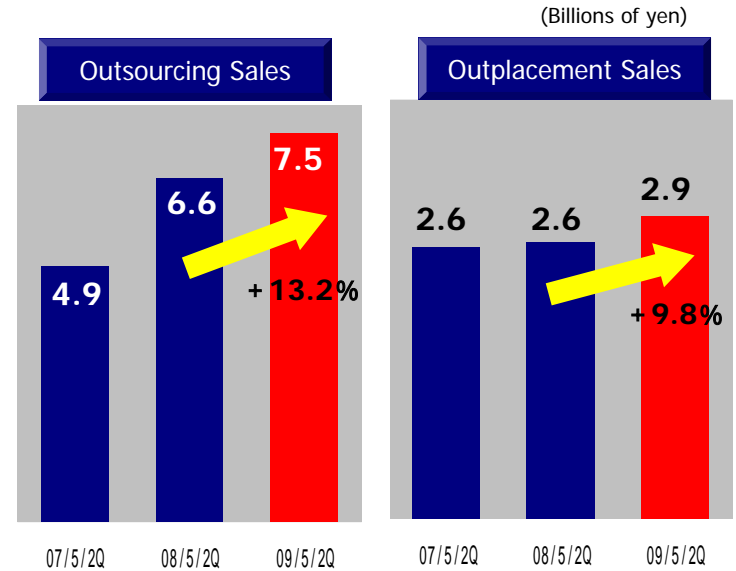
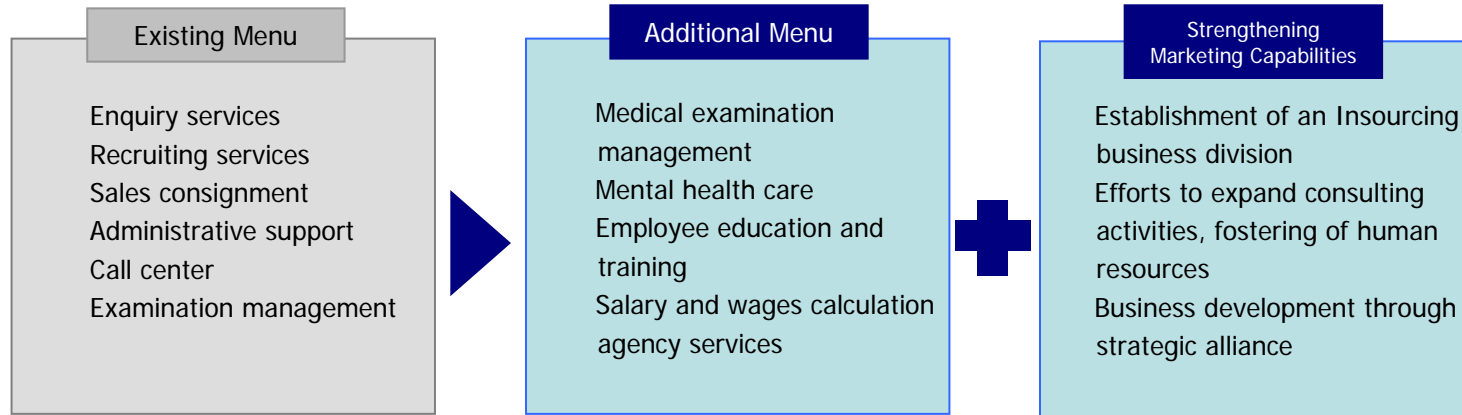
# Overview of FY2009 First Half

## Strategic Priorities

### Further promotion of the comprehensive and diversified strategy

- Strengthening of the Outsourcing and Outplacement business  
Continued investment in systems and human resources

- Strengthening of the Insourcing (contracting) business  
Augmenting service menus through strategic alliance,  
increase in personnel



### Effect

Increase in the share of sales derived outside the Temporary staffing field 2Q FY2008 15.5% **↑** 2Q FY2009 **16.8%**

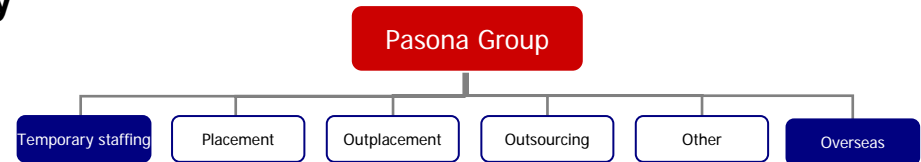
## Strategic Priorities

### Promotion of efforts to raise business efficiency

- Reorganization of Group business  
Reinforcement through business integration, enhancement of business efficiency
- Promotion of shared services  
New establishment of "Pasona CIO Inc.", a company that oversees the IT function on a shared service basis

### Strengthening of Group collaboration

- ONE PASONA Project  
Bolstering crosssell implementing interactive intra-group communication



**Business Reorganization** (implemented in December 2008)

|   |   |
|---|---|
| Financial Sun Inc.  | Merged with Pasona Inc.<br>(Strengthening temporary staffing activities in the financial sector)      |
| Pasona Sportsmate Inc.  | Merged with Pasona Inc.   |
| Pasona Inc. (temporary staffing activities targeting the elderly) | Shift to Kanto Employment Creation Organization Inc. and Kansai Employment Creation Organization Inc. |
| Pasona Europe (London)  | Sale of all shares  |

Effect

Increase in Group prowess through the shift to a holding company structure

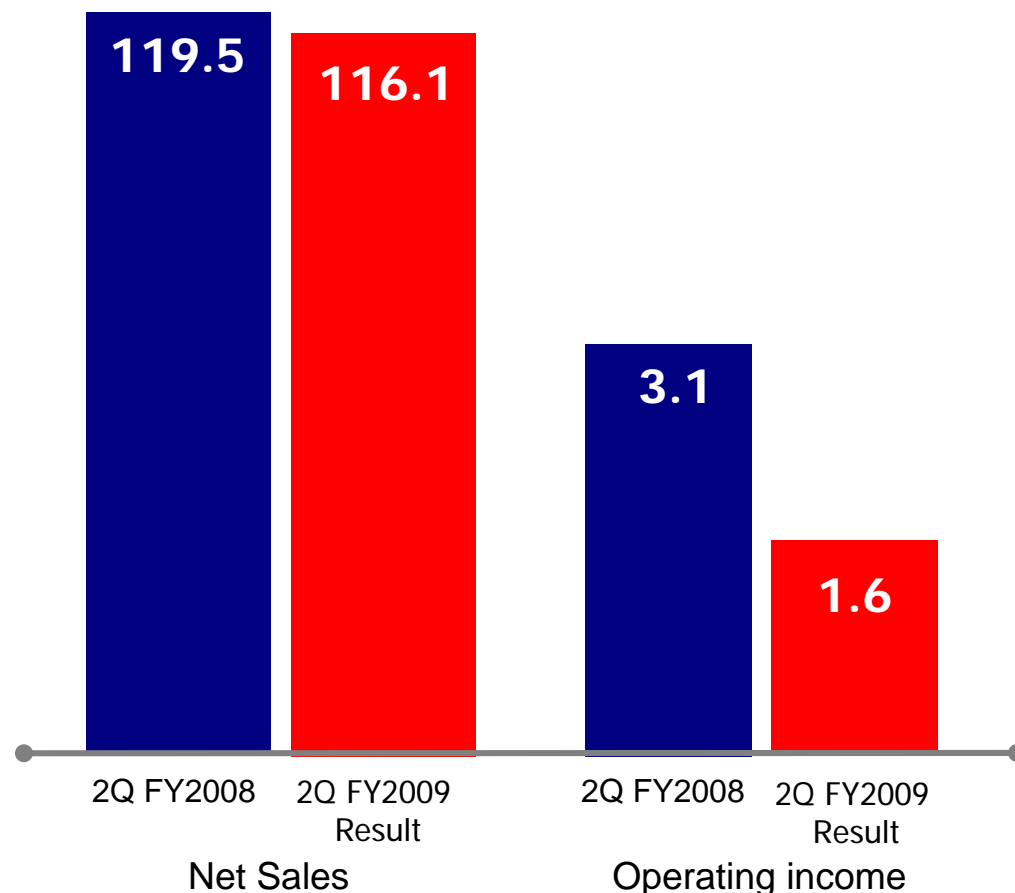
# Consolidated Business Results

## FY2009 First Half (June 1, 2008 – November 30, 2008)



- Drop in revenue in the Temporary staffing business due to lower demand for new personnel
- Increase in revenues and earnings in the Outplacement and Outsourcing businesses reflecting successful efforts to promote a comprehensive and diversified human resource strategy
- Decrease in earnings owing mainly to a substantial upswing in the cost burden associated with hikes in Temporary staffing health insurance premium payment rates, despite the implementation of initiatives to curtail overall costs

(Billions of yen)



(Millions of yen)

| Consolidated       | 2Q FY2008 | 2Q FY2009         |
|--------------------|-----------|-------------------|
| Net Sales<br>(YoY) | 119,516   | 116,086<br>(2.9)% |
| Cost of sales      | 95,169    | 92,888<br>(2.4)%  |
| Gross profit       | 24,346    | 23,197<br>(4.7)%  |
| SG&A expenses      | 21,274    | 21,598<br>+1.5%   |
| Operating income   | 3,071     | 1,598<br>(48.0)%  |
| Ordinary income    | 3,145     | 1,803<br>(42.7)%  |
| Net income         | 1,063     | 203<br>(80.8)%    |

## 2. Strategies for the Second Half and Forecasts of Business Results

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Units in billions of yen have been rounded to the nearest first decimal place. Units in millions of yen have been rounded down. Pasona Inc. consolidated business results for the fiscal year ended May 31, 2008 have been used for comparative purposes.



## Medium-term Management Strategy

Build a structure and strengthen functions commensurate with efforts to become **"Japan's Personnel Department"**

**Bring forward the implementation of a medium-term management strategy** in response to sudden changes in the business environment

## Set up an Emergency Employment Creation Division

- 1 Innovation Program** > Create employment
- 2 Total Outsourcing Program** > Strengthen outsourcing and Insourcing activities
- 3 Self-Advancement Program** > Enhancing employability



Reorganize Group business, consolidate function > Raise business efficiency

Enhance the quality of existing businesses, selectively concentrate management resources to growth businesses and incorporate an external growth strategy

## Temporary staffing business strategy

2H FY2009 initiatives

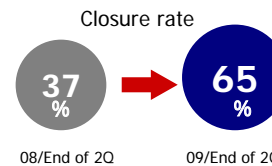
Enhance matching capabilities, secure and foster human resources in preparation for FY2010 demand

### Enhance matching capabilities

Increase in matching speed due to the full-fledged start up of new systems

Upgrade and expansion of staff training menus

Introduction of a staff qualification system



FY2010

Strengthen clerical (general office work) temporary staffing  
Bolster specialized (technical) temporary staffing

M&A

## Growth business strategy

2H FY2009 initiatives

Strengthen the Insourcing and Outsourcing businesses

### Enhance solutions capabilities

Upgrade and expand solutions menus through strategic alliance (salary and wage calculation, training, safety net, health care)

Strengthen sales agency services (Tokyo Branch agency services)

Human resource consultant training and personnel exchange

FY2010

Expand and diversify the solutions menu

M&A

# Strategy to Raise Business Efficiency

Work to raise business efficiency by reorganizing Group businesses and consolidating functions

## Reorganize Group businesses

2H FY2009 initiatives

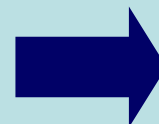
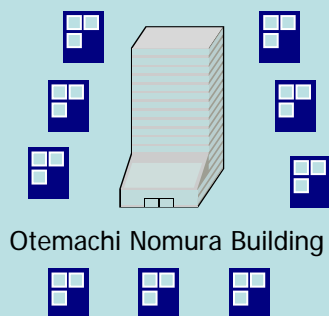
Implement integration within Group segments, consolidate Group capabilities

## Consolidate functions

FY2010 strategies

Strengthen Group businesses through office consolidation, realize cost reductions

January 2010: Establish a Group Comprehensive office, concentrate urban bases



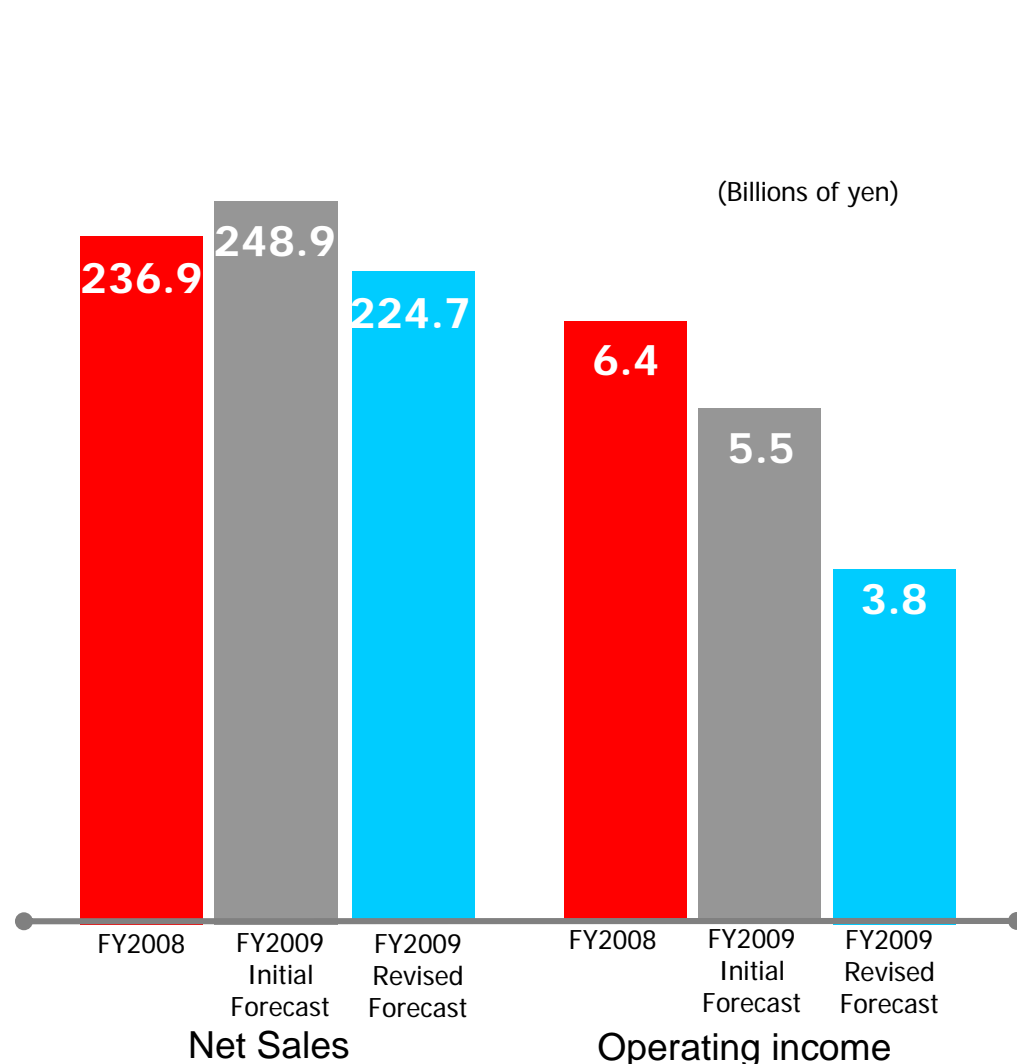
FY2010 and beyond

Reduce office-related expenses

By February 2010: Review Group bases at 18 locations nationwide

# Revised Consolidated Forecasts of Business Results

- Expectations of a cautious approach toward demand for personnel this spring; review of estimates established at the beginning of the period focusing mainly on the Temporary staffing, Contracting, Placement and Recruiting businesses
- Reduction in selling, general and administrative expenses (Down ¥3.4 billion A-to-P) reflecting successful efforts to curtail operating expenses and to raise business efficiency



(Millions of yen)

| Consolidated       | FY2008  | FY2009 Revised Forecast |
|--------------------|---------|-------------------------|
| Net Sales<br>(YoY) | 236,945 | 224,730<br>(5.2)%       |
| Cost of sales      | 187,575 | 178,920<br>(4.6)%       |
| Gross profit       | 49,369  | 45,810<br>(7.2)%        |
| SG&A expenses      | 42,925  | 42,020<br>(2.1)%        |
| Operating income   | 6,444   | 3,790<br>(41.2)%        |
| Ordinary income    | 6,637   | 4,220<br>(36.4)%        |
| Net income         | 2,962   | 1,040<br>(64.9)%        |

## Dividend Policy

Decrease in cash dividend payment for the fiscal year ending May 31, 2009 taking into consideration a variety of factors including the downward revision of business results forecast

Target dividend payout ratio: Consolidated dividend payout ratio 25%

Cash dividend declared at the end of the 2Q FY2009 ¥600 per share (Forecast at the beginning of the period ¥1,200)

Revised fiscal year-end cash dividend forecast ¥650 per share (Forecast at the beginning of the period ¥1,300)

|   | FY2004 | FY2005 | FY2006 | FY2007 | FY2008 | FY2009<br>(Forecast) |
|---|--------|--------|--------|--------|--------|----------------------|
| Cash dividend per share                 | ¥667   | ¥1,500 | ¥1,800 | ¥2,000 | ¥2,500 | ¥1,250               |
| Dividend payout ratio<br>(consolidated) | 7.8%   | 15.1%  | 21.7%  | 20.0%  | 35.2%  | 45.0%                |

## Treasury Stock

Acquisition of own shares as a part of efforts to return profits to shareholders on a medium-term basis

|   | FY2007   | FY2009    |                     |           |           |           | Treasury stock held                  |
|---|----------|-----------|---------------------|-----------|-----------|-----------|--------------------------------------|
|   |          | Jul. 2008 | Aug. 2008           | Sep. 2008 | Oct. 2008 | Nov. 2008 | Acquisition amount<br>for thr period |
| Number of shares<br>acquired on a<br>commitment basis                       | + 17,500 | + 33,330  | (17,500)<br>+ 2,319 | + 2,453   | + 10,151  | + 10,000  | 58,253<br>shares                     |
| Number of shares issued<br>and outstanding<br>(excluding treasury<br>stock) | 416,903  | 383,573   | 381,254             | 378,801   | 368,650   | 358,650   | ¥4,150 mn                            |

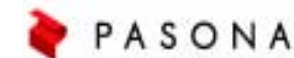
# **3. Results for the First Half of the Fiscal Year Ending May 31, 2009**

**The Six months period ended November 30, 2008**

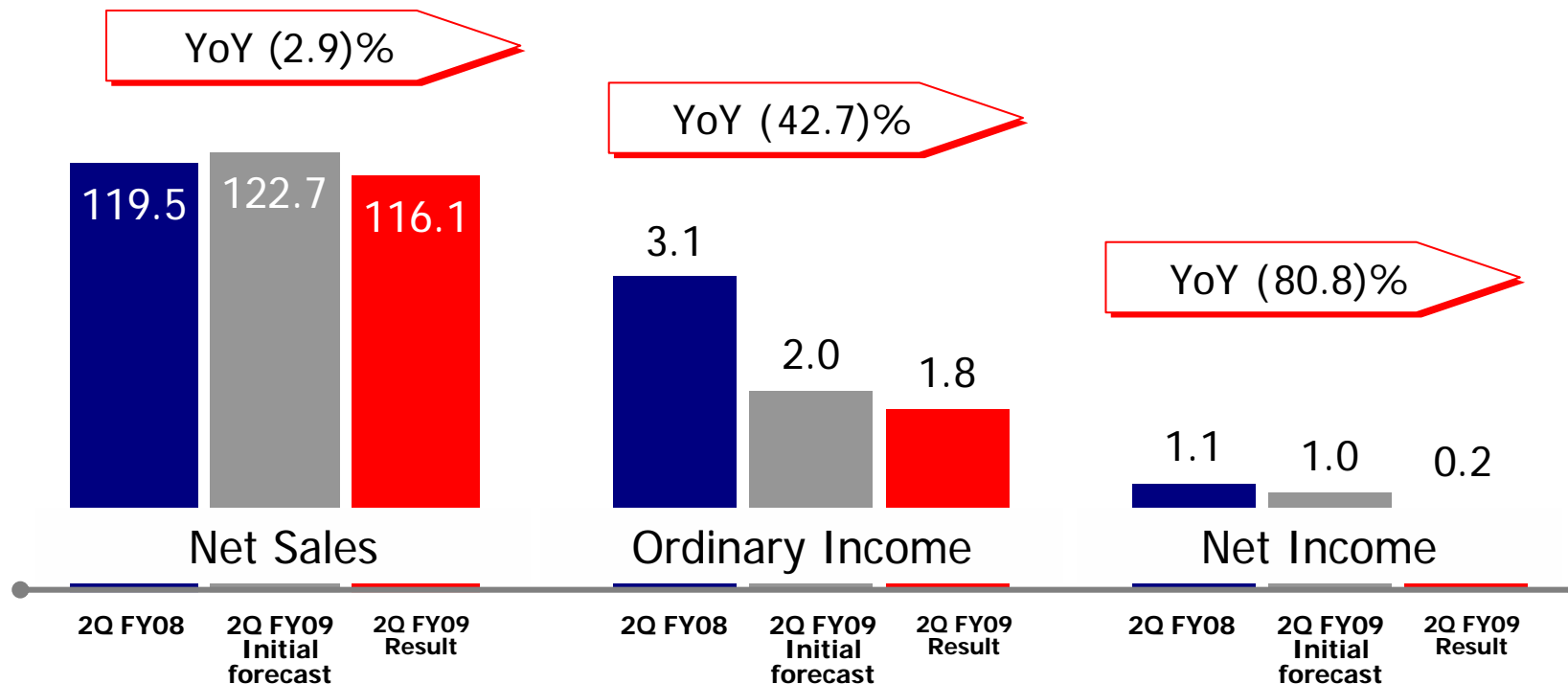
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# Consolidated Business Results

## FY2009 First Half (June 1, 2008 – November 30, 2008)



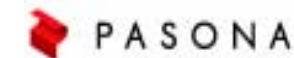
(Billions of yen)



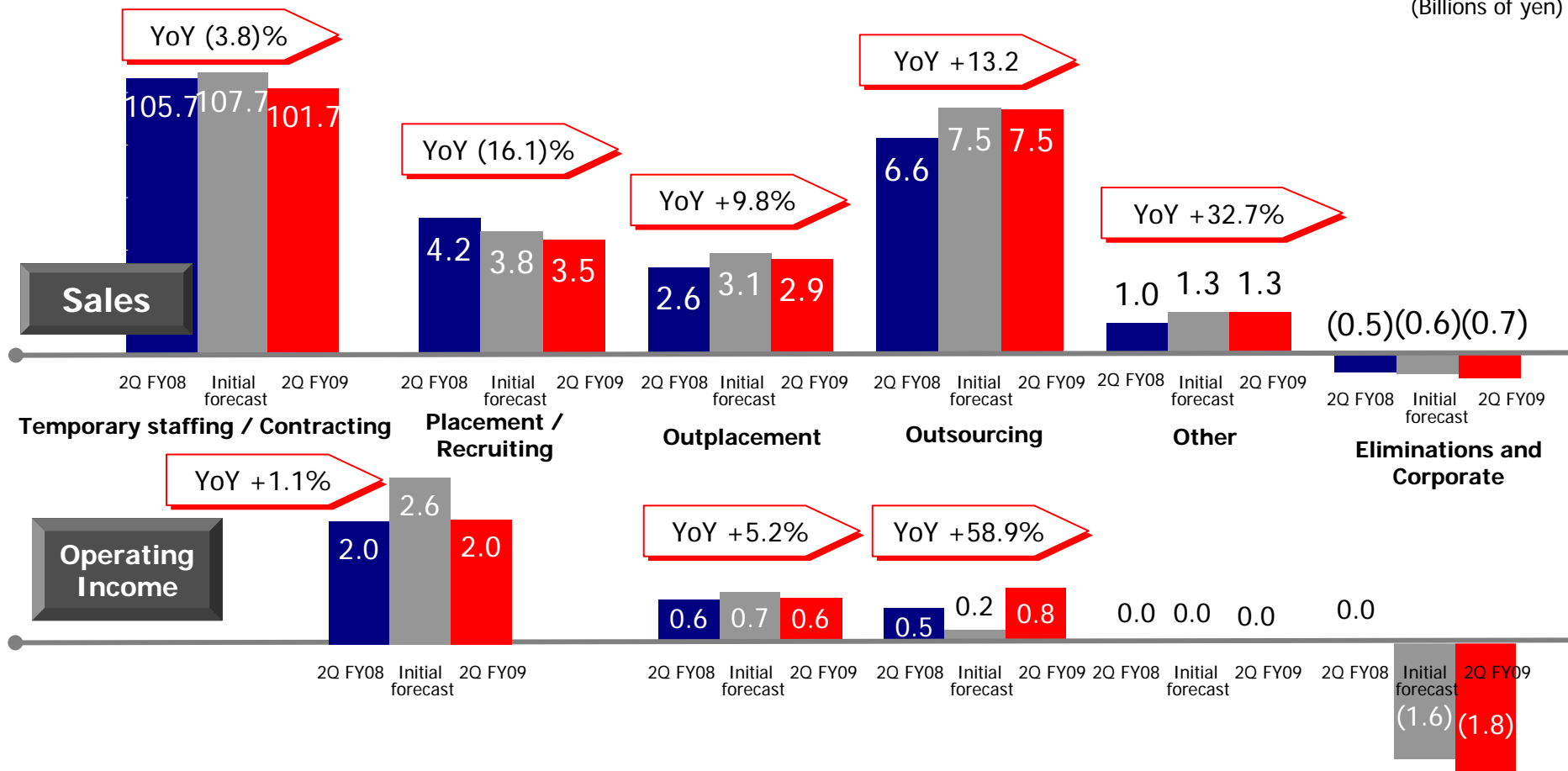
| (Millions of yen) | 2Q FY2008 | (%)     | 2Q FY2009 Initial forecast | (%)     | 2Q FY2009 Result | (%)     | VS result | %       | VS forecast | %       |
|-------------------|-----------|---------|----------------------------|---------|------------------|---------|-----------|---------|-------------|---------|
| Net Sales         | 119,516   | (100.0) | 122,670                    | (100.0) | 116,086          | (100.0) | (3,429)   | (2.9)%  | (6,584)     | (5.4)%  |
| Cost of sales     | 95,169    | (79.6)  | 98,360                     | (80.2)  | 92,888           | (80.0)  | (2,281)   | (2.4)%  | (5,472)     | (5.6)%  |
| Gross profit      | 24,346    | (20.4)  | 24,310                     | (19.8)  | 23,197           | (20.0)  | (1,148)   | (4.7)%  | (1,113)     | (4.6)%  |
| SG&A expenses     | 21,274    | (17.8)  | 22,410                     | (18.3)  | 21,598           | (18.6)  | 324       | 1.5%    | (812)       | (3.6)%  |
| Operating income  | 3,071     | (2.6)   | 1,900                      | (1.5)   | 1,598            | (1.4)   | (1,473)   | (48.0)% | (302)       | (15.9)% |
| Ordinary income   | 3,145     | (2.6)   | 1,990                      | (1.6)   | 1,803            | (1.6)   | (1,341)   | (42.7)% | (187)       | (9.4)%  |
| Net income        | 1,063     | (0.9)   | 970                        | (0.8)   | 203              | (0.2)   | (859)     | (80.8)% | (767)       | (79.1)% |

# Consolidated Results by Business Segment

## FY2009 First Half (June 1, 2008 – November 30, 2008)



(Billions of yen)



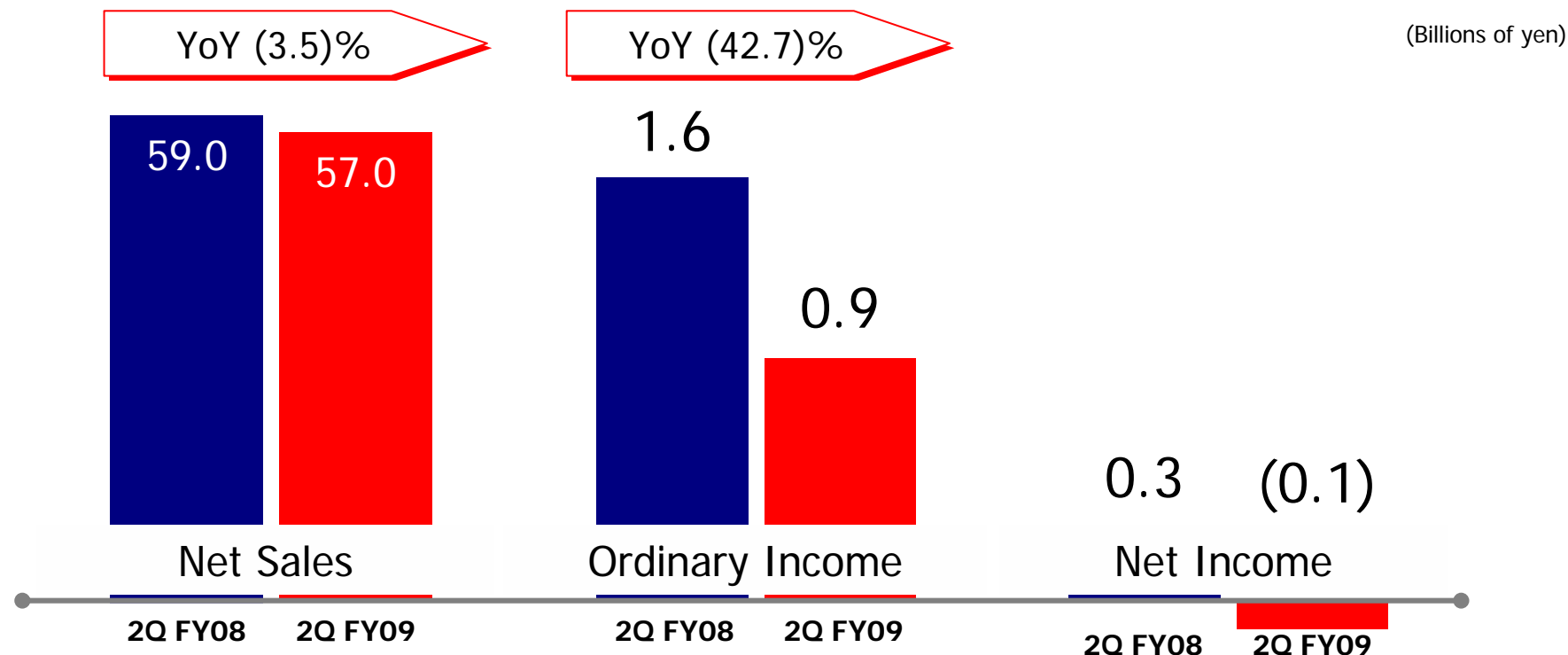
(Millions of yen)

|                        | Temporary staffing/Contracting |         |         |           |        |             |         | Placement/Recruiting |         |         |           |         |             |        | Outplacement               |         |         |           |             |             |        |
|------------------------|--------------------------------|---------|---------|-----------|--------|-------------|---------|----------------------|---------|---------|-----------|---------|-------------|--------|----------------------------|---------|---------|-----------|-------------|-------------|--------|
|                        | 2Q FY08                        | 2Q FY09 | 2Q FY09 | VS result | %      | VS forecast | %       | 2Q FY08              | 2Q FY09 | 2Q FY09 | VS result | %       | VS forecast | %      | 2Q FY08                    | 2Q FY09 | 2Q FY09 | VS result | %           | VS forecast | %      |
| Sales                  | 105,687                        | 107,650 | 101,665 | (4,021)   | (3.8)% | (5,984)     | (5.6)%  | 4,166                | 3,750   | 3,496   | (669)     | (16.1)% | (253)       | (6.8)% | 2,634                      | 3,080   | 2,893   | 258       | 9.8%        | (186)       | (6.1)% |
| Operating Income       | 2,002                          | 2,570   | 2,025   | 22        | 1.1%   | (544)       | (21.2)% | -                    | -       | -       | -         | -       | -           | 587    | 700                        | 618     | 30      | 5.2%      | (81)        | (11.7)%     |        |
| Operating Income Ratio | 1.8%                           | 2.3%    | 1.9%    | -         | 0.1pt  | -           | (0.4)pt | -                    | -       | -       | -         | -       | -           | 22.3%  | 22.7%                      | 21.4%   | -       | (0.9)pt   | -           | (1.5)pt     |        |
|                        | Outsourcing                    |         |         |           |        |             |         | Other                |         |         |           |         |             |        | Eliminations and Corporate |         |         |           |             |             |        |
|                        | 2Q FY08                        | 2Q FY09 | 2Q FY09 | VS result | %      | VS forecast | %       | 2Q FY08              | 2Q FY09 | 2Q FY09 | VS result | %       | VS forecast | %      | 2Q FY08                    | 2Q FY09 | 2Q FY09 | VS result | VS forecast |             |        |
| Sales                  | 6,606                          | 7,510   | 7,479   | 872       | 13.2%  | (30)        | (0.4)%  | 970                  | 1,280   | 1,287   | 317       | 32.7%   | 7           | 0.6%   | (549)                      | (600)   | (735)   | (186)     | (135)       |             |        |
| Operating Income       | 477                            | 180     | 758     | 281       | 58.9%  | 578         | 321.4%  | 1                    | 10      | 24      | 23        | 1449.4% | 14          | 147.1% | 2                          | (1,560) | (1,828) | (1,830)   | (268)       |             |        |
| Operating Income Ratio | 7.2%                           | 2.4%    | 10.1%   | -         | 2.9pt  | -           | 7.7pt   | 0.2%                 | 0.8%    | 1.9%    | -         | 1.7pt   | -           | 1.1pt  | -                          | -       | -       | -         | -           |             |        |

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



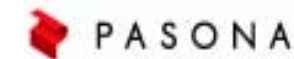
# Consolidated Results FY2009 Second Quarter (September 1, 2008 – November 30, 2008)



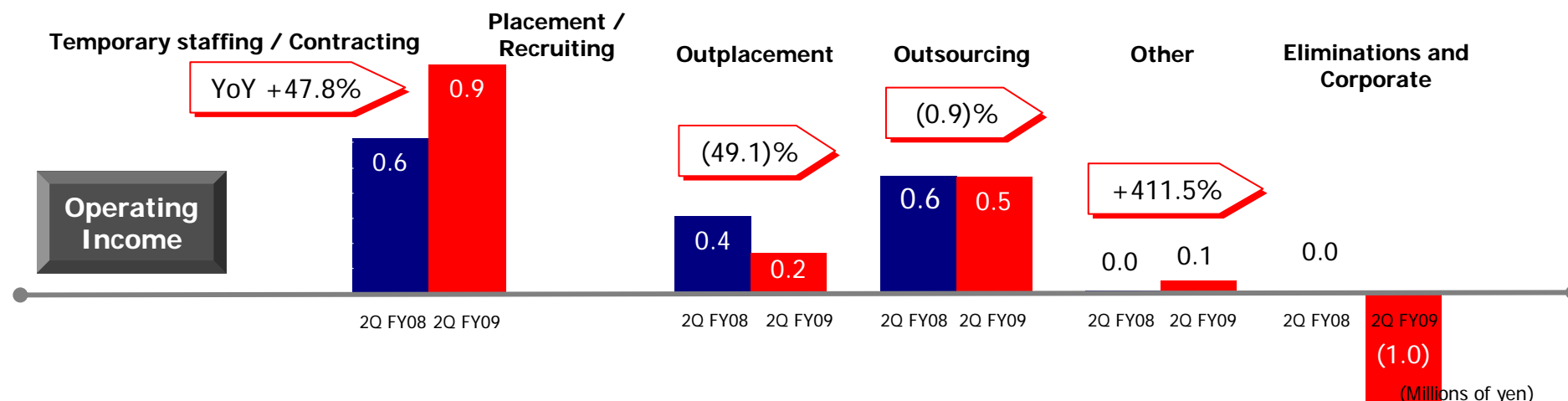
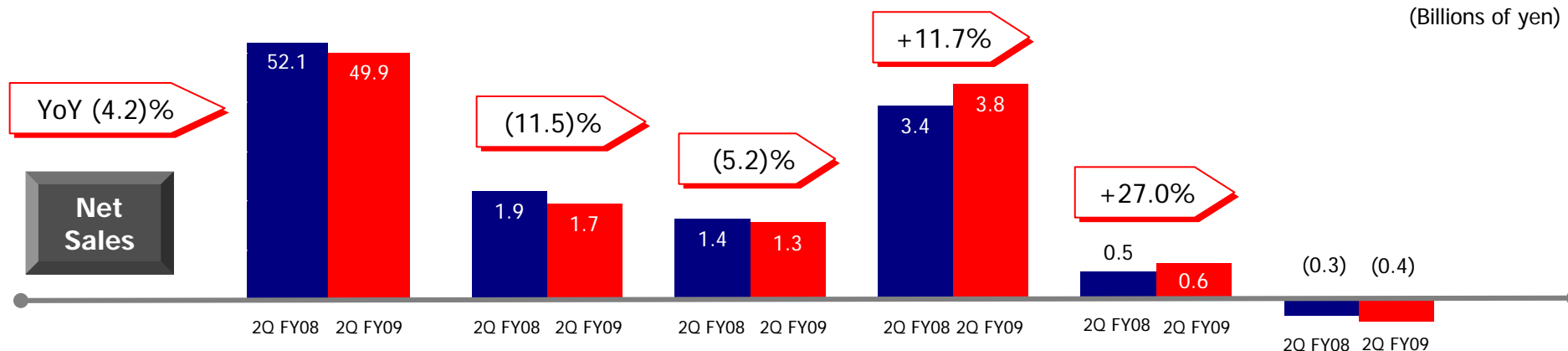
| (Millions of yen) | 2Q FY2008 | (%)     | 2Q FY2009 Result | (%)     | Increase/<br>(Decrease) | YoY     |
|-------------------|-----------|---------|------------------|---------|-------------------------|---------|
| Net Sales         | 59,026    | (100.0) | 56,950           | (100.0) | (2,076)                 | (3.5)%  |
| Cost of sales     | 46,795    | (79.3)  | 45,514           | (79.9)  | (1,281)                 | (2.7)%  |
| Gross profit      | 12,230    | (20.7)  | 11,435           | (20.1)  | (795)                   | (6.5)%  |
| SG&A expenses     | 10,688    | (18.1)  | 10,696           | (18.8)  | 8                       | 0.1%    |
| Operating income  | 1,541     | (2.6)   | 738              | (1.3)   | (803)                   | (52.1)% |
| Ordinary income   | 1,560     | (2.6)   | 894              | (1.6)   | (666)                   | (42.7)% |
| Net income        | 268       | (0.5)   | (110)            | (0.2)   | (378)                   | -       |

# Consolidated Results by Business Segment

## FY2009 Second Quarter (September 1, 2008 – November 30, 2008)



(Billions of yen)



(Millions of yen)

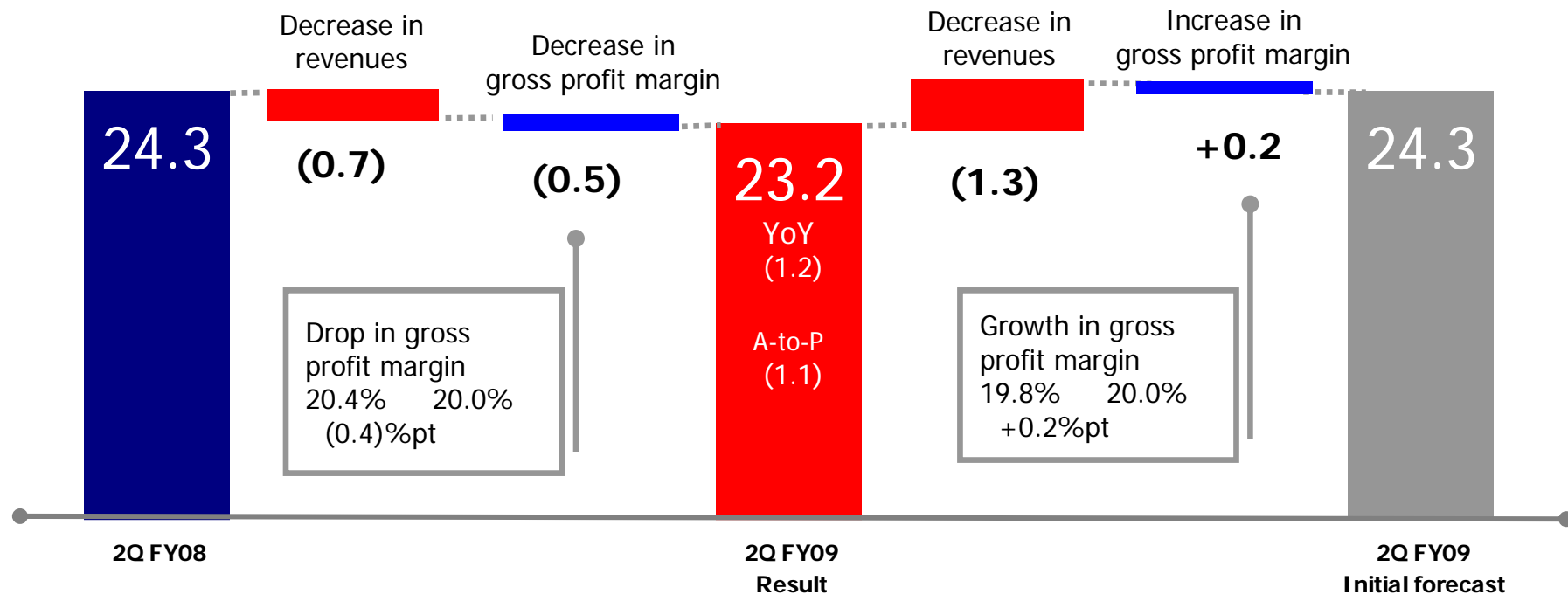
|                        | Temporary staffing/Contracting |         |                   |         | Placement/Recruiting |         |                   |         | Outplacement              |         |                   |          |
|------------------------|--------------------------------|---------|-------------------|---------|----------------------|---------|-------------------|---------|---------------------------|---------|-------------------|----------|
|                        | 2Q FY08                        | 2Q FY09 | Increase/Decrease | YoY     | 2Q FY08              | 2Q FY09 | Increase/Decrease | YoY     | 2Q FY08                   | 2Q FY09 | Increase/Decrease | YoY      |
| Net Sales              | 52,090                         | 49,884  | (2,206)           | (4.2)%  | 1,905                | 1,686   | (219)             | (11.5)% | 1,421                     | 1,347   | (73)              | (5.2)%   |
| Operating Income       | 618                            | 913     | 295               | 47.8%   | -                    | -       | -                 | -       | 361                       | 184     | (177)             | (49.1)%  |
| Operating Income Ratio | 1.1%                           | 1.8%    | -                 | 0.7pt   | -                    | -       | -                 | -       | 25.4%                     | 13.7%   | -                 | (11.7)pt |
|                        | Outsourcing                    |         |                   |         | Other                |         |                   |         | Elimination and Corporate |         |                   |          |
|                        | 2Q FY08                        | 2Q FY09 | Increase/Decrease | YoY     | 2Q FY08              | 2Q FY09 | Increase/Decrease | YoY     | 2Q FY08                   | 2Q FY09 | Increase/Decrease | YoY      |
| Net Sales              | 3,389                          | 3,785   | 395               | 11.7%   | 498                  | 632     | 134               | 27.0%   | (278)                     | (385)   | (107)             | -        |
| Operating Income       | 550                            | 545     | (4)               | (0.9)%  | 10                   | 55      | 44                | 411.5%  | 1                         | (960)   | (961)             | -        |
| Operating Income Ratio | 16.2%                          | 14.4%   | -                 | (1.8)pt | 2.2%                 | 8.8%    | -                 | 6.6pt   | -                         | -       | -                 | -        |

# Gross Profit Six Months Results

(Billions of yen)

YoY\*1 : Increase in the cost burden associated with large hikes in health insurance premium payment rates in the Temporary staffing business  
 Consolidated gross profit margin: 20.4% 20.0% (down 0.4%pt)

A-to-P\*2: Despite positive contributions from successful efforts to contain input costs in the Outsourcing business, decline in the gross profit margin due to lower than projected sales in the Temporary staffing, Contracting, Placement and Recruiting businesses

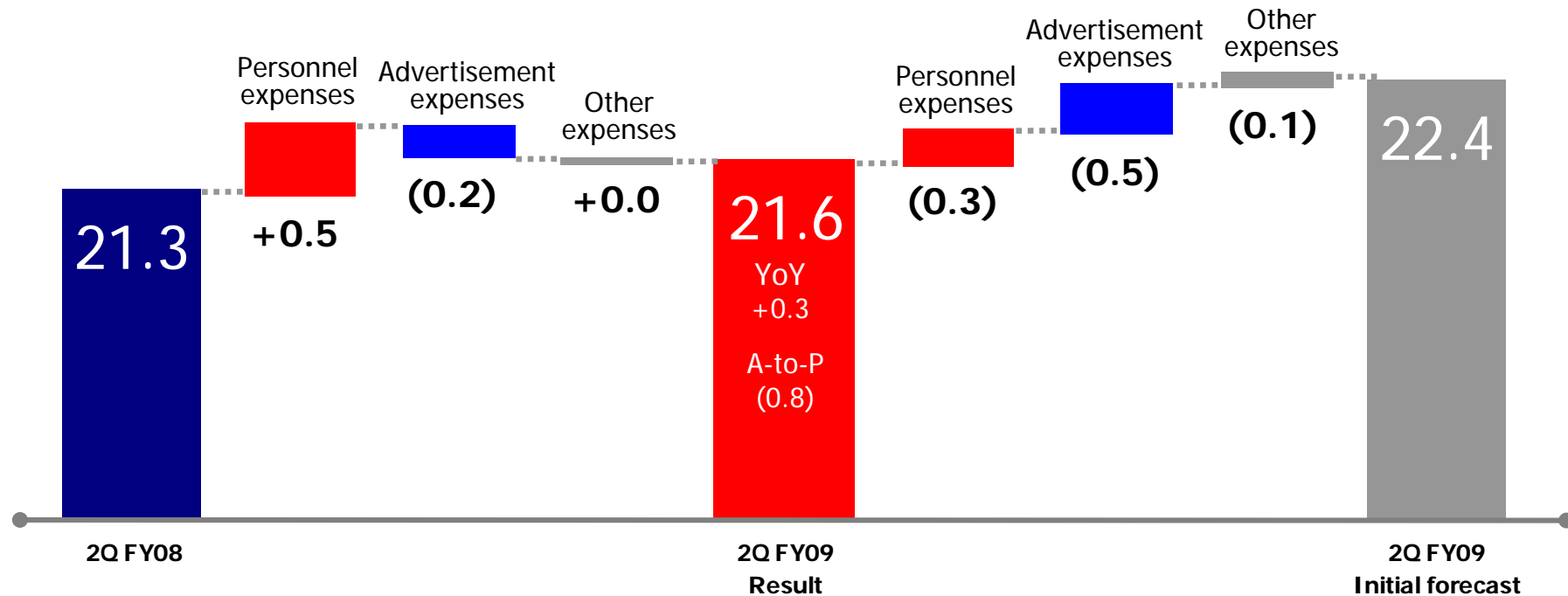


# SG&A expenses Six Months Results

(Billions of yen)

YoY : Continued investment in growth fields; ¥320 million year-on-year increase in SG&A expenses

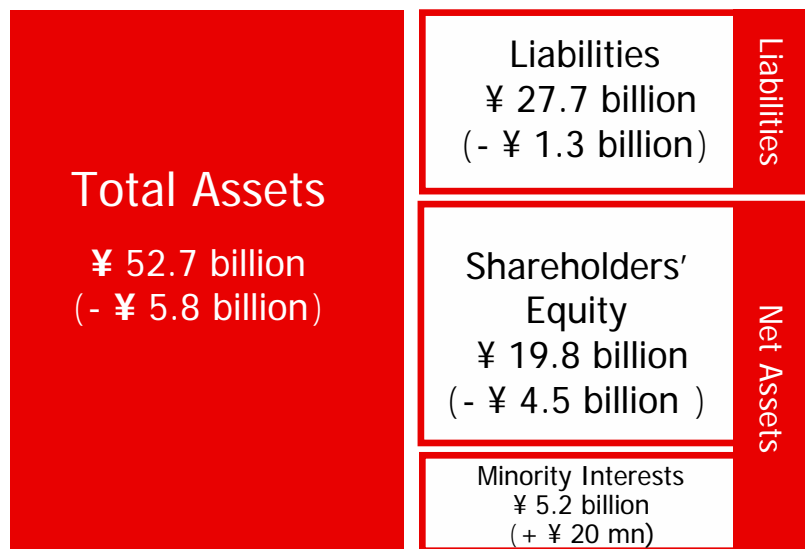
A-to-P: Reduction of ¥820 million compared with plans established at the beginning of the period due to such factors as a cutback in advertising, promotion and recruiting expenses



# Financial Condition and Cash Flows

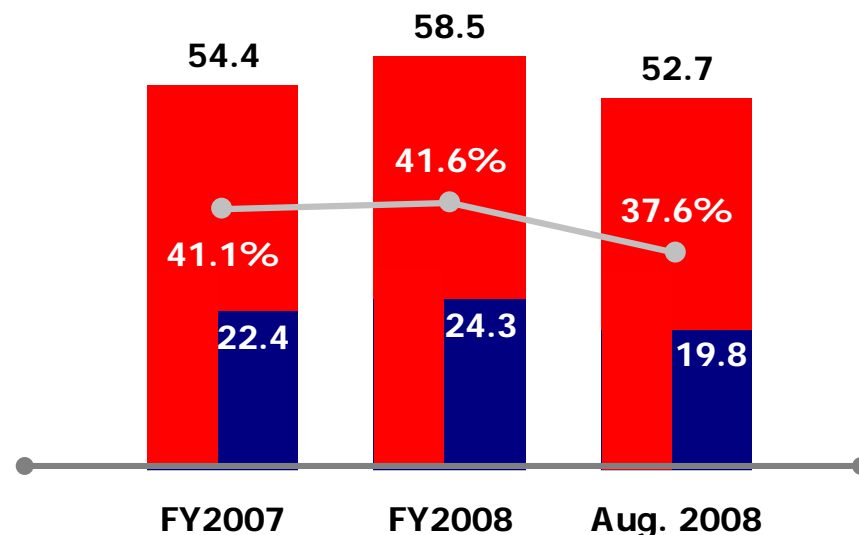
## Financial Position

As of November 30, 2008  
 • Figures in parentheses indicate changes from the end of the previous fiscal year.



## Total Assets, Shareholders' Equity, Equity Ratio

■ Total Assets ■ Shareholder's Equity — Equity Ratio (Billions of yen / %)



## Cash Flows

|                                      | 2Q FY08 | 2Q FY09 |
|--------------------------------------|---------|---------|
| Cash flows from operating activities | (0.9)   | 0.6     |
| Cash flows from investing activities | (2.2)   | (1.9)   |
| Cash flows from financing activities | 3.0     | (2.2)   |
| Free cash flows                      | (3.1)   | (1.2)   |

- Income before income taxes and minority interests ¥1.6 billion
- Depreciation and amortization ¥0.8 billion
- Decrease in accounts payable - trade ¥2.0 billion
- Decrease in operating debt ¥(2.1)billion
- Income taxes paid ¥(1.6) billion

- Acquisition of tangible fixed assets ¥(0.8) billion
- Acquisition of intangible fixed assets ¥(1.1) billion

- Net increase in short-term loans payable ¥2.8 billion
- Purchase of treasury stock ¥(4.2) billion
- Cash dividends paid ¥(0.8) billion

## 4. Overview by Business Segment

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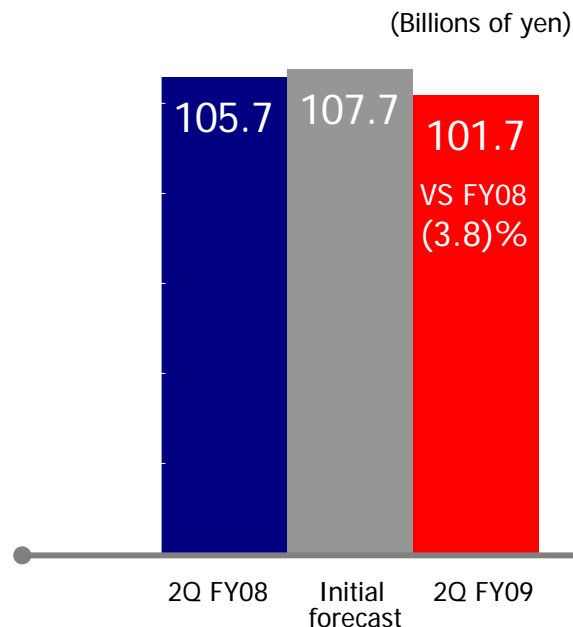
# Temporary Staffing / Contracting

Sales by Staffing Type / Share  
(June 1, 2008 – November 30, 2008)

PASONA

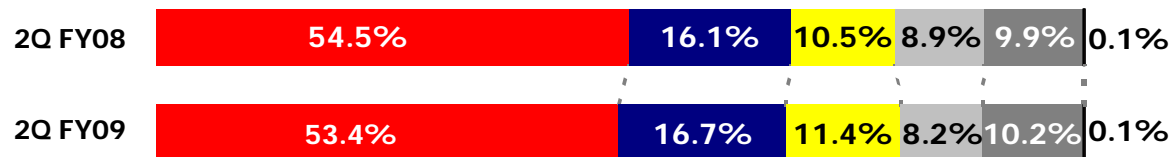
## Net Sales

Figures are **before** excluding intrasegment sales



## Sales by Staffing Type

Figures are **after** excluding intrasegment sales



(Millions of yen)

|                            | 2Q FY08<br>(6 months) | YoY     | 2Q FY09<br>(3 months) | 2Q FY09<br>(3 months) | 2Q FY09<br>(6 months) | YoY     |
|----------------------------|-----------------------|---------|-----------------------|-----------------------|-----------------------|---------|
| Clerical                   | 57,507                | 2.4%    | 27,488                | 26,718                | 54,206                | (5.7)%  |
| Technical                  | 17,008                | (0.9)%  | 8,818                 | 8,144                 | 16,962                | (0.3)%  |
| IT engineering             | 11,057                | 5.6%    | 5,839                 | 5,705                 | 11,544                | 4.4%    |
| Marketing / Sales          | 9,424                 | 27.5%   | 4,274                 | 4,047                 | 8,322                 | (11.7)% |
| Other                      | 10,462                | (0.8)%  | 5,223                 | 5,140                 | 10,363                | (0.9)%  |
| Temporary staffing-related | 108                   | (16.5)% | 47                    | 48                    | 96                    | (11.3)% |
| Total                      | 105,567               | 3.7%    | 51,692                | 49,804                | 101,497               | (3.9)%  |

## 2Q FY2009

Persistent decrease in new orders; drop in the number of long-term temporary staff.

Reduction in the number of contracts completed; Continued trend toward long-term staffing stability

Demand growth in the IT engineering fields

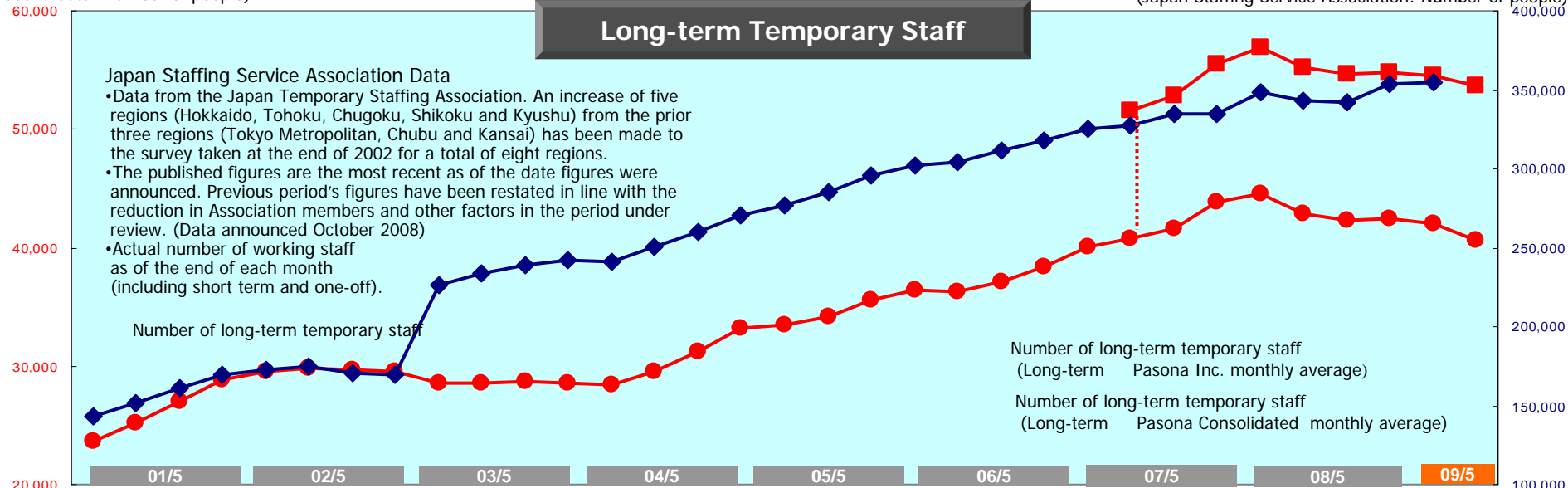
Results in the technical fields were generally unchanged, bolstered by the new inclusion of Financial Sun Inc. within Pasona Group's scope of consolidation

Strategic priority fields: Steady growth in Insourcing (contracting) 1H FY2009 ¥4,860 mn (up 6.1% Y-on-Y)

# Temporary Staffing / Contracting Marketing Data

(Pasona data: Number of people)

(Japan Staffing Service Association: Number of people)



|  | 2007     |         |         |         | 2008     |         |         |         | 2009           |               |
|--|----------|---------|---------|---------|----------|---------|---------|---------|----------------|---------------|
|  | 1Q       | 2Q      | 3Q      | 4Q      | 1Q       | 2Q      | 3Q      | 4Q      | 1Q             | 2Q            |
| Industry -wide                           | 327,110  | 334,570 | 340,784 | 348,667 | 342,784  | 341,996 | 353,834 | 355,206 | <b>346,030</b> |               |
| YoY                                      | 7.7%     | 7.4%    | 7.2%    | 7.2%    | 4.8%     | 2.2%    | 3.8%    | 1.9%    | <b>0.9%</b>    |               |
| Pasona Inc.                              | * 40,745 | 41,676  | 43,832  | 44,619  | * 42,825 | 42,350  | 42,387  | 42,073  | <b>40,607</b>  | <b>38,923</b> |
| YoY                                      | 12.2%    | 12.3%   | 14.0%   | 11.3%   | 5.1%     | 1.6%    | (3.3)%  | (5.7)%  | <b>(5.2)%</b>  | <b>(8.1)%</b> |
| The Pasona Group Consolidated (Domestic) | 51,586   | 52,889  | 55,566  | 56,881  | 55,168   | 54,619  | 54,758  | 54,573  | <b>53,615</b>  | <b>51,518</b> |
| YoY                                      | 13.4%    | 13.1%   | 14.9%   | 12.8%   | 6.9%     | 3.3%    | (2.0)%  | (4.1)%  | <b>(2.8)%</b>  | <b>(5.5)%</b> |

|         | Orders (long term)<br>Monthly Average (Pasona Inc.) |         | Contract Starts (long term)<br>Monthly Average (Pasona Inc.) |         | Contract Completion (long term)<br>Monthly Average (Pasona Inc.) |         | Rate of Contracts Signed<br>(Long-Term Contract Starts / Long-Term Orders) |       | Number of Annual<br>New Registered Staff<br>(Consolidated/ Japan) |         |
|---------|---|---------|--|---------|--|---------|--|-------|---|---------|
|         | Number  | YoY     | Number   | YoY     | Number   | YoY     | Contract Rate  | YoY   | Persons   | YoY     |
| 2Q FY08 | 7,389   | (4.4)%  | 2,819  | (5.9)%  | 3,061  | 8.1%    | 38.2%  | 0.6pt | 44,559  | (10.3)% |
| 2Q FY09 | 5,491   | (25.7)% | 2,268  | (19.5)% | 2,666  | (12.9)% | 41.3%  | 3.1pt | 41,519  | (6.8)%  |

\* Includes the number of special projects from the 1Q FY 2008  
 \* Merger with Socio Inc. in 4Q FY2006. Data for temporary staff includes Socio Inc.

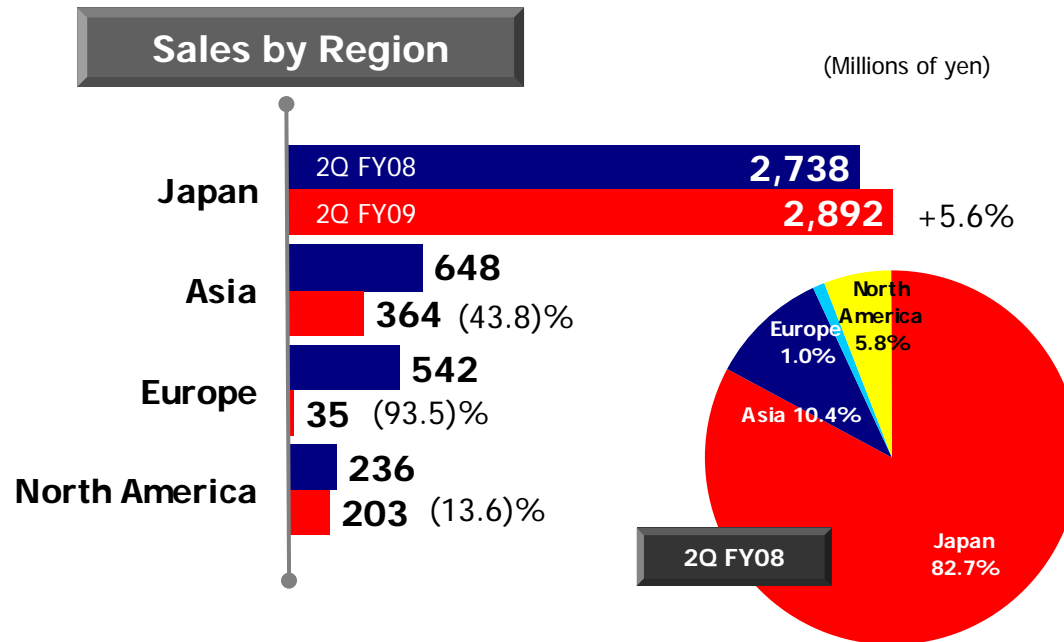
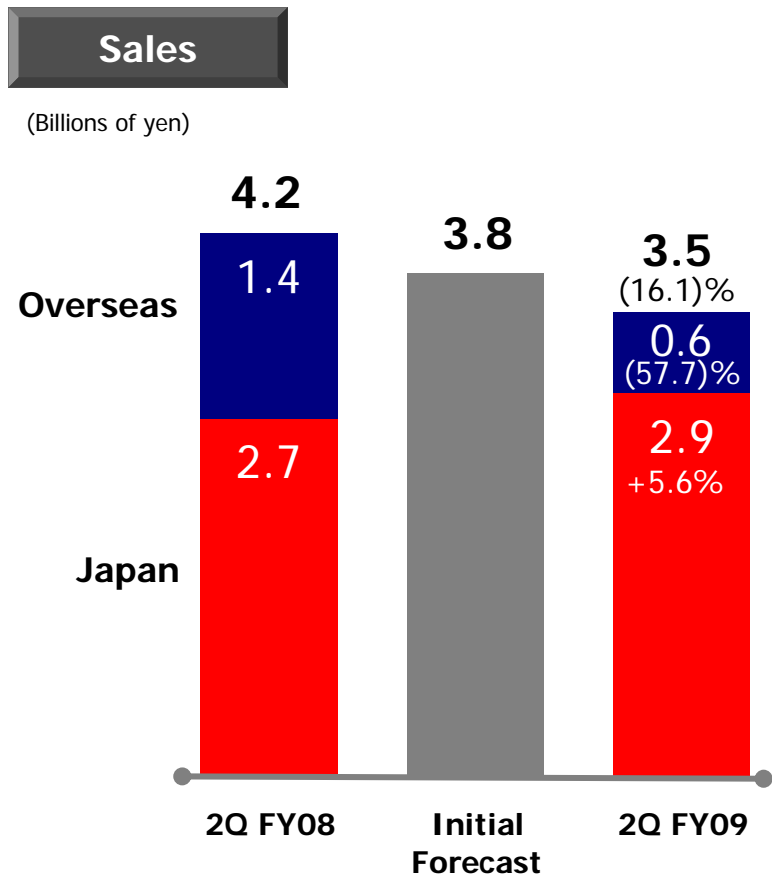
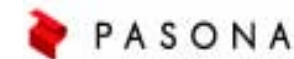
\* Figures for temporary staff at work (monthly average), orders, contracts starts, completions and signed exclude special project items from Sep. 2002 to May 2007  
 \* New registrants data presented on a consolidated basis. Disclosure of domestic temporary staffing business data: Pasona: June 1, 2006 to May 31, 2007; Subsidiary companies: April 1, 2006 to March 31, 2007

With the impact of the number of special projects becoming limited, included from FY2008. Figures in italics are a comparison with the previous period due to the change in numerical criterion and provided for reference purposes only.



# Placement / Recruiting Six months Results

Pasona Career, Inc. , Pasona Global, Inc. , Pasona Fortune, Inc. , Other



(Millions of yen)

|                         | 2Q FY08<br>(6 months) | 1Q FY09<br>(3 months) | 2Q FY09<br>(3 months) | 2Q FY09<br>(6 months) | YoY   |
|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------|
| Consolidated (Japan)    | 2,738                 | 1,476                 | 1,416                 | 2,892                 | 5.6%  |
| Consolidated (Overseas) | 1,427                 | 333                   | 269                   | 603                   | 57.7% |

## 2Q FY2009

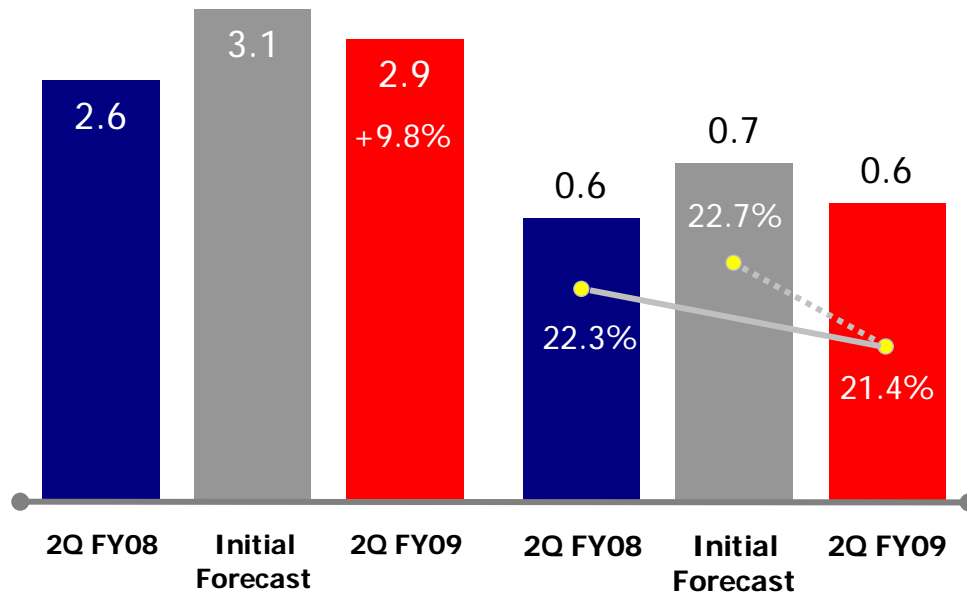
Results in the domestic Placement and Recruiting business were steady; movement in the temp-to-perm business, on the other hand, declined reflecting the absence of the previous year's special demand. Following a round of interest, demand for graduates with limited experience in the workforce as well as the young age bracket stalled; demand for human resources with a higher level of specialized skills and expertise as well as executive positions provided underlying support.

Substantial decline in the overseas Placement and Recruiting business due to the sale of two subsidiaries (Asia and Europe)

## Net Sales

## Operating Income, Operating Income Margin

(Billions of yen)



## Marketing Data (YoY)

Number of clients +27.2%

Number of personnel per company (17.3)%

Number of orders (persons) +9.1%

(Millions of yen)

|        | 2Q FY08 | 2Q FY09 | YoY  |
|--------|---------|---------|------|
| Orders | 2,559   | 2,591   | 1.3% |

## 2Q FY2009

Increase in corporate sector employment corrections reflecting the downturn in the economy; robust trend in orders

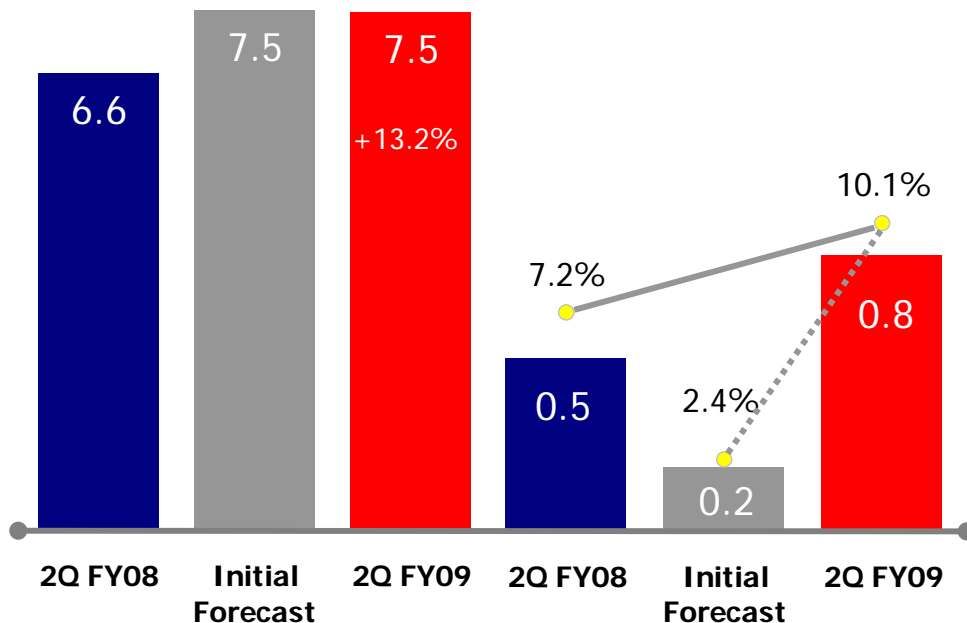
Significant upswing in the number of client firms; drop in the intake of personnel per company, persist the trend toward smaller scale contracts

Continued efforts to enhance the level of customer satisfaction by implementing such measures as the upgrade of its career consultant training

## Net Sales

## Operating Income, Operating Income Margin

(Billions of yen)



## [ Bebenefit One Inc. Results ]

(Millions of yen)

|                  | 2Q FY08 | 2Q FY09 | YoY   |
|------------------|---------|---------|-------|
| Sales            | 6,608   | 7,479   | 13.2% |
| Operating income | 509     | 795     | 56.2% |

### 2Q FY2009

Sustainable growth in the outsourcing market

Efforts to augment new services outside the scope of employee benefits and to strengthen the Company's structure and capabilities in providing services to both individual and corporate members

Substantial increase in operating income

Successful efforts to contain overall input costs including expenses related to the publication of a guidebook

## 5. Consolidated Forecast of Business Results

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Units in billions of yen have been rounded to the nearest first decimal place. Units in millions of yen have been rounded down.  
Pasona Inc. consolidated business results for the fiscal year ended May 31, 2007 have been used for comparative purposes.

# Revised Consolidated Forecasts of Business Results

## FY2009 (1)

| FY2009<br>(Revised<br>forecast) | Initial<br>Forecast | Revised<br>Forecast | Change<br>(amount) | Change<br>(%) |
|---------------------------------|---------------------|---------------------|--------------------|---------------|
| Net Sales                       | 248,920             | 224,730             | (24,190)           | (9.7)%        |
| Gross Profit                    | 50,940              | 45,810              | (5,130)            | (10.1)%       |
| SG&A Expenses                   | 45,440              | 42,020              | (3,420)            | (7.5)%        |
| Operating<br>Income             | 5,500               | 3,790               | (1,710)            | (31.1)%       |
| Ordinary<br>Income              | 5,810               | 4,220               | (1,590)            | (27.4)%       |
| Income before<br>income taxes   | 5,790               | 3,760               | (3,240)            | (35.1)%       |
| Net Income                      | 2,560               | 1,040               | (1,520)            | (59.4)%       |

(Millions of yen)

|  |                                  |                |
|--|----------------------------------|----------------|
| <b>Sales</b>   |                                  |                |
| <b>Main factor is Temporary staffing / Contracting sales shortfall</b> |                                  |                |
| Against Plan   | Temporary staffing / Contracting | -¥21.6 billion |
|  | Placement / Recruiting           | -¥1.3 billion  |
|  | Outplacement                     | -¥0.0 billion  |
|  | Outsourcing                      | -¥0.6 billion  |
|  |                                  |                |
| <b>Gross Profit</b>  |                                  |                |
| <b>decline in gross profit ratio due to shortfall in sales</b>         |                                  |                |
| Against Plan   | Temporary staffing               | -¥3.6 billion  |
|  | Contracting                      | -¥1.3 billion  |
| <b>SG&amp;A</b>  |                                  |                |
| <b>Down due to improved efficiency and cost controls</b>               |                                  |                |
| <b>Extraordinary loss</b>  |                                  |                |
| Loss on sale of securities in affiliated companies                     |                                  | ¥0.2 billion   |
| Head office relocation expenses  |                                  | ¥0.2 billion   |
| Constructive loss on change in equity of an affiliate                  |                                  | ¥0.1 billion   |
| <b>Income taxes deferred</b>   |                                  |                |
| Undertaking a partial reversal deferred tax assets                     |                                  | ¥0.3 billion   |
| <b>Minority interests</b>  |                                  |                |
| Minority interests   |                                  | ¥0.8 billion   |

# Revised Consolidated Forecasts of Business Results FY2009 (2)

Temporary staffing / Contracting: Gross profit decline due to the drop of net sales

Gross profit decline (-¥5.1 billion from initial plan,  
of which -¥3.6 billion in Temporary staffing / Contracting)

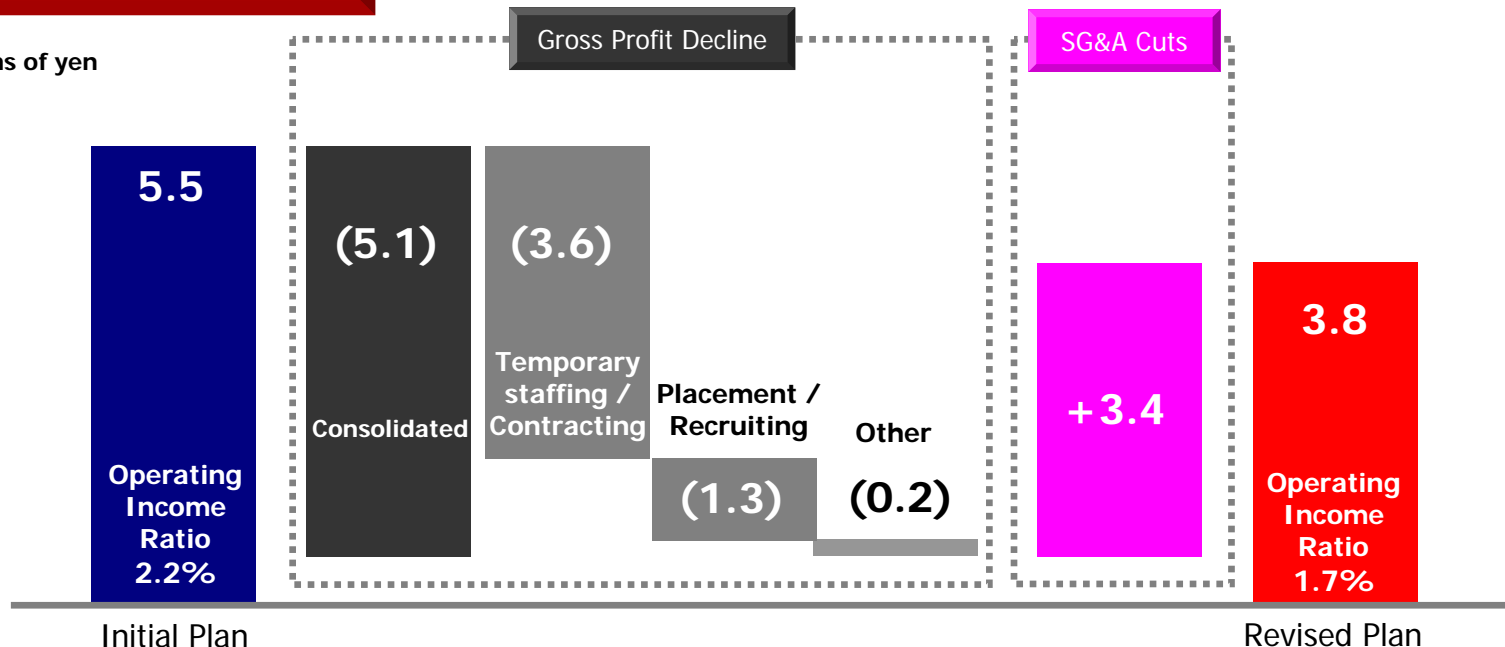
|                                  |                      |                      |
|----------------------------------|----------------------|----------------------|
| Temporary staffing / Contracting | Sales decline        | Approx. ¥4.9 billion |
|                                  | Gross profit decline | Approx. ¥0.2 billion |

SG&A cuts: Down ¥3.4 billion from initial plan due to improved efficiency and cost controls

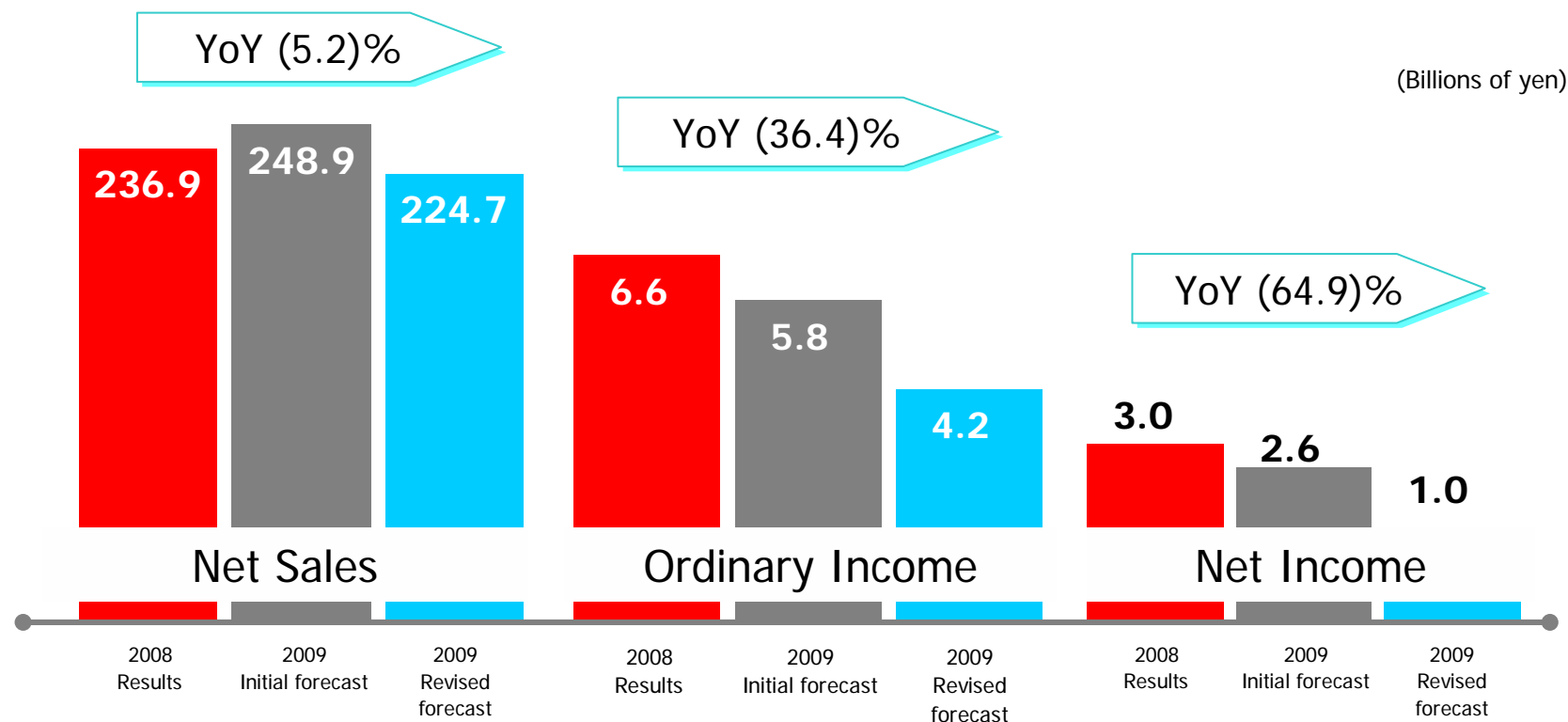
**Operating Income**  
-¥1.7 billion (from initial plan)

## Breakdown of Operating Income Revision

Unit: Billions of yen



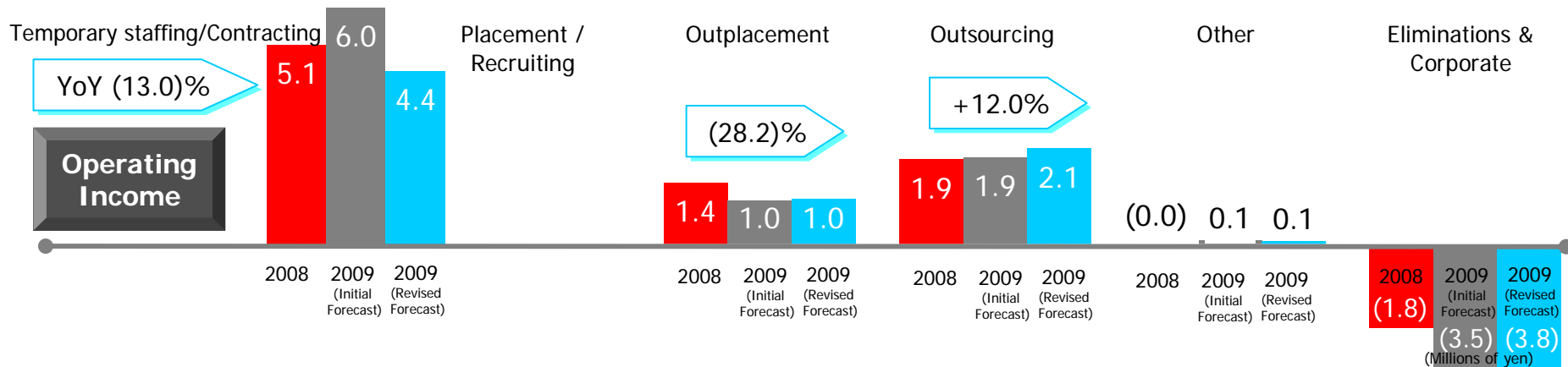
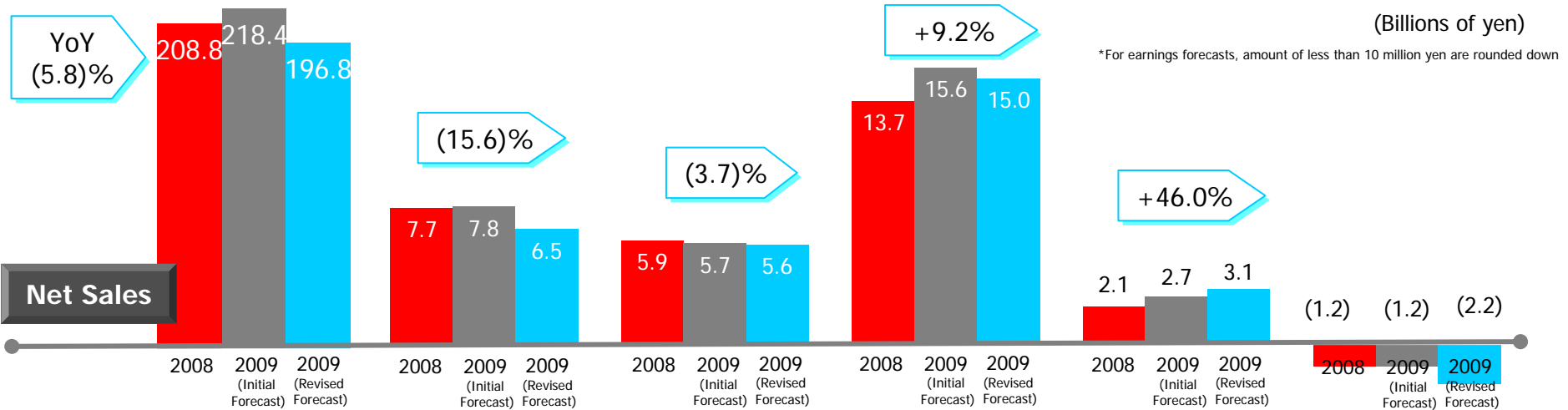
# Revised Consolidated Forecasts of Business Results



| (Millions of yen) | 2008 Results | (%)     | 2009 Initial forecast | (%)     | 2009 Revised forecast | (%)     | vs Forecast | %       | vs 2008 Result | %       |
|-------------------|--------------|---------|-----------------------|---------|-----------------------|---------|-------------|---------|----------------|---------|
| Sales             | 236,945      | (100.0) | 248,920               | (100.0) | 224,730               | (100.0) | (24,190)    | (9.7)%  | (12,215)       | (5.2)%  |
| Cost of sales     | 187,575      | (79.2)  | 197,980               | (79.5)  | 178,920               | (79.6)  | (19,060)    | (9.6)%  | (8,656)        | (4.6)%  |
| Gross profit      | 49,369       | (20.8)  | 50,940                | (20.5)  | 45,810                | (20.4)  | (5,130)     | (10.1)% | (3,559)        | (7.2)%  |
| SG&A expenses     | 42,925       | (18.1)  | 45,440                | (18.3)  | 42,020                | (18.7)  | (3,420)     | (7.5)%  | (905)          | (2.1)%  |
| Operating income  | 6,444        | (2.7)   | 5,500                 | (2.2)   | 3,790                 | (1.7)   | (1,710)     | (31.1)% | (2,654)        | (41.2)% |
| Ordinary income   | 6,637        | (2.8)   | 5,810                 | (2.3)   | 4,220                 | (1.9)   | (1,590)     | (27.4)% | (2,417)        | (36.4)% |
| Net income        | 2,962        | (1.3)   | 2,560                 | (1.0)   | 1,040                 | (0.5)   | (1,520)     | (59.4)% | (1,922)        | (64.9)% |

Note: For earnings forecasts, amount of less than 10 million yen are rounded down

# Revised Forecasts of Consolidated Business Results by Business Segment



|                        | Temporary staffing/Contracting |                  |                  |           |         |             | Placement/Recruiting |        |                  |                  |           |         | Outplacement              |         |         |                  |                  |           |             |             |        |
|------------------------|--------------------------------|------------------|------------------|-----------|---------|-------------|----------------------|--------|------------------|------------------|-----------|---------|---------------------------|---------|---------|------------------|------------------|-----------|-------------|-------------|--------|
|                        | FY2008                         | Initial forecast | Revised forecast | VS result | %       | VS forecast | %                    | FY2008 | Revised forecast | Revised forecast | VS result | %       | VS forecast               | %       | FY2008  | Revised forecast | Revised forecast | VS result | %           | VS forecast | %      |
| Sales                  | 208,810                        | 218,390          | 196,770          | (12,040)  | (5.8)%  | (21,620)    | (9.9)%               | 7,676  | 7,770            | 6,480            | (1,196)   | (15.6)% | (1,290)                   | (16.6)% | 5,858   | 5,680            | 5,640            | (218)     | (3.7)%      | (40)        | (0.7)% |
| Operating Income       | 5,056                          | 5,990            | 4,400            | (656)     | (13.0)% | (1,590)     | (26.5)%              | -      | -                | -                | -         | -       | -                         | -       | 1,377   | 980              | 990              | (387)     | (28.2)%     | 10          | 1.0%   |
| Operating Income Ratio | 2.3%                           | 2.6%             | 2.2%             | -         | (0.1)pt | -           | (0.4)pt              | -      | -                | -                | -         | -       | -                         | -       | 23.5%   | 17.3%            | 17.6%            | -         | (5.9)pt     | -           | 0.3pt  |
|                        | Outsourcing                    |                  |                  |           |         |             | Other                |        |                  |                  |           |         | Elimination and Corporate |         |         |                  |                  |           |             |             |        |
|                        | FY2008                         | Revised forecast | Revised forecast | VS result | %       | VS forecast | %                    | FY2008 | Revised forecast | Revised forecast | VS result | %       | VS forecast               | %       | FY2008  | Revised forecast | Revised forecast | VS result | VS forecast |             |        |
| Sales                  | 13,732                         | 15,600           | 14,990           | 1,257     | 9.2%    | (610)       | (3.9)%               | 2,115  | 2,670            | 3,090            | 974       | 46.0%   | 420                       | 15.7%   | (1,248) | (1,190)          | (2,240)          | (991)     | (1,050)     |             |        |
| Operating Income       | 1,883                          | 1,930            | 2,110            | 226       | 12.0%   | 180         | 9.3%                 | (26)   | 100              | 70               | 96        | -       | (30)                      | (30.0)% | (1,846) | (3,500)          | (3,780)          | (1,933)   | (280)       |             |        |
| Operating Income Ratio | 13.7%                          | 12.4%            | 14.1%            | -         | 0.4pt   | -           | 1.7pt                | (1.3)% | 3.7%             | 2.3%             | -         | 3.6pt   | -                         | (1.4)pt | -       | -                | -                | -         | -           |             |        |

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



# Revised Consolidated Forecasts of Business Results (Second Half)

| Consolidated     | 1H                          |         | 1H                |         | 2H                          |         | 2H                             |         | VS<br>forecast | VS<br>Result | 2H                          |         |
|------------------|-----------------------------|---------|-------------------|---------|-----------------------------|---------|--------------------------------|---------|----------------|--------------|-----------------------------|---------|
|                  | FY 2008<br>Initial forecast | (%)     | FY 2008<br>Result | (%)     | FY 2008<br>Initial forecast | (%)     | FY 2008<br>Revised<br>forecast | (%)     |                |              | FY 2008<br>Initial forecast | (%)     |
| Sales            | 122,670                     | (100.0) | 116,086           | (100.0) | 126,250                     | (100.0) | 108,643                        | (100.0) | (13.9)%        | (7.5)%       | 248,920                     | (100.0) |
| Cost of sales    | 98,360                      | (80.2)  | 92,888            | (80.0)  | 99,620                      | (78.9)  | 86,031                         | (79.2)  | (13.6)%        | (6.9)%       | 197,980                     | (79.5)  |
| Gross profit     | 24,310                      | (19.8)  | 23,197            | (20.0)  | 26,630                      | (21.1)  | 22,612                         | (20.8)  | (15.1)%        | (9.6)%       | 50,940                      | (20.5)  |
| SG&A expenses    | 22,410                      | (18.3)  | 21,598            | (18.6)  | 23,030                      | (18.2)  | 20,421                         | (18.8)  | (11.3)%        | (5.7)%       | 45,440                      | (18.3)  |
| Operating income | 1,900                       | (1.5)   | 1,598             | (1.4)   | 3,600                       | (2.9)   | 2,191                          | (2.0)   | (39.1)%        | (35.0)%      | 5,500                       | (2.2)   |
| Ordinary income  | 1,990                       | (1.6)   | 1,803             | (1.6)   | 3,820                       | (3.0)   | 2,416                          | (2.2)   | (36.8)%        | (30.8)%      | 5,810                       | (2.3)   |
| Net income       | 970                         | (0.8)   | 203               | (0.2)   | 1,590                       | (1.3)   | 836                            | (0.8)   | (47.4)%        | (56.0)%      | 2,560                       | (1.0)   |

| by Business Segment             | 1H                          |     | 1H                |     | 2H                          |     | 2H                             |     | VS<br>forecast | VS<br>Result | 2H                          |     |
|---------------------------------|-----------------------------|-----|-------------------|-----|-----------------------------|-----|--------------------------------|-----|----------------|--------------|-----------------------------|-----|
|                                 | FY 2008<br>Initial forecast | (%) | FY 2008<br>Result | (%) | FY 2008<br>Initial forecast | (%) | FY 2008<br>Revised<br>forecast | (%) |                |              | FY 2008<br>Initial forecast | (%) |
| <b>Sales</b>                    |                             |     |                   |     |                             |     |                                |     |                |              |                             |     |
| Temporary staffing/ Contracting | 107,650                     |     | 101,665           |     | 110,740                     |     | 95,104                         |     | (14.1)%        | (7.8)%       | 218,390                     |     |
| Placement / Recruiting          | 3,750                       |     | 3,496             |     | 4,020                       |     | 2,983                          |     | (25.8)%        | (15.0)%      | 7,770                       |     |
| Outplacement                    | 3,080                       |     | 2,893             |     | 2,600                       |     | 2,746                          |     | 5.6%           | (14.8)%      | 5,680                       |     |
| Outsourcing                     | 7,510                       |     | 7,479             |     | 8,090                       |     | 7,510                          |     | (7.2)%         | 5.4%         | 15,600                      |     |
| Other                           | 1,280                       |     | 1,287             |     | 1,390                       |     | 1,802                          |     | 29.7%          | 57.3%        | 2,670                       |     |
| Eliminations & Corporate        | (600)                       |     | (735)             |     | (590)                       |     | (1,504)                        |     | -              | -            | (1,190)                     |     |

## Operating Income

|   |         |  |         |  |         |  |         |  |         |         |         |  |
|---|---------|--|---------|--|---------|--|---------|--|---------|---------|---------|--|
| Temporary staffing/<br>Contracting,<br>Placement / Recruiting | 2,570   |  | 2,025   |  | 3,420   |  | 2,374   |  | (30.6)% | (22.2)% | 5,990   |  |
| Outplacement  | 700     |  | 618     |  | 280     |  | 371     |  | 32.7%   | (53.0)% | 980     |  |
| Outsourcing   | 180     |  | 758     |  | 1,750   |  | 1,351   |  | (22.8)% | (3.9)%  | 1,930   |  |
| Other   | 10      |  | 24      |  | 90      |  | 45      |  | (49.7)% | -       | 100     |  |
| Eliminations & Corporate                                      | (1,560) |  | (1,828) |  | (1,940) |  | (1,951) |  | -       | -       | (3,500) |  |

## 6. Reference

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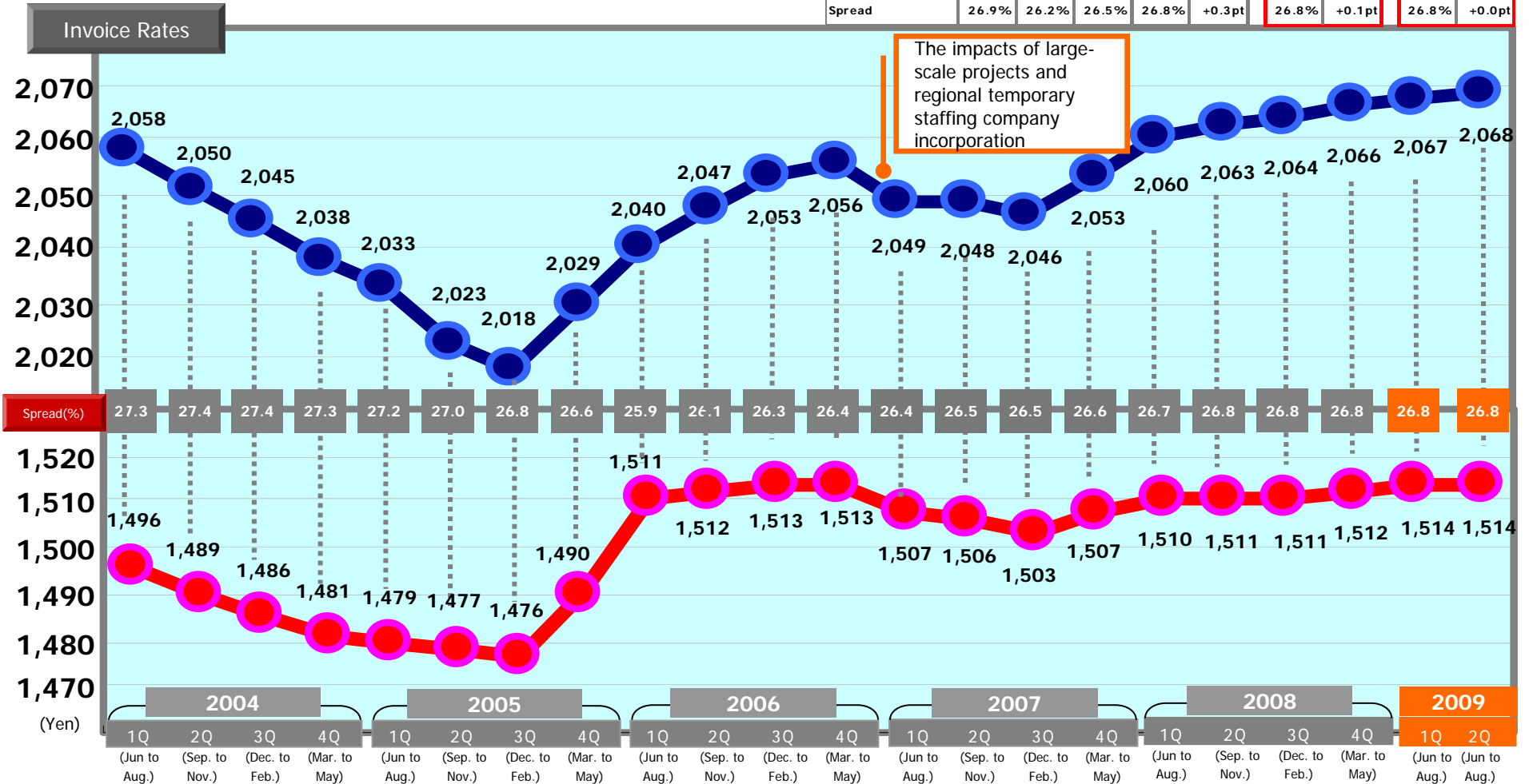
Units in billions of yen have been rounded to the nearest first decimal place. Units in millions of yen have been rounded down.  
Pasona Inc. consolidated business results for the fiscal year ended May 31, 2007 have been used for comparative purposes.

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

The spread between unit prices at the invoice and payment levels remained unchanged due to continuous negotiation.

2Q FY2009 **26.8%** (YoY +0.0pt)

|               | 2005  | 2006  | 2007  | 2008 (Average) | YoY    | 2Q 2009 |        | 2Q 2009 |        |
|---------------|-------|-------|-------|----------------|--------|---------|--------|---------|--------|
|               |       |       |       |                |        | 1Q      | YoY    | 2Q      | YoY    |
| Invoice Rates | 2,026 | 2,049 | 2,049 | 2,063          | 0.7%   | 2,067   | 0.3%   | 2,068   | 0.2%   |
| Payment Rates | 1,481 | 1,512 | 1,506 | 1,511          | 0.3%   | 1,514   | 0.3%   | 1,514   | 0.2%   |
| Spread        | 26.9% | 26.2% | 26.5% | 26.8%          | +0.3pt | 26.8%   | +0.1pt | 26.8%   | +0.0pt |



Payment Rates

Notes: Pasona Inc. (Non-consolidated) / Average hourly unit price across all segments (weighted average)  
 Figures include Socio. Inc., which was absorbed by Pasona Inc. from FY2007.

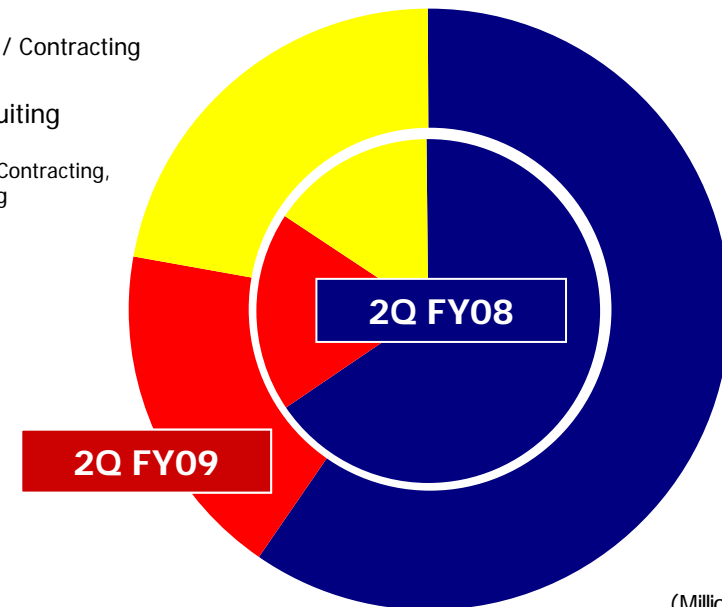
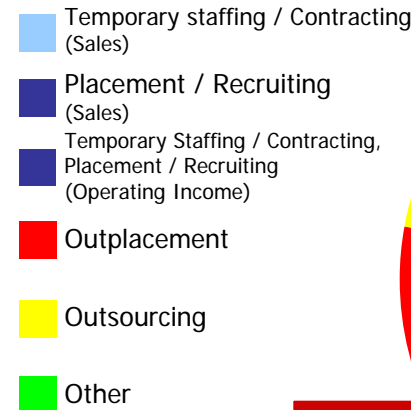
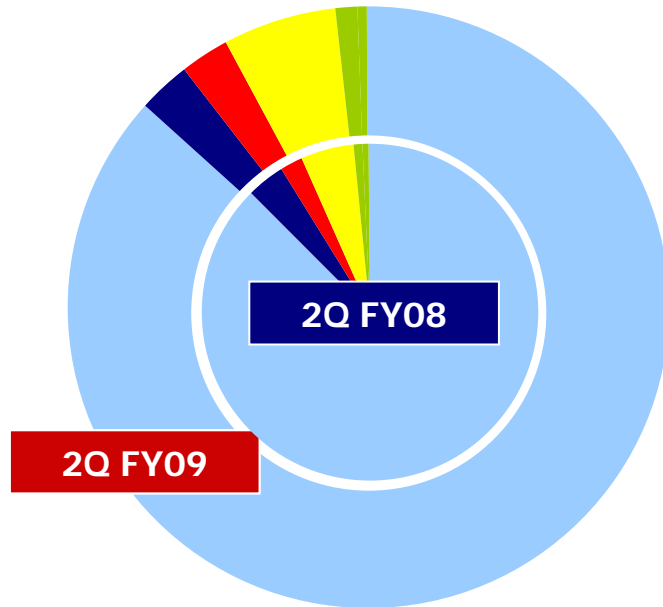
# Consolidated Results by Business Segment

## FY2009/2008 Six Months Results

### Net Sales

### Operating Income

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

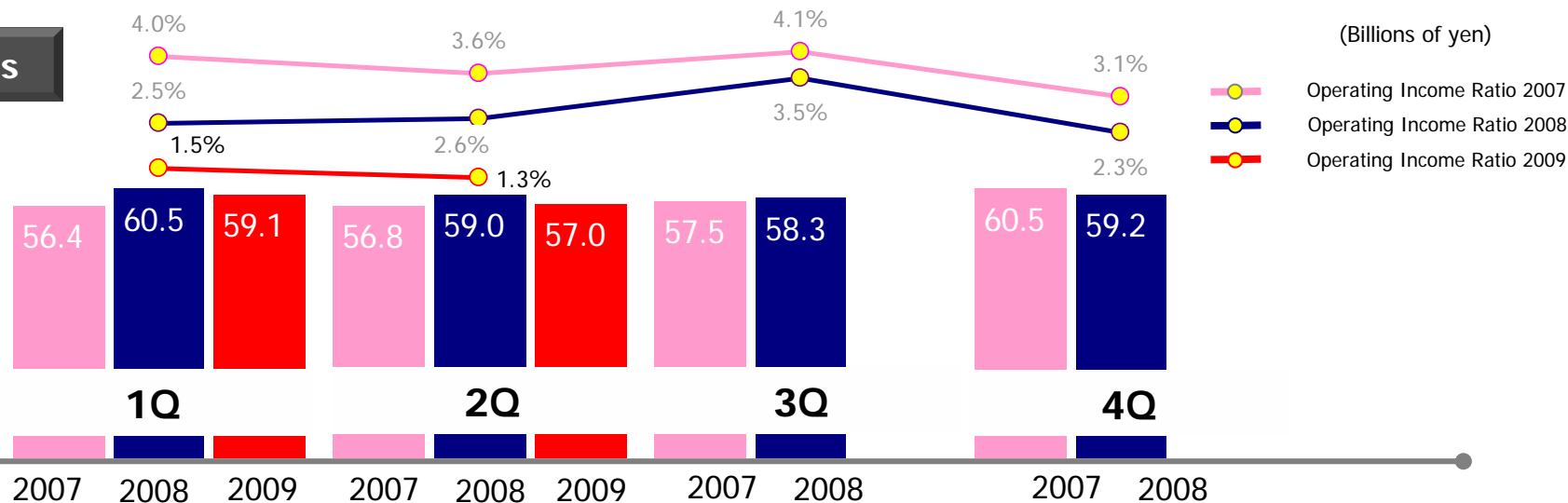


(Millions of yen)

|                                  | 2Q FY2008      |               |                  |               | 2Q FY2009      |               |                  |               |
|----------------------------------|----------------|---------------|------------------|---------------|----------------|---------------|------------------|---------------|
|                                  | Net Sales      | %             | Operating Income | %             | Net Sales      | %             | Operating Income | %             |
| Temporary staffing / Contracting | 105,687        | 88.4%         | 2,002            | 65.2%         | 101,665        | 87.6%         | 2,025            | 126.7%        |
| Placement / Recruiting           | 4,166          | 3.5%          |                  |               | 3,496          | 3.0%          |                  |               |
| Outplacement                     | 2,634          | 2.2%          | 587              | 19.1%         | 2,893          | 2.5%          | 618              | 38.7%         |
| Outsourcing                      | 6,606          | 5.6%          | 477              | 15.5%         | 7,479          | 6.4%          | 758              | 47.5%         |
| Other                            | 970            | 0.8%          | 1                | 0.1%          | 1,287          | 1.1%          | 24               | 1.5%          |
| Eliminations & Corporate         | (549)          | (0.5)%        | 2                | 0.1%          | (735)          | (0.6)%        | (1,828)          | (114.4)%      |
| <b>Total</b>                     | <b>119,516</b> | <b>100.0%</b> | <b>3,071</b>     | <b>100.0%</b> | <b>116,086</b> | <b>100.0%</b> | <b>1,598</b>     | <b>100.0%</b> |

# Quarterly Earnings Trends

## Net Sales



(Millions of yen)

|                         | 1Q (June to August) |        |         |        |         | 2Q (September to November) |        |         |        |         | 3Q (December to February) |        |         | 4Q (March to May) |        |         |
|-------------------------|---------------------|--------|---------|--------|---------|----------------------------|--------|---------|--------|---------|---------------------------|--------|---------|-------------------|--------|---------|
|                         | 2007                | 2008   | YoY     | 2009   | YoY     | 2007                       | 2008   | YoY     | 2009   | YoY     | 2007                      | 2008   | YoY     | 2007              | 2008   | YoY     |
|                         | <b>Consolidated</b> |        |         |        |         |                            |        |         |        |         |                           |        |         |                   |        |         |
| Net Sales               | 56,444              | 60,489 | 7.2%    | 59,136 | (2.2)%  | 56,757                     | 59,026 | 4.0%    | 56,950 | (3.5)%  | 57,498                    | 58,250 | 1.3%    | 60,531            | 59,178 | (2.2)%  |
| Gross profit            | 11,308              | 12,115 | 7.1%    | 11,762 | (2.9)%  | 11,660                     | 12,230 | 4.9%    | 11,435 | (6.5)%  | 11,897                    | 12,671 | 6.5%    | 12,182            | 12,352 | 1.4%    |
| SG&A expenses           | 9,031               | 10,585 | 17.2%   | 10,902 | 3.0%    | 9,623                      | 10,688 | 11.1%   | 10,696 | 0.1%    | 9,567                     | 10,655 | 11.4%   | 10,320            | 10,995 | 6.5%    |
| Operating income        | 2,277               | 1,529  | (32.8)% | 860    | (43.8)% | 2,037                      | 1,541  | (24.3)% | 738    | (52.1)% | 2,330                     | 2,015  | (13.5)% | 1,862             | 1,356  | (27.1)% |
| Ordinary income         | 2,377               | 1,584  | (33.4)% | 909    | (42.6)% | 2,014                      | 1,560  | (22.5)% | 894    | (42.7)% | 2,367                     | 1,994  | (15.8)% | 2,047             | 1,497  | (26.9)% |
| Net income              | 1,125               | 795    | (29.4)% | 313    | (60.6)% | 947                        | 268    | (71.7)% | (110)  | -       | 1,050                     | 1,286  | 22.5%   | 1,074             | 612    | (43.0)% |
| Gross profit margin     | 20.0%               | 20.0%  | 0.0pt   | 19.9%  | (0.1)pt | 20.5%                      | 20.7%  | 0.2pt   | 20.1%  | (0.6)pt | 20.7%                     | 21.8%  | 1.1pt   | 20.1%             | 20.9%  | 0.8pt   |
| SG&A expense ratio      | 16.0%               | 17.5%  | 1.5pt   | 18.4%  | 0.9pt   | 16.9%                      | 18.1%  | 1.2pt   | 18.8%  | 0.7pt   | 16.6%                     | 18.3%  | 1.7pt   | 17.0%             | 18.6%  | 1.6pt   |
| Operating income margin | 4.0%                | 2.5%   | (0.0)pt | 1.5%   | (1.0)pt | 3.6%                       | 2.6%   | (1.0)pt | 1.3%   | (1.3)pt | 4.1%                      | 3.5%   | (0.6)pt | 3.1%              | 2.3%   | (0.8)pt |
| Ordinary income margin  | 4.2%                | 2.6%   | (0.0)pt | 1.5%   | (1.1)pt | 3.5%                       | 2.6%   | (0.9)pt | 1.6%   | (1.0)pt | 4.1%                      | 3.4%   | (0.7)pt | 3.4%              | 2.5%   | (0.9)pt |
| Net income margin       | 2.0%                | 1.3%   | (0.0)pt | 0.5%   | (0.8)pt | 1.7%                       | 0.5%   | (1.2)pt | -      | -       | 1.8%                      | 2.2%   | 0.4pt   | 1.8%              | 1.0%   | (0.8)pt |

# Quarterly Earnings Trends by Business Segment

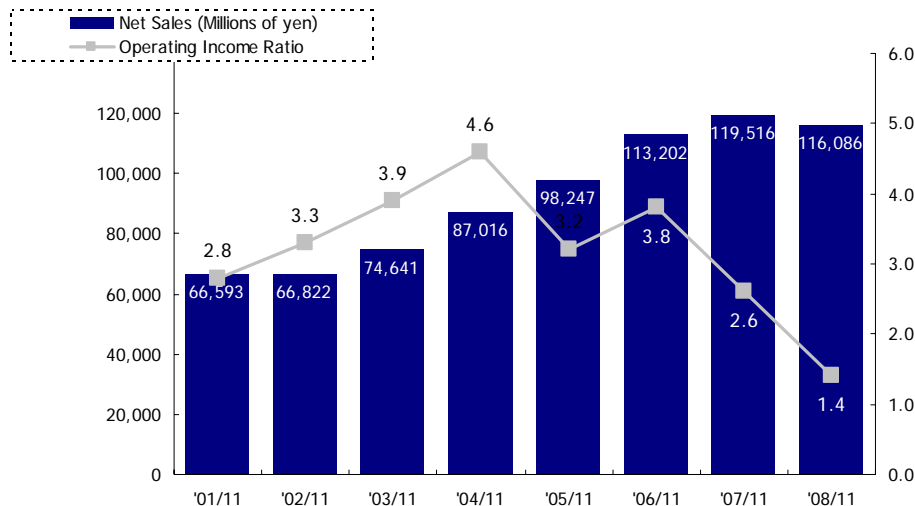
(Millions of yen)

|                         |   | 1Q (June to August) |        |          |        |         | 2Q (September to November) |        |         |        |          | 3Q (December to February) |        |         | 4Q (March to May) |        |         |
|-------------------------|---|---------------------|--------|----------|--------|---------|----------------------------|--------|---------|--------|----------|---------------------------|--------|---------|-------------------|--------|---------|
|                         |   | 2007                | 2008   | YoY      | 2009   | YoY     | 2007                       | 2008   | YOY     | 2009   | YoY      | 2007                      | 2008   | YOY     | 2007              | 2008   | YOY     |
|                         |   |                     |        |          |        |         |                            |        |         |        |          |                           |        |         |                   |        |         |
| Sales                   | Temporary staffing / Contracting                        | 50,723              | 53,596 | 5.7%     | 51,780 | (3.4)%  | 51,213                     | 52,090 | 1.7%    | 49,884 | (4.2)%   | 52,167                    | 51,162 | (1.9)%  | 54,847            | 51,961 | (5.3)%  |
|                         | Placement / Recruiting                                  | 1,704               | 2,260  | 32.6%    | 1,810  | (19.9)% | 1,516                      | 1,905  | 25.7%   | 1,686  | (11.5)%  | 1,529                     | 1,795  | 17.4%   | 1,895             | 1,714  | (9.5)%  |
|                         | Outplacement  | 1,328               | 1,213  | (8.7)%   | 1,545  | 27.3%   | 1,260                      | 1,421  | 12.8%   | 1,347  | (5.2)%   | 937                       | 1,588  | 69.5%   | 882               | 1,634  | 85.4%   |
|                         | Outsourcing   | 2,415               | 3,217  | 33.2%    | 3,693  | 14.8%   | 2,502                      | 3,389  | 35.4%   | 3,785  | 11.7%    | 2,596                     | 3,486  | 34.3%   | 2,711             | 3,639  | 34.2%   |
|                         | Other   | 496                 | 472    | (4.9)%   | 655    | 38.7%   | 495                        | 498    | 0.4%    | 632    | 27.0%    | 514                       | 574    | 11.7%   | 468               | 571    | 22.0%   |
|                         | Eliminations & Corporate                                | (225)               | (270)  | -        | (349)  | -       | (231)                      | (278)  | -       | (385)  | -        | (246)                     | (356)  | -       | (272)             | (342)  | -       |
| Operating Income        | Temporary staffing/ Contracting, Placement / Recruiting | 2,076               | 1,384  | (33.3)%  | 1,112  | (19.7)% | 1,411                      | 618    | (56.2)% | 913    | 47.8%    | 1,841                     | 1,613  | (12.4)% | 1,635             | 1,440  | (11.9)% |
|                         | Outplacement  | 451                 | 226    | (49.8)%  | 434    | 91.9%   | 350                        | 361    | 3.0%    | 184    | (49.1)%  | 40                        | 378    | 836.3%  | (83)              | 411    | -       |
|                         | Outsourcing   | (119)               | (72)   | -        | 213    | -       | 340                        | 550    | 61.6%   | 545    | (0.9)%   | 577                       | 929    | 60.8%   | 375               | 476    | 27.0%   |
|                         | Other   | (134)               | (9)    | -        | (31)   | -       | (62)                       | 10     | -       | 55     | 411.5%   | (133)                     | (17)   | -       | (65)              | (10)   | -       |
|                         | Eliminations & Corporate                                | 3                   | 0      | -        | (868)  | -       | (2)                        | 1      | -       | (960)  | -        | 4                         | (887)  | -       | 1                 | (961)  | -       |
| Operating Income Margin | Temporary staffing/ Contracting, Placement / Recruiting | 4.0%                | 2.5%   | (1.5)pt  | 2.1%   | (0.4)pt | 2.7%                       | 1.1%   | (1.6)pt | 1.8%   | 0.7pt    | 3.4%                      | 3.0%   | (0.4)pt | 2.9%              | 2.7%   | (0.2)pt |
|                         | Outplacement  | 34.0%               | 18.6%  | (15.4)pt | 28.1%  | 9.5pt   | 27.8%                      | 25.4%  | (2.4)pt | 13.7%  | (11.7)pt | 4.3%                      | 23.8%  | 19.5pt  | (9.5)%            | 25.2%  | 34.7pt  |
|                         | Outsourcing   | (4.9)%              | (2.3)% | 2.6pt    | 5.8%   | 8.1pt   | 13.6%                      | 16.2%  | 2.6pt   | 14.4%  | (1.8)pt  | 22.3%                     | 26.6%  | 4.3pt   | 13.8%             | 13.1%  | (0.7)pt |
|                         | Other   | (27.0)%             | (2.0)% | 25.0pt   | (4.8)% | (2.8)pt | (12.7)%                    | 2.2%   | 14.9pt  | 8.8%   | 6.6pt    | (25.9)%                   | (3.0)% | 22.9pt  | (14.1)%           | (1.9)% | 12.2pt  |

# Key Indicators (First Half)

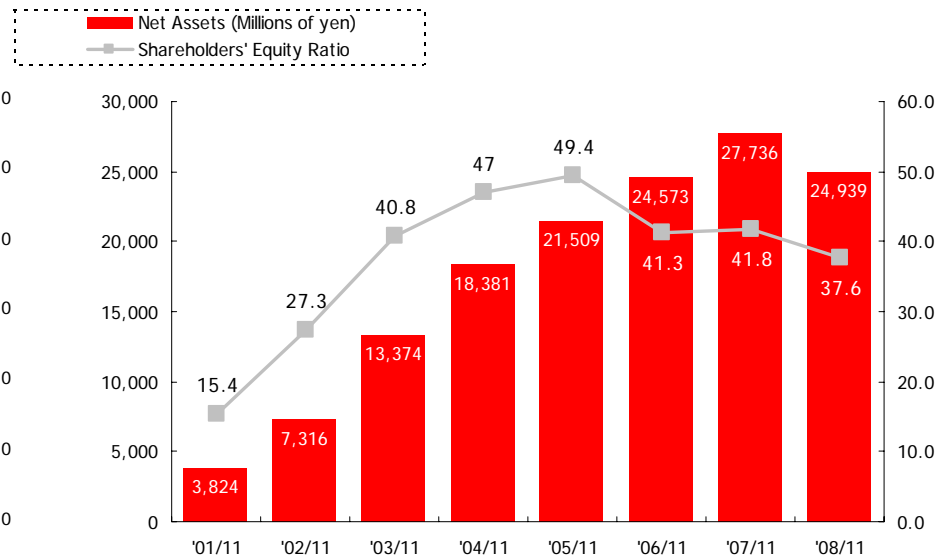
## Net Sales and Operating Income Ratio

(Millions of yen)



## Net Assets and Shareholders' Equity Ratio

(Millions of yen)



## Second Quarter Results

(Millions of yen)

| Key Indicators  | '01/11 | '02/11 | '03/11 | '04/11 | '05/11 | '06/11  | '07/11  | '08/11  |
|---|--------|--------|--------|--------|--------|---------|---------|---------|
| Net Sales   | 66,593 | 66,822 | 74,641 | 87,016 | 98,247 | 113,202 | 119,516 | 116,086 |
| Gross Profit Margin                                     | 17.6%  | 18.9%  | 20.1%  | 20.6%  | 19.8%  | 20.3%   | 20.4%   | 20.0%   |
| SGA Expenses  | 9,823  | 10,386 | 12,091 | 13,905 | 16,290 | 18,654  | 21,274  | 21,598  |
| SGA Expenses Ratio                                      | 14.8%  | 15.6%  | 16.2%  | 16.0%  | 16.6%  | 16.5%   | 17.8%   | 18.6%   |
| Operating Income  | 1,878  | 2,211  | 2,892  | 3,982  | 3,123  | 4,314   | 3,071   | 1,598   |
| Operating Income Ratio                                  | 2.8%   | 3.3%   | 3.9%   | 4.6%   | 3.2%   | 3.8%    | 2.6%    | 1.4%    |
| Ordinary Income   | 1,738  | 2,086  | 2,707  | 3,990  | 3,103  | 4,392   | 3,145   | 1,803   |
| Ordinary Income Ratio                                   | 2.6%   | 3.1%   | 3.6%   | 4.6%   | 3.2%   | 3.9%    | 2.6%    | 1.6%    |
| Net Income (Loss)                                       | 822    | 931    | 1,272  | 2,319  | 1,482  | 2,073   | 1,063   | 203     |
| Return on Sales   | 1.2%   | 1.4%   | 1.7%   | 2.7%   | 1.5%   | 1.8%    | 0.9%    | 0.2%    |
| Total Assets  | 24,808 | 26,796 | 32,759 | 39,150 | 43,526 | 49,918  | 55,216  | 52,670  |
| Net Assets *1   | 3,824  | 7,316  | 13,374 | 18,381 | 21,509 | 24,573  | 27,736  | 24,939  |
| Shareholders' Equity Ratio *2                           | 15.4%  | 27.3%  | 40.8%  | 47.0%  | 49.4%  | 41.3%   | 41.8%   | 37.6%   |
| Current Ratio   | 117.0% | 122.7% | 146.9% | 177.2% | 182.0% | 152.3%  | 150.8%  | 136.4%  |
| Number of Employees (Does not include contract workers) | 1,393  | 1,501  | 1,886  | 2,000  | 2,297  | 2,761   | 3,264   | 3,508   |

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

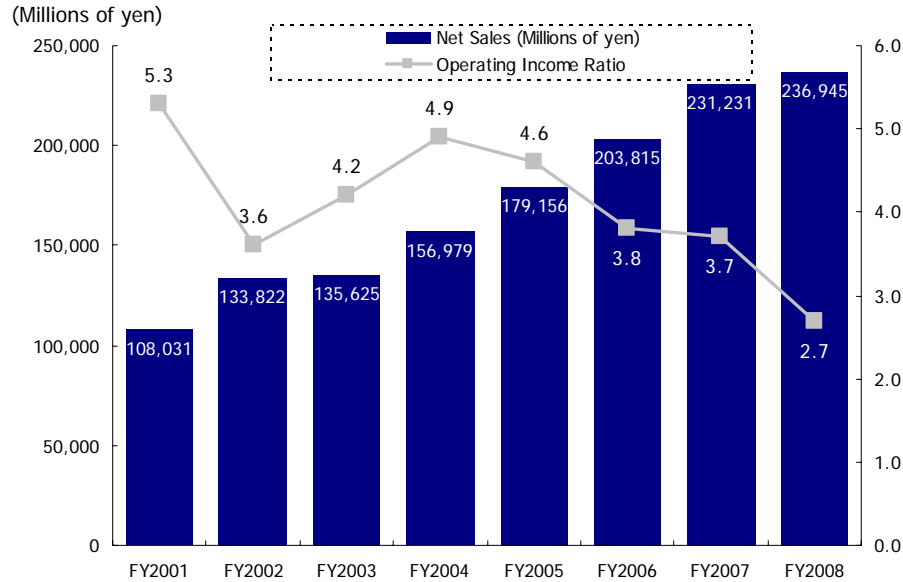
Minority interests included in presentation of net assets since the fiscal year ended May 31, 2006

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

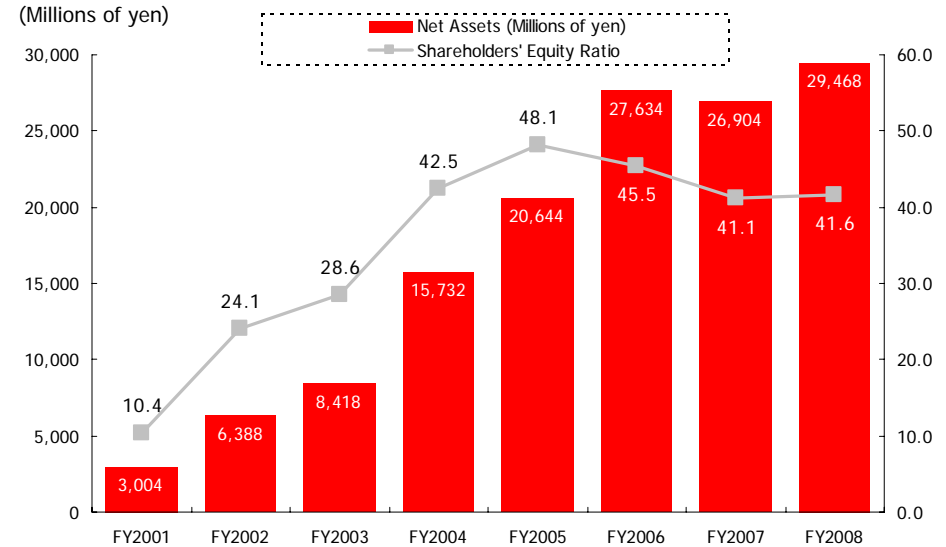
3. Pasona Inc. consolidated business results for the fiscal year ended May 31, 2008 have been used for comparative purposes.

# Key Indicators (Full Year)

## Net Sales and Operating Income Ratio



## Net Assets and Shareholders' Equity Ratio



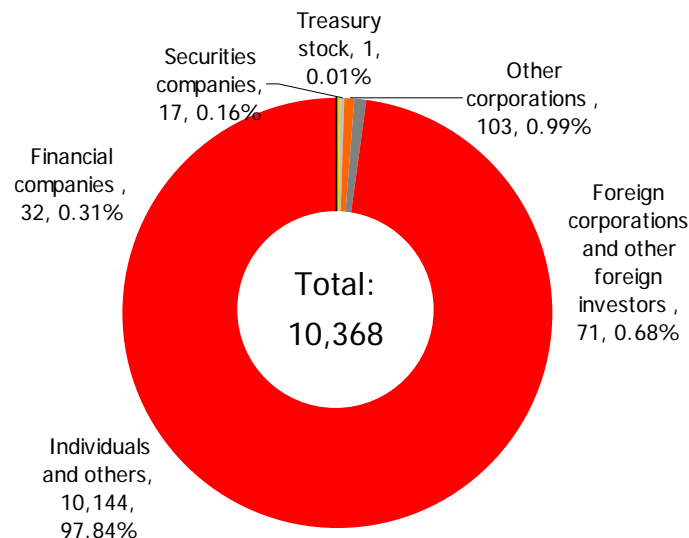
## Results

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

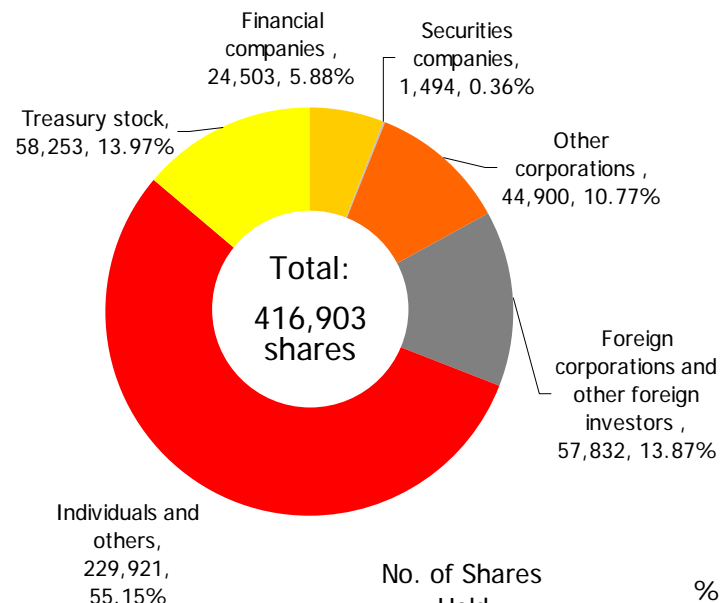
- Notes: 1. Presentation of shareholders' equity amended to a net assets basis in line with changes to accounting standards and policies. Minority interests included in presentation of net assets since the fiscal year ended May 31, 2006
2. Despite changes in calculation methods for net assets following the introduction of changes to accounting standards and policies, the shareholders' equity ratio since the fiscal year ended May 31, 2006 is calculated utilizing an amount equivalent to net assets applicable to common shares
3. Pasona Inc. consolidated business results for the fiscal year ended May 31, 2008 have been used for comparative purposes.



## Breakdown of Shareholders by Type



## Breakdown of Shareholders by Number of Share Held



## Principal Stockholders

|   | No. of Shares Held | %      |
|---|--------------------|--------|
| Yasuyuki Nambu  | 147,632            | 35.41% |
| Pasona Group Inc.   | 58,253             | 13.97% |
| Nambu Enterprise Inc.   | 35,688             | 8.56%  |
| State Street Bank and Trust Company 505223                        | 23,912             | 5.74%  |
| State Street Bank and Trust Company                               | 16,922             | 4.06%  |
| Eizaburo Nambu  | 9,000              | 2.16%  |
| Mellon Bank N.A as agent for its client Mellon Omnibus US Pension | 8,409              | 2.02%  |
| Japan Trustees Service Bank, Ltd. (Trust Account 4G)              | 5,940              | 1.42%  |
| Japan Trustees Service Bank, Ltd. (Trust Account)                 | 4,340              | 1.04%  |
| Pasona Group Employees' Sharefolding Association                  | 4,084              | 0.98%  |

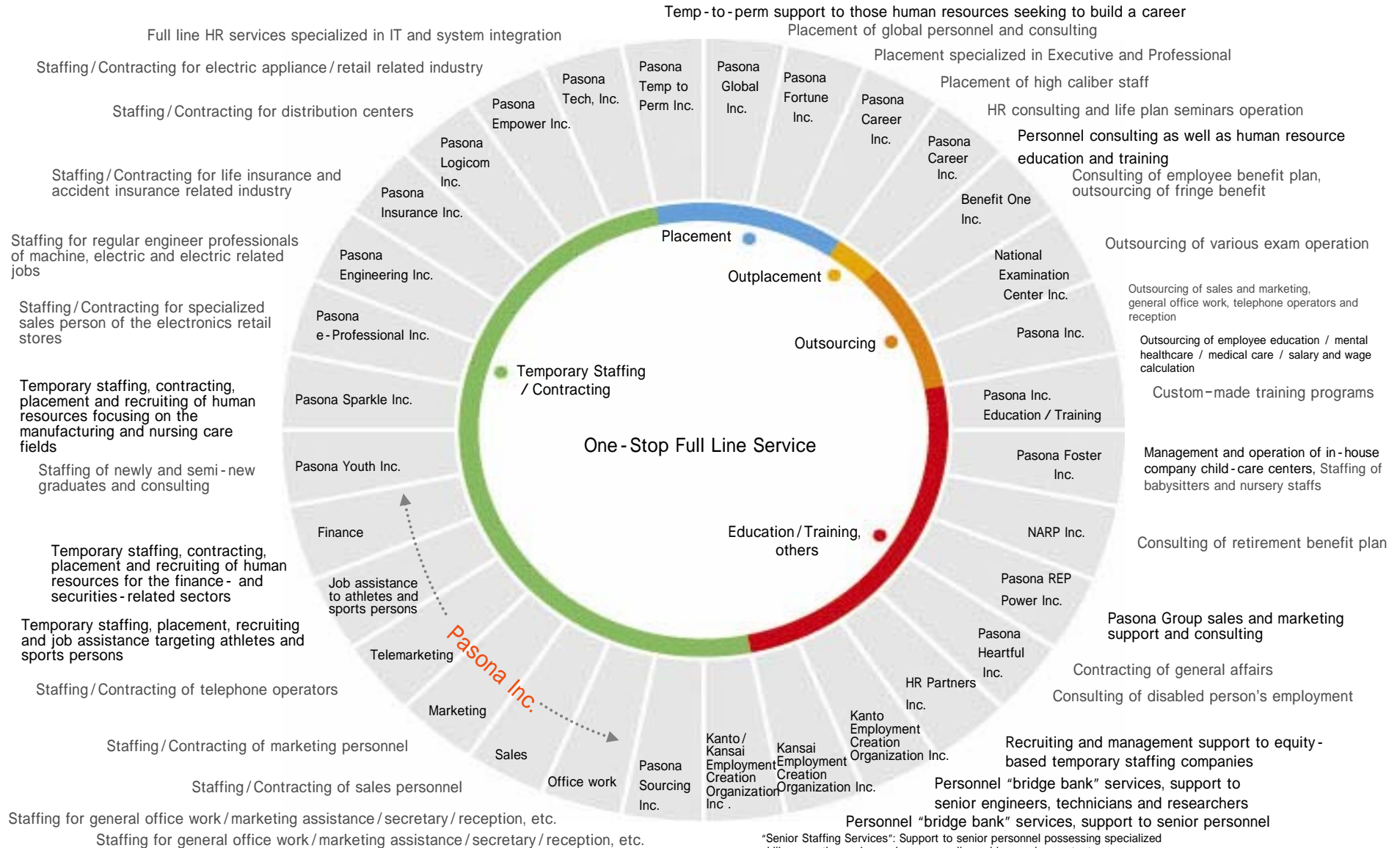
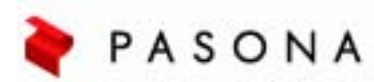
1. The Company's treasury stock (58,253 shares, 13.97% of total issued shares) ranked second. In accordance with Article 308.2 of the Corporations Law, there are no voting rights attached to treasury stock.
2. The Group received a notification from Harris Associates L.P., that it held 52,341 shares as of May 20, 2008 outlined the delivery of a Substantial Shareholding Report submitted to the Kanto Local Finance Bureau on May 23, 2008. The Company is unable to confirm the number of shares held as of 30 November, 2008. Accordingly, Harris Associates L.P. has been omitted from the list of major shareholders identified

Tokyo Stock Exchange, 1st Section 2168

|                            |  |
|----------------------------|--|
| <b>Corporate Name</b>      | Pasona Group Inc.  |
| <b>Headquarters</b>        | Shin Marunouchi Bldg.<br>1-5-1, Marunouchi, Chiyoda-ku,<br>Tokyo 100-6514<br>Phone 03-6734-0200                                |
| <b>Established</b>         | December 3, 2007<br>( Founding February 1976)  |
| <b>Paid-in Capital</b>     | 5,000 million yen  |
| <b>Representative</b>      | Yasuyuki Nambu   |
| <b>Business Activities</b> | Temporary staffing/Contracting<br>Placement/Recruiting<br>Outplacement<br>Outsourcing<br>Other (education, training and other) |
| <b>Number of Employees</b> | 4,812 (Consolidated, Including Contract workers)   |
| <b>Group Companies</b>     | Subsidiaries 42, Affiliates 5  |
| <b>URL</b>                 | <a href="http://www.pasonagroup.co.jp/english/">http://www.pasonagroup.co.jp/english/</a>                                      |

(As of November 30, 2008)

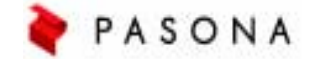
# Full Line Service of Pasona Group



"Senior Staffing Services": Support to senior personnel possessing specialized skills, expertise and experience as well as wide-ranging contacts

"Talent Bank": Professional administrative support focusing mainly on the management, general affairs, human resources and corporate planning fields

# Total Support Structure



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

## Total Support

