

CONSOLIDATED FINANCIAL REPORT (Japanese GAAP)

FY2012 (June 1, 2012 to May 31, 2013)

Listing stock exchange: The First Section of the Tokyo Stock Exchange
 Securities code number: 2168
 URL: <http://www.pasonagroup.co.jp>
 Representative: Yasuyuki Nambu, Group CEO and President
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 Date of the Annual General Meeting of shareholders: August 19, 2013
 Scheduled payment date of cash dividends: August 20, 2013
 Scheduled filing date of the securities report: August 20, 2013
 Supplemental materials prepared for financial results: Yes
 Holding of financial results meeting: Yes (for analysts and institutional investors)

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

1. CONSOLIDATED BUSINESS RESULTS

(1) Consolidated Financial Results

Percentage figures represent year-on-year increase / (decrease).

	Net Sales		Operating Income		Ordinary Income		Net Income	
		%		%		%		%
FY2012	207,685	14.4	3,176	61.7	3,187	52.4	610	1,969.4
FY2011	181,498	1.5	1,964	(19.2)	2,091	(18.7)	29	(92.9)

(Note) Comprehensive income FY2012: ¥1,611 million (137.2%) FY2011: ¥679 million(-43.3%)

	Net Income per Share	Diluted Net Income per Share	Return on Equity	Ordinary Income to Total Assets	Operating Income to Net Sales
	Yen	Yen	%	%	%
FY2012	1,630.20	1,627.29	2.9	4.5	1.5
FY2011	78.78	76.61	0.1	3.2	1.1

(Reference) Equity in earnings of unconsolidated subsidiaries and affiliates FY2012: ¥48 million FY2011: ¥40 million

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
May 31, 2013	71,276	26,253	29.3	55,849.68
May 31, 2012	70,889	26,295	29.0	54,853.94

(Reference) Equity As of May 31, 2013: ¥20,915 million As of May 31, 2012: ¥20,542 million

(3) Consolidated Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents, End of Period
FY2012	5,877	(4,532)	(4,285)	19,948
FY2011	3,431	(5,718)	2,479	22,739

2. DIVIDENDS

(Record Date)	Dividends per Share (Yen)					Total Dividend Payment (Annual)	Dividend Payout Ratio (Consolidated)	Ratio of Dividends to Net Assets (Consolidated)
	End of First Quarter	End of Second Quarter	End of Third Quarter	Fiscal Year-End	Annual			
FY2011	—	0.00	—	1,000.00	1,000.00	374	1,269.4%	1.8%
FY2012	—	0.00	—	1,000.00	1,000.00	374	61.3%	1.8%
FY2013(Forecast)	—	0.00	—	10.00	10.00		78.0%	

The Company plans to implement a 1:100 stock split on its common stock with an effective date of December 1, 2013, at the same time, adopt a unit share system that will set unit share at 100 shares. Dividend forecast for FY2013 takes into account a 1:100 stock split. If adjusted to reflect the number of shares prior to the stock split, the forecast of fiscal year end dividend amount will be equivalent to ¥1,000.

3. FORECAST OF RESULTS FOR THE FISCAL YEAR ENDING MAY 31, 2014

FY2013 (June 1, 2013 to May 31, 2014)

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

	Net Sales		Operating Income		Ordinary Income		Net Income (Loss)		Net Income (Loss) per Shares
		%		%		%		%	Yen
FY2013 First Half	108,500	5.4	730	2.2	620	(10.5)	(170)	—	(4.54)
FY2013 Full Fiscal Year	222,000	6.9	3,430	8.0	3,320	4.2	480	(21.4)	12.82

Forecast of net income (loss) per share take into account the effect of a 1:100 stock split with an effective date of December 1, 2013.

4. OTHERS

- (1) Changes in Important Subsidiaries during the Period (Changes in Special Subsidiaries due to Changes in the Scope of Consolidation and Application of the Equity Method) : None
- (2) Changes of Accounting Principles, Changes in Accounting Estimates and Retrospective Restatement
 - i. Changes of accounting principles in line with revisions to accounting and other standards: Yes
 - ii. Changes of accounting principles other than 1) above: None
 - iii. Changes in accounting estimates: Yes
 - iv. Retrospective restatement: None

(Note)

The depreciation method has been changed from the first quarter of this fiscal year and this change is applicable to “Changes in accounting policies that are difficult to distinguish from changes in accounting estimates.” For further information, please refer to “Changes in Accounting Policies that are Difficult to Distinguish from Changes in Accounting Estimates” in “(6) Notes to Consolidated Financial Statements.”

- (3) Number of Shares Issued and Outstanding (Common Shares)
 - i. The number of shares issued and outstanding as of the period-end (including treasury stock)
May 31, 2013: 416,903 shares May 31, 2012: 416,903 shares
 - ii. The number of treasury stock as of the period-end
May 31, 2013: 42,401 shares May 31, 2012: 42,401 shares
 - iii. Average number of shares for the period
FY2012: 374,502 shares FY2011: 374,502 shares

(Reference) NON-CONSOLIDATED BUSINESS RESULTS

(1) Non-Consolidated Financial Results

Percentage figures represent year-on-year increase / (decrease).

	Net Sales		Operating Income		Ordinary Income		Net Income	
		%		%		%		%
FY2012	6,510	20.2	357	217.8	183	154.4	35	(85.1)
FY2011	5,414	43.5	112	271.4	72	—	239	(46.0)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
FY2012	94.98	—
FY2011	639.29	—

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
May 31, 2013	42,088	14,899	35.4	39,785.25
May 31, 2012	39,912	15,238	38.2	40,690.00

(Reference) Equity as of May 31, 2013: ¥14,899 million As of May 31, 2012: ¥15,238 million

Information regarding the implementation of audit procedures

As of the date of disclosure of this report, the audit procedures of the financial statements is being carried out in accordance with the Financial Instruments and Exchange Act.

Cautionary statement and other explanatory notes

1. The aforementioned forecasts are based on assumptions and beliefs in light of information available to management at the time of document preparation and accordingly include certain unconfirmed factors. As a result, readers are advised that actual results may differ materially from forecasts for a variety of reasons. Concerning consolidated business results forecasts for the fiscal year ending May 31, 2014, please refer to “Outlook for the Fiscal Year Ending May 31, 2014” on page 6.
2. The Company plans to implement a 1:100 stock split on its common stock with an effective date of December 1, 2013, at the same time, adopt a unit share system that will set unit share at 100 shares. For further information, please refer to “Important Subsequent Events” in “(6) Notes to Consolidated Financial Statements” on page 28.
3. Pasona Group Inc. intends to hold an financial results meeting in Tokyo on July 16, 2013 for the benefit of analysts and institutional investors. Presentation materials will be posted on our website after the meeting in a timely manner.

FY2012 Consolidated Financial Report

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FY2012 Consolidated Financial Report

(June 1, 2012 - May 31, 2013)

1. Information Concerning Consolidated Business Results

(1) Consolidated Business Results

(Millions of yen)

	FY2011	FY2012	YoY
Net sales	181,498	207,685	14.4%
Operating income	1,964	3,176	61.7%
Ordinary income	2,091	3,187	52.4%
Net income	29	610	1,969.4%

Segment Information (Figures include intersegment sales)

Consolidated Net Sales by Segment

(Millions of yen)

	FY2011	FY2012	YoY
HR Solutions	180,581	206,773	14.5%
Expert Services (Temporary staffing), Insourcing (Contracting), Others	156,028	176,928	13.4%
Expert Services (Temporary staffing)	122,491	129,720	5.9%
Insourcing (Contracting)	26,748	37,007	38.3%
HR Consulting, Education & Training, Others	1,767	4,094	131.6%
Place & Search (Placement / Recruiting)	2,692	2,869	6.6%
Global Sourcing (Overseas)	2,327	3,236	39.0%
Outplacement	9,594	12,235	27.5%
Outsourcing	14,959	17,610	17.7%
Life Solutions			
Public Solutions	3,732	3,933	5.4%
Shared			
Eliminations and Corporate	(2,816)	(3,021)	—
Total	181,498	207,685	14.4%

Consolidated Operating Income (loss) by Segment

(Millions of yen)

	FY2011	FY2012	YoY
HR Solutions	5,525	7,522	36.1%
Expert Services (Temporary staffing), Insourcing (Contracting), Others	2,211	2,661	20.4%
Expert Services (Temporary staffing)			
Insourcing (Contracting)			
HR Consulting, Education & Training, Others	2,211	2,661	20.4%
Place & Search (Placement / Recruiting)			
Global Sourcing (Overseas)			
Outplacement	834	2,164	159.3%
Outsourcing	2,479	2,696	8.7%
Life Solutions			
Public Solutions	42	(46)	—
Shared			
Eliminations and Corporate	(3,603)	(4,299)	—
Total	1,964	3,176	61.7%

(2) Outlook for the Fiscal Year Ending May 31, 2014**Consolidated Business Results Forecast**

(Millions of yen)

	FY2012	FY2013 Forecast	YoY
Net sales	207,685	222,000	6.9%
Operating income	3,176	3,430	8.0%
Ordinary income	3,187	3,320	4.2%
Net income	610	480	(21.4)%

Segment Information (Figures include intersegment sales)**Forecasts of Sales by Segment**

(Millions of yen)

	FY2012	FY2013 Forecast	YoY
<i>HR Solutions</i>	206,773	219,570	6.2%
Expert Services (Temporary staffing), Insourcing (Contracting), Others	176,928	187,140	5.8%
Expert Services (Temporary staffing)	129,720	132,320	2.0%
Insourcing (Contracting)	37,007	43,300	17.0%
HR Consulting, Education & Training, Others	4,094	4,310	5.3%
Place & Search (Placement / Recruiting)	2,869	3,520	22.7%
Global Sourcing (Overseas)	3,236	3,690	14.0%
Outplacement	12,235	10,430	(14.8)%
Outsourcing	17,610	22,000	24.9%
<i>Life Solutions</i>			
<i>Public Solutions</i>	3,933	5,410	37.6%
<i>Shared</i>			
Eliminations and Corporate	(3,021)	(2,980)	—
Total	207,685	222,000	6.9%

Forecasts of Operating Income (Loss) by Segment

(Millions of yen)

	FY2012	FY2013 Forecast	YoY
<i>HR Solutions</i>	7,522	7,020	(6.7)%
Expert Services (Temporary staffing), Insourcing (Contracting), Others	2,661	3,170	19.1%
Expert Services (Temporary staffing)			
Insourcing (Contracting)			
HR Consulting, Education & Training, Others	2,661	3,170	19.1%
Place & Search (Placement / Recruiting)			
Global Sourcing (Overseas)			
Outplacement	2,164	830	(61.6)%
Outsourcing	2,696	3,020	12.0%
<i>Life Solutions, Public Solutions, Shared</i>	(46)	(40)	—
Eliminations and Corporate	(4,299)	(3,550)	—
Total	3,176	3,430	8.0%

(3) Qualitative Information and Other Matters Concerning Consolidated Financial Position

Status of Assets, Liabilities and Net Assets

(1) Assets

Total assets as of May 31, 2013 stood at ¥71,276 million, a rise of ¥386 million, or 0.5%, compared with the end of the previous fiscal year.

This result was mainly due to cash and deposits decreased by ¥2,191 million, a property, plant and equipment increased by ¥1,458 million, investment securities rose by ¥427 million as well as deferred tax assets grew by ¥404 million.

(2) Liabilities

Total liabilities as of May 31, 2013 stood at ¥45,022 million, increased ¥428 million, or 1.0%, compared with the end of the previous fiscal year.

This mainly reflected long-term loans payable decreased by ¥2,606 million, lease obligations increased by ¥814 million, income taxes payable increased by ¥593 million, unearned revenue rose by ¥557 million, provision for retirement benefits rose by ¥450 million and accounts payable-trade increased by ¥247 million.

(3) Net Assets

Net assets as of May 31, 2013 stood at ¥26,253 million, a decline of ¥41 million, or 0.2%, compared with the end of the previous fiscal year.

This mainly reflected net income of ¥610 million, an increase of ¥119 million in foreign currency translation adjustment, a decrease of ¥414 million in minority interests. These were partly offset by the payment of cash dividends totaling ¥374 million.

Accounting for the aforementioned, the equity ratio as of May 31, 2013 raised 0.3 percentage points to 29.3% compared with the end of the previous fiscal year.

Status of Cash Flows

Cash and cash equivalents (hereafter “net cash”) as of May 31, 2013 decreased by ¥2,790 million compared with the end of the previous fiscal year to ¥19,948 million.

(1) Cash Flows from Operating Activities

Net cash provided by operating activities for the fiscal year ended May 31, 2013 amounted to ¥5,877 million. (¥3,431 million provided for the previous fiscal year)

Major cash inflows included income before income taxes totaling ¥3,204 million (¥2,218 million for the previous fiscal year), depreciation and amortization totaling ¥2,632 million (¥2,149 million for the previous fiscal year), amortization of goodwill totaling ¥680 million (¥343 million for the previous fiscal year) as well as a decline in notes and accounts receivable-trade of ¥588 million. (an increase of ¥890 million for the previous fiscal year) The principal cash outflow was income taxes paid amounting to ¥1,677 million. (¥1,748 million for the previous fiscal year)

(2) Cash Flows from Investing Activities

Net cash used in investing activities for the fiscal year ended May 31, 2013 amounted to ¥4,532 million. (¥5,718 million used for the previous fiscal year)

Principal cash outflows were purchase of property, plant and equipment totaling ¥2,585 million (¥747 million for the previous fiscal year), purchase of intangible assets totaling ¥998 million (¥689 million for the previous fiscal year) as well as purchase of investment securities totaling ¥843 million. (¥37 million for the previous fiscal year)

(3) Cash Flows from Financing Activities

Net cash used in financing activities for the fiscal year ended May 31, 2013 amounted to ¥4,285 million. (¥2,479 million provided for the previous fiscal year)

Major cash inflow was proceeds from sale and leaseback totaling ¥994 million. Principal cash outflows were repayment of long-term loans payable amounting to ¥2,606 million (¥2,050 million for the previous fiscal year), cash dividends paid totaling ¥825 million (¥660 million for the previous fiscal year) and payments made to trust account for acquisition of treasury stock of a subsidiary in consolidation totaling ¥1,405 million.

(Reference) Cash Flow Benchmarks

	FY2008	FY2009	FY2010	FY2011	FY2012
Equity ratio	35.4%	39.6%	34.7%	29.0%	29.3%
Equity ratio based on market capitalization	33.9%	42.1%	44.8%	29.1%	31.5%
Ratio of interest-bearing debt to cash flows (years)	1.5	1.9	1.5	3.9	1.9
Interest coverage ratio	132.1	27.5	36.0	23.7	31.6

Notes:

1. Equity ratio: Shareholders' equity / Total assets
Equity ratio based on market capitalization: Market capitalization / Total assets
Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Cash flows
Interest coverage ratio: Cash flows / Interest payments
2. Each benchmark is calculated based on the consolidated financial statements.
3. Market capitalization is calculated by multiplying the period-end closing share price with the number of outstanding shares at the period-end (after deducting treasury stock).
4. Cash flows from operating activities are used in calculations that use cash flows.
5. Interest-bearing debt includes all interest-bearing debt under liabilities recorded on the consolidated balance sheets.

(4) Policy on the Appropriation of Profits, Dividends for FY2012 and FY2013

In connection with the appropriation of profits, the Company takes into consideration the funds required to engage in new businesses and capital investments aimed at fulfilling the Company's responsibilities to continuously develop the growing human resources business market, to strengthen the Company's operating platform and earnings capacity and to expand shareholders' returns by enhancing corporate value. On this basis and for the foreseeable future, the Company has adopted the basic policy to implement a consolidated dividend payout ratio target of 25% in an effort to continuously deliver adequate and stable returns to shareholders taking into consideration its operating performance.

Based on the aforementioned basic policy in connection with the appropriation of profits, the Company has declared an annual dividend for the fiscal year ended May 31, 2013 of ¥1,000 per share following ratification at a Board of Directors' meeting held on July 12, 2013.

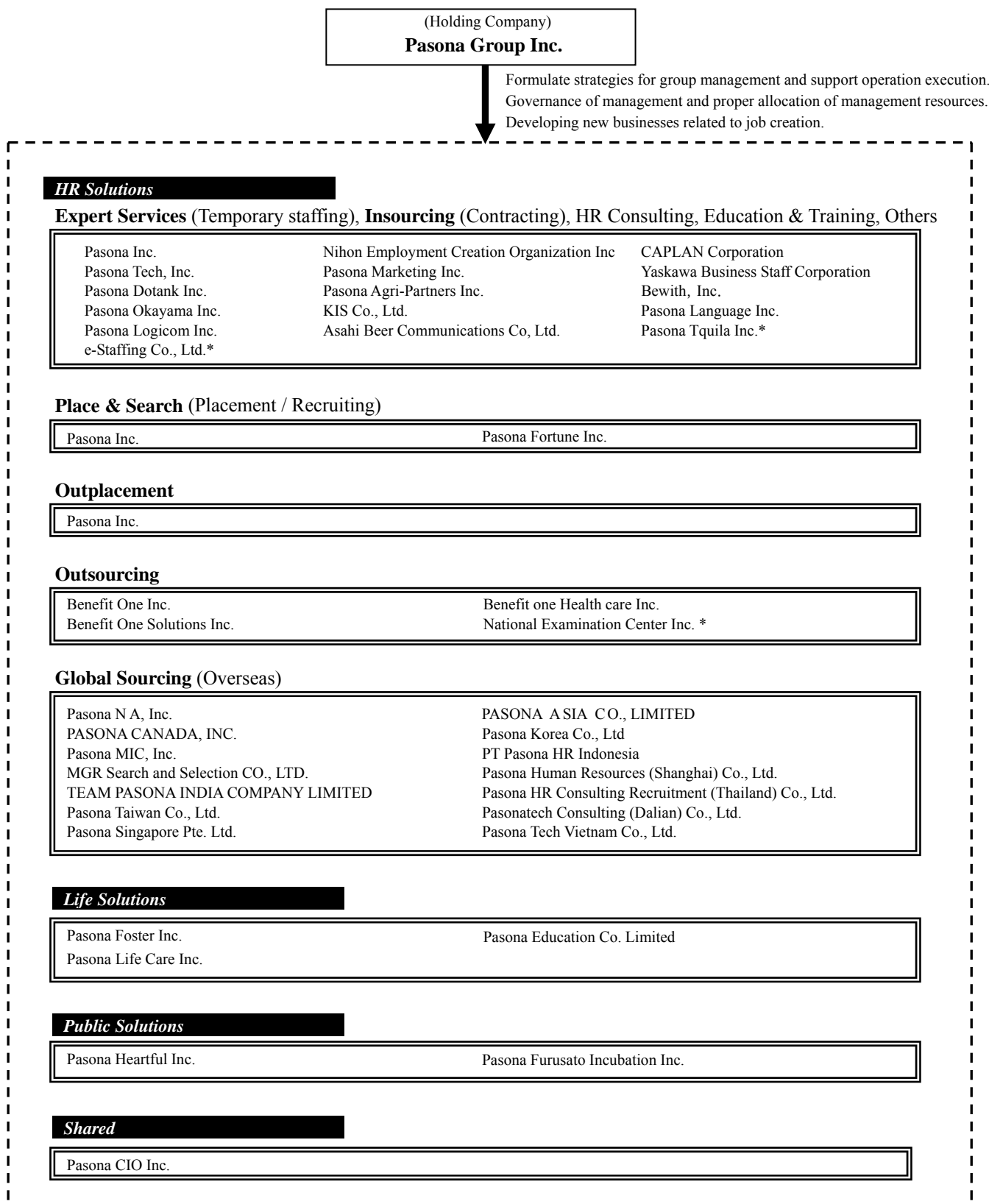
Regarding dividends for the fiscal year ending May 31, 2014, the Company does not plan to pay an interim cash dividend because a net loss is forecast for the first half period. The Company does however intend to pay a period-end cash dividend of ¥1,000 per share. (¥10 based on the value calculation after the stock split)

Note:

The Company plans to implement a 1:100 stock split on its common stock with an effective date of December 1, 2013, at the same time, adopt a unit share system that will set unit share at 100 shares.

2. Information on Group Companies

The Pasona Group is comprised of Pasona Group Inc., its 38 consolidated subsidiaries and 3 affiliated companies accounted for by the equity method as of May 31, 2013. Major Group companies according to their principal business activity are listed as follows.



Notes: For multiple businesses, only the principal business is disclosed.

* Equity-method affiliate

All other unmarked companies are consolidated subsidiaries.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of May 31, 2012		As of May 31, 2013	
ASSETS				
Current assets				
Cash and deposits		22,763		20,572
Notes and accounts receivable—trade		22,379		22,280
Short-term investment securities		203		203
Inventories	*1	391	*1	511
Deferred tax assets		1,045		1,117
Income taxes receivable		284		290
Other		2,411		2,914
Allowance for doubtful accounts		(61)		(53)
Total current assets		49,417		47,836
Noncurrent assets				
Property, plant and equipment				
Buildings	*2	5,771	*2	6,496
Accumulated depreciation		(2,599)		(3,035)
Buildings, net		3,172		3,461
Land		1,321		1,434
Lease assets		2,553		3,828
Accumulated depreciation		(743)		(1,257)
Lease assets, net		1,810		2,571
Other	*2	2,820	*2	3,342
Accumulated depreciation		(2,114)		(2,340)
Other, net		705		1,001
Total property, plant and equipment		7,009		8,468
Intangible assets				
Goodwill		4,292		4,063
Software	*2	2,367		2,212
Lease assets		67		87
Customer assets		799		1,182
Other		176		167
Total intangible assets		7,702		7,714
Investments and other assets				
Investment securities	*3	1,132	*3	1,560
Long-term loans receivable		182		153
Deferred tax assets		394		727
Lease and guarantee deposits		4,570		4,321
Other		845		848
Allowance for doubtful accounts		(25)		(14)
Allowance for investment loss		(340)		(340)
Total investments and other assets		6,759		7,256
Total noncurrent assets		21,471		23,439
Total assets		70,889		71,276

	As of May 31, 2012	As of May 31, 2013
LIABILITIES		
Current liabilities		
Accounts payable—trade	2,034	2,282
Short-term loans payable	3,105	3,005
Lease obligations	356	568
Accounts payable—other	3,688	3,280
Accrued expenses	12,611	12,119
Income taxes payable	941	1,535
Accrued consumption taxes	1,403	1,430
Unearned revenue	2,863	3,421
Provision for bonuses	1,969	2,113
Provision for directors' bonuses	16	15
Asset retirement obligations	10	8
Other	2,948	3,957
Total current liabilities	31,949	33,737
Noncurrent liabilities		
Long-term loans payable	8,262	5,655
Lease obligations	1,489	2,091
Provision for retirement benefits	1,164	1,614
Deferred tax liabilities	423	574
Asset retirement obligations	796	821
Other	508	527
Total noncurrent liabilities	12,644	11,284
Total liabilities	44,593	45,022
NET ASSETS		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	6,054	6,054
Retained earnings	13,075	13,283
Treasury stock	(3,493)	(3,493)
Total shareholders' equity	20,636	20,845
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	40	85
Foreign currency translation adjustment	(134)	(14)
Total accumulated other comprehensive income	(93)	70
Minority interests	5,752	5,337
Total net assets	26,295	26,253
Total liabilities and net assets	70,889	71,276

(2) Consolidated Statements of Income

(Millions of yen)

	FY2011 (For the fiscal year ended May 31, 2012)	FY2012 (For the fiscal year ended May 31, 2013)
Net sales	181,498	207,685
Cost of sales	147,693	167,609
Gross profit	33,805	40,075
Selling, general and administrative expenses	*1 31,840	*1 36,898
Operating income	1,964	3,176
Non-operating income		
Interest income	13	12
Equity in earnings of affiliates	40	48
Subsidy income	196	111
Other	132	140
Total non-operating income	383	313
Non-operating expenses		
Interest expenses	152	182
Commitment fee	44	38
Other	59	82
Total non-operating expenses	256	302
Ordinary income	2,091	3,187
Extraordinary income		
Gain on sales of investment securities	116	—
Gain on sales of subsidiaries and affiliates' stocks	—	246
Gain on change in equity	—	14
Gain on donation of noncurrent assets	58	—
Other	—	1
Total extraordinary income	175	263
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	*2 44	*2 60
Impairment loss	—	*3 169
Loss on change in equity	2	—
Other	—	15
Total extraordinary loss	47	246
Income before income taxes	2,218	3,204
Income taxes—current	1,406	2,119
Income taxes—deferred	24	(325)
Income taxes	1,430	1,793
Income before minority interests	788	1,410
Minority interests in income	758	799
Net income	29	610

(3) Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2011 (For the fiscal year ended May 31, 2012)	FY2012 (For the fiscal year ended May 31, 2013)
Income before minority interests	788	1,410
Other comprehensive income		
Valuation difference on available-for-sale securities	(89)	59
Foreign currency translation adjustment	(18)	141
Total other comprehensive income	*1 (108)	*1 201
Comprehensive income	679	1,611
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(82)	789
Comprehensive income attributable to minority interests	761	822

(4) Consolidated Statements of Changes in Shareholders' Equity

(Millions of yen)

	FY2011 (For the fiscal year ended May 31, 2012)	FY2012 (For the fiscal year ended May 31, 2013)
Shareholders' Equity		
Common Stock		
Balance at the end of previous period	5,000	5,000
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	5,000	5,000
Capital surplus		
Balance at the end of previous period	6,054	6,054
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	6,054	6,054
Retained earnings		
Balance at the end of previous period	13,425	13,075
Changes of items during the period		
Dividends from surplus	(374)	(374)
Net income	29	610
Change of scope of consolidation	(4)	(27)
Total changes of items during the period	(349)	208
Balance at the end of current period	13,075	13,283
Treasury stock		
Balance at the end of previous period	(3,493)	(3,493)
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	(3,493)	(3,493)
Total shareholders' equity		
Balance at the end of previous period	20,986	20,636
Changes of items during the period		
Dividends from surplus	(374)	(374)
Net income	29	610
Change of scope of consolidation	(4)	(27)
Total changes of items during the period	(349)	208
Balance at the end of current period	20,636	20,845
Total other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	135	40
Changes of items during the period		
Net changes of items other than shareholders' equity	(94)	45
Total changes of items during the period	(94)	45
Balance at the end of current period	40	85
Foreign currency translation adjustment		
Balance at the end of previous period	(117)	(134)
Changes of items during the period		
Net changes of items other than shareholders' equity	(16)	119
Total changes of items during the period	(16)	119
Balance at the end of current period	(134)	(14)

(Millions of yen)

	FY2011 (For the fiscal year ended May 31, 2012)	FY2012 (For the fiscal year ended May 31, 2013)
Total other comprehensive income		
Balance at the end of previous period	17	(93)
Changes of items during the period		
Net changes of items other than shareholders' equity	(111)	164
Total changes of items during the period	(111)	164
Balance at the end of current period	(93)	70
Minority interests		
Balance at the end of previous period	4,637	5,752
Changes of items during the period		
Net changes of items other than shareholders' equity	1,114	(414)
Total changes of items during the period	1,114	(414)
Balance at the end of current period	5,752	5,337
Total net assets		
Balance at the end of previous period	25,642	26,295
Changes of items during the period		
Dividends from surplus	(374)	(374)
Net income	29	610
Change of scope of consolidation	(4)	(27)
Net changes of items other than shareholders' equity	1,003	(250)
Total changes of items during the period	653	(41)
Balance at the end of current period	26,295	26,253

(5) Consolidated Statements of Cash Flows

(Millions of yen)

	FY2011 (For the fiscal year ended May 31, 2012)	FY2012 (For the fiscal year ended May 31, 2013)
Net cash provided by (used in) operating activities		
Income before income taxes	2,218	3,204
Depreciation and amortization	2,149	2,632
Impairment loss	—	169
Amortization of goodwill	343	680
Increase (decrease) in allowance for doubtful accounts	(9)	(19)
Increase (decrease) in allowance for investment loss	(0)	—
Increase (decrease) in provision for bonuses	31	106
Increase (decrease) in provision for directors' bonuses	0	(2)
Increase (decrease) in provision for retirement benefits	(123)	266
Interest and dividends income	(28)	(23)
Interest expenses	152	182
Subsidy income	(196)	(111)
Equity in (earnings) losses of affiliates	(40)	(48)
Loss (gain) on change in equity	2	(14)
Loss (gain) on sales and retirement of noncurrent assets	44	59
Gain on donation of noncurrent assets	(58)	—
Loss (gain) on sales of investment securities	(116)	—
Loss (gain) on sales of stocks of subsidiaries and affiliates	—	(246)
Decrease (increase) in notes and accounts receivable—trade	(890)	588
Decrease (increase) in inventories	(53)	6
Decrease (increase) in other assets	(151)	(577)
Increase (decrease) in operating debt	532	(15)
Increase (decrease) in accrued consumption taxes	(125)	74
Increase (decrease) in other liabilities	1,418	590
Other	(16)	29
Subtotal	5,082	7,528
Interest and dividends income received	34	34
Interest expenses paid	(144)	(185)
Proceeds from subsidy	206	177
Income taxes paid	(1,748)	(1,677)
Net cash provided by operating activities	3,431	5,877

(Millions of yen)

	FY2011 (For the fiscal year ended May 31, 2012)	FY2012 (For the fiscal year ended May 31, 2013)
Net cash provided by (used in) investment activities		
Decrease (increase) in time deposits	42	(572)
Purchase of property, plant and equipment	(747)	(2,585)
Proceeds from sales of property, plant and equipment	0	2
Purchase of intangible assets	(689)	(998)
Purchase of investment securities	(37)	(843)
Proceeds from sales of investment securities	297	—
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(4,424)	—
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	543	117
Purchase of investments in subsidiaries	(0)	(177)
Proceeds from sales of investments in subsidiaries	—	402
Payments of loans receivable	(22)	(220)
Collection of loans receivable	60	49
Payments for lease and guarantee deposits	(414)	(394)
Proceeds from collection of lease and guarantee deposits	355	673
Payments for transfer of business	(410)	—
Other	(271)	15
Total net cash used in investment activities	(5,718)	(4,532)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	472	(100)
Proceeds from long-term loans payable	5,600	—
Repayment of long-term loans payable	(2,050)	(2,606)
Proceeds from sale and leaseback	—	994
Repayments of finance lease obligations	(759)	(502)
Redemption of bonds	(128)	—
Proceeds from stock issuance to minority shareholders	5	136
Payments made to trust account	—	(1,405)
Cash dividends paid	(373)	(373)
Cash dividends paid for minority	(286)	(452)
Other	—	25
Total net cash provided by (used in) financing activities	2,479	(4,285)
Effect of exchange rate change on cash and cash equivalents	(12)	103
Net increase in cash and cash equivalents	179	(2,836)
Cash and cash equivalents at the beginning of the period	22,563	22,739
Increase in cash and cash equivalents resulting from change of scope of consolidation	—	234
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(4)	(187)
Cash and cash equivalents at the end of the period	22,739	19,948

(6) Notes to Consolidated Financial Statement

(Notes to Going Concern Assumption)

None

(Important Items Considered Fundamental to the Preparation of Consolidated Financial Statements)

1. Scope of Consolidation

i) Consolidated subsidiaries: 38 companies

Leading consolidated subsidiaries Pasona Inc.
Benefit One Inc.
Pasona Tech, Inc.
CAPLAN Corporation
Bewith, Inc.

New consolidated subsidiaries : 7 companies

Increase of significance Benefit one Health care Inc.
Pasonatech Consulting (Dalian) Co., Ltd.
Pasona Tech Vietnam Co., Ltd.

Establishment Pasona Furusato Incubation Inc.
Pasona Life Care Inc.
Pasona HR Consulting Recruitment (Thailand) Co., Ltd.

Stock acquisition Asahi Beer Communications Co, Ltd.

Exclusion from the scope of consolidation : 4 companies

Pasona Engineering Inc. *1
Pasona Marketing, Inc. *2
Pasona Sourcing Inc. *3
Pasona Tquila Inc. *4

*1 Pasona Engineering Inc. merged with Pasona Tech, Inc. and expired.

*2 Pasona Marketing, Inc. merged with Pasona Empower Inc. After that, Pasona Empower Inc. changed its corporate name to Pasona Marketing, Inc.

*3 Pasona Sourcing Inc. was spun-off into Pasona Life Care Inc. After that, Pasona Sourcing Inc. merged with Pasona Inc. and expired.

*4 Pasona Tquila Inc. became a consolidated subsidiary during the second quarter. At the end of fiscal year ended May 31, 2013, it became a non-consolidated equity method affiliate due to the decline in equity shareholding ratio.

ii) Non-consolidated subsidiary

No. of non-consolidated subsidiaries : 7 companies

The assets, sales, net profit and loss (the amount equivalent to equity shareholdings) and retained earnings (the amount equivalent to equity shareholdings) are considered insignificant and deemed to have immaterial impact on the consolidated financial statements. As a result, these non-consolidated subsidiaries have been excluded from the scope of consolidation.

2. Application of the Equity Method

No. of affiliated companies that are accounted for by the equity method : 3 companies

No. of non-consolidated subsidiaries and affiliated companies not accounted for by the equity method : 7 companies

Non-consolidated subsidiaries and affiliated companies not accounted for by the equity method were excluded from the scope of consolidation as their net profit and loss (the amount equivalent to equity shareholdings) and retained earnings (the amount equivalent to equity shareholdings) had an immaterial impact on the Group, and their overall importance to the Group's performance was limited.

(Changes in Accounting Policies that are Difficult to Distinguish from Changes in Accounting Estimates)

In accordance with the revision of the Corporation Tax Act of Japan, the depreciation method for property, plant and equipment acquired on or after June 1, 2012 has been changed to the method under the revised act from the first quarter of FY2012. The impact of this change to operating income, ordinary income, and income before income taxes are immaterial.

(Notes to Consolidated Balance Sheets)

*1 Breakdown of Inventories

	(Millions of yen)	
	As of May 31, 2012	As of May 31, 2013
Merchandise	277	404
Supplies	85	91
Work in process	26	13
Finished goods	0	0

*2 Amount of noncurrent assets advanced depreciation in connection with the acceptance of government and other subsidies

	(Millions of yen)	
	As of May 31, 2012	As of May 31, 2013
Advanced depreciation amount	96	94
Buildings	8	8
Tangible assets	87	85
Software	0	—

*3 Shares in non-consolidated subsidiaries and affiliated companies

	(Millions of yen)	
	As of May 31, 2012	As of May 31, 2013
Investment securities (stocks)	539	788

(Notes to Consolidated Statements of Income)

*1 Breakdown of major selling, general and administrative expenses

	(Millions of yen)	
	FY2011	FY2012
Employees' salaries and bonuses	13,986	15,832
Provision for bonuses	1,074	1,219
Provision for directors' bonuses	6	15
Welfare expenses	2,638	3,197
Retirement benefit expenses	263	706
Provision for directors' retirement benefits	—	2
Offering expenses	697	888
Rent expenses	3,765	3,721
Depreciation	1,616	1,654
Provision of allowance for doubtful accounts	2	8
Amortization of goodwill	343	680

*2 Breakdown of loss on sales and disposal of fixed assets

	(Millions of yen)	
	FY2011	FY2012
Loss on retirement	44	60
Buildings	31	46
Other tangible assets	10	7
Software	2	6
Lease assets (Intangible)	0	—
Loss on sales	0	0
Other tangible assets	0	0

*3 Breakdown of major impairment losses

(1) Overview of asset groups in which impairment losses were recognized

Location	Application	Type
Chiyoda-ku, Tokyo	Operations management system	Software, lease assets and others

(2) Background leading to the recognition of impairment loss

In accordance with a resolution of the Board of Directors at a meeting held in June 2013, the Company resolved to transfer and consolidate existing operations management system to new one. Impairment loss is the book value of written down to the amount estimated as recoverable.

(3) Amount of impairment loss:

(Millions of yen)	
Type	Amount
Software	109
Buildings, others	42
Lease assets	10
Other assets	6
Total	169

The recoverable amount for asset groups is calculated based on the net sales value. The income approach and other methods are used to calculate the net sales value for assets that are transferable. For assets that are not transferable, net sales value is zero reflecting the difficulty of their sale.

(4) Grouping of assets

In principle, the Group adopts each individual company as the basic unit for asset groupings and the smallest unit in independent cash flow generation.

(Notes to Consolidated Statements of Comprehensive Income)

*1 Reclassification adjustments and income tax relating to components of other comprehensive income

(Millions of yen)

	FY2011	FY2012
Valuation difference on available-for-sale securities		
Amount recognized during the period	(27)	93
Reclassification adjustments	(130)	(0)
Before income tax effect	(158)	93
Amount of income tax effect	68	(33)
Valuation difference on available-for-sale securities	(89)	59
Foreign currency translation adjustment		
Amount recognized during the period	(18)	141
Reclassification adjustments	(18)	141
Foreign currency translation adjustment	(18)	141
Total amount of other comprehensive income	(108)	201

(Notes to Consolidated Statements of Changes in Shareholders' Equity)

FY2011 (For the fiscal year ended May 31, 2012)

1. Matters Relating to Shares Issued and Outstanding

(Shares)

Type of Shares	Number of Shares As of May 31, 2011	Increase	Decrease	Number of Shares As of May 31, 2012
Common shares	416,903	—	—	416,903

2. Matters Relating to Treasury Stock

(Shares)

Type of Shares	Number of Shares As of May 31, 2011	Increase	Decrease	Number of Shares As of May 31, 2012
Common shares	42,401	—	—	42,401

3. Matters Related to the New Subscription Rights

None

4. Matters Relating to Dividends

(1) Cash dividend payment amount

Resolution	Type of Shares	Total Cash Dividends Paid	Cash Dividend per Common Share	Base Date	Effective Date
Board of Directors' meeting held on July 20, 2011	Common shares	¥374 million	¥1,000	May 31, 2011	August 19, 2011

(2) Dividends for which the effective date falls after the fiscal year ending May 31, 2013 included in dividends for the fiscal year ended May 31, 2012

Resolution	Type of Shares	Source of Dividend Payment	Total Cash Dividends Paid	Cash Dividend per Common Share	Base Date	Effective Date
Board of Directors' meeting held on July 13, 2012	Common shares	Retained earnings	¥374 million	¥1,000	May 31, 2012	August 22, 2012

FY2012 (For the fiscal year ended May 31, 2013)

1. Matters Relating to Shares Issued and Outstanding

(Shares)

Type of Shares	Number of Shares As of May 31, 2012	Increase	Decrease	Number of Shares As of May 31, 2013
Common shares	416,903	—	—	416,903

2. Matters Relating to Treasury Stock

(Shares)

Type of Shares	Number of Shares As of May 31, 2012	Increase	Decrease	Number of Shares As of May 31, 2013
Common shares	42,401	—	—	42,401

3. Matters Related to the New Subscription Rights

None

4. Matters Relating to Dividends

(1) Cash dividend payment amount

Resolution	Type of Shares	Total Cash Dividends Paid	Cash Dividend per Common Share	Base Date	Effective Date
Board of Directors' meeting held on July 13, 2012	Common shares	¥374 million	¥1,000	May 31, 2012	August 22, 2012

(2) Dividends for which the effective date falls after the fiscal year ending May 31, 2014 included in dividends for the fiscal year ended May 31, 2013

Resolution	Type of Shares	Source of Dividend Payment	Total Cash Dividends Paid	Cash Dividend per Common Share	Base Date	Effective Date
Board of Directors' meeting held on July 12, 2013	Common shares	Retained earnings	¥374 million	¥1,000	May 31, 2013	August 20, 2013

(Segment Information)

1. Overview of reportable segments

The business segments reported by Pasona Group are the business units for which the Company is able to obtain respective financial information separately in order for the Board of Directors to conduct periodic investigations to determine the distribution of management resources and evaluate their business results. The Pasona Group's principal business activities are human resource-related support services as typified by temporary staffing, contracting, placement and recruiting, outplacement as well as employee fringe benefit outsourcing services. Accordingly, the Company has designated "Expert Services (Temporary staffing), Insourcing (Contracting), Others", "Outplacement" and "Outsourcing" as its reporting segments. Pasona Group, a holding company, pursues the formulation of strategies for Group management and support operation execution, governance of management and the proper allocation of management resources, as well as developing new businesses related to job creation.

2. Method of computing net sales, income (loss), assets, liabilities and other items by reporting segment

The accounting treatment method for the Group's reporting segments is generally the same as the preparation of consolidated financial statements. Also, segment income is based on operating income. The

prices of intersegment transactions and transfers are determined by price negotiations based on the Company's submission of preferred prices after taking market conditions into account.

3. Information regarding net sales, income (loss), assets, liabilities and other items by reporting segment

FY2011 (For the fiscal year ended May 31, 2012)

(Millions of yen)

	Reporting segments				Others (Note 2)	Total	Adjustment	Figures in consolidated statements of income
	HR Solutions			Subtotal				
	Expert Services (Temporary staffing), Insourcing (Contracting), Others (Note 1)	Outplacement	Outsourcing					
Net sales								
Sales to outside customers	155,608	9,587	14,734	179,931	1,567	181,498	—	181,498
Intersegment sales and transfers	419	6	224	650	2,165	2,816	(2,816)	—
Total	156,028	9,594	14,959	180,581	3,732	184,314	(2,816)	181,498
Segment income	2,211	834	2,479	5,525	42	5,568	(3,603)	1,964
Segment assets	42,481	9,884	15,432	67,798	1,923	69,722	1,166	70,889
Other items								
Depreciation and amortization	947	214	523	1,685	276	1,962	187	2,149
Amortization of goodwill	221	67	55	343	—	343	—	343
Increase in tangible and intangible fixed assets	6,208	74	589	6,872	142	7,015	325	7,340

Notes:

- The "Expert Services (Temporary staffing), Insourcing (Contracting), Others" segment includes each of the businesses of Expert Services, Insourcing, HR Consulting, Place & Search as well as Global Sourcing.
- The "Others" segment incorporates operations not included in reporting segments such as Life Solutions, Public Solutions, Shared.
- The following are included in the adjustment item.
 - Adjustment of segment income totaling ¥(3,603) million includes Group management costs relating to the Company totaling ¥(3,611) million as well as intersegment sales and transfers totaling ¥(7) million.
 - Adjustment of segment assets totaling ¥1,166 million includes the Company's cash and deposits and assets relating to Group management totaling ¥13,558 million as well as intersegment sales and transfers totaling ¥(12,391) million.
 - Adjustment of depreciation and amortization totaling ¥187 million are mainly comprised of depreciation and amortization of assets relating to Group management.
 - Adjustment of increase in tangible and intangible fixed assets totaling ¥325 million are mainly comprised of an increase of assets relating to Group management.
- Segment income is adjusted with operating income under consolidated statements of income.

FY2012 (For the fiscal year ended May 31, 2013)

(Millions of yen)

	Reporting segments				Others (Note 2)	Total	Adjustment	Figures in consolidated statements of income
	HR Solutions			Subtotal				
	Expert Services (Temporary staffing), Insourcing (Contracting), Others (Note 1)	Outplacement	Outsourcing					
Net sales								
Sales to outside customers	176,184	12,232	17,387	205,803	1,881	207,685	—	207,685
Intersegment sales and transfers	743	3	222	969	2,051	3,021	(3,021)	—
Total	176,928	12,235	17,610	206,773	3,933	210,706	(3,021)	207,685
Segment income (loss)	2,661	2,164	2,696	7,522	(46)	7,475	(4,299)	3,176
Segment assets	41,118	12,396	16,698	70,214	2,744	72,958	(1,682)	71,276
Other items								
Depreciation and amortization	1,276	204	516	1,997	318	2,315	316	2,632
Amortization of goodwill	513	67	99	680	0	680	—	680
Impairment losses	47	—	—	47	122	169	—	169
Increase in tangible and intangible fixed assets	1,617	253	1,642	3,513	366	3,880	1,023	4,903

Notes:

- The “Expert Services (Temporary staffing), Insourcing (Contracting), Others” segment includes each of the businesses of Expert Services, Insourcing, HR Consulting, Place & Search as well as Global Sourcing.
- The “Others” segment incorporates operations not included in reporting segments such as Life Solutions, Public Solutions, Shared.
- The following are included in the adjustment item.
 - Adjustment of segment income (loss) totaling ¥(4,299) million includes Group management costs relating to the Company totaling ¥(4,300) million as well as intersegment sales and transfers totaling ¥(1) million.
 - Adjustment of segment assets totaling ¥(1,682) million includes the Company’s cash and deposits and assets relating to Group management totaling ¥15,120 million as well as intersegment sales and transfers totaling ¥(16,802) million.
 - Adjustment of depreciation and amortization totaling ¥316 million are mainly comprised of depreciation and amortization of assets relating to Group management.
 - Adjustment of increase in tangible and intangible fixed assets totaling ¥1,023 million are mainly comprised of an increase of assets relating to Group management.
- Segment income (loss) is adjusted with operating income under consolidated statements of income.

Related information

FY2011 (For the fiscal year ended May 31, 2012)

1. Information by product and service

Nothing is stated herein as similar information is disclosed in Segment information.

2. Information on geographic areas

(1) Net sales

Since the percentage of net sales in Japan exceeds 90%, information on geographic areas is omitted from this report.

(2) Property, plant and equipment

Since the percentage of total property, plant and equipment located in Japan exceeds 90%, information on geographic areas is omitted from this report.

3. Information by major customer

No major customer is stated because no customer accounted for more than 10% of net sales.

FY2012 (For the fiscal year ended May 31, 2013)

1. Information by product and service

Nothing is stated herein as similar information is disclosed in Segment information..

2. Information on geographic areas

(1) Net sales

Since the percentage of net sales in Japan exceeds 90%, information on geographic areas is omitted from this report.

(2) Property, plant and equipment

Since the percentage of total property, plant and equipment located in Japan exceeds 90%, information on geographic areas is omitted from this report.

3. Information by major customer

No major customer is stated because no customer accounted for more than 10% of net sales.

Information regarding impairment loss of noncurrent assets by reporting segment

FY2011 (For the fiscal year ended May 31, 2012)

None

FY2012 (For the fiscal year ended May 31, 2013)

(Millions of yen)

	Reporting segments				Others (Note)	Adjustment	Total
	Expert Services (Temporary staffing), Insourcing (Contracting), Others	Outplacement	Outsourcing	Subtotal			
Impairment loss	47	—	—	47	122	—	169

Note: The “Others” segment incorporates operations not included in reporting segments such as Life Solutions, Public Solutions, Shared.

Information regarding unamortized balance of goodwill by reporting segment

FY2011 (For the fiscal year ended May 31, 2012)

(Millions of yen)

	Reporting segments				Others (Note)	Adjustment	Total
	Expert Services (Temporary staffing), Insourcing (Contracting), Others	Outplacement	Outsourcing	Subtotal			
Balance at the end of current period	3,982	185	123	4,292	—	—	4,292

Note: The “Others” segment incorporates operations not included in reporting segments such as Life Solutions, Public Solutions, Shared.

FY2012 (For the fiscal year ended May 31, 2013)

(Millions of yen)

	Reporting segments			Others (Note)	Adjustment	Total	
	Expert Services (Temporary staffing), Insourcing (Contracting), Others	Outplacement	Outsourcing				Subtotal
Balance at the end of current period	3,273	118	671	4,063	—	—	4,063

Note: The “Others” segment incorporates operations not included in reporting segments such as Life Solutions, Public Solutions, Shared.

Information regarding gain on negative goodwill by reporting segment

FY2011 (For the fiscal year ended May 31, 2012)

None

FY2012 (For the fiscal year ended May 31, 2013)

None

(Important Matters Concerning Business Combination)

Common Control Business Relationship

Corporate separation and merger

1. The name, business activities and details of the company subject to business combination or the subject business

Company Name	Business Activities
Pasona Inc.	Temporary staffing, contracting, placement and recruiting business
Pasona Life Care Inc.	Housekeeping services, elderly care, temporary staffing business
Pasona Sourcing Inc.	Temporary staffing, contracting, placement and recruiting, housekeeping services, elderly care business

2. Date of business combination

May 1, 2013

3. Legal format of business combination

(Corporate separation)

The corporate separation was implemented with Pasona Life Care as the surviving company and Pasona Sourcing as the splitting company.

(Merger)

The merger was implemented with Pasona Inc. as the surviving company and Pasona Sourcing as the expiring company.

4. Name of the company after business combination

Pasona Inc.

Pasona Life Care Inc.

5. Accounting treatment

The separation and merger recorded as the transaction under common control in accordance with ASBJ Statement No.21 “Accounting Standards for Business Combinations” on December 26, 2008 and ASBJ Guidance No.10 “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business divestitures” on December 26, 2008.

(Per Share Information)

(Yen)

	FY2011	FY2012
Net assets per share	54,853.94	55,849.68
Net income per share	78.78	1,630.20
Diluted net income per share	76.61	1,627.29

Note 1:

Net earnings per share and earnings per diluted share are calculated on the following basis

(Millions of yen)

Items	FY2011	FY2012
Earnings per share		
Net income	29	610
Amount not applicable to shareholders of common stock	—	—
Net income applicable to common stock	29	610
Average number of shares for the period (shares)	374,502	374,502
Earnings per diluted shares		
Net income adjustment amount	(0)	(1)
Since there was no effect on earnings per share after applying calculations adjusted for the dilution of stocks, per diluted share amounts have been omitted from this report	Common stock with warrants as stock options resolution at the Annual General Meeting of Shareholders held on August 25, 2005 (number of common stock with warrants:3,704 shares)	—
Note: The resolution dates identified in the column on the right related to Annual General Meetings of Shareholders of Pasona Inc.		

Note 2:

The following shows the basis of calculating net assets per share

(Millions of yen)

	As of May 31, 2012	As of May 31, 2013
Total net assets	26,295	26,253
Amount deducted from total net assets	5,752	5,337
Net assets applicable to common stock as of the fiscal period-end	20,542	20,915
Number of common stock used to calculate net assets per share (shares)	374,502	374,502

(Important Subsequent Events)

Notice Concerning Share Split and Adoption of the Share Unit System

At the meeting of the Board of Directors held on July 12, 2013, the Company resolved to conduct a stock split and adoption of the share unit system. The details are as follows.

1. Purpose of Stock Split and Adoption of the Share Unit System

In view of the “Action Plan for the Aggregation of Trading Units” (dated November 27, 2007) and “Decision on Timeline for Transitioning to Trading Units of 100 and 1,000 Shares” (dated January 19, 2012) announced by all the securities exchanges of Japan with the aim of aggregating the number of unit shares (trading unit) into 100 shares, the Company will split each share into 100 shares, and adopt a unit share system with 100 shares per unit. There is no substantive change in the investment unit as a result of this share split and the adoption of a unit share system.

2. Outline of Stock Split

(1) Method of stock split

The stock split shall have a record date of November 30, 2013, and shall involve the splitting of common stocks held by shareholders whose names appear or are recorded in the latest Registry of Shareholders on the record date at a ratio of 1:100.

(2) Number of increase in shares by stock split

Total number of issued shares before stock split	416,903 shares
Number of increase in shares by stock split	41,273,397 shares
Total number of issued shares after stock split	41,690,300 shares
Total number of authorized shares after stock split	150,000,000 shares

(3) Schedule of stock split

Public notice date of the record date	November 14, 2013
Record date	November 30, 2013
Effective date	December 1, 2013

3. Adoption of the Unit Share System

(1) The Number of Shares Constituting the Newly Established Unit of Shares

The unit share system will be adopted and one unit of shares will be 100 shares.

(2) Schedule for Adoption of the Unit Share System

Effective Date : December 1, 2013

4. The Impact on Per Share Information

Per share information for the years ended May 31, 2012 and 2013, based on the assumption that the stock split was conducted on June 1, 2012, is as follows.

Net assets per share:

As of May 31, 2012	¥548.54
As of May 31, 2013	¥558.50

Net income per share:

For the year ended May 31, 2012	¥0.79
For the year ended May 31, 2013	¥16.30

Note: Diluted net income per share

For the year ended May 31, 2012	¥0.77
For the year ended May 31, 2013	¥16.27

4. Others

Changes and Movements in Directors

(1) Changes and movements in representative directors

None

(2) Changes and movements in other directors

Information relating to other movements and changes in directors is as outlined in the press release “Notice Concerning Change in the Company’s director” released today.