

CONSOLIDATED FINANCIAL REPORT (Japanese GAAP)

FY2014 (June 1, 2014 to May 31, 2015)

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
 For further information contact: Yuko Nakase, Managing Director and CFO Tel. +81-3-6734-0200
 Date of the Annual General Meeting of shareholders: August 19, 2015
 Scheduled payment date of cash dividends: August 20, 2015
 Scheduled filing date of the securities report: August 20, 2015
 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	
		%		%		%		%
FY2014	226,227	8.4	3,490	8.7	3,343	6.6	214	(59.3)
FY2013	208,660	0.5	3,210	1.1	3,135	(1.6)	526	(13.8)

(Note) Comprehensive income FY2014: ¥1,555 million (0.1%) FY2013: ¥1,554 million (-3.6%)

	Net Income per Share	Diluted Net Income per Share	Return on Equity	Ordinary Income to Total Assets	Operating Income to Net Sales
	Yen	Yen	%	%	%
FY2014	5.82	—	1.0	3.8	1.5
FY2013	14.05	14.04	2.5	4.1	1.5

(Reference) Equity in earnings of unconsolidated subsidiaries and affiliates FY2014: ¥(92) million FY2013: ¥(92) million

(Note)

The Company conducted a 1:100 stock split on common stock with an effective date of December 1, 2013, at the same time, adopted a unit share system that set unit share at 100 shares. Net income per share has been calculated as if the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
May 31, 2015	88,641	29,620	24.1	579.76
May 31, 2014	75,615	27,181	27.9	571.37

(Reference) Equity As of May 31, 2015: ¥21,333 million As of May 31, 2014: ¥21,097 million

(Note) Net assets per share has been calculated as if the stock split was conducted at the beginning of the previous fiscal year.

(3) Consolidated Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents, End of Period
FY2014	8,587	(4,645)	(2,004)	20,298
FY2013	1,639	(4,910)	1,180	18,021

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			
FY2013	—	0.00	—	10.00	10.00	374	71.2%	1.8%
FY2014	—	0.00	—	12.00	12.00	441	206.3%	2.1%
FY2015(Forecast)	—	0.00	—	12.00	12.00		58.9%	

3. FORECAST OF RESULTS FOR THE FISCAL YEAR ENDING MAY 31, 2016

FY2015 (June 1, 2015 to May 31, 2016)

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

	Net Sales		Operating Income		Ordinary Income		Profit (loss) attributable to owners of parent		Net Income (Loss) per Shares
		%		%		%		%	Yen
FY2015 First Half	129,000	13.4	1,300	8.7	1,230	9.9	(300)	—	(8.15)
FY2015 Full Fiscal Year	268,000	18.5	4,700	34.7	4,600	37.6	750	250.2	20.38

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: None

iv. Retrospective restatement: None

(Note) For further information, please refer to “Changes in Accounting Policies” 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, 2015: 41,690,300 shares May 31, 2014: 41,690,300 shares

ii. The number of treasury stock as of the period-end

May 31, 2015: 4,893,100 shares May 31, 2014: 4,765,957 shares

iii. Average number of shares for the period

FY2014: 36,818,100 shares FY2013: 37,448,759 shares

(Note) No. of shares issued and outstanding (common stock) has been calculated as if the stock split was conducted at the beginning of the previous fiscal year.

(Reference) NON-CONSOLIDATED BUSINESS RESULTS

FY2014 (June 1, 2014 to May 31, 2015)

(1) Non-Consolidated Financial Results

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

	Net Sales		Operating Income		Ordinary Income		Net Income	
		%		%		%		%
FY2014	6,450	12.3	735	59.7	495	66.5	575	1.1
FY2013	5,742	(11.8)	460	28.8	297	62.0	569	1,501.4

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
FY2014	15.60	—
FY2013	15.21	—

(Note) Net income per share has been calculated as if the stock split was conducted at the beginning of the previous fiscal year.

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
May 31, 2015	48,952	14,940	30.5	406.01
May 31, 2014	43,555	15,094	34.7	403.06

(Reference) Equity as of May 31, 2015: ¥14,940 million As of May 31, 2014: ¥15,094 million

(Note) Net assets per share has been calculated as if the stock split was conducted at the beginning of the previous fiscal year.

FY2014 Consolidated Financial Report

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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

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. Please refer to "Information Concerning Consolidated Forecasts" on page 5 with regard to the assumptions and other related matters concerning consolidated financial results forecasts for the fiscal year ending May 31, 2016.

The Company intends to hold a financial results meeting in Tokyo on July 17, 2015 for the benefit of analysts and institutional investors. Presentation materials will be posted on our website after the meeting in a timely manner.

FY2014 Consolidated Financial Report

(June 1, 2014 - May 31, 2015)

1. Information Concerning Consolidated Business Results

(1) Consolidated Business Results

(Millions of yen)

	FY2013	FY2014	YoY
Net sales	208,660	226,227	8.4%
Operating income	3,210	3,490	8.7%
Ordinary income	3,135	3,343	6.6%
Net income	526	214	(59.3)%

Segment Information (Figures include intersegment sales)

Consolidated Net Sales by Segment

(Millions of yen)

	FY2013	FY2014	YoY
HR Solutions	206,276	222,824	8.0%
Expert Services (Temporary staffing), Insourcing (Contracting), Others	175,569	192,374	9.6%
Expert Services (Temporary staffing)	124,280	132,621	6.7%
Insourcing (Contracting)	39,527	43,985	11.3%
HR Consulting, Education & Training, Others	4,663	5,536	18.7%
Place & Search (Placement / Recruiting)	3,430	5,389	57.1%
Global Sourcing (Overseas)	3,668	4,840	31.9%
Outplacement	10,350	8,806	(14.9)%
Outsourcing	20,356	21,643	6.3%
Life Solutions, Public Solutions, Shared	5,401	5,433	0.6%
Eliminations and Corporate	(3,017)	(2,030)	-
Total	208,660	226,227	8.4%

Consolidated Operating Income (loss) by Segment

(Millions of yen)

	FY2013	FY2014	YoY
HR Solutions	6,941	7,534	8.5%
Expert Services (Temporary staffing), Insourcing (Contracting), Others	2,872	3,960	37.9%
Expert Services (Temporary staffing)			
Insourcing (Contracting)			
HR Consulting, Education & Training, Others	2,872	3,960	37.9%
Place & Search (Placement / Recruiting)			
Global Sourcing (Overseas)			
Outplacement	993	379	(61.8)%
Outsourcing	3,074	3,193	3.9%
Life Solutions, Public Solutions, Shared	17	(60)	-
Eliminations and Corporate	(3,748)	(3,983)	-
Total	3,210	3,490	8.7%

(Note) In the middle of FY2014, IT Division included in "Shared" segment merged with a holding company.

(2) Outlook for the Fiscal Year Ending May 31, 2016

Consolidated Business Results Forecast

(Millions of yen)

	FY2014	FY2015 Forecast	YoY
Net sales	226,227	268,000	18.5%
Operating income	3,490	4,700	34.7%
Ordinary income	3,343	4,600	37.6%
Profit attributable to owners of parent	214	750	250.2%

Segment Information (Figures include intersegment sales)

Forecasts of Sales by Segment

(Millions of yen)

	FY2014	FY2015 Forecast	YoY
HR Solutions	222,824	264,140	18.5%
Expert Services (Temporary staffing), Insourcing (Contracting), Others	186,984	219,800	17.5%
Expert Services (Temporary staffing)	132,621	133,380	0.6%
Insourcing (Contracting)	43,985	74,250	68.8%
HR Consulting, Education & Training, Others	5,536	6,300	13.8%
Global Sourcing (Overseas)	4,840	5,870	21.3%
Career Solutions (Placement / Recruiting, Outplacement)	14,196	15,450	8.8%
Outsourcing	21,643	28,890	33.5%
Life Solutions, Public Solutions	5,251	5,710	8.7%
Eliminations and Corporate	(1,848)	(1,850)	—
Total	226,227	268,000	18.5%

Forecasts of Operating Income (Loss) by Segment

(Millions of yen)

	FY2014	FY2015 Forecast	YoY
HR Solutions	7,534	9,420	25.0%
Expert Services (Temporary staffing), Insourcing (Contracting), Others	2,485	3,090	24.3%
Expert Services (Temporary staffing)	2,485	3,090	24.3%
Insourcing (Contracting)			
HR Consulting, Education & Training, Others			
Global Sourcing (Overseas)			
Career Solutions (Placement / Recruiting, Outplacement)	1,855	2,050	10.5%
Outsourcing	3,193	4,280	34.0%
Life Solutions, Public Solutions	(59)	(150)	—
Eliminations and Corporate	(3,984)	(4,570)	—
Total	3,490	4,700	34.7%

(Notes)

From FY2015, “Place & Search” and “Outplacement” are integrated into “Career Solutions” segments. In the middle of FY2014, IT Division included in “Shared” segment merged with a holding company. FY 2014 results of “Career Solutions” has been reallocated and presented in the new segment.

(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, 2015 stood at ¥88,641 million, a rise of ¥13,025 million, or 17.2%, compared with the end of the previous fiscal year. The increase in assets due to the consolidation of Pasona Panasonic Business Service Co., Ltd. was ¥8,103 million.

This result was mainly due to cash and deposits increased by ¥2,920 million, notes and accounts receivable - trade increased by ¥4,865 million, inventories increased by ¥327 million, buildings increased by ¥1,319 million, software rose by ¥593 million and net defined benefit asset grew by ¥864 million as well as lease and guarantee deposits rose by ¥301 million.

(2) Liabilities

Total liabilities as of May 31, 2015 stood at ¥59,021 million, increased ¥10,587 million, or 21.9%, compared with the end of the previous fiscal year. The increase in liabilities due to the consolidation of Pasona Panasonic Business Service Co., Ltd. was ¥6,041 million.

This mainly reflected accounts payable - trade increased by ¥2,670 million, accrued consumption taxes increased by ¥4,309 million, long-term loans payable increased by ¥915 million and net defined benefit liability increased by ¥552 million.

(3) Net Assets

Net assets as of May 31, 2015 stood at ¥29,620 million, an increase of ¥2,438 million, or 9.0%, compared with the end of the previous fiscal year.

This mainly reflected net income of ¥214 million, an increase of ¥2,202 million in minority interests and an increase of ¥201 million in foreign currency translation adjustment. These were partly offset by the payment of cash dividends totaling ¥374 million and an increase of treasury stock totaling ¥72 million.

Accounting for the aforementioned, the equity ratio as of May 31, 2015 declined 3.8 percentage points to 24.1% compared with the end of the previous fiscal year.

Status of Cash Flows

Cash and cash equivalents (hereafter "net cash") as of May 31, 2015 increased by ¥2,277 million compared with the end of the previous fiscal year to ¥20,298 million.

(1) Cash Flows from Operating Activities

Net cash provided by operating activities for the fiscal year ended May 31, 2015 amounted to ¥8,587 million. (Provided by ¥1,639 million for FY2013)

Major cash inflows included income before income taxes totaling ¥3,208 million (¥3,071 million for FY2013), depreciation and amortization totaling ¥2,554 million (¥2,365 million for FY2013), amortization of goodwill totaling ¥938 million (¥886 million for FY2013) as well as an increase in accrued consumption taxes of ¥4,280 million. (¥533 million for FY2013)

The principal cash outflows were an increase in net defined benefit asset totaling ¥567 million (Increase of ¥565 million for FY2013), a decrease in operating debt totaling ¥806 million (Increase of ¥513 million for FY2013) as well as income taxes paid amounting to ¥2,088 million. (¥2,316 million for FY2013)

(2) Cash Flows from Investing Activities

Net cash used in investing activities for the fiscal year ended May 31, 2015 amounted to ¥4,645 million. (Used in ¥4,910 million for FY2013) Principal cash outflows were purchase of property, plant and equipment totaling ¥1,228 million (¥798 million for FY2013), purchase of intangible assets totaling ¥1,520 million (¥1,378 million for FY2013), purchase of investment securities totaling ¥402 million. (¥1,262 million for FY2013) as well as purchase of investments in subsidiaries resulting in change in scope of consolidation totaling ¥1,115 million. (¥1,202 million for FY2013)

(3) Cash Flows from Financing Activities

Net cash used in financing activities for the fiscal year ended May 31, 2015 amounted to ¥2,004 million. (Used in ¥1,180 million for FY2013)

Major cash inflow was proceeds from long-term loans payable totaling ¥5,100 million. (¥5,300 million for FY2013) Principal cash outflows were repayment of long-term loans payable amounting to ¥4,702 million (¥2,982 million for FY2013), repayments of finance lease obligations amounting to ¥690 million (¥634 million for FY2013) and cash dividends paid totaling ¥373 million. (¥373 million for FY2013)

(Reference) Cash Flow Benchmarks

	FY2010	FY2011	FY2012	FY2013	FY2014
Equity ratio	34.7%	29.0%	29.3%	27.9%	24.1%
Equity ratio based on market capitalization	44.8%	29.1%	31.5%	24.1%	35.0%
Ratio of interest-bearing debt to cash flows (years)	1.5	3.9	1.9	8.8	1.6
Interest coverage ratio	36.0	23.7	31.6	9.8	49.5

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 FY2014 and FY2015

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, 2015 of ¥12 per share following ratification at a Board of Directors' meeting held on July 15, 2015.

Regarding dividends for the fiscal year ending May 31, 2016, the Company does not plan to pay an interim cash dividend because loss attributable to owners of parent is forecast for the first half period. The Company does however intend to pay a period-end cash dividend of ¥12 per share.

2. Information on Group Companies

The Pasona Group is comprised of Pasona Group Inc., its 52 consolidated subsidiaries and 5 affiliated companies accounted for by the equity method as of May 31, 2015. Major Group companies according to their principal business activity are listed as follows.

(Holding Company)
Pasona Group Inc.

Formulate strategies for group management and support operation execution.
Governance of management and proper allocation of management resources.
Developing new businesses related to job creation.

HR Solutions

Expert Services (Temporary staffing), **Insourcing** (Contracting), **HR Consulting, Education & Training, Others**

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

Place & Search (Placement / Recruiting)

Pasona Inc.	Pasona Fortune Inc.
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Outplacement

Pasona Inc.

Outsourcing

Benefit One Inc.	Benefit One Solutions Inc.
Benefit one Health care Inc.	Benefit One Asia Pte. Ltd.
Benefit One Shanghai Inc.	Benefit One USA, Inc.
Benefit One (Thailand) Co., Ltd.	PT. BENEFIT ONE INDONESIA
Benefit One Deutschland GmbH	Others

Global Sourcing (Overseas)

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

Life Solutions

Pasona Foster Inc.	Pasona Life Care Inc.
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Public Solutions

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

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of May 31, 2014	As of May 31, 2015
ASSETS		
Current assets		
Cash and deposits	18,203	21,123
Notes and accounts receivable - trade	24,666	29,531
Short-term investment securities	203	203
Inventories	*1 679	*1 1,007
Deferred tax assets	1,054	1,330
Income taxes receivable	382	438
Other	3,411	4,558
Allowance for doubtful accounts	(56)	(64)
Total current assets	48,545	58,129
Noncurrent assets		
Property, plant and equipment		
Buildings	*2 6,631	*2 8,978
Accumulated depreciation	(3,483)	(4,510)
Buildings, net	3,147	4,467
Land		
Lease assets	4,151	4,529
Accumulated depreciation	(1,779)	(2,469)
Lease assets, net	2,371	2,059
Other	*2 3,724	*2 5,210
Accumulated depreciation	(2,458)	(3,920)
Other, net	1,266	1,290
Total property, plant and equipment	8,342	9,770
Intangible assets		
Goodwill	5,173	4,884
Software	2,893	3,487
Lease assets	118	75
Customer assets	1,036	1,223
Other	151	130
Total intangible assets	9,373	9,801
Investments and other assets		
Investment securities	*3 2,846	*3 2,845
Long-term loans receivable	138	127
Net defined benefit asset	565	1,430
Deferred tax assets	734	735
Lease and guarantee deposits	4,577	4,879
Other	838	967
Allowance for doubtful accounts	(10)	(45)
Allowance for investment loss	(335)	-
Total investments and other assets	9,353	10,940
Total noncurrent assets	27,069	30,512
Total assets	75,615	88,641

(Millions of yen)

	As of May 31, 2014	As of May 31, 2015
LIABILITIES		
Current liabilities		
Accounts payable - trade	2,547	5,217
Short-term loans payable	5,306	3,972
Lease obligations	640	714
Accounts payable - other	3,849	5,283
Accrued expenses	12,884	12,576
Income taxes payable	1,121	1,425
Accrued consumption taxes	1,939	6,248
Unearned revenue	2,141	2,037
Provision for bonuses	2,268	2,814
Provision for directors' bonuses	22	25
Asset retirement obligations	18	50
Other	4,227	5,900
Total current liabilities	36,967	46,267
Noncurrent liabilities		
Bonds payable	56	-
Long-term loans payable	6,503	7,419
Lease obligations	1,919	1,568
Net defined benefit liability	1,139	1,692
Deferred tax liabilities	425	567
Asset retirement obligations	835	842
Other	586	662
Total noncurrent liabilities	11,467	12,753
Total liabilities	48,434	59,021
NET ASSETS		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	6,054	6,068
Retained earnings	13,402	13,370
Treasury stock	(3,827)	(3,899)
Total shareholders' equity	20,629	20,539
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	82	206
Foreign currency translation adjustment	70	271
Remeasurements of defined benefit plans	314	316
Total accumulated other comprehensive income	467	794
Minority interests	6,083	8,286
Total net assets	27,181	29,620
Total liabilities and net assets	75,615	88,641

(2) Consolidated Statements of Income

(Millions of yen)

	FY2013 (For the fiscal year ended May 31, 2014)		FY2014 (For the fiscal year ended May 31, 2015)	
Net sales		208,660		226,227
Cost of sales		168,420		180,355
Gross profit		40,239		45,871
Selling, general and administrative expenses	*1	37,029	*1	42,381
Operating income		3,210		3,490
Non-operating income				
Interest income		25		30
Subsidy income		106		86
Rent expenses on real estates		50		56
Other		123		137
Total non-operating income		305		310
Non-operating expenses				
Interest expenses		167		161
Equity in losses of affiliates		92		92
Commitment fee		38		41
Other		81		161
Total non-operating expenses		380		457
Ordinary income		3,135		3,343
Extraordinary income				
Gain on sales of noncurrent assets		-		0
Gain on sales of investment securities		0		-
Gain on sales of subsidiaries and affiliates' stocks		0		-
Compensation income		-		90
Gain on change in equity		-		0
Total extraordinary income		0		91
Extraordinary loss				
Loss on sales and retirement of noncurrent assets	*2	41	*2	66
Loss on valuation of investment securities		-		14
Impairment loss		15	*3	124
Loss on change in equity		1		-
Other		6		21
Total extraordinary loss		64		225
Income before income taxes		3,071		3,208
Income taxes - current		1,840		2,155
Income taxes - deferred		(218)		(87)
Income taxes		1,622		2,067
Income before minority interests		1,449		1,141
Minority interests in income		923		927
Net income		526		214

(3) Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2013 (For the fiscal year ended May 31, 2014)		FY2014 (For the fiscal year ended May 31, 2015)	
Income before minority interests		1,449		1,141
Other comprehensive income				
Valuation difference on available-for-sale securities		12		210
Foreign currency translation adjustment		93		191
Remeasurements of defined benefit plans		-		1
Share of other comprehensive income of entities accounted for using equity method		(1)		10
Total other comprehensive income	*1	104	*1	413
Comprehensive income		1,554		1,555
Comprehensive income attributable to				
Comprehensive income attributable to owners of the parent		599		524
Comprehensive income attributable to minority interests		954		1,030

(4) Consolidated Statements of Changes in Shareholders' Equity

FY2013 (For the fiscal year ended May 31, 2014)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	5,000	6,054	13,283	(3,493)	20,845
Cumulative effects of changes in accounting policies					
Restated balance	5,000	6,054	13,283	(3,493)	20,845
Changes of items during the period					
Dividends from surplus			(374)		(374)
Net income			526		526
Purchase of treasury stock				(334)	(334)
Change of scope of consolidation			(33)		(33)
Others					
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	118	(334)	(215)
Balance at the end of current period	5,000	6,054	13,402	(3,827)	20,629

	Total accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	85	(14)	-	70	5,337	26,253
Cumulative effects of changes in accounting policies						
Restated balance	85	(14)	-	70	5,337	26,253
Changes of items during the period						
Dividends from surplus						(374)
Net income						526
Purchase of treasury stock						(334)
Change of scope of Consolidation						(33)
Others						
Net changes of items other than shareholders' equity	(2)	85	314	397	746	1,143
Total changes of items during the period	(2)	85	314	397	746	927
Balance at the end of current period	82	70	314	467	6,083	27,181

FY2014 (For the fiscal year ended May 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained Earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	5,000	6,054	13,402	(3,827)	20,629
Cumulative effects of changes in accounting policies			206		206
Restated balance	5,000	6,054	13,608	(3,827)	20,836
Changes of items during the period					
Dividends from surplus			(374)		(374)
Net income			214		214
Purchase of treasury stock				(72)	(72)
Change of scope of consolidation			(78)		(78)
Others		13			13
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	13	(238)	(72)	(296)
Balance at the end of current period	5,000	6,068	13,370	(3,899)	20,539

	Total accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	82	70	314	467	6,083	27,181
Cumulative effects of changes in accounting policies						206
Restated balance	82	70	314	467	6,083	27,388
Changes of items during the period						
Dividends from surplus						(374)
Net income						214
Purchase of treasury stock						(72)
Change of scope of consolidation						(78)
Others						13
Net changes of items other than shareholders' equity	123	201	1	326	2,202	2,528
Total changes of items during the period	123	201	1	326	2,202	2,231
Balance at the end of current period	206	271	316	794	8,286	29,620

(5) Consolidated Statements of Cash Flows

(Millions of yen)

	FY2013 (For the fiscal year ended May 31, 2014)	FY2014 (For the fiscal year ended May 31, 2015)
Net cash provided by (used in) operating activities		
Income before income taxes	3,071	3,208
Depreciation and amortization	2,365	2,554
Impairment loss	15	124
Amortization of goodwill	886	938
Increase (decrease) in allowance for doubtful accounts	(5)	(9)
Increase (decrease) in allowance for investment loss	(4)	-
Increase (decrease) in provision for bonuses	75	223
Increase (decrease) in provision for directors' bonuses	6	0
Increase (decrease) in provision for retirement benefits	(1,202)	-
Increase (decrease) in net defined benefit liability	1,139	1
Decrease (increase) in net defined benefit asset	(565)	(567)
Interest and dividends income	(35)	(48)
Interest expenses	167	161
Subsidy income	(106)	(86)
Equity in (earnings) losses of affiliates	92	92
Loss (gain) on sales and retirement of noncurrent assets	41	66
Loss (gain) on valuation of investment securities	-	14
Decrease (increase) in notes and accounts receivable - trade	(1,533)	(273)
Decrease (increase) in inventories	(163)	(164)
Decrease (increase) in other assets	(459)	(816)
Increase (decrease) in operating debt	513	(806)
Increase (decrease) in accrued consumption taxes	533	4,280
Increase (decrease) in other liabilities	(847)	1,699
Other	2	93
Subtotal	3,986	10,686
Interest and dividends income received	45	60
Interest expenses paid	(167)	(173)
Proceeds from subsidy	90	102
Income taxes paid	(2,316)	(2,088)
Net cash provided by operating activities	1,639	8,587

(Millions of yen)

	FY2013 (For the fiscal year ended May 31, 2014)		FY2014 (For the fiscal year ended May 31, 2015)	
Net cash provided by (used in) investment activities				
Decrease (increase) in time deposits		582		112
Purchase of property, plant and equipment		(798)		(1,228)
Purchase of intangible assets		(1,378)		(1,520)
Purchase of investment securities		(1,262)		(402)
Proceeds from sales of investment securities		4		1
Purchase of investments in subsidiaries resulting in change in scope of consolidation	*2	(1,202)	*2	(1,115)
Purchase of investments in subsidiaries		(62)		(29)
Payments of loans receivable		(6)		(9)
Collection of loans receivable		24		19
Payments for lease and guarantee deposits		(401)		(571)
Proceeds from collection of lease and guarantee deposits		257		352
Payments for transfer of business		(597)		(25)
Other		(70)		(227)
Total net cash used in investment activities		(4,910)		(4,645)
Net cash provided by (used in) financing activities				
Net increase (decrease) in short-term loans payable		17		(816)
Proceeds from long-term loans payable		5,300		5,100
Repayment of long-term loans payable		(2,982)		(4,702)
Proceeds from sale and leaseback		28		-
Repayments of finance lease obligations		(634)		(690)
Redemption of bonds		-		(52)
Proceeds from stock issuance to minority shareholders		187		-
Purchase of treasury stock		-		(64)
Cash dividends paid		(373)		(373)
Cash dividends paid for minority		(362)		(420)
Other		-		15
Total net cash provided by (used in) financing activities		1,180		(2,004)
Effect of exchange rate change on cash and cash equivalents		82		170
Net increase in cash and cash equivalents		(2,008)		2,107
Cash and cash equivalents at the beginning of the period		19,948		18,021
Increase in cash and cash equivalents resulting from change of scope of consolidation		80		169
Cash and cash equivalents at the end of the period	*1	18,021	*1	20,298

(6) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumption)

None

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

1. Scope of Consolidation

i) Consolidated subsidiaries: 52 companies

Leading consolidated subsidiaries Pasona Inc.
Benefit One Inc.
Pasona Tech, Inc.
CAPLAN Corporation
Bewith, Inc.
Pasona Medical Inc. *1

New consolidated subsidiaries : 12 companies

Increase of significance Anime Egg Inc.
Art Ribbon Inc.
RE BORN Inc.
Benefit One Shanghai Inc.
Benefit One USA, Inc.
Benefit One (Thailand) Co., Ltd.

Establishment Tango Kingdom Inc.
Pasona Tohoku Sousei Inc.
PT. BENEFIT ONE INDONESIA
Benefit One Deutschland GmbH

Stock acquisition Pasona Panasonic Business Service Co., Ltd.
Shin nihon kogyo Co., Ltd.

Exclusion from the scope of consolidation : 2 companies

Pasona CIO Inc. *2
Support Corporation *3

*1 Pasona Medical Inc. changed its corporate name from Medical Associa Inc.

*2 Pasona CIO Inc. merged with Pasona Inc. and expired.

*3 Support Corporation transferred its all business operations to Pasona Inc. Due to the relative unimportance, it had been excluded from the scope of consolidation.

ii) Non-consolidated subsidiary

No. of non-consolidated subsidiaries : 11 companies

Leading non-consolidated subsidiaries DF Management Co., Ltd.
General Incorporated Association DIRECTFORCE
ed1. co., Ltd.

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 : 5 companies

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

Leading non-consolidated subsidiaries and affiliated companies not accounted for by the equity method
 DF Management Co., Ltd.
 General Incorporated Association DIRECTFORCE
 ed1. co., Ltd.

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)

The Company adopted the provisions of the main clauses in Paragraph 35 of the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012) and in Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012) starting in the first quarter of the current fiscal year. Accordingly, the Company has revised the method of calculating retirement benefit obligations and service costs; changed the method of attributing expected retirement benefits to periods from a straight line-basis to a benefit formula basis; and changed the method of determining a discount rate from a method in which bond duration as the basis for determining the discount rate is determined based on a number of years similar to the average remaining service period of employees to a method that mainly uses multiple discount rates established for each period of expected retirement benefit payments.

With the adoption of the Accounting Standard for Retirement Benefits, in accordance with the transitional treatment stipulated in Paragraph 37, the Company reflected in retained earnings the amount of the impact of the change in the method of calculating retirement benefit obligations and service costs at the beginning of the current fiscal year.

As a result, net defined benefit asset increased by ¥318 million, and retained earnings increased by ¥206 million at the beginning of the current fiscal year. The effect of these adjustments on consolidated operating income, ordinary income and income before income taxes for FY2014 is immaterial.

(Additional information)

(Adjustment in amount of deferred tax assets and deferred tax liabilities due to a change in the corporate tax rate)

The "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 9 of 2015) and the "Act on Partial Amendment of the Local Tax Act, etc." (Act No. 2 of 2015) have been promulgated on March 31, 2015. In conjunction with this, the statutory effective tax rate used to calculate deferred tax assets and deferred tax liabilities is changed from the previous rate of 35.6%. The rate will be 33.0% for temporary differences expected to be realized in the fiscal year beginning on June 1, 2015, and 32.3% for temporary differences expected to be realized in the fiscal year beginning on or after June 1, 2017.

Moreover, the system of deduction for losses carried forward has been revised. The limit of deduction from taxable income applicable to losses carried forward is amount equivalent to 65% of the income before loss carried forward effective from the fiscal year beginning on and after June 1, 2015, and 50% effective from the fiscal year beginning on and after June 1, 2017. (Currently, the limit of deduction from taxable income applicable to losses carried forward is amount equivalent to 80%.)

As a result, net deferred tax assets decreased by ¥346 million, income taxes - deferred increased by ¥374 million.

(Notes to Consolidated Balance Sheets)

*1 Breakdown of Inventories

	(Millions of yen)	
	As of May 31, 2014	As of May 31, 2015
Merchandise	555	797
Supplies	86	101
Work in process	34	73
Finished goods	1	19
Raw materials	1	14

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

(Millions of yen)

	As of May 31, 2014	As of May 31, 2015
Advanced depreciation amount	94	93
Buildings	8	8
Tangible assets	85	85

*3 Shares in non-consolidated subsidiaries and affiliated companies

(Millions of yen)

	As of May 31, 2014	As of May 31, 2015
Investment securities (stocks)	1,139	875
Investment amount for the Jointly-controlled companies	32	0

(Notes to Consolidated Statements of Income)

*1 Breakdown of major selling, general and administrative expenses

(Millions of yen)

	FY2013	FY2014
Employees' salaries and bonuses	16,235	18,752
Provision for bonuses	1,534	1,778
Provision for directors' bonuses	23	28
Welfare expenses	3,451	3,888
Retirement benefit expenses	(179)	(171)
Offering expenses	910	1,148
Rent expenses	3,672	4,011
Depreciation	1,490	1,572
Provision of allowance for doubtful accounts	14	9
Amortization of goodwill	886	938

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

(Millions of yen)

	FY2013	FY2014
Loss on retirement	41	65
Buildings	28	52
Other tangible assets	5	5
Software	7	8
Lease assets (Intangible)	0	-
Loss on sales	0	0
Other tangible assets	0	0

*3 Breakdown of major impairment losses

FY2013 (For the fiscal year ended May 31, 2014)

Omitted due to lack of importance.

FY2014 (For the fiscal year ended May 31, 2015)

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

Location	Application	Type
Chiyoda-ku, Tokyo	Backbone system	Software

(2) Background leading to the recognition of impairment loss

In accordance with a partly revision of backbone system development plan, 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	60

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)	
	FY2013	FY2014
Valuation difference on available-for-sale securities		
Amount recognized during the period	19	246
Reclassification adjustments	(0)	40
Before income tax effect	19	286
Amount of income tax effect	(6)	(75)
Valuation difference on available-for-sale securities	12	210
Foreign currency translation adjustment		
Amount recognized during the period	93	191
Remeasurements of defined benefit plans		
Amount recognized during the period	-	464
Reclassification adjustments	-	(486)
Before income tax effect	-	(22)
Amount of income tax effect	-	24
Remeasurements of defined benefit plans	-	1
Share of other comprehensive income of entities accounted for using equity method		
Amount recognized during the period	(1)	10
Total amount of other comprehensive income	104	413

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

FY2013 (For the fiscal year ended May 31, 2014)

1. Matters Relating to Shares Issued and Outstanding

(Shares)

Type of Shares	Number of Shares As of June 1, 2013	Increase	Decrease	Number of Shares As of May 31, 2014
Common shares	416,903	41,273,397	-	41,690,300

(Note) The Company conducted a 1:100 stock split on common stock with an effective date of December 1, 2013.

As a result, no. of shares issued and outstanding increased 41,273,397 shares to 41,690,300 shares.

2. Matters Relating to Treasury Stock

(Shares)

Type of Shares	Number of Shares As of June 1, 2013	Increase	Decrease	Number of Shares As of May 31, 2014
Common shares	42,401	4,723,556	-	4,765,957

(Note) Increase of 4,723,556 stocks are an increase of 4,197,699 stocks by stock split and an increase of 525,857 stocks by consolidation of a company which has the Company's stocks.

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 12, 2013	Common shares	¥374 million	¥1,000	May 31, 2013	August 20, 2013

(2) Dividends whose record date falls in the current fiscal year but whose effective date comes in the following fiscal year

Resolution	Type of Shares	Source of Dividend	Total Cash Dividends Paid	Cash Dividend per Common Share	Base Date	Effective Date
Board of Directors' meeting held on July 11, 2014	Common shares	Retained earnings	¥374 million	¥10	May 31, 2014	August 29, 2014

(Note) The Company conducted a 1:100 stock split on common stock with an effective date of December 1, 2013. If adjusted to reflect the number of shares prior to the stock split, the forecast of fiscal year-end dividend amount is equivalent to ¥1,000.

FY2014 (For the fiscal year ended May 31, 2015)

1. Matters Relating to Shares Issued and Outstanding

(Shares)

Type of Shares	Number of Shares As of June 1, 2014	Increase	Decrease	Number of Shares As of May 31, 2015
Common shares	41,690,300	-	-	41,690,300

2. Matters Relating to Treasury Stock

(Shares)

Type of Shares	Number of Shares As of June 1, 2014	Increase	Decrease	Number of Shares As of May 31, 2015
Common shares	4,765,957	127,143	-	4,893,100

(Note) Increase of treasury stock is due to the acquisition of 127,143 treasury stocks resolved at the board of directors' meeting on 23 July, 2014.

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 11, 2014	Common shares	¥374 million	¥10	May 31, 2014	August 29, 2014

(2) Dividends whose record date falls in the current fiscal year but whose effective date comes in the following fiscal year

Resolution	Type of Shares	Source of Dividend	Total Cash Dividends Paid	Cash Dividend per Common Share	Base Date	Effective Date
Board of Directors' meeting held on July 15, 2015	Common shares	Retained earnings	¥441 million	¥12	May 31, 2015	August 20, 2015

(Notes to Consolidated Statements of Cash Flows)

*1 Relationship between the balance of cash and cash equivalents at period-end and cash and deposits reported in the consolidated balance sheets.

	(Millions of yen)	
	FY2013	FY2014
Cash and deposits	18,203	21,123
Time deposits with deposit term exceeding three months	(385)	(1,028)
Securities (MMF)	203	203
Cash and cash equivalents	18,021	20,298

FY2013 (For the fiscal year ended May 31, 2014)

Breakdown of major assets and liabilities and the relationship between acquisition costs from the acquisition of stocks (net) of Medical Associa Inc. (hereafter "Medical Associa") as of the date of Medical Associa's inclusion in the Company's scope of consolidation is as follows.

	(Millions of yen)
Current assets	1,373
Noncurrent assets	675
Goodwill	968
Current liabilities	(1,128)
Noncurrent liabilities	(386)
Minority interests in income	(11)
Acquisition costs of Medical Associa	1,490
Medical Associa's cash and cash equivalents	682
Difference: Payment for purchase of Medical Associa	807

(Note) Allocation of the acquisition costs have not been completed as of May 31, 2014 and therefore, the Company has applied a tentative accounting treatment.

FY2014 (For the fiscal year ended May 31, 2015)

Breakdown of major assets and liabilities and the relationship between acquisition costs from the acquisition of stocks (net) of Pasona Panasonic Business Service Co., Ltd. (hereafter "Pasona Panasonic Business Service") as of the date of Pasona Panasonic Business Service's inclusion in the Company's scope of consolidation is as follows.

	(Millions of yen)
Current assets	3,670
Noncurrent assets	2,130
Goodwill	818
Current liabilities	(3,414)
Noncurrent liabilities	(335)
Minority interests in income	(687)
Acquisition costs of Pasona Panasonic Business Service	2,183
Pasona Panasonic Business Service's cash and cash equivalents	1,067
Difference: Payment for purchase of Pasona Panasonic Business Service	1,115

(Note) Allocation of the acquisition costs have not been completed as of May 31, 2015 and therefore, the Company has applied a tentative accounting treatment.

(Matters Concerning Business Combination)

Company and other purchases through the acquisition of shares

In accordance with a resolution of the board of directors at a meeting held on December 25, 2014, the Company resolved to acquire Pasona Panasonic Business Services Co., Ltd. (Hereafter “Pasona Panasonic Business Services”, changed its name to Pasona Panasonic Business Service Co., Ltd. as of April 1, 2015) On the same day, the Company entered into a share transfer agreement.

(1) Overview of business combination

i. Name and business activities of acquired company

Company name	Business activities
Panasonic Business Service Co., Ltd.	General affairs and office support, manual and promotional materials preparation

ii. Date of business combination

April 1, 2015

iii. Legal form of business combination

Share acquisition

iv. Name of the company after business combination

Pasona Panasonic Business Service Co., Ltd.

v. Percentage of voting rights acquired

66.5%

vi. Main grounds for determining the acquiring company

The company’s acquisition of shares in exchange for cash consideration.

(2) Business result period of the acquired company included in the current fiscal year

The business result of the acquired company is not included in the current fiscal year, as May 31, 2015 is set as the deemed acquisition date.

(3) Acquisition amount of the acquired company and its details

Consideration for acquisition	Cash	¥2,169 million
Costs directly incurred for the acquisition	Advisory fee, etc.	¥13 million
Acquisition cost		¥2,183 million

(4) Amount of goodwill, its cause of accrual and its amortization method and period

i. Amount of goodwill

¥818 million

ii. Cause of accrual and its amortization method and period

The acquisition cost exceeded net assets of the company and the variance between these amounts is recognized as goodwill.

As the acquisition cost is currently being allocated, the above amounts are provisionally calculated as of the end of current fiscal year. In addition, the investigation of amortization method and period are ongoing.

- (5) The amounts of assets and liabilities taken over from the acquired companies on the day of business combination and major breakdown thereof

Current assets	¥3,670 million
Property, plant and equipment	¥2,130 million
<hr/>	
Total assets	¥5,801 million
Liabilities	¥3,414 million
Noncurrent liabilities	¥335 million
<hr/>	
Total liabilities	¥3,749 million

- (6) Estimated amount of impact of the business combination on the consolidated statements of income of the current fiscal year and its calculation method, assuming that the business combination had been completed at the beginning of the current fiscal year

No estimation is attempted due to difficulty in reasonably calculation estimates.

(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.

Reporting segments income is adjusted with operating income under consolidated statements of income.

In accordance with the revision of the method for calculating retirement benefit obligations and service costs, as per above "Changes in Accounting Policy" effective from the current fiscal year, the calculation method for retirement benefit obligations and service costs in each business segment has been revised accordingly. The effect of the revision on the segment income is immaterial.

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

FY2013 (For the fiscal year ended May 31, 2014)

(Millions of yen)

	Reporting segments				Others (Note 2)	Total	Adjustment (Note 3)	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	174,816	10,342	20,129	205,289	3,371	208,660	-	208,660
Intersegment sales and transfers	752	7	227	987	2,030	3,017	(3,017)	-
Total	175,569	10,350	20,356	206,276	5,401	211,678	(3,017)	208,660
Segment income	2,872	993	3,074	6,941	17	6,958	(3,748)	3,210
Segment assets	43,934	11,118	18,890	73,943	2,727	76,670	(1,054)	75,615
Other items								
Depreciation and amortization	1,080	173	506	1,760	297	2,057	307	2,365
Amortization of goodwill	641	67	177	886	-	886	-	886
Impairment losses	1	-	-	1	13	15	-	15
Increase in tangible and intangible fixed assets	2,798	167	1,382	4,348	429	4,777	136	4,913

Notes:

- The “Expert Services (Temporary staffing), Insourcing (Contracting), Others” segment includes each of the businesses of Expert Services, Insourcing, HR Consulting/Education/Training/Others, 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 ¥(3,748) million includes Group management costs relating to the Company totaling ¥(3,752) million as well as intersegment sales and transfers totaling ¥4 million.
 - Adjustment of segment assets totaling ¥(1,054) million includes the Company’s cash and deposits and assets relating to Group management totaling ¥15,019 million as well as intersegment sales and transfers totaling ¥(16,074) million.
 - Adjustment of depreciation and amortization totaling ¥307 million are mainly comprised of depreciation and amortization of assets relating to Group management.
 - Adjustment of increase in tangible and intangible fixed assets totaling ¥136 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.

FY2014 (For the fiscal year ended May 31, 2015)

(Millions of yen)

	Reporting segments				Others (Note 2)	Total	Adjustment (Note 3)	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	191,442	8,802	21,364	221,609	4,617	226,227	-	226,227
Intersegment sales and transfers	931	4	278	1,214	815	2,030	(2,030)	-
Total	192,374	8,806	21,643	222,824	5,433	228,257	(2,030)	226,227
Segment income (loss)	3,960	379	3,193	7,534	(60)	7,473	(3,983)	3,490
Segment assets	57,510	11,485	20,856	89,852	1,818	91,671	(3,029)	88,641
Other items								
Depreciation and amortization	1,171	131	607	1,909	102	2,012	541	2,554
Amortization of goodwill	733	50	154	938	-	938	-	938
Impairment losses	14	60	37	111	12	124	-	124
Increase in tangible and intangible fixed assets	3,776	52	1,093	4,922	71	4,993	564	5,558

Notes:

- The “Expert Services (Temporary staffing), Insourcing (Contracting), Others” segment includes each of the businesses of Expert Services, Insourcing, HR Consulting/Education/Training/Others, 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 ¥(3,983) million includes Group management costs relating to the Company totaling ¥(4,021) million as well as intersegment sales and transfers totaling ¥38 million.
 - Adjustment of segment assets totaling ¥(3,029) million includes the Company’s cash and deposits and assets relating to Group management totaling ¥18,139 million as well as intersegment sales and transfers totaling ¥(21,169) million.
 - Adjustment of depreciation and amortization totaling ¥541 million are mainly comprised of depreciation and amortization of assets relating to Group management.
 - Adjustment of increase in tangible and intangible fixed assets totaling ¥564 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

FY2013 (For the fiscal year ended May 31, 2014)

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.

FY2014 (For the fiscal year ended May 31, 2015)

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

FY2013 (For the fiscal year ended May 31, 2014)

(Millions of yen)

	Reporting segments				Others (Note)	Adjustment	Total
	Expert Services (Temporary staffing), Insourcing (Contracting), Others	Outplacement	Outsourcing	Subtotal			
Impairment loss	1	-	-	1	13	-	15

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

FY2014 (For the fiscal year ended May 31, 2015)

(Millions of yen)

	Reporting segments				Others (Note)	Adjustment	Total
	Expert Services (Temporary staffing), Insourcing (Contracting), Others	Outplacement	Outsourcing	Subtotal			
Impairment loss	14	60	37	111	12	-	124

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

FY2013 (For the fiscal year ended May 31, 2014)

(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	4,604	50	517	5,173	-	-	5,173

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

FY2014 (For the fiscal year ended May 31, 2015)

(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	4,520	-	363	4,884	-	-	4,884

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

FY2013 (For the fiscal year ended May 31, 2014)

None

FY2014 (For the fiscal year ended May 31, 2015)

None

(Per Share Information)

(Yen)

	FY2013	FY2014
Net assets per share	571.37	579.76
Net income per share	14.05	5.82
Diluted net income per share	14.04	-

(Notes)

- The Company conducted a 1:100 stock split on common stock with an effective date of December 1, 2013. Net assets per share, net income per share and diluted net income per share have been calculated as if the stock split was conducted at the beginning of the previous fiscal year.
- Diluted net income per share of the current consolidated fiscal year is not stated because there was no diluted share.
- As described in "Changes in Accounting Policies", with regard to application of Accounting Standard for Retirement Benefits, the effect of changes is adjusted in accordance with the transitional treatment stipulated in section 37 of the Retirement Benefits Accounting Standard. As a result, net assets per share at the end of the current consolidated fiscal year increased ¥5.62.

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

(Millions of yen)

Items	FY2013	FY2014
Earnings per share		
Net income	526	214
Amount not applicable to shareholders of common stock	-	-
Net income applicable to common stock	526	214
Average number of shares for the period (shares)	37,448,759	36,818,100
Earnings per diluted shares		
Net income adjustment amount	(0)	
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		

5. The following shows the basis of calculating net assets per share

(Millions of yen)

Items	As of May 31, 2014	As of May 31, 2015
Total net assets	27,181	29,620
Amount deducted from total net assets	6,083	8,286
Net assets applicable to common stock as of the fiscal period-end	21,097	21,333
Number of common stock used to calculate net assets per share (shares)	36,924,343	36,797,200

(Important Subsequent Events)

Transfer of Noncurrent Assets

At the meeting of board directors held on May 25, 2015, Benefit One Inc. (hereafter "Benefit One"), a consolidated subsidiary of the Company, resolved to execute transfer agreement related to noncurrent assets owned by Benefit One and transferred said property on 29 May, 2015.

1. Reason for transfer

As a result of the review of future utilization plan in the interest of a select-and-focus approach, Benefit One decided to transfer following asset

2. Outline of transferred asset

Type of asset: Land (82,983.11 m²), Buildings (1,775.51 m²), Tools, furniture and fixtures

Location: 1776-2, Tsurumi, Oaza, Beppu-city, Oita, others

Transfer Price: ¥863 million*

Book Value: ¥858 million

Current Situation: Accommodation, etc. for employee fringe benefit members

Note: Transfer price was determined after consultation based on appraisal value investigated by real estate appraiser.

3. Name of transfer recipient

Company Name: Nambu Enterprise, Inc.

Headquarters: Chiyoda-ku, Tokyo

Capital: ¥80 million

Major Business Activities : Asset Management

Relationships with the Company: A company with more than half of its voting rights owned by a director of the Company and his close relatives

4. Impact on profit and loss

The Impact on the FY2015 results is immaterial.

Note: The closing date of Benefit One is March 31.