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Listing Code No.: 2168
Listing: First Section, Tokyo Stock Exchange
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Summary

April 10, 2009

Consolidated Financial Report

Third Quarter of the Fiscal Year Ending May 31, 2009
(The nine-month period ended February 28, 2009)

- **Demand for outplacement services remained firm throughout the nine-month period ended February 28, 2009 reflecting employment adjustments by the corporate sector**
- **The Outsourcing business segment, which benefited from the growing focus on efforts to improve operating efficiency and reduce costs, as well as the Insourcing (Contracting) business segment both experienced an increase in sales**
- **Sales in each of the Temporary staffing/Contracting and Placement/Recruiting business segment declined compared with the corresponding period of the previous fiscal year. This was mainly attributable to cutbacks in both new personnel demand by client firms as well as temporary staffing overtime**
- **The gross profit margin contracted year on year due primarily to the substantial hike in health insurance premium payment rates in the Temporary staffing business segment and the suspension in operations by certain client firms, which prompted an upswing in the take up of paid leave**
- **During the nine-month period ended February 28, 2009, Pasona Group recorded extraordinary losses including the provision of allowance for investment loss and office relocation costs. In addition, the Company reversed a portion of its deferred tax assets, which was recorded as income taxes－deferred**

【1】Consolidated Business Results

Nine months ended February 28, 2009

(Millions of yen rounded down)

	9M 2008	**9M 2009**	Increase / (Decrease)	YoY
Net sales	177,766	168,617	(9,149)	(5.1)%
Cost of sales	140,749	134,865	(5,883)	(4.2)%
(to net sales)	(79.2%)	(80.0%)	(0.8%pt)	
Gross profit	37,017	33,752	(3,265)	(8.8)%
(to net sales)	(20.8%)	(20.0%)	(-0.8%pt)	
Selling, general and administrative expenses	31,929	31,585	(344)	(1.1)%
(to net sales)	(17.9%)	(18.7%)	(0.8%pt)	
Operating income	5,087	2,166	(2,921)	(57.4)%
(to net sales)	(2.9%)	(1.3%)	(-1.6%pt)	
Ordinary income	5,140	2,331	(2,808)	(54.6)%
(to net sales)	(2.9%)	(1.4%)	(-1.5%pt)	
Income before income taxes	6,051	1,613	(4,437)	(73.3)%
(to net sales)	(3.4%)	(1.0%)	(-2.4%pt)	
Net income (loss)	2,349	(607)	(2,957)	—
(to net sales)	(1.3%)	(-0.4%)	(-1.7%pt)	
Net income (loss) per share (Yen)	5,639.85	(1,597.48)	(7,237.33)	—

【2】Segment Information (Figures include intersegment sales and transfers)

Nine months ended February 28, 2009

(Millions of yen rounded down)

	9M 2008	**9M 2009**	Increase / (Decrease)	YoY	Share	YoY
Temporary staffing / Contracting, Placement / Recruiting	162,810	**152,683**	(10,127)	(6.2)%	90.6%	(1.0)%pt
Temporary staffing / Contracting	156,849	**147,932**	(8,916)	(5.7)%	87.8%	(0.4)%pt
Placement / Recruiting	5,961	**4,750**	(1,211)	(20.3)%	2.8%	(0.6)%pt
Outplacement	4,223	**4,200**	(22)	(0.5)%	2.5%	+0.1%pt
Outsourcing	10,093	**11,117**	1,024	10.1%	6.6%	+0.9%pt
Other	1,544	**2,080**	535	34.7%	1.2%	+0.4%pt
Eliminations and Corporate	(905)	**(1,465)**	(559)		(0.9)%	(0.4)%pt
Total Net Sales	177,766	**168,617**	(9,149)	(5.1)%	100.0%	—
Temporary staffing / Contracting, Placement / Recruiting	3,615	**2,509**	(1,106)	(30.6)%	115.8%	+44.7%pt
Outplacement	966	**768**	(198)	(20.5)%	35.4%	+16.4%pt
Outsourcing	1,406	**1,587**	180	12.9%	73.3%	+45.7%pt
Other	(15)	**77**	93	—	3.6%	+3.9%pt
Eliminations and Corporate	(885)	**(2,776)**	(1,891)	—	(128.1)%	(110.7)%pt
Total Operating Income	5,087	**2,166**	(2,921)	(57.4)%	100.0%	—

Note: From the second half of the fiscal year ended May 31, 2008, expenses of the holding company are recorded as corporate expenses within eliminations and corporate.

Temporary staffing / Contracting, Placement / Recruiting

(Pasona Inc., Pasona Tech, Inc., Pasona Career Inc., Others)

Temporary staffing / Contracting

- While signs began to emerge during the nine-month period under review that the drop in new orders over the short term was bottoming out, new orders together with the number of long-term temporary staff declined reflecting the weak performance by the finance, automobile manufacturing and other export-oriented industries
- Despite a particularly substantial downturn in sales during the third quarter of the fiscal year under review, revenues grew in the IT engineering field with declines in technical (specialized office work) and related fields held to a minimum. On an overall basis, sales from job types requiring a high level of skill and expertise were firm
- Impacted by specified limitations on the permitted period of temporary staffing contracts, the number of contracts completed in the deregulated marketing and sales industries increased reflecting contract expiration. As a result, sales declined substantially
- In response to dramatic changes in the economic environment, steps were taken to review credit exposure management on an individual customer and business type basis as well as contracts with client firms
- The strategic priority “Insourcing (contracting)” business exhibited steady growth. Focusing on efforts to strengthen marketing capabilities, Pasona Group implemented various measures including changes to its Group organization and an increase in personnel. As a result, sales in this segment climbed 6.5% compared with the corresponding period of the previous fiscal year to ¥7,295 million

Note: For the monthly average of long-term temporary staff and Temporary staffing / Contracting — sales by staffing type data, please refer to page 6.

Placement / Recruiting

Domestic sales : ¥4,027 million (Down 0.6% YoY)
Overseas sales : ¥723 million (Down 62.2% YoY)

- The number of job openings declined during the nine-month period ended February 28, 2009 due to the growing lack of enthusiasm by the corporate sector to recruit human resources
- While the number of new registrants increased steadily, recruiting criteria throughout the period under review exhibited signs of further tightening. As a result, the closure rate declined
- Overseas segment revenues declined substantially. This was mainly attributable to the sale of consolidated subsidiaries, which experienced marked declines in sales

Operating income: Temporary staffing / Contracting, Placement and Recruiting segment

- Despite efforts to contain such selling, general and administrative expenses as recruiting costs, in addition to the drop in gross profit attributable to lower revenue, earnings were impacted by the significant upswing in temporary staffing health insurance premium payment rates and an increase in the level of paid holidays due to business suspension by certain client firms and other factors. As a result, the gross profit margin and operating income contracted compared with the corresponding period of the previous fiscal year

Outplacement (Pasona Career Inc., Others)

- Throughout the nine-month period ended February 28, 2009, demand in the Outplacement business segment was generally firm. This was mainly attributable to the corporate sector's increased efforts to implement corrections in employment conditions in response to the downturn in the economy
- Pasona Career Inc. took steps to increase the number of consultants by assigning and relocating personnel from the Placement and Recruiting business segment, focusing on initiatives aimed at fostering offers of employment and maintaining a high conclusion rate
- Revenues and earnings in the Outplacement business segment declined during the period under review. In addition to delays in the commencement of certain services reflecting moves by client firms to push back such correction efforts in employment conditions as optional and voluntary early retirement into the fourth quarter of the fiscal year ending May 31, 2009, this was attributable to the lack of large-scale demand experienced in the nine-month period ended February 29, 2008

Outsourcing (Benefit One Inc.)

- In overall terms, the outsourcing market is enjoying a period of sustainable growth buoyed by efforts to promote employee benefit outsourcing services to major companies, government and other public offices, the Pasona Group's principal customer base
- Benefit One Inc. continues to promote marketing proposals to its corporate customers while expanding its menu of employee benefit services that take into consideration work and lifestyle balance
- Benefit One launched a host of health care services that cater to compulsory special medical checkups and special health guidance procedures
- Operating income in the Outsourcing business segment climbed substantially compared with the corresponding period of the previous fiscal year on the back of successful efforts to contain overall input costs including expenses related to the publication of a guidebook

【3】Status of Financial Position and Investments

Changes in Financial Position (Consolidated)

(Millions of yen rounded down unless otherwise stated)

	February 29, 2008	May 31, 2008	**February 28, 2009**		YoY Increase / (Decrease)
Current assets	38,181	41,213	**34,591**		(6,621)
Noncurrent assets	16,378	17,300	**18,291**		991
Total assets	54,559	58,513	**52,883**	*1	(5,630)
Current liabilities	23,903	26,731	**26,579**		(152)
Noncurrent liabilities	1,778	2,313	**2,284**		(28)
Total liabilities	25,682	29,045	**28,864**	*2	(181)
Net assets	28,877	29,468	**24,018**	*3	(5,449)
Equity ratio (%)	43.7%	41.6%	**35.3%**		(6.3)%pt
Net assets per share (Yen)	57,155.71	58,363.62	**52,039.36**		(6,324.26)

Notes:

1. Major movements in total assets included a decrease of ¥3,044 million in the balance of cash and deposits as well as a decline of ¥3,544 million in the balance of notes and accounts receivable－trade compared with the end of the previous fiscal year.
2. The principal increase in total liabilities was short-term loans payable, which climbed ¥5,996 million compared with the balance as of May 31, 2008. This was partly offset by declines in accrued expenses of ¥1,592 million, income taxes payable of ¥1,694 million attributable to the payment of income and other taxes as well as accounts payable－trade of ¥1,010 million compared with the previous fiscal year-end.
3. Major movements in net assets were the payment of dividends totaling ¥757 million and acquisition of treasury stock amounting to ¥4,154 million.

Status of Consolidated Cash Flows

Cash and cash equivalents as of February 28, 2009 declined ¥3,027 million compared with the end of the previous fiscal year to ¥10,585 million.

(Millions of yen rounded down)

	2008				2009				YoY Increase / (Decrease)
	3M	6M	9M	12M	3M	6M	**9M**		
Cash flows from operating activities	(1,883)	(865)	203	5,974	(1,322)	609	**477**		274
Cash flows from investing activities	(1,299)	(2,211)	(1,938)	(2,968)	(836)	(1,856)	**(4,225)**	*1	(2,287)
Cash flows from financing activities	1,424	3,007	2,517	(980)	641	(2,184)	**797**	*2	(1,719)
Free cash flows	(3,182)	(3,076)	(1,735)	3,006	(2,159)	(1,247)	**(3,748)**		(2,013)

Notes:

1. Movements in cash flows from investing activities were mainly attributable to payments for the purchase of property, plant and equipment totaling ¥1,122 million, payments for the purchase of intangible assets amounting to ¥1,589 million as well as payments for lease and guarantee deposits involved in the relocation of its office amounting to ¥1,688 million.
2. Major cash inflow from financing activities was an increase in short-term loans payable of ¥6,000 million. Principal cash outflows were payments for the acquisition of treasury stock amounting to ¥4,490 million and payments for dividends totaling ¥1,043 million.

【4】Revised Consolidated Forecasts of Business Results

FY2009 (June 1, 2008 to May 31, 2009)

In the Temporary staffing and Contracting business segment, Pasona Group anticipates additional weight will be placed on outsourcing services. On this basis, the Company is factoring in an increase in special demand from the fourth quarter of the fiscal year under review through to the fiscal year ending May 31, 2010. In this context, and in the first instance, Pasona Group has received orders to assist in administrative work relating to the payment of the national government’s supplementary income initiative from every region since March 2009.

With the aim of increasing operating efficiency, the trend toward outsourcing within the corporate sector is also picking up its pace. On this basis, demand in the Insourcing (contracting) business segment is steadily gathering momentum.

Impacted by sudden and rapid corrections in future employment conditions by the corporate sector, Pasona Group is moving ahead of the economic climate, anticipating a recovery in new demand in the Temporary staffing and Contracting business segment. In the short term, there are in fact signs emerging that the drop in new orders has bottomed out. Despite the aforementioned positive factors, Pasona Group recognizes the need to adopt a cautious approach with regard to future personnel demand due mainly to the current extraordinary economic environment. Accordingly, the Company has decided to revise its net sales forecasts for the fiscal year ending May 31, 2009.

On the earnings front, demand in the Placement and Recruiting business segment, which traditionally enjoys a high gross profit margin, is expected to fall further. At the same time, the greater than expected take up of paid leave by temporary staff due to the suspension of operations by certain client firms and other factors is placing downward pressures on Temporary staffing and Contracting business segment profits. Given that these trends are forecast to continue for the foreseeable future, a further decline in gross profit margins is anticipated.

While Pasona Group is committed to ramping up efforts to curtail overall selling, general and administrative expenses including personnel, advertising and promotion as well as recruitment costs, the Company has been forced to revise downward its previous forecasts for full fiscal year operating and ordinary income. For the fiscal year under review, net income is expected to fall below the previously disclosed forecast. In addition to the drop in earnings outlined above, this is also attributable to Pasona Group’s decision to record extraordinary losses and reverse a portion of its deferred tax assets for the third quarter of the fiscal year ending May 31, 2009.

(Millions of yen rounded down unless otherwise stated)

	Apr. 10, 2009 Revised Forecast (A)	YoY		Change from previous forecast		Jan. 9, 2009 Previous Forecast (B)
		Increase / (Decrease)	%	(A)-(B)	%	
Net sales	**218,540**	(18,405)	(7.8)%	(6,190)	(2.8)%	224,730
Operating income	**2,590**	(3,854)	(59.8)%	(1,200)	(31.7)%	3,790
Ordinary income	**3,000**	(3,637)	(54.8)%	(1,220)	(28.9)%	4,220
Net income	**190**	(2,772)	(93.6)%	(850)	(81.7)%	1,040

Revised Forecasts of Consolidated Results by Business Segment (Full Fiscal Year)

(Millions of yen rounded down unless otherwise stated)

	Net Sales	Increase / (Decrease)	YoY	Operating Income (Loss)	Increase / (Decrease)	YoY
Temporary staffing / Contracting, Placement / Recruiting	**197,240**	(19,246)	(8.9)%	**3,100**	(1,956)	(38.7)%
Temporary staffing / Contracting	**191,390**	(17,420)	(8.3)%			
Placement / Recruiting	**5,850**	(1,826)	(23.8)%			
Outplacement	**5,800**	(58)	(1.0)%	**1,020**	(357)	(26.0)%
Outsourcing	**14,990**	1,257	9.2%	**2,130**	246	13.1%
Other	**2,930**	814	38.5%	**0**	26	—
Eliminations and Corporate	**(2,420)**	(1,171)	—	**(3,660)**	(1,813)	—
Total	**218,540**	(18,405)	(7.8)%	**2,590**	(3,854)	(59.8)%

【5】Planned Cash Dividends for the Fiscal Year Ending May 31, 2009

(June 1, 2008 to May 31, 2009)

	FY2008	FY2009 (Estimate)		
		Interim	**Year-End**	**Full-Year**
Dividends per share	¥2,500	¥600	**Yet to be determined**	**Yet to be determined**
Total Amount of Cash Dividend	¥1,042 million	¥215 million		—

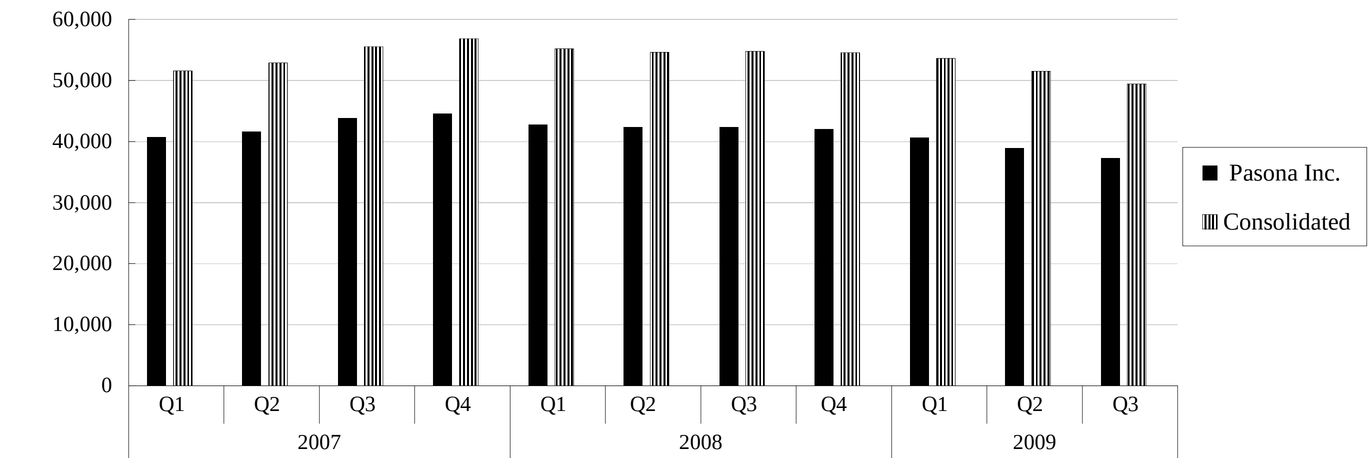
Note:
Pasona Group will announce its year-end cash dividend forecast in due course taking into consideration its actual business results for the fiscal year under review and forecasts of business results for the fiscal year ending May 31, 2010.

Reference Data

◆ Monthly average of long-term temporary staff

(Average per quarter of long-term temporary staff with a contract over one month)

- Data include figures that were considered immaterial due to the impact of special projects from the first quarter of the fiscal year ended May 31, 2008.



	2007 Q1	2007 Q2	2007 Q3	2007 Q4	2008 Q1	2008 Q2	2008 Q3	2008 Q4	2009 Q1	2009 Q2	2009 Q3
Pasona Inc.	40,745	41,676	43,832	44,619	42,825	42,350	42,387	42,073	40,607	38,923	37,242
YoY(%)	12.2	12.3	14.0	11.3	5.1	1.6	(3.3)	(5.7)	(5.2)	(8.1)	(12.1)
Consolidated	51,586	52,889	55,566	56,881	55,168	54,619	54,758	54,573	53,615	51,518	49,406
YoY(%)	13.4	13.1	14.9	12.8	6.9	3.3	(1.5)	(4.1)	(2.7)	(5.5)	(9.7)

◆ **Temporary staffing / Contracting - Consolidated sales by staffing type** (Excludes intrasegment sales)

(Millions of yen rounded down)

	9M 2008	9M 2009				
		Net Sales	Share	Increase / (Decrease)	Increase / (Decrease)	YoY
Clerical (General office work)	84,915	**78,666**	53.3%	(0.9)%pt	(6,249)	(7.4)%
Technical (Specialized office work)	25,202	**24,587**	16.7%	+0.6%pt	(615)	(2.4)%
IT engineering	16,639	**17,019**	11.5%	+0.9%pt	379	+2.3%
Sales / Marketing	14,092	**11,828**	8.0%	(1.0)%pt	(2,263)	(16.1)%
Other	15,640	**15,411**	10.4%	+0.4%pt	(229)	(1.5)%
Temporary staffing related		**136**	0.1%	0.0%pt	(22)	(14.1)%
Total	156,649	**147,649**	100.0%	―	(9,000)	(5.7)%

◆ **Quarterly Earnings Trends**

(Millions of yen rounded down)

	2008				**2009**			
	Q1	Q2	Q3	Q4	Q1	Q2	**Q3**	Q4
Net sales	60,489	59,026	58,250	59,178	59,136	56,950	**52,531**	―
YoY	+7.2%	+4.0%	+1.3%	(2.2)%	(2.2)%	(3.5)%	**(9.8)%**	―
Cost of sales	48,373	46,795	45,579	46,825	47,373	45,514	**41,976**	―
YoY	+7.2%	+3.8%	(0.0)%	(3.1)%	(2.1)%	(2.7)%	**(7.9)%**	―
Gross profit	12,115	12,230	12,671	12,352	11,762	11,435	**10,554**	―
YoY	+7.1%	+4.9%	+6.5%	+1.4%	(2.9)%	(6.5)%	**(16.7)%**	―
Selling, general and	10,585	10,688	10,655	10,995	10,902	10,696	**9,986**	―
YoY	+17.2%	+11.1%	+11.4%	+6.5%	+3.0%	+0.1%	**(6.3)%**	―
Operating	1,529	1,541	2,015	1,356	860	738	**567**	―
YoY	(32.8)%	(24.3)%	(13.5)%	(27.1)%	(43.8)%	(52.1)%	**(71.8)%**	―
Ordinary	1,584	1,560	1,994	1,497	909	894	**527**	―
YoY	(33.4)%	(22.5)%	(15.8)%	(26.9)%	(42.6)%	(42.7)%	**(73.5)%**	―
Income before income taxes	1,558	1,478	3,015	948	990	610	**11**	―
YoY	(33.7)%	(23.1)%	+28.9%	(55.0)%	(36.4)%	(58.7)%	**(99.6)%**	―
Net income	795	268	1,286	612	313	(110)	**(810)**	―
YoY	(29.4)%	(71.7)%	+22.5%	(43.0)%	(60.6)%	―	―	―

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