

# Results for the First Half of the Fiscal Year Ending May 31, 2016

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H1 FY2015 (June 1, 2015 - November 30, 2015)

**Pasona Group Inc.**

First Section TSE (2168)

January 15, 2016

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

# Overview of the First Half of the Fiscal Year Ending May 31, 2016

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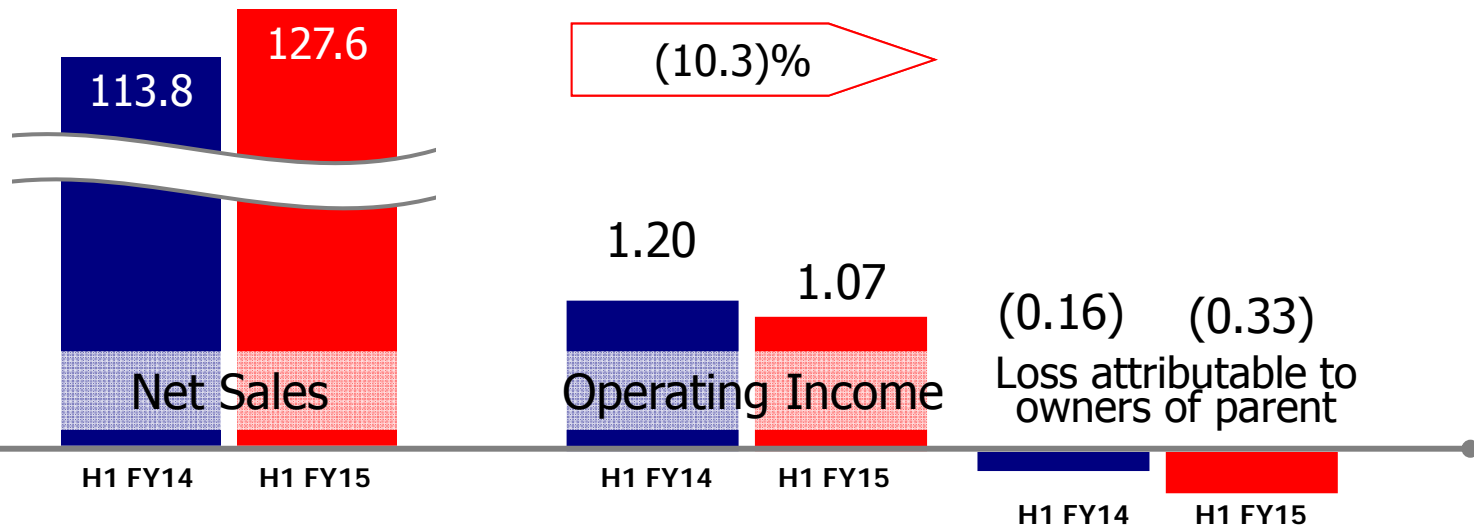
# Difference between forecast and actual results for H1

(Millions of yen)	H1 FY15 Forecast	H1 FY15	VS Forecast	Difference
Net Sales	129,000	127,602	(1,397)	(1.1)%
Cost of sales	102,680	102,167	(512)	(0.5)%
Gross Profit	26,320	25,435	(884)	(3.4)%
SG&A Expenses	25,020	24,362	(657)	(2.6)%
Operating Income	1,300	1,072	(227)	(17.5)%
Ordinary Income	1,230	977	(252)	(20.6)%
Loss attributable to owners of parent	(300)	(334)	(34)	-
Gross Profit margin	20.4%	19.9%	(0.5)pt	
Operating Income margin	1.0%	0.8%	(0.2)pt	

# Consolidated Results

(Billions of yen)

YoY +12.1%



(Millions of yen)	H1 FY14	to net sales %	H1 FY15	to net sales %	vs FY14 Increase/Decrease	YoY
Net sales	113,805	100.0	127,602	100.0	13,797	12.1%
Cost of sales	91,344	80.3	102,167	80.1	10,822	11.8%
Gross profit	22,461	19.7	25,435	19.9	2,974	13.2%
SG&A expenses	21,265	18.7	24,362	19.1	3,097	14.6%
Operating income	1,195	1.1	1,072	0.8	(122)	(10.3)%
Ordinary income	1,118	1.0	977	0.8	(141)	(12.7)%
Loss attributable to owners of parent	(155)	-	(334)	-	(178)	-

# Consolidated Results by Segment

(Millions of yen)

Segment	Net sales				Operating income (loss)				Operating income margin		
	FY14 H1	FY15 H1	Increase/Decrease	YoY	FY14 H1	FY15 H1	Increase/Decrease	YoY	FY14 H1	FY15 H1	Increase/Decrease
Expert Services (Temporary Staffing)	67,697	65,708	(1,989)	(2.9)%	1,355	755	(599)	(44.3)%	1.4%	0.7%	(0.7)pt
Insourcing (Contracting)	22,362	34,375	12,013	53.7%							
HR Consulting, others	2,692	2,924	232	8.6%							
Global Sourcing (Overseas)	2,238	2,809	571	25.5%							
Subtotal	94,990	105,818	10,828	11.4%							
Career Solutions (Placement/ Recruiting, Outplacement)	6,799	8,267	1,468	21.6%	714	1,628	913	127.8%	10.5%	19.7%	9.2pt
Outsourcing	9,935	11,952	2,017	20.3%	1,188	1,481	293	24.7%	12.0%	12.4%	0.4pt
Life Solutions Public Solutions	3,045	2,734	(310)	(10.2)%	(34)	(356)	(321)	-	-	-	-
Eliminations and Corporate	(964)	(1,171)	(206)	-	(2,028)	(2,437)	(408)	-	-	-	-
Total	113,805	127,602	13,797	12.1%	1,195	1,072	(122)	(10.3)%	1.1%	0.8%	(0.3)pt

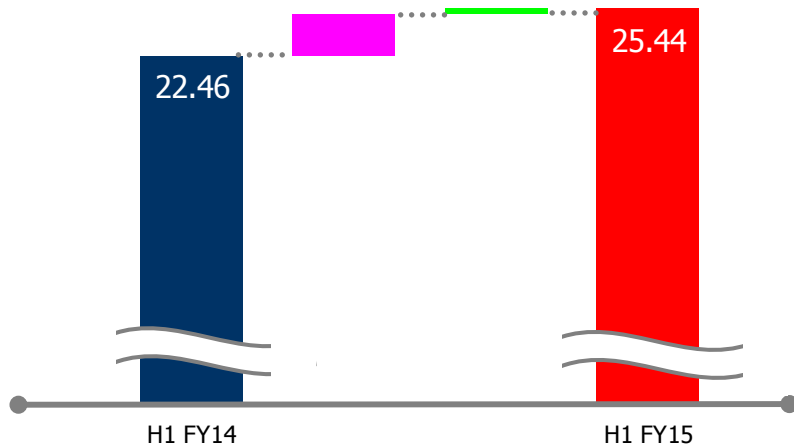
\*From FY2015, "Place & Search" and "Outplacement" are integrated into "Career Solutions" segment.  
FY2014 results of "Career Solutions" has been reallocated and presented in the new segment.

# Gross Profit, SG&A Expenses

## Gross Profit

(Billions of yen)

Increase in revenues +2.72  
 Increase in gross profit margin +0.25  
 YoY +2.97  
 +13.2%



(Billions of yen)

	H1 FY14	H1 FY15	Increase/Decrease
Gross profit	22.46	25.44	+2.97
Gross profit margin	19.7%	19.9%	+0.2pt

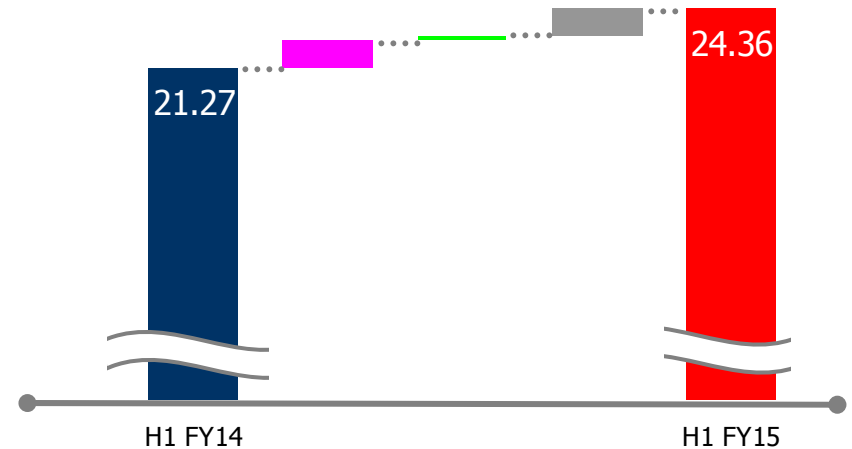
(Reference)

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	H1 FY15
Gross profit margin	19.9%	20.0%	18.8%	18.6%	19.3%	19.3%	20.3%	19.9%

## SG&A Expenses

(Billions of yen)

Personnel expenses +1.44  
 Rent +0.18  
 Other expenses +1.47  
 YoY +3.10  
 +14.6%



(Billions of yen)

	H1 FY14	H1 FY15	Increase/Decrease
Personnel	12.56	14.00	+1.44
Advertisement and recruitment	0.67	0.81	+0.14
IT	1.11	1.24	+0.13
Rent	2.06	2.25	+0.18
Others	4.86	6.07	+1.20
Total	21.27	24.36	+3.10
SG&A expense ratio	18.7%	19.1%	+0.4pt

(Reference)

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	H1 FY15
SG&A expense ratio	18.6%	18.0%	17.4%	17.5%	17.8%	17.7%	18.7%	19.1%

# Non-operating/Extraordinary income (loss)

(Millions of yen)

	H1 FY14	H1 FY15	Increase/ Decrease	YoY
Operating income	1,195	1,072	(122)	(10.3)%
Non-operating income	131	163	32	24.5%
Non-operating expenses	207	258	51	24.7%
Ordinary income	1,118	977	(141)	(12.7)%
Extraordinary income	0	85	85	-
Extraordinary loss	30	77	47	157.6%
Income before income taxes	1,088	985	(103)	(9.5)%
Income taxes—current	879	973	94	10.7%
Income taxes—deferred	(28)	(9)	18	-
Income taxes	851	964	112	13.3%
Profit attributable to non-controlling interests	392	355	(37)	(9.5)%
Loss attributable to owners of parent	(155)	(334)	(178)	-

● **Non-operating expenses**  
Share of loss of entities accounted for using equity method  
¥83 million (YoY +42 million)

● **Extraordinary income**  
Gain on sales of investment securities  
¥63 million

● **Extraordinary loss**  
Impairment loss of systems  
¥37 million

# Balance sheet

(Billions of yen)

Major Item of Increase/Decrease	May 31,2015	Nov.30,2015	Increase/ Decrease
<b>Assets</b>	88.6	80.2	(8.5)
<b>Current assets</b>	58.1	50.4	(7.7)
Cash and deposits	21.1	13.9	(7.2)
Notes and accounts receivable—trade	29.5	29.3	(0.3)
Other	6.5	6.3	(0.2)
<b>Non-current assets</b>	30.5	29.7	(0.8)
Property, plant and equipment	9.8	8.9	(0.8)
Intangible assets	9.8	9.8	(0.0)
Investments and other assets	10.9	11.0	0.1
<b>Liabilities</b>	59.0	52.5	(6.6)
<b>Current liabilities</b>	46.3	39.1	(7.2)
Accounts payable	5.2	2.9	(2.3)
Income taxes payable	1.4	1.1	(0.3)
Provision for bonuses	2.8	3.1	0.3
Other	20.2	15.4	(4.8)
<b>Non-current liabilities</b>	12.8	13.4	0.6
Long-term loans payable	7.4	8.0	0.6
<b>Net assets</b>	29.6	27.7	(1.9)
<b>Shareholders' equity</b>	20.5	19.3	(1.2)
Accumulated other comprehensive income	0.8	0.5	(0.3)
<b>Non-controlling Interest</b>	8.3	7.9	(0.4)
Equity stock ratio	24.1%	24.7%	0.6pt

## Major Item of Increase/Decrease

### [Cash and deposits]

Decline due to payments of the consumption tax and accounts payable

### [Accounts payable]

Payments of the increase in accounts payable resulting from M&A at the end of previous period  
¥(1.3) billion

### [Other]

Decline due to payments of the consumption tax  
¥(3.6) billion

### [Capital surplus]

Effects of introduction of a Board Benefit Trust and J-ESOP  
¥0.1 billion  
Effects of purchase of Benefit One treasury shares  
¥(0.4) billion

### [Retained earnings]

Loss attributable to owners of parent ¥(0.3) billion  
Cash dividends paid  
¥(0.4) billion

### [Treasury stock]

Effects of introduction of a Board Benefit Trust and J-ESOP  
¥(0.1) billion

### [Non-controlling interests]

Effects of purchase of Benefit One treasury shares  
¥(0.4) billion



# Cash Flows

(Billions of yen)

Major Item of Increase/Decrease	H1 FY14	H1 FY15	Increase/ Decrease
Cash flows from operating activities	0.8	(4.9)	(5.7)
Income before income taxes	1.1	1.0	(0.1)
Depreciation and amortization	1.2	1.6	0.4
Amortization of goodwill	0.5	0.5	0.0
Decrease (increase) in notes and accounts receivable—trade	(1.0)	0.4	1.4
Increase (decrease) in operating debt	(1.8)	(2.7)	(0.9)
Increase (decrease) in accrued consumption taxes	1.9	(3.6)	(5.5)
Income tax paid	(0.9)	(1.1)	(0.2)
Cash flows from investing activities	(1.8)	(0.5)	1.3
Purchase of property, plant and equipment	(0.8)	(0.6)	0.2
Proceeds from sales of property, plant and equipment	0.0	0.9	0.9
Purchase of intangible fixed assets	(0.9)	(0.7)	0.2
Purchase of investment securities	(0.2)	(0.5)	(0.3)
Other	0.1	0.4	0.4
Cash flows from financing activities	(3.9)	(1.3)	2.6
Proceeds from long-term loans payable	0.0	3.0	3.0
Repayment of long-term loans payable	(2.2)	(2.3)	(0.1)
Purchase of treasury shares	(0.1)	(0.5)	(0.4)
Proceeds from sales of treasury shares	0.0	0.5	0.5
Purchase of treasury shares of subsidiaries	0.0	(0.8)	(0.8)
Cash dividends paid	(0.8)	(1.0)	(0.2)
Cash and cash equivalents at the end of the period	18.0	20.3	2.3
Cash and cash equivalents at the end of the period	13.3	13.6	0.2
Free cash flows	(1.0)	(5.4)	(4.4)

## Major Item of Increase/Decrease

**[ Profit before amortization ]**  
 Increase in profit before amortization  
 ¥3.1 billion (YoY +0.3 billion)

**[ Accrued consumption taxes ]**  
 Increase in payments due to the consumption  
 tax hike  
 ¥(3.6) billion (-5.5 billion)

**[ Proceeds from sales of property, plant and equipment ]**  
 Proceeds from sales of Benefit One facilities  
 ¥0.9 billion

**[ Purchase of investment securities ]**  
 Investment in Monster Lab. Inc.      ¥ (0.2) billion

**[ Proceeds from long-term loans payable ]**  
 Procurement of long-term working capital  
 ¥3.0 billion

**[ Purchase of treasury shares and proceeds from  
 sales of treasury shares ]**  
 Introduction of a Board Benefit Trust and J-ESOP

**[ Purchase of treasury shares of subsidiaries ]**  
 Purchase of Benefit One treasury shares  
 ¥(0.8) billion

# Segment information

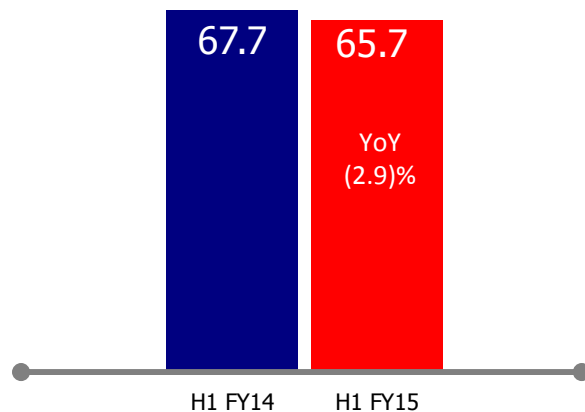
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# Expert Services (Temporary staffing)

## Net Sales

※ Segment figures include intersegment sales

(Billions of yen)



## Business Conditions

### ● H1 result

- Increase in orders across a broad range of service and manufacturing companies
- Transition of Pasona Tequila, which has many cloud technical personnel, from affiliated company to consolidated subsidiary (in Q2)

### ● H2 plan

- Recruitment and training going smoothly, focusing on early matchings
- Strengthening career consulting and staff relations

## Sales by Staffing Type

※ Figures exclude intersegment sales

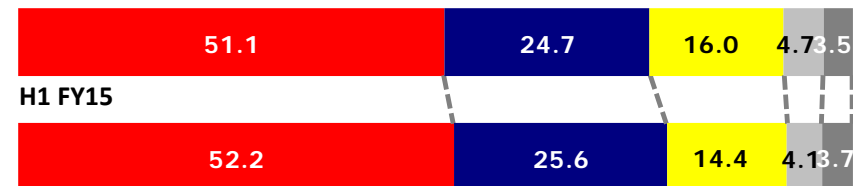
(Millions of yen)

	H1 FY14	H1 FY15	YoY
Clerical	34,502	34,238	(0.8)%
Technical	16,706	16,800	0.6%
IT engineering	10,827	9,463	(12.6)%
Sales and Marketing	3,188	2,684	(15.8)%
Other Expert Services	2,335	2,349	0.6%
Total	67,561	65,536	(3.0)%

## Sales Composition

H1 FY14

(%)



H1 FY15

Clerical

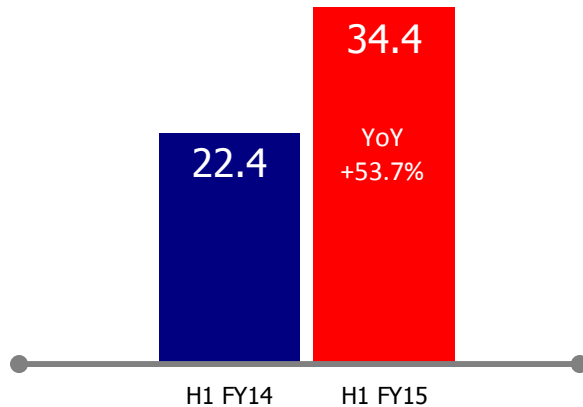
Technical

IT engineering  
Sales and Marketing

# In sourcing (Contracting)

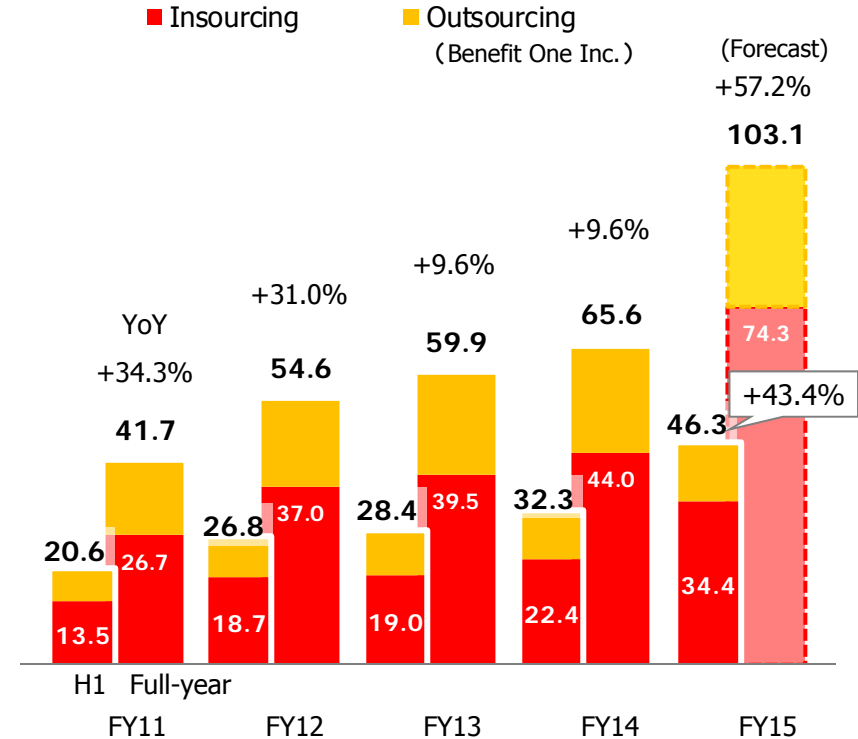
## Net Sales

(Billions of yen)



## BPO Sales

(Billions of yen)



## Business Conditions

### H1 result

- Despite completion of a portion of projects and scaling back of some others, new business developing is proceeding
- Advances in tie-up with IT companies, expansion of proposal domains

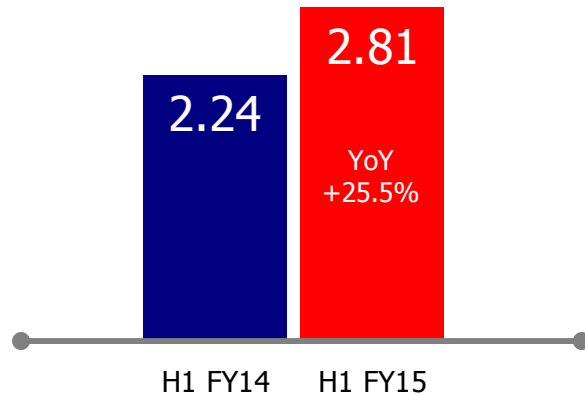
### H2 plan

- “My Number” (Tax Number System) business going into full operation
- Capital tie-up and business alliance with Monster Lab. Inc., strengthening IT development overseas
- In December, Bewith, Inc. became a wholly owned subsidiary, and plans call for changing its account closing date (from March to May).

# Global Sourcing (Overseas)

## Net Sales

(Billions of yen)



## Business Conditions

### ● H1 result

- Firm demand for personnel in North America and ASEAN region
- Opened branch in Dallas (fast-growing North American market) in July, 2015

### ● H2 plan

- PT. Dutagriya Sarana in Indonesia to become subsidiary in Q3
- In response to more-diverse needs, focusing on expansion of services offered

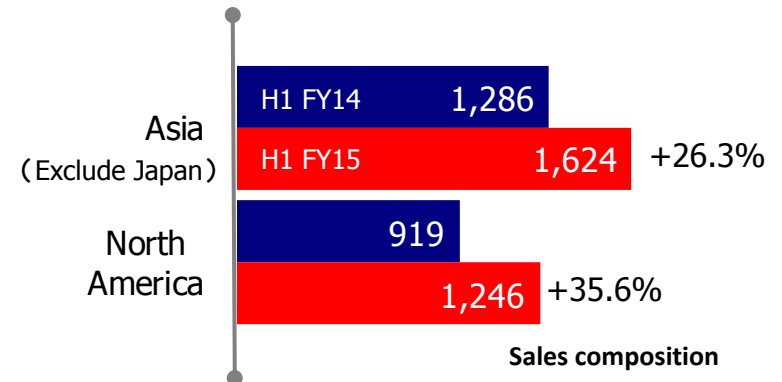
## Sales by Business Segment

(Millions of yen)

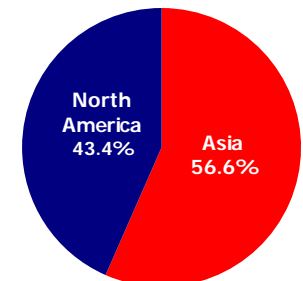
	H1 FY14	H1 FY15	YoY
Temporary Staffing	799	914	14.3%
Placement / Recruiting	823	1,087	32.1%
Contracting (Payroll, others)	420	564	34.2%
Others	194	243	25.4%
<b>Total</b>	<b>2,238</b>	<b>2,809</b>	<b>25.5%</b>

## Sales by Region

(Millions of yen)

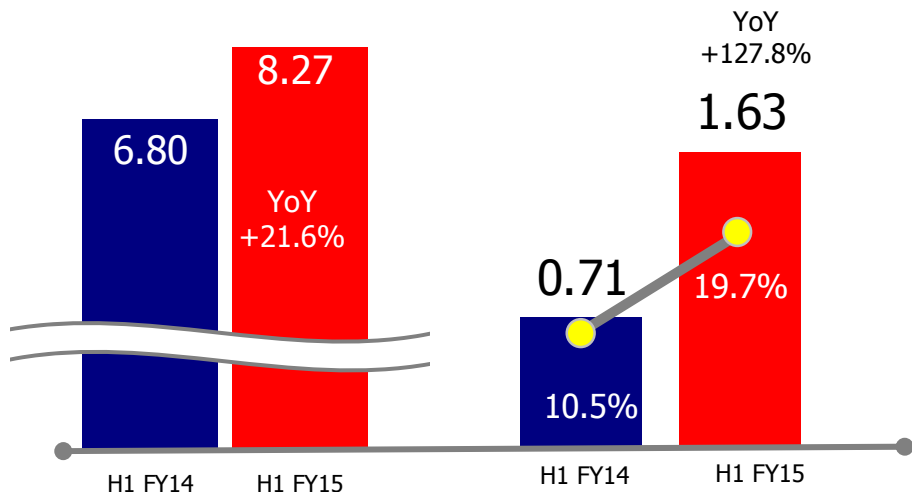


## Sales composition



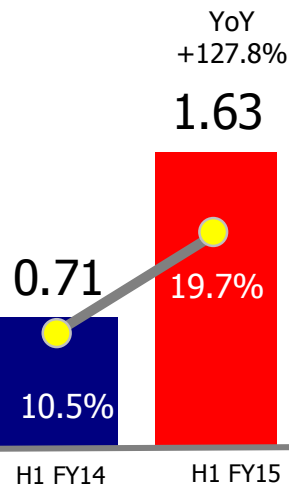
# Career Solutions (Placement/Recruiting, Outplacement)

## Net Sales



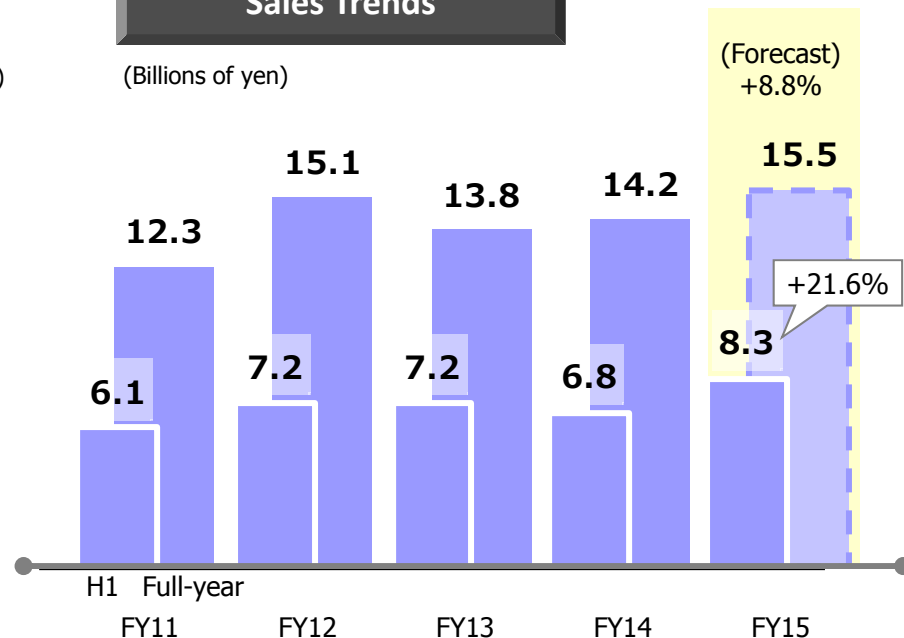
## Operating Income, Operating Income Margin

(Billions of yen)



## Sales Trends

(Billions of yen)



\*From FY2015, "Place & Search" and "Outplacement" are integrated into this segment. FY2014 results has been reallocated and presented in this segment.

## Business Conditions

### ● H1 result (Placement / Recruiting)

- Needs of employers continue to be strong
- Major increase as a result of more contracts for women and seniors

### ● H2 plan

- Pushing job changes among women through detailed follow-up
- Strengthening specialist positions for administrative departments, expanding "high class" (highly specialized) group

### ● H1 result (Outplacement)

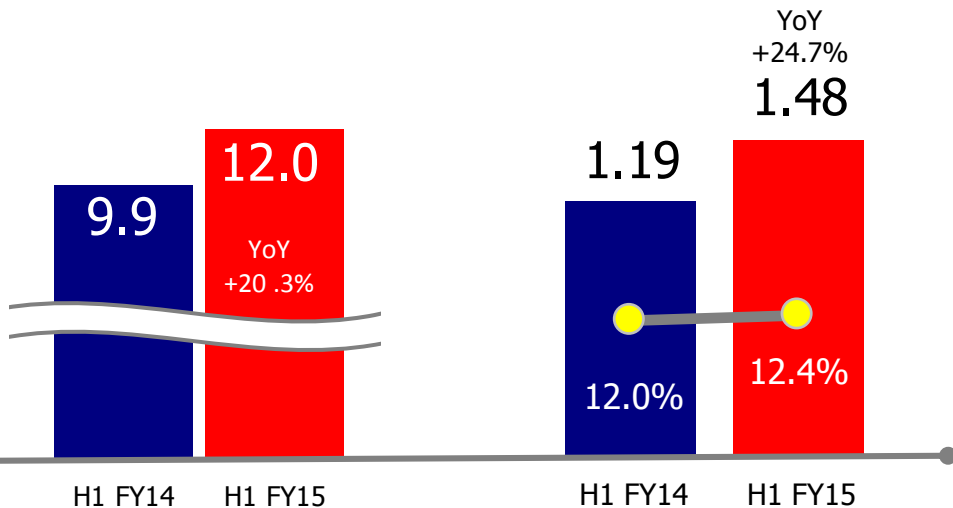
- Projects becoming smaller, but we are winning orders steadily
- Expansion of service menu for users, progress in introducing welfare launches

### ● H2 plan

- Strengthening support for seniors who are going independent and "second life" support
- Working with Placement/Recruiting business to optimize human resources

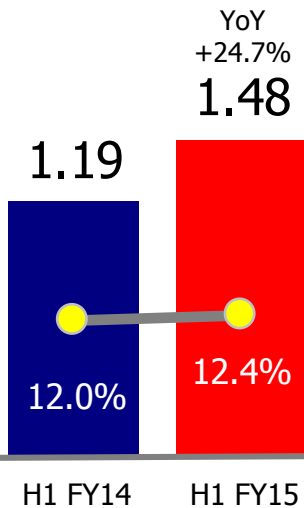
# Outsourcing (Benefit One Inc.)

## Net Sales



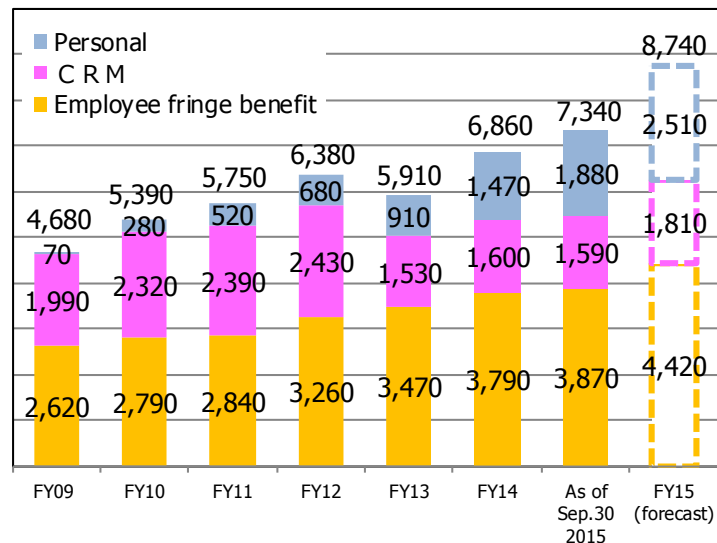
## Operating Income, Operating Income Margin

(Billions of yen)



## Benefit One Membership

\*Retroactive to April 2010, adjusted "paying" member base (Thousands people)



## Business Conditions

### H1 result

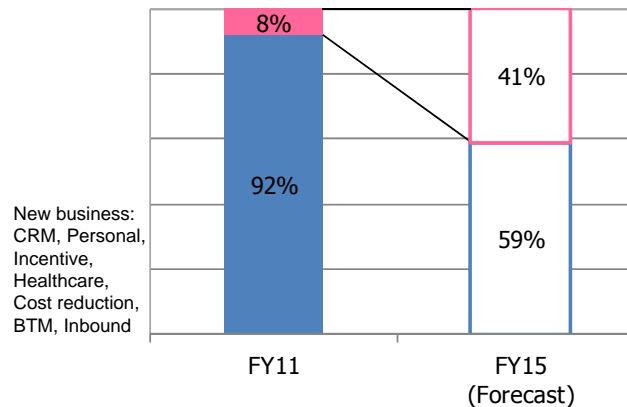
- Number of members increasing steadily because of rising needs for welfare
- Alliances bring results, major increases in Personal members

### H2 plan

- Expansion of domains where we provide services, including small- and medium-sized companies
- Optimize operating costs through promotion of BPR

## Diversification of Income

■ New business ■ Employee fringe benefit



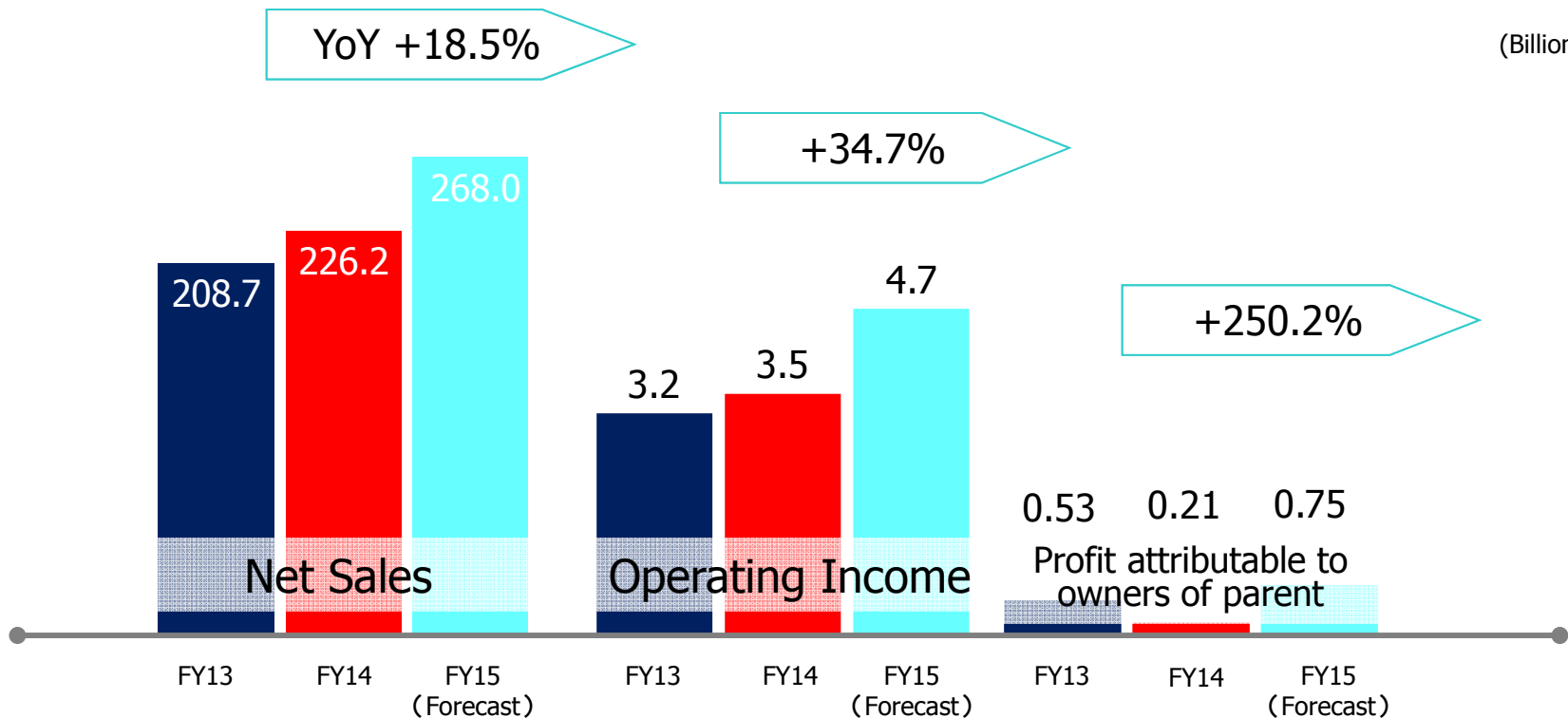
# FY2015 Forecasts

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# Consolidated Forecasts for FY2015

(Billions of yen)



(Millions of yen)	FY13	to net sales %	FY14	to net sales %	FY15 Forecast	to net sales %	vs FY14 Increase/Decrease	YoY
Net sales	208,660	100.0	226,227	100.0	268,000	100.0	41,772	18.5%
Cost of sales	168,420	80.7	180,355	79.7	212,400	79.3	32,044	17.8%
Gross profit	40,239	19.3	45,871	20.3	55,600	20.7	9,728	21.2%
SG&A expenses	37,029	17.7	42,381	18.7	50,900	19.0	8,518	20.1%
Operating income	3,210	1.5	3,490	1.5	4,700	1.8	1,209	34.7%
Ordinary income	3,135	1.5	3,343	1.5	4,600	1.7	1,256	37.6%
Profit attributable to owners of parent	526	0.3	214	0.1	750	0.3	535	250.2%

# Revised Forecasts by Segment for FY2015

- No changes in sales plans by segment
- Covered minuses in Insourcing and Life Solutions/Public Solutions segments with upward gains in profit in the Career Solutions segment (mainly in the Outplacement business)

(Millions of yen)

Segment	Sales							Operating income (loss)						
	FY14	FY15 Initial Forecast	FY15 Revised Forecast	Increase/Decrease	VS Initial forecast %	VS FY14 Increase/Decrease	VS FY14 %	FY14	FY15 Initial Forecast	FY15 Revised Forecast	Increase/Decrease	VS Initial forecast %	VS FY14 Increase/Decrease	VS FY14 %
	(A)	(B)	(C)	(C)-(B)		(C)-(A)		(D)	(E)	(F)	(F)-(E)		(F)-(D)	
Expert Services (Temporary Staffing)	132,621	133,380	133,380	0	0.0%	758	0.6%	2,485	3,090	2,990	(100)	(3.2)%	504	20.3%
Insourcing (Contracting)	43,985	74,250	74,250	0	0.0%	30,264	68.8%							
HR Consulting, others	5,536	6,300	6,300	0	0.0%	763	13.8%							
Global Sourcing (Overseas)	4,840	5,870	5,870	0	0.0%	1,029	21.3%							
Subtotal	186,984	219,800	219,800	0	0.0%	32,815	17.5%							
Career Solutions (Placement/ Recruiting, Outplacement)	14,196	15,450	15,450	0	0.0%	1,253	8.8%	1,855	2,050	2,650	600	29.3%	794	42.8%
Outsourcing	21,643	28,890	28,890	0	0.0%	7,246	33.5%	3,193	4,280	4,280	0	-	1,086	34.0%
Life Solutions Public Solutions	5,433	5,710	5,710	0	0.0%	276	5.1%	(60)	(150)	(550)	(400)	-	(489)	-
Eliminations and Corporate	(2,030)	(1,850)	(1,850)	0	0.0%	180	-	(3,983)	(4,570)	(4,670)	(100)	-	(686)	-
Consolidated	226,227	268,000	268,000	0	0.0%	41,772	18.5%	3,490	4,700	4,700	0	0.0%	1,209	34.7%

\*From FY2015, "Place & Search" and "Outplacement" are integrated into "Career Solutions" segment. FY2014 results of "Career Solutions" has been reallocated and presented in the new segment.

# Progress of FY2015 Business Strategy

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# Progress of Business Strategy

## **i Accelerate Growth of BPO Business**

Grow public solutions field / Strengthened collaboration within the Pasona Group

## **ii Strengthen Specialist Human Resources in Expert Services**

Strengthening career consulting / Nurtured field of expertise

## **iii Expand Global Business**

Strengthened position in the ASEAN region / Utilization of foreign nationals

## **iv Strengthen Health Care Business**

Took initiatives for "Health and Productivity Management"

## **v Further Promote Regional Revitalization Business**

Made progress in projects

# Increase of Organizational Consulting Business along with Regulatory Changes

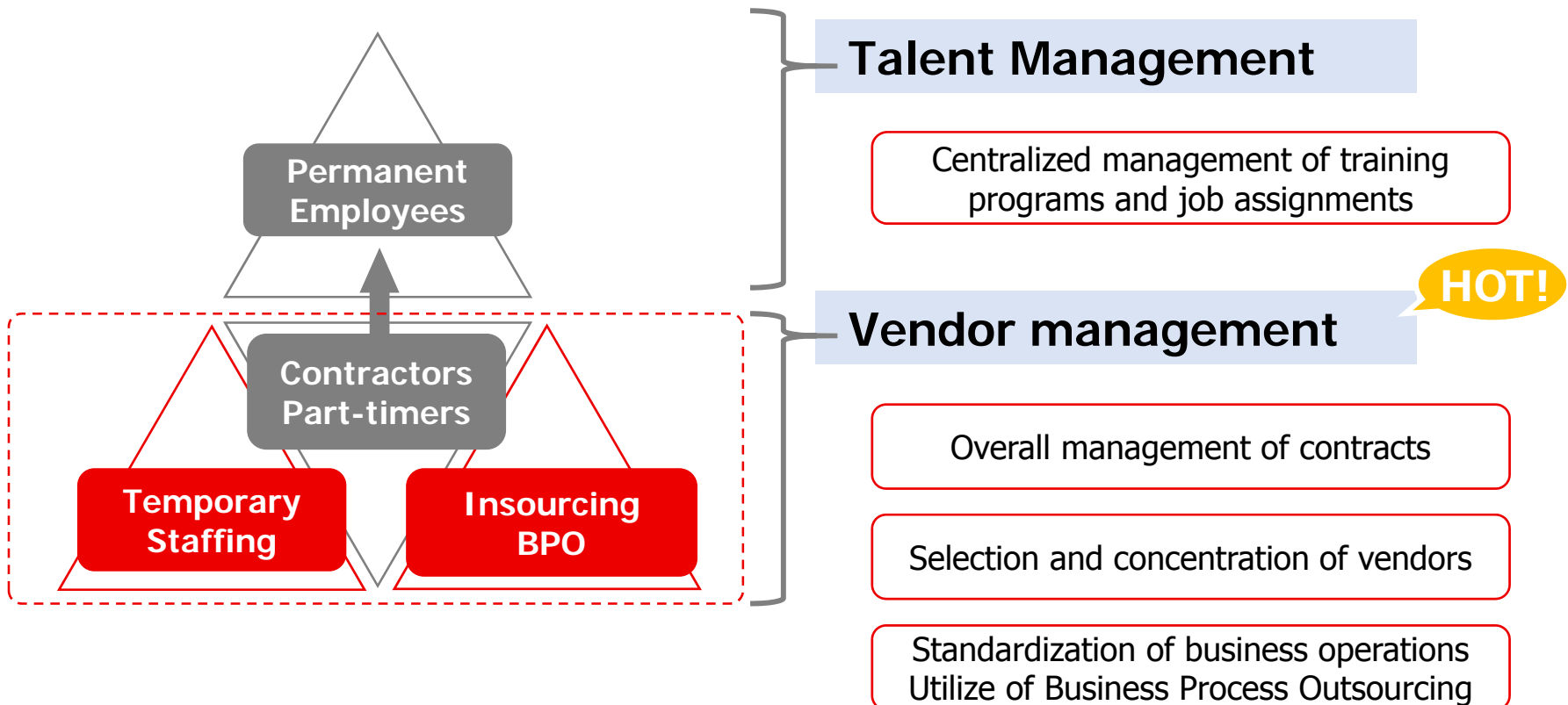
## ● Revision of Laws

The Worker Dispatch Law

The Labour Contract Act

My Number (Tax Number System)

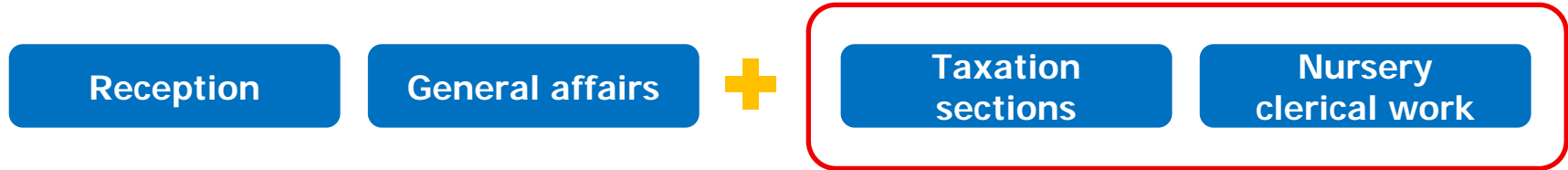
➔ Review of the employment portfolio and internal systems is urgent



# Accelerate Growth of BPO Business

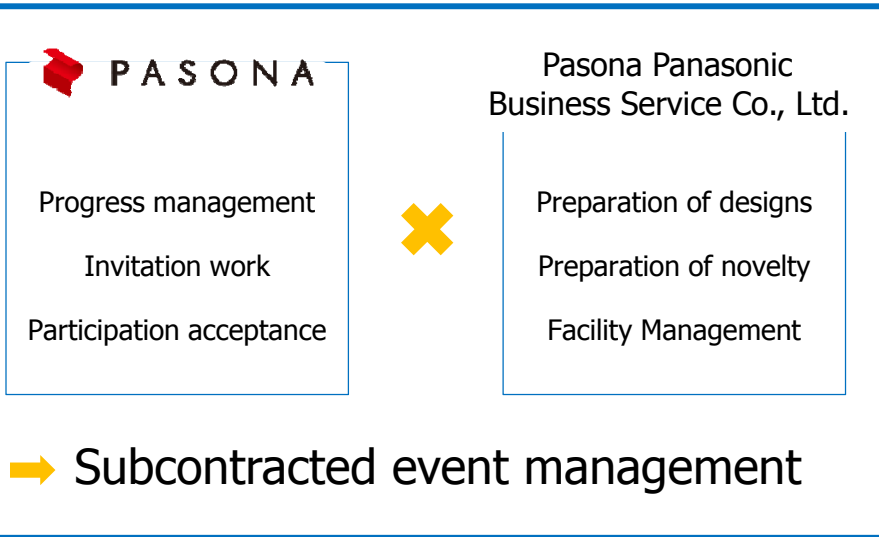
- Administrative services such as reception and general affairs expanded in Public sector

Net sales YoY Reception services **+60%** General affairs **+15%**  
\* Pasona Inc.

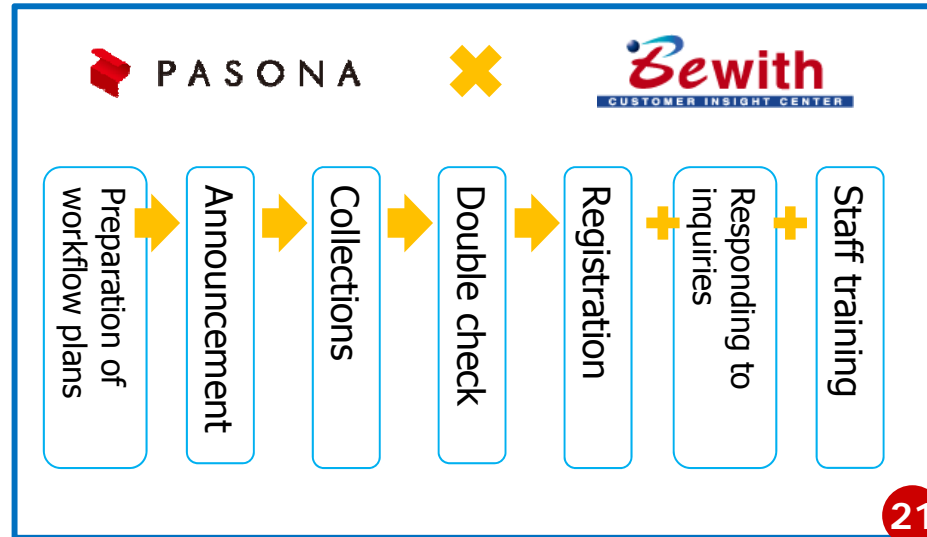


- Strengthened collaboration within the Pasona Group

## MICE business



## Services for proper collection of "My Number" (Tax Number System) documents



# Strengthen Specialist Human Resources in Expert Services

## ● Began to offer “Career Consulting Services”

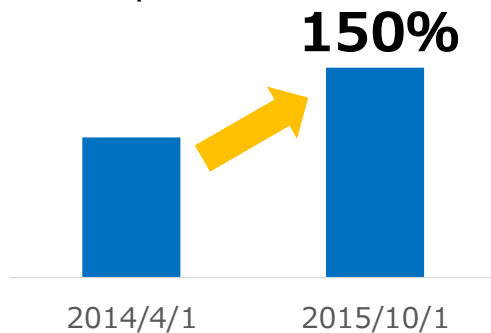
Prepare career plans through one-on-one meetings, provide support for skill advancement

In addition to temporary staff, began services for general public and corporations

## ● Firm progress in staff training in the information and communication technology (ICT) field and legal / compliance fields

### Pasona Tquila Inc.

Steady progress in developing certified personnel



Total number of certified Salesforce specialists in Pasona Tquila

### Oracle BI Cloud Assistant

Simple and inexpensive support for introducing

Oracle BI Cloud Service 「導入&サポートサービス」

情報活用をクラウドで実現

企業内外に存在する様々なデータを分析し、意思決定に活用するためのシステムや取り組みを表す例は、事業を遂行する上で必要不可欠です。

パソナは日本オラクルと共同で、「Oracle BI Cloud Service導入&サポートサービス」をご提供します。

Oracle BI Cloud Service をフル活用するために、パソナの「Oracle BI Cloud アシスタント選定サービス」をご利用ください。

スムーズな導入には、「Oracle BI Cloud 導入/テクニカルサポート」をご利用ください。

※当社はオラクルのゴールドパートナーとして認定されています。

### Legal/Intellectual Property Compliance

Opened specialized site  
Made progress in recruitment

パソナグループの法務・コンプライアンス・知財人材サービス

グローバル化するビジネス環境や、雇人の権利意識の高まりにより、企業法務の重要性が高まっています。またITの進化によりコンプライアンスは事業実施において必要不可欠なものとなりました。

パソナでは幅広い法務知識と各種判例・事例に精通した若手法務人材から実務に精通したベテラン人材を豊富に抱え、貴社の法務・コンプライアンス・知財機能強化を支援します。

パソナグループではこのようなご要望にお応えします!

- ✓ 海外企業との契約や業務提携などでノウハウがある人材を早急に補充したい。
- ✓ 法務部門は少人数のため業務の対応が難しい。

# Expand Global Business

- Firm growth in existing businesses, mainly in North America

Global network  
As of December, 2015

North America +35.6%

Asia +26.3%

14 regions  
55 bases

- Indonesia: Acquired **PT. Dutagriya Sarana**  
Prepared full lineup of personnel services

 PASONA INDONESIA

Recruiting

Services for overseas  
market entry



Dutagriya Sarana

Expert Services

Education and  
training

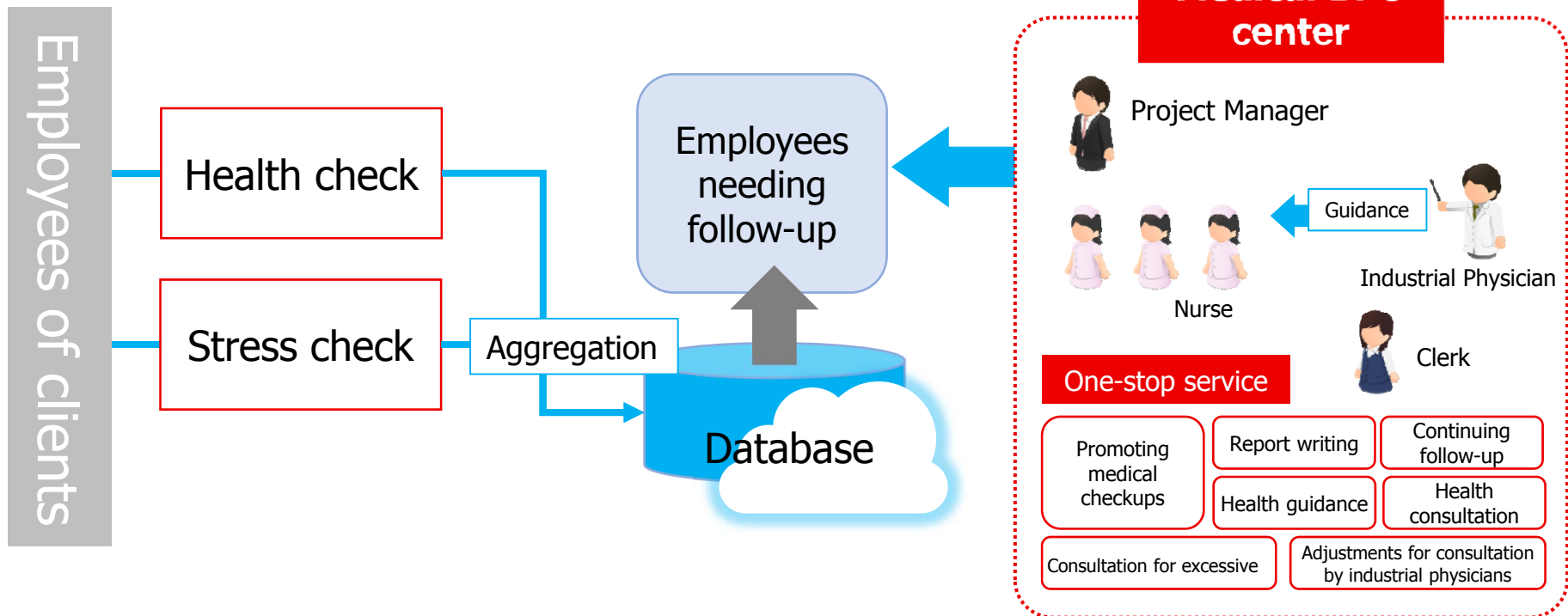
- Philippines: Tie-up with **Magsaysay Global**,  
called for staff for homemaker services  
Start operations in March 2016



# Strengthen Health Care Business

- Began "Health and Productivity Management Consulting Service"

One-stop solutions now available from Pasona Group  
Centralized management of employee health information



# Further Promote Regional Revitalization Business

- Made progress in projects

## Tango Kingdom

April 2015



Number of visitors: Annual goal of 200,000

➔ Exceeded **400,000 people** in December!

## Local revitalization & Inbound Institute

September 2015



Building infrastructure for collaboration with a range of industries  
Began study group in September

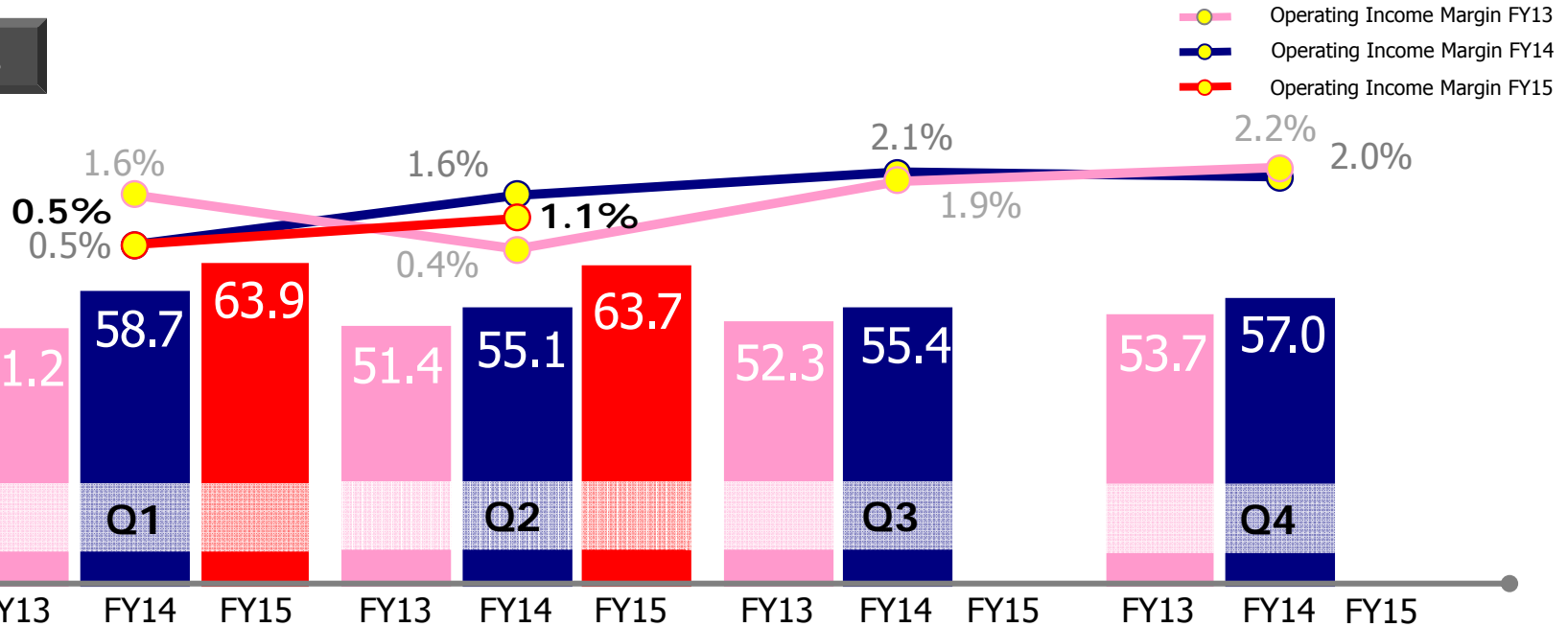
# Reference

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# Quarterly Earnings Trends

## Net Sales

(Billions of yen)



(Millions of yen)

	Q1 (June to August)						Q2 (September to November)					Q3 (December to February)			Q4 (March to May)		
	FY13	FY14	YoY	FY15	YoY	FY13	FY14	YoY	FY15	YoY	FY13	FY14	YoY	FY13	FY14	YoY	
	Net sales	51,212	58,727	+14.7%	63,891	+8.8%	51,406	55,078	+7.1%	63,710	+15.7%	52,319	55,379	+5.8%	53,721	57,042	+6.2%
Gross profit	10,032	11,450	+14.1%	13,412	+17.1%	9,377	11,010	+17.4%	12,023	+9.2%	10,133	11,319	+11.7%	10,695	12,090	+13.0%	
SG&A expenses	9,197	11,130	+21.0%	13,061	+17.4%	9,174	10,135	+10.5%	11,300	+11.5%	9,125	10,180	+11.6%	9,531	10,934	+14.7%	
Operating income	834	320	(61.6)%	350	+9.5%	203	875	+330.5%	722	(17.5)%	1,008	1,139	+12.9%	1,163	1,155	(0.7)%	
Ordinary income	798	286	(64.2)%	256	(10.2)%	163	832	+410.3%	720	(13.5)%	995	1,132	+13.8%	1,178	1,092	(7.3)%	
Profit (Loss) attributable to owners of parent	103	(253)	-	(323)	-	(128)	97	-	(10)	-	37	163	+335.8%	513	206	(59.8)%	
Gross profit margin	19.6%	19.5%	(0.1)pt	21.0%	+1.5pt	18.2%	20.0%	+1.8pt	18.9%	(1.1)pt	19.4%	20.4%	+1.0pt	19.9%	21.2%	+1.3pt	
SG&A expense ratio	18.0%	19.0%	+1.0pt	20.4%	+1.4pt	17.8%	18.4%	+0.6pt	17.7%	(0.7)pt	17.4%	18.4%	+1.0pt	17.7%	19.2%	+1.5pt	
Operating income margin	1.6%	0.5%	(1.1)pt	0.5%	+0.0pt	0.4%	1.6%	+1.2pt	1.1%	(0.5)pt	1.9%	2.1%	+0.2pt	2.2%	2.0%	(0.2)pt	
Ordinary income margin	1.6%	0.5%	(1.1)pt	0.4%	(0.1)pt	0.3%	1.5%	+1.2pt	1.1%	(0.4)pt	1.9%	2.0%	+0.1pt	2.2%	1.9%	(0.3)pt	
Profit attributable to owners of parent margin	0.2%	-	-	-	-	-	0.2%	-	-	-	0.1%	0.3%	+0.2pt	1.0%	0.4%	(0.6)pt	

Consolidated

# Quarterly Earnings Trends by Segment

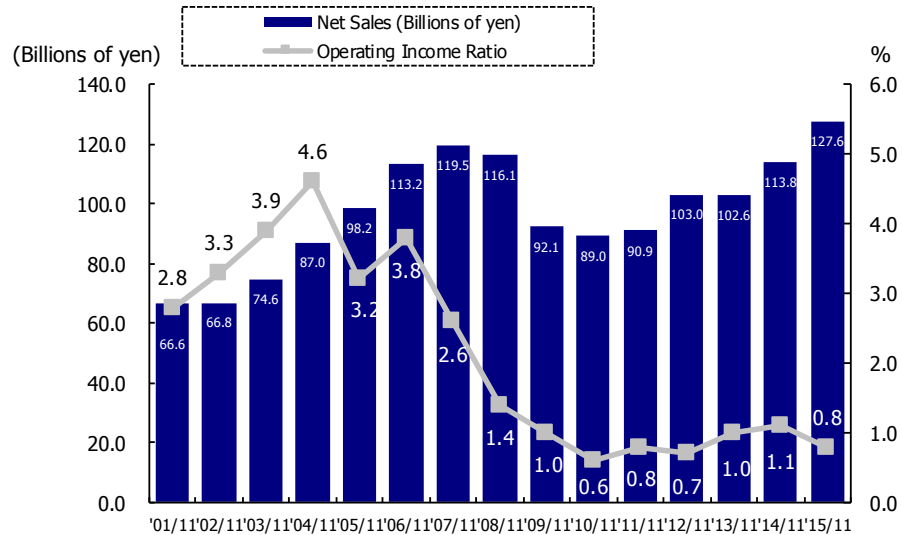
(Millions of yen)

Segment	Sales							Operating income (loss)						
	Q1 FY14	Q2 FY14	Q3 FY14	Q4 FY14	Q1 FY15	Q2 FY15	YoY	Q1 FY14	Q2 FY14	Q3 FY14	Q4 FY14	Q1 FY15	Q2 FY15	YoY
Expert Services (Temporary Staffing)	35,211	32,486	32,022	32,901	33,221	32,487	0.0%							
Insourcing (Contracting)	11,372	10,990	11,127	10,495	16,925	17,450	58.8%							
HR Consulting, others	1,356	1,335	1,426	1,418	1,504	1,420	6.4%	472	882	710	418	325	430	(51.3)%
Global Sourcing (Overseas)	1,088	1,149	1,245	1,357	1,420	1,389	20.9%							
Subtotal	49,028	45,961	45,821	46,172	53,070	52,747	14.8%							
Career Solutions (Placement/Recruiting, Outplacement)	3,386	3,412	3,380	4,017	4,032	4,235	24.1%	335	379	356	784	794	834	119.7%
Outsourcing	4,852	5,083	5,565	6,142	5,971	5,981	17.7%	572	615	1,047	957	641	840	36.5%
Life Solutions Public Solutions	1,926	1,119	1,101	1,286	1,342	1,392	24.4%	(58)	24	(11)	(14)	(192)	(164)	-
Eliminations and Corporate	(465)	(499)	(489)	(576)	(524)	(646)	-	(1,001)	(1,027)	(963)	(991)	(1,218)	(1,218)	-
Total	58,727	55,078	55,379	57,042	63,891	63,710	15.7%	320	875	1,139	1,155	350	722	(17.5)%

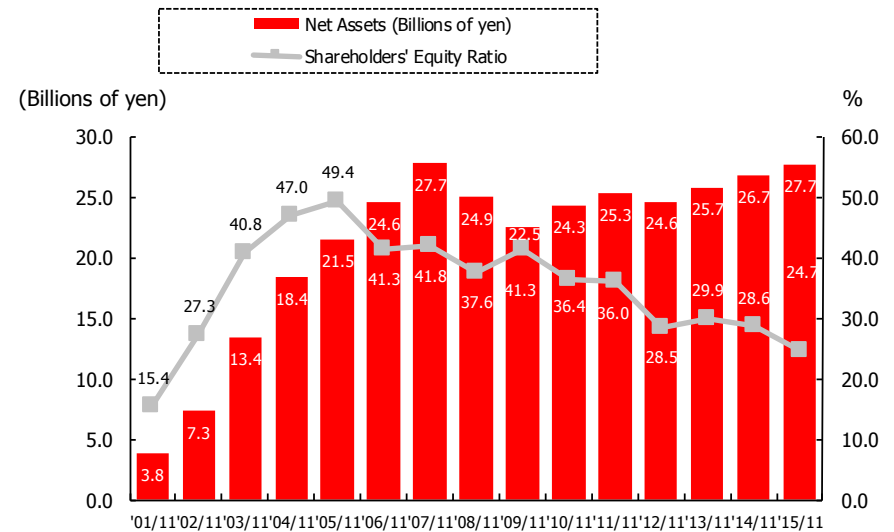
\*From FY2015, "Place & Search" and "Outplacement" are integrated into "Career Solutions" segment.  
FY2014 results of "Career Solutions" has been reallocated and presented in the new segment.

# H1 Key Indicators

## Net Sales and Operating Income Ratio



## Net Assets and Shareholders' Equity Ratio



## First Half Results

Key Indicators	'01/11	'02/11	'03/11	'04/11	'05/11	'06/11	'07/11	'08/11	'09/11	'10/11	'11/11	'12/11	'13/11	'14/11	'15/11
Net Sales	66,593	66,822	74,641	87,016	98,247	113,202	119,516	116,086	92,069	88,994	90,880	102,976	102,619	113,805	127,602
Gross Profit Margin	17.6%	18.9%	20.1%	20.6%	19.8%	20.3%	20.4%	20.0%	19.2%	18.2%	18.3%	18.5%	18.9%	19.7%	19.9%
SG&A Expenses	9,823	10,386	12,091	13,905	16,290	18,654	21,274	21,598	16,784	15,640	15,922	18,355	18,372	21,265	24,362
SG&A Expense Ratio	14.8%	15.6%	16.2%	16.0%	16.6%	16.5%	17.8%	18.6%	18.2%	17.6%	17.5%	17.8%	17.9%	18.7%	19.1%
Operating Income	1,878	2,211	2,892	3,982	3,123	4,314	3,071	1,598	905	533	724	714	1,038	1,195	1,072
Operating Income Ratio	2.8%	3.3%	3.9%	4.6%	3.2%	3.8%	2.6%	1.4%	1.0%	0.6%	0.8%	0.7%	1.0%	1.1%	0.8%
Ordinary Income	1,738	2,086	2,707	3,990	3,103	4,392	3,145	1,803	933	580	744	692	961	1,118	977
Ordinary Income Ratio	2.6%	3.1%	3.6%	4.6%	3.2%	3.9%	2.6%	1.6%	1.0%	0.7%	0.8%	0.7%	0.9%	1.0%	0.8%
Net Income (Loss)	822	931	1,272	2,319	1,482	2,073	1,063	203	(1,696)	(549)	75	(454)	(25)	(155)	(334)
Net Income Ratio	1.2%	1.4%	1.7%	2.7%	1.5%	1.8%	0.9%	0.2%	-	-	0.1%	-	-	-	-
Total Assets	24,808	26,796	32,759	39,150	43,526	49,918	55,216	52,670	42,866	55,084	57,480	68,768	68,524	72,357	80,164
Net Assets *1	3,824	7,316	13,374	18,381	21,509	24,573	27,736	24,939	22,497	24,260	25,295	24,619	25,743	26,744	27,702
Shareholders' Equity Ratio *2	15.4%	27.3%	40.8%	47.0%	49.4%	41.3%	41.8%	37.6%	41.3%	36.4%	36.0%	28.5%	29.9%	28.6%	24.7%
Current Ratio	117.0%	122.7%	146.9%	177.2%	182.0%	152.3%	150.8%	136.4%	148.1%	190.7%	172.4%	144.4%	139.0%	125.3%	129.0%

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

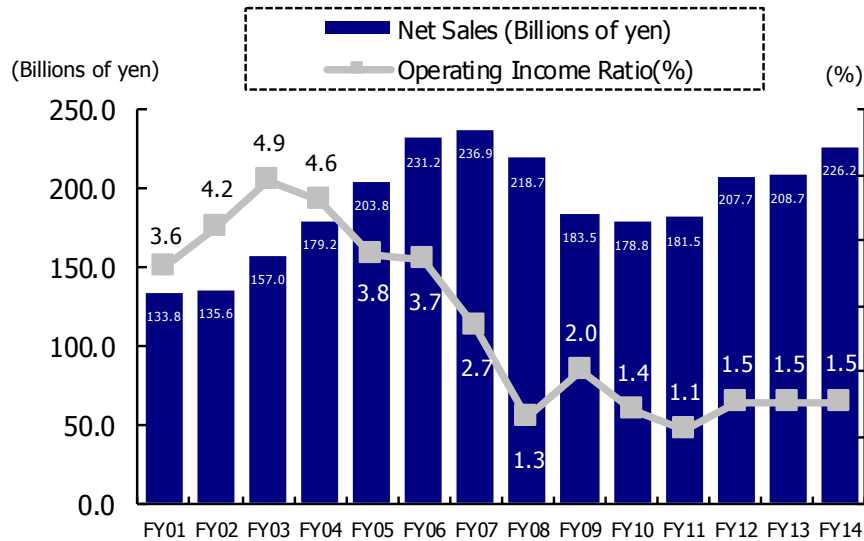
Minority interests included in presentation of net assets since the fiscal year ended May 31, 2007.

2. Despite changes in calculation methods for net assets following the introduction of changes to accounting standards and policies, the shareholders' equity ratio since the fiscal year ended May 31, 2007 is calculated utilizing an amount equivalent to net assets applicable to common shares.

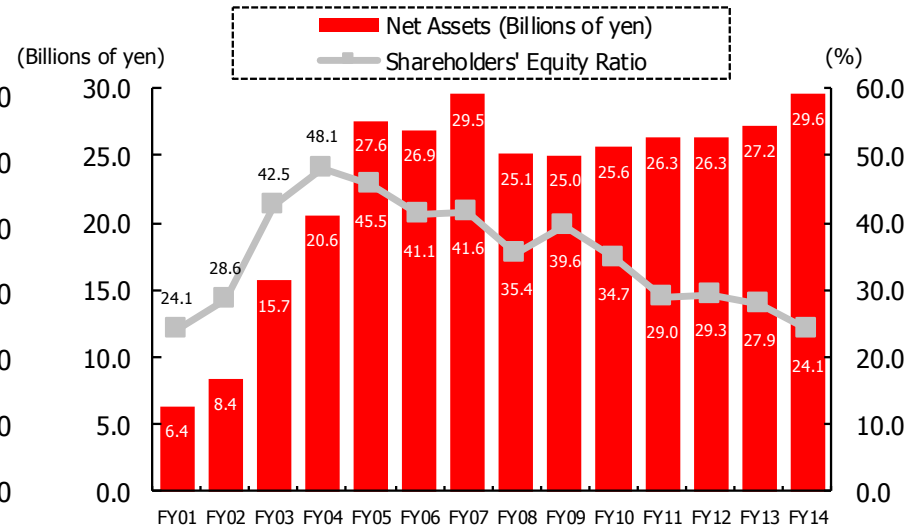
3. For '01/11-'06/11, Pasona Inc. consolidated business results have been used for comparative purposes.

# Full-Year Key Indicators

## Net Sales and Operating Income Ratio



## Net Assets and Shareholders' Equity Ratio



## Results

Key Indicators	'02/05	'03/05	'04/05	'05/05	'06/05	'07/05	'08/05	'09/05	'10/05	'11/05	'12/05	'13/05	'14/05	'15/05
Net Sales	133,822	135,625	156,979	179,156	203,815	231,231	236,945	218,699	183,515	178,806	181,498	207,685	208,660	226,227
Gross Profit Margin	18.2%	19.7%	20.9%	20.8%	20.2%	20.3%	20.8%	19.9%	20.0%	18.8%	18.6%	19.3%	19.3%	20.3%
SG&A Expenses	19,557	21,058	25,104	28,992	33,491	38,542	42,925	40,735	33,070	31,125	31,840	36,898	37,029	42,381
SG&A Expense Ratio	14.6%	15.5%	16.0%	16.2%	16.4%	16.6%	18.1%	18.6%	18.0%	17.4%	17.5%	17.8%	17.7%	18.7%
Operating Income	4,786	5,687	7,648	8,238	7,745	8,507	6,444	2,850	3,660	2,432	1,964	3,176	3,210	3,490
Operating Income Ratio	3.6%	4.2%	4.9%	4.6%	3.8%	3.7%	2.7%	1.3%	2.0%	1.4%	1.1%	1.5%	1.5%	1.5%
Ordinary Income	4,222	5,373	7,329	8,289	7,844	8,807	6,637	3,361	4,044	2,571	2,091	3,187	3,135	3,343
Ordinary Income Ratio	3.2%	4.0%	4.7%	4.6%	3.8%	3.8%	2.8%	1.5%	2.2%	1.4%	1.2%	1.5%	1.5%	1.5%
Net Income	1,974	2,027	3,647	4,363	3,588	4,198	2,962	312	204	412	29	610	526	214
Net Income Ratio	1.5%	1.5%	2.3%	2.4%	1.8%	1.8%	0.1%	0.1%	0.1%	0.2%	0.0%	0.3%	0.3%	0.1%
Total Assets	26,526	29,425	37,004	42,884	51,931	54,425	58,513	55,468	52,269	60,564	70,889	71,276	75,615	88,641
Net Assets *1	6,388	8,418	15,732	20,644	27,634	26,904	29,468	25,148	24,979	25,642	26,295	26,253	27,181	29,620
Shareholders' Equity Ratio *2	24.1%	28.6%	42.5%	48.1%	45.5%	41.1%	41.6%	35.4%	39.6%	34.7%	29.0%	29.3%	27.9%	24.1%
Current Ratio	121.6%	122.3%	160.2%	182.8%	170.8%	152.1%	154.2%	129.6%	163.3%	175.2%	154.7%	141.8%	131.3%	125.6%
Number of Employees (exclude contract workers)	1,537	1,687	1,979	2,204	2,608	3,126	3,647	3,671	3,643	3,956	4,452	4,778	5,022	6,584

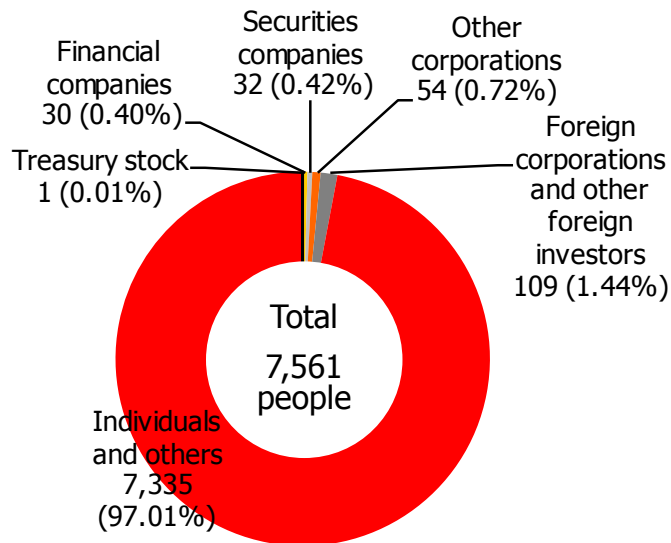
Notes: 1. Presentation of shareholders' equity amended to a net assets basis in line with changes to accounting standards and policies. Minority interests included in presentation of net assets since the fiscal year ended May 31, 2006.

2. Despite changes in calculation methods for net assets following the introduction of changes to accounting standards and policies, the shareholders' equity ratio since the fiscal year ended May 31, 2006 is calculated utilizing an amount equivalent to net assets applicable to common shares.

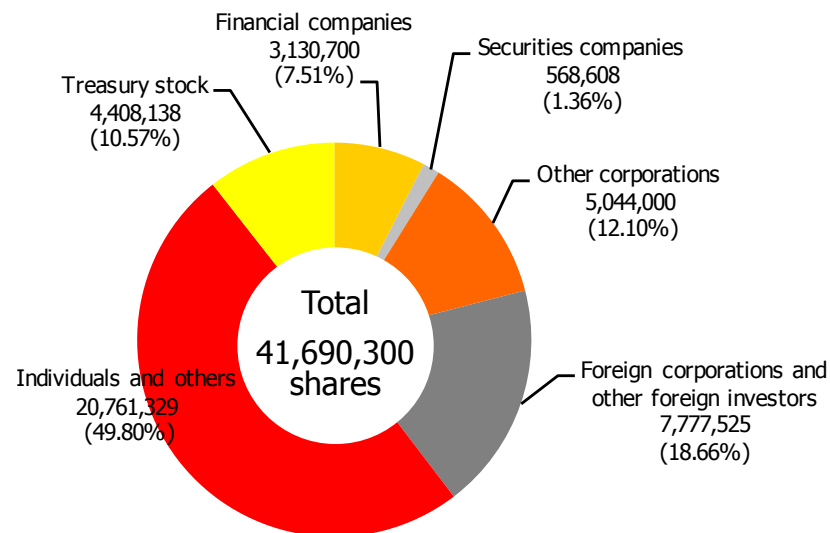
3. The data for the periods up to and including the fiscal year ended May 31, 2007 are consolidated data for Pasona Inc. The data for the periods commencing the fiscal year ended May 31, 2008 and beyond are consolidated data for Pasona Group Inc.

# Stock Information (As of Nov. 30, 2015)

## Breakdown of Shareholders by Type



## Breakdown of Shareholders by Number of Share Held



## Principal Shareholders

	No. of Shares Held	%
Yasuyuki Nambu	14,763,200	35.41%
Pasona Group Inc.	4,408,138	10.57%
Nambu Enterprise Inc.	3,737,800	8.97%
BNY GCM Client Account JPRD AC ISG (FE-AC)	1,390,134	3.33%
Credit Suisse AG Hong Kong Trust A/C Client	1,227,000	2.94%
Goldman Sachs International	761,845	1.83%
Pasona Group Employees' Shareholding Association	675,800	1.62%
The Master Trust Bank of Japan, Ltd (Trust account)	626,900	1.50%
Sanrio Company, Ltd.	600,000	1.44%
CBNY-Government of Norway	516,494	1.24%

The Company's treasury stock (4,408,138 shares, 10.57% of total issued shares) ranked second. In accordance with Article 308.2 of the Corporations Law, there are no voting rights attached to treasury stock.



# Group Companies (by segment)

## Expert Services

### Insourcing

HR Consulting, Education and Training, Others

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

## Global Sourcing

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

## Career Solutions

Pasona Inc.	Pasona Fortune Inc.	Other
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## Outsourcing

Benefit One Inc.		
Benefit one Health care Inc.		
Benefit One Solutions Inc.		
Benefit One Payroll 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		
Chunghwa Benefit One Co., Ltd.*		
National Examination Center Inc.*		Other *

## Life Solutions

Pasona Foster Inc.
Pasona Life Care Inc.

## Public Solutions

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

● Consolidated subsidiaries 56  
Equity-method affiliates 4\*

# Corporate Data

Tokyo Stock Exchange, 1st Section 2168

<b>Corporate Name</b>	Pasona Group Inc.	
<b>Headquarters</b>	Shin Marunouchi Bldg. 1-5-1, Marunouchi, Chiyoda-ku, Tokyo 100-6514	<u>Comprehensive Group office</u> Otemachi 2-6-4 Chiyoda-ku, Tokyo 100-8228 Phone 03-6734-0200
<b>Established</b>	December 3, 2007 (Founding February 1976)	
<b>Paid-in Capital</b>	5,000 million yen	
<b>Representative</b>	Yasuyuki Nambu	
<b>Business Activities</b>	Expert Services (Temporary staffing), Insourcing (Contracting), HR Consulting, education and training, others Global Sourcing (Overseas) Career Solutions (Placement/Recruiting, Outplacement ) Outsourcing Life Solutions, Public Solutions	
<b>Number of Employees</b>	7,908 (Consolidated, including contract workers) (As of May 31, 2015)	
<b>Group Companies</b>	Subsidiaries 56 , Affiliates 4	
<b>URL</b>	<a href="http://www.pasonagroup.co.jp/english/">www.pasonagroup.co.jp/english/</a>	

(As of Nov. 30, 2015)