Pasona Group Inc.
Securities Code No.: 2168
Listing: First Section, Tokyo Stock Exchange
Otemachi 2-6-4 Chiyoda-ku, Tokyo
www.pasonagroup.co.jp/english

April 8, 2011

OVERVIEW OF CONSOLIDATED BUSINESS RESULTS

FY2010 (June 1, 2010 to May 31, 2011)

Nine Months Ended February 28, 2011

- **Consolidated net sales for the nine months ended February 28, 2011 declined 2.5% compared with the corresponding period of the previous fiscal year to ¥132,664 million.**
- **The Global Sourcing (Overseas) business performed steadily buoyed by growing demand for global human resources reflecting the accelerated pace at which Japan's corporate sector is shifting operations overseas.**
  The Place & Search (Placement / Recruiting) business entered a positive turnaround phase on the back of an upswing in job offers for employees capable of delivering immediate results mainly in the sales and marketing as well as the engineering fields.
- **In the Expert Services (Temporary staffing) business, new orders steadily increased. At the same time, efforts to regulate temporary staffing job types led to an upswing in direct employment and downward adjustments in demand. The number of long-term temporary staff remained stagnant.**
  The Insourcing (Contracting) business benefited from increased orders from public office, local government authority and other public sector-related activities.
- **Following a round of restructuring by the corporate sector, new orders in the Outplacement business continued to decline.**
- **Despite the substantial decrease in selling, general and administrative (SG&A) expenses, operating income and ordinary income declined to ¥1,286 million and ¥1,330 million, respectively.**
- **Despite incurring a net loss of ¥334 million for the period under review, results were significantly improved compared with the previous corresponding period.**

1. Consolidated Business Results (June 1, 2010 to February 28, 2011)

(Millions of yen)

	9M FY2009	**9M FY2010**	Increase / (Decrease)	YoY
Net sales	136,047	**132,664**	(3,382)	(2.5)%
Gross profit	26,751	**24,555**	(2,196)	(8.2)%
to net sales	19.7%	**18.5%**	(1.2)pt	
SG&A expenses	24,557	**23,268**	(1,288)	(5.2)%
to net sales	18.1%	**17.5%**	(0.6)pt	
Operating income	2,194	**1,286**	(907)	(41.4)%
to net sales	1.6%	**1.0%**	(0.6)pt	
Ordinary income	2,402	**1,330**	(1,071)	(44.6)%
to net sales	1.8%	**1.0%**	(0.8)pt	
Income before income taxes	2,256	**900**	(1,355)	(60.1)%
to net sales	1.7%	**0.7%**	(1.0)pt	
Net loss	(1,404)	**(334)**	1,069	-
to net sales	-	**-**	-	

Overview of Business Results

- Consolidated net sales for the nine months ended February 28, 2011 declined 2.5% compared with the corresponding period of the previous fiscal year to ¥132,664 million.
- Gross profit margins declined in the Outplacement business. While this downturn was partly offset by contributions from the Global Sourcing (Overseas) business, gross profit for the period under review amounted to ¥24,555 million, a decrease of 8.2% compared with the corresponding period of the previous fiscal year.
- SG&A expenses decreased ¥1,288 million, or 5.2%, year on year to ¥23,268 million. This was largely attributable to ongoing efforts to raise business efficiency and reduce costs.
- Consolidated operating income fell 41.4% compared with the corresponding period of the previous fiscal year to ¥1,286 million and consolidated ordinary income dropped 44.6% year on year to ¥1,330 million.
- The Company incurred an extraordinary loss on adjustment for changes of the accounting standard for asset retirement obligations of ¥480 million during the first quarter. Accounting for the aforementioned, Pasona Group reported a consolidated net loss for the period under review of ¥334 million. This was compared with the consolidated net loss of ¥1,404 million recorded for the corresponding period of fiscal 2009. Despite this result, the quarterly net loss improved on a comparative basis with the previous period due largely to the considerably smaller impact of tax-effect accounting.

2. Segment Information (Figures include intersegment sales)

Note: In conjunction with the adoption of the "Management Approach," the Company reclassified its business segments effective from the fiscal year ending May 31, 2011. Therefore, percentage increases and decreases compared with the corresponding period of the fiscal year ended May 31, 2010 have not been provided.

(Millions of yen)

<table>
<tr><th></th><th>Net sales</th><th>Operating income</th></tr>
<tr><td>HR Solutions</td><td>131,786</td><td>3,271</td></tr>
<tr><td>Expert Services (Temporary staffing), Insourcing (Contracting), Others</td><td>113,644</td><td>1,150</td></tr>
<tr><td>Expert Services (Temporary staffing), Insourcing (Contracting), HR Consulting</td><td>110,937</td><td rowspan="3">1,150</td></tr>
<tr><td>Place & Search (Placement / Recruiting)</td><td>1,236</td></tr>
<tr><td>Global Sourcing (Overseas)</td><td>1,471</td></tr>
<tr><td>Outplacement</td><td>7,390</td><td>707</td></tr>
<tr><td>Outsourcing</td><td>10,751</td><td>1,413</td></tr>
<tr><td>Life Solutions
Public Solutions
Shared</td><td>2,643</td><td>104</td></tr>
<tr><td>Eliminations and Corporate</td><td>(1,766)</td><td>(2,088)</td></tr>
<tr><td>Total</td><td>132,664</td><td>1,286</td></tr>
</table>

HR Solutions

Expert Services (Temporary staffing), **Insourcing** (Contracting), Others

Net sales: ¥113,644 million; **Operating income**: ¥1,150 million

[**Expert Services** (Temporary staffing), **Insourcing** (Contracting), **HR Consulting**]

Net sales: ¥110,937 million

Expert Services (Temporary staffing)

- New orders increased across most sectors including the manufacturing and IT industries. Taking into account efforts to regulate temporary staffing job types, however, which led to an ongoing trend toward direct employment and cutbacks in temporary staffing demand, the number of long-term temporary staff remained stagnant.
- By job type, the Company was successful in promoting fostering-type temporary staffing in medical administrative fields and bolstering activities in such specialized areas as insurance and finance through effective M&A. Accordingly, results in technical (specialized office work) fields during the period under review were firm. In addition, there were indications of a recovery in sales and marketing positions. On this basis, sales in the Expert Services business amounted to ¥98,200 million.

Note: For the monthly average of long-term temporary staff and Temporary staffing / Contracting — sales by staffing type data, please refer to page 5.

Insourcing (Contracting)

- In the Insourcing business, orders for reception, administrative and call center operations increased. Buoyed also by steady trends in public office, local government authority and other public sector-related activities, sales climbed to ¥11,205 million.

[**Place & Search** (Placement / Recruiting)] **Net sales**: ¥1,236 million

- On the domestic front, job offers increased focusing mainly on employees with the skills to make an immediate impact mainly in the sales and marketing as well as engineering fields. As a result, sales in this segment entered a recovery trajectory.

Note: Placement and recruiting sales outside of Japan are included in the Global Sourcing (Overseas) segment.

[**Global Sourcing** (Overseas)] **Net sales**: ¥1,471 million

- As Japanese companies continue to actively shift their operations overseas, job offers for personnel who are capable of excelling on the world stage have expanded. This trend has been most pronounced in such Asian countries as China and Taiwan.
- Orders for temporary staffing and outsourcing services such as payroll outsourcing as well as peripheral overseas human resource fields have grown.

[**Profit perspective for the above segments**]

- On the earnings front in each of the aforementioned segment activities, operating income improved significantly mainly due to increased contributions from Insourcing and Global Sourcing.

Outplacement **Net sales**: ¥7,390 million; **Operating income**: ¥707 million

- Reflecting the shift by Japanese companies of their operations overseas, outplacement demand contributed to a steady increase in market share. This demand, however, failed to reach the substantial expansion in demand witnessed during the previous fiscal year. As a result, the overall trend in new orders continued to decline. Furthermore, in placing priority on a quick and definitive turnaround in the placement of job seekers registered from the previous period and maintaining the number of consultants, costs ballooned.

Outsourcing **Net sales**: ¥10,751 million; **Operating income**: ¥1,413 million

- Continued efforts were made to promote customers' solution-oriented marketing to corporate member customers including major companies as well as government and other public offices, with considerable weight placed on increasing and promoting employee fringe benefit services that help to realize work-life balance.

Life Solutions, Public Solutions, Shared **Net sales**: ¥2,643 million; **Operating income**: ¥104 million

- In child-care-related activities in the Life Solutions business, the Pasona Group increased its childminder temporary staffing and childcare service commissioning activities. Supported by these endeavors, results in this segment were firm.

3. Status of Financial Position and Investments

Changes in Consolidated Financial Position

(Millions of yen)

	May 31, 2010	**February 28, 2011**	Increase / (Decrease)	YoY	Causes for difference
Current assets	34,986	**40,548**	5,561	15.9%	The increase in total assets was mainly attributable to certain factors including an increase of ¥7,142 million in the balance of cash and deposits.
Noncurrent assets	17,282	**17,133**	(149)	(0.9)%	
Total assets	52,269	**57,681**	5,412	10.4%	
Current liabilities	21,426	**22,029**	603	2.8%	The principal increases were accrued expense of ¥2,756 million due mainly to the change in salary payments to temporary staff from twice to once a month, short-term loans payable of ¥953 million and long-term loans payable of ¥3,933 million.
Noncurrent liabilities	5,863	**10,787**	4,923	84.0%	
Total liabilities	27,289	**32,816**	5,526	20.3%	
Total net assets	24,979	**24,865**	(114)	(0.5)%	This was mainly attributable to the net loss of ¥334 million.
Equity ratio	39.6%	**35.5%**	(4.1)pt		

Status of Consolidated Cash Flows

Cash and cash equivalents as of February 28, 2011 increased ¥7,343 million compared with the end of the previous fiscal year to ¥19,667 million.

(Millions of yen)

	9M FY2009	**9M FY2010**	Increase / (Decrease)	Major cash flows in each activity
CF from operating activities	766	**3,824**	3,058	Major cash inflows were income before income taxes of ¥900 million, depreciation and amortization of ¥1,623 million. Principal cash outflows included increase in operating debt of ¥2,260 million due mainly to the change in salary payments to temporary staff from twice to once a month and income taxes paid of ¥1,000 million.
CF from investing activities	(128)	**(581)**	(452)	Major cash outflow was purchase of investment securities of ¥779 million.
CF from financing activities	(4,056)	**4,152**	8,208	Major cash inflows included proceeds from long-term loans payable totaling ¥5,958 million. Principal cash outflow was repayment of long-term loans payable totaling ¥1,024 million.
Free CF	638	**3,243**	2,605	

4. Consolidated Forecast of Business Results for FY2010 (June 1, 2010 to May 31, 2011)

While results for the nine-month period ended February 28, 2011 were essentially in line with plans, the Great East Japan Earthquake that occurred during the fourth quarter is in no small measure expected to impact consolidated business results for the full fiscal year ending May 31, 2011.

There was no major damage to the branches and facilities of the Pasona Group as a result of the disaster. The Group will recommence full-scale operations while taking into consideration the status of infrastructure restoration. Looking toward the future, the demand for personnel is extremely difficult to forecast. In addition to the devastation caused by the earthquake, conditions are clouded with uncertainty due to a variety of factors including the shortage of electricity and other essentials, the anticipated deterioration in consumer sentiment as well as trends in the yen and foreign exchange markets.

Taking into consideration these factors and an ongoing evaluation of potential impacts, the Pasona Group will provide details of any revision to existing forecasts should the need arise in a timely manner. As of the date of this report, Pasona Group has made no changes to the forecasts of consolidated business results for the full fiscal year ending May 31, 2011 previously disclosed on July 20, 2010.

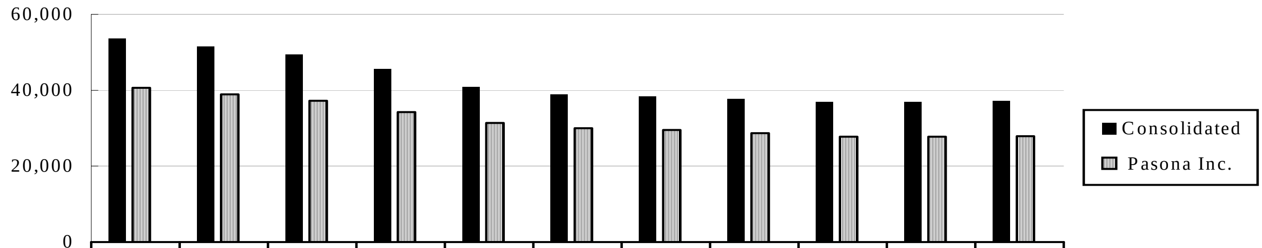
(Millions of yen)

	Net sales	**Operating income**	**Ordinary income**	**Net income**
FY2010 Full-year Forecast	186,000	2,800	2,900	500
YoY	1.4%	(23.5)%	(28.3)%	144.0%

5. Reference Data

◆ Monthly Average of Long-term Temporary Staff

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



	FY2008 Q1	FY2008 Q2	FY2008 Q3	FY2008 Q4	FY2009 Q1	FY2009 Q2	FY2009 Q3	FY2009 Q4	FY2010 Q1	FY2010 Q2	FY2010 Q3
Consolidated	53,615	51,518	49,406	45,535	40,866	38,932	38,398	37,690	36,959	36,989	37,138
YoY(%)	(2.7)	(5.5)	(9.7)	(16.6)	(23.8)	(24.4)	(22.3)	(17.2)	(9.6)	(5.0)	(3.3)
Pasona Inc.	40,607	38,923	37,242	34,295	31,384	30,019	29,529	28,659	27,798	27,796	27,927
YoY(%)	(5.2)	(8.1)	(12.1)	(18.5)	(22.7)	(22.9)	(20.7)	(16.4)	(11.4)	(7.4)	(5.4)

◆ **Expert Services** (Temporary staffing), **Insourcing** (Contracting) **- Consolidated Sales by Staffing Type**

(Excludes intersegment sales) (Millions of yen)

	(Reference) 9M FY2009	**9M FY2010**		vs FY2009	
		Net Sales	Share	Increase / (Decrease)	YoY
Clerical	61,554	**55,236**	50.3%	(6,318)	(10.3)%
Technical	19,500	**20,000**	18.2%	500	2.6%
IT engineering	13,290	**11,964**	10.9%	(1,326)	(10.0)%
Sales and Marketing	5,855	**6,355**	5.8%	500	8.5%
Other Expert Services	4,811	**4,885**	4.5%	74	1.5%
Insourcing	8,915	**11,352**	10.3%	2,437	27.3%
Total	113,927	**109,794**	100.0%	(4,133)	(3.6)%

Note: Figures for the corresponding period of the previous fiscal year have been adjusted in accordance with the current segments.

◆ Quarterly Earnings Trends

(Millions of yen)

	FY2009				**FY2010**			
	Q1	Q2	Q3	Q4	Q1	Q2	**Q3**	Q4
Net sales	47,161	44,908	43,977	47,468	44,574	44,419	**43,669**	-
YoY	(20.2)%	(21.1)%	(16.3)%	(5.2)%	(5.5)%	(1.1)%	**(0.7)%**	-
Cost of sales	38,326	36,053	34,915	37,489	36,432	36,388	**35,288**	-
YoY	(19.1)%	(20.8)%	(16.8)%	(6.9)%	(4.9)%	0.9%	**1.1%**	-
Gross profit	8,834	8,855	9,062	9,979	8,142	8,031	**8,381**	-
YoY	(24.9)%	(22.6)%	(14.1)%	1.5%	(7.8)%	(9.3)%	**(7.5)%**	-
SG&A expenses	8,968	7,815	7,772	8,513	7,831	7,811	**7,630**	-
YoY	(17.7)%	(26.9)%	(22.2)%	(6.9)%	(12.7)%	(0.1)%	**(1.8)%**	-
Operating income (loss)	(134)	1,039	1,289	1,465	310	220	**750**	-
YoY	-	40.7%	127.0%	114.4%	-	(78.8)%	**(41.8)%**	-
Ordinary income (loss)	(119)	1,052	1,469	1,641	319	258	**747**	-
YoY	-	17.6%	178.2%	59.5%	-	(75.4)%	**(49.1)%**	-
Income (loss) before income taxes	(155)	1,032	1,379	1,576	(134)	247	**788**	-
YoY	-	69.0%	11,497.9%	24.0%	-	(76.1)%	**(42.8)%**	-
Net income (loss)	(1,102)	(594)	292	1,608	(471)	(77)	**214**	-
YoY	-	-	-	74.9%	-	-	**(26.8)%**	-

This document has been prepared for public circulation and includes information that may constitute “forward-looking statements.” Such statements are based on management’s assumptions and beliefs in light of the information currently available to it and involve risks and uncertainties that may cause actual results to differ materially from forecasts. These uncertainties include, but are not limited to changes in economic conditions and market trends. Accordingly, Pasona Group does not guarantee the accuracy of the information contained in this document. In addition, this document has not been prepared as an inducement or invitation for investment. We caution readers to undertake investment decisions subject to individual determination.