

April 5, 2013

**CONSOLIDATED FINANCIAL REPORT (Japanese GAAP)**  
**FY2012 (June 1, 2012 to May 31, 2013)**  
 Nine Months Ended February 28, 2013

Listing Stock exchange: The First Section of the Tokyo Stock Exchange  
 Securities code number: 2168  
 URL: <http://www.pasonagroup.co.jp/>  
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 Scheduled filing date of quarterly report: April 10, 2013  
 Supplementary materials prepared for quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

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

## 1. CONSOLIDATED BUSINESS RESULTS

### (1) Consolidated Financial Results

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

	Net Sales		Operating Income		Ordinary Income		Net Loss	
		%		%		%		%
Nine months ended February 28, 2013	153,561	13.5	1,752	62.3	1,703	49.6	(294)	—
Nine months ended February 29, 2012	135,245	1.9	1,080	(16.1)	1,138	(14.4)	(106)	—

(Note) Comprehensive income 9M FY2012: ¥318 million (-12.4%) 9M FY2011: ¥363 million

	Net Loss per Share	Diluted Net Income per Share
	Yen	Yen
Nine months ended February 28, 2013	(785.86)	—
Nine months ended February 29, 2012	(285.56)	—

### (2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio (%)
February 28, 2013	67,847	24,848	29.3
May 31, 2012	70,889	26,295	29.0

(Reference) Equity As of February 28, 2013: ¥19,885 million As of May 31, 2012: ¥20,542 million

## 2. DIVIDENDS

Record Date	Dividends per Share				
	End of First Quarter	End of Second Quarter	End of Third Quarter	Fiscal Year-End	Total
	Yen	Yen	Yen	Yen	Yen
FY2011	—	0.00	—	1,000.00	1,000.00
FY2012	—	0.00	—	—	—
FY2012 (Forecast)	—	—	—	1,000.00	1,000.00

(Note) Revision to dividend forecast in the current quarter: None

## 3. FORECAST OF RESULTS FOR THE FISCAL YEAR ENDING MAY 31, 2013

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

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Shares
		%		%		%		%	Yen
Full Fiscal Year	212,000	16.8	3,000	52.7	2,900	38.7	350	1,086.4	934.57

(Note) Revision to forecast of results in the current quarter: None

## 4. NOTES

- (1) Changes in important subsidiaries during the current period : None  
(Changes in specified subsidiaries that caused changes in the scope of consolidation)
- (2) Application of the special accounting practices in the preparation of quarterly consolidated financial statements:  
None
- (3) Changes of accounting principles, changes in accounting estimates and retrospective restatement
  - 1) Changes of accounting principles in line with revisions to accounting and other standards: Yes
  - 2) Changes of accounting principles other than 1) above: None
  - 3) Changes in accounting estimates: Yes
  - 4) Retrospective restatement: None

Note:

In accordance with article 10-5 of “Regulations concerning the terms, forms and preparation methods for quarterly consolidated financial statements”. For more details, please refer to “2. Matters Relating to Notes” on page 5.

- (4) Number of shares issued and outstanding (Common shares)
  - 1) The number of shares issued and outstanding as of the period-end (including treasury stock)  
February 28, 2013: 416,903 shares    May 31, 2012: 416,903 shares
  - 2) The number of treasury stock as of the period-end  
February 28, 2013: 42,401 shares    May 31, 2012: 42,401 shares
  - 3) Average number of shares for the period (Quarterly cumulative period)  
Nine months ended February 28, 2013: 374,502 shares  
Nine months ended February 29, 2012: 374,502 shares

### Information regarding the implementation of quarterly review procedures

As of the date of disclosure of this report, a review of the quarterly financial statements has been completed 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 “Qualitative 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, 2013.

### Method to obtain supplementary materials for quarterly financial results

Supplementary materials for the quarterly financial results under review were posted on the Company’s website on April 5, 2013.

# Consolidated Financial Report

Nine months ended February 28, 2013

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## 9M FY2012 Consolidated Financial Report

(June 1, 2012 - February 28, 2013)

### 1. Qualitative Information Concerning Quarterly Consolidated Business Results

#### (1) Information Concerning Consolidated Business Results

##### Consolidated Business Results

	9M FY2011	9M FY2012	YoY
Net sales	135,245	153,561	13.5%
Operating income	1,080	1,752	62.3%
Ordinary income	1,138	1,703	49.6%
Net income (loss)	(106)	(294)	—

(Millions of yen)

##### Segment Information (Figures include intersegment sales)

##### Consolidated Net Sales by Segment

	9M FY2011	9M FY2012	YoY
<b>HR Solutions</b>	134,513	152,860	13.6%
Expert Services (Temporary staffing), Insourcing (Contracting), Others	116,470	131,241	12.7%
Expert Services (Temporary staffing)	91,655	96,531	5.3%
Insourcing (Contracting)	19,946	27,560	38.2%
HR Consulting, Others	1,323	2,835	114.3%
Place & Search (Placement / Recruiting)	1,932	2,077	7.5%
Global Sourcing (Overseas)	1,613	2,236	38.6%
Outplacement	7,202	8,915	23.8%
Outsourcing	10,840	12,702	17.2%
<b>Life Solutions</b>			
<b>Public Solutions</b>	2,785	2,995	7.5%
<b>Shared</b>			
Eliminations and Corporate	(2,053)	(2,293)	—
<b>Total</b>	135,245	153,561	13.5%

(Millions of yen)

##### Consolidated Operating Income (Loss) by Segment

	9M FY2011	9M FY2012	YoY
<b>HR Solutions</b>	3,612	5,090	40.9%
Expert Services (Temporary staffing), Insourcing (Contracting), Others	1,274	1,838	44.2%
Expert Services (Temporary staffing)			
Insourcing (Contracting)			
HR Consulting, Others	1,274	1,838	44.2%
Place & Search (Placement / Recruiting)			
Global Sourcing (Overseas)			
Outplacement	708	1,485	109.6%
Outsourcing	1,628	1,766	8.4%
<b>Life Solutions</b>			
<b>Public Solutions</b>	106	(12)	—
<b>Shared</b>			
Eliminations and Corporate	(2,638)	(3,325)	—
<b>Total</b>	1,080	1,752	62.3%

(Millions of yen)

## **(2) Qualitative Information Concerning Consolidated Financial Position**

### **Status of Assets, Liabilities and Net Assets**

#### 1) Assets

Total assets as of February 28, 2013 stood at ¥67,847 million, a decrease of ¥3,042 million or 4.3%, compared with May 31, 2012. This was mainly attributable to certain factors including a decrease of ¥6,479 million in the balance of cash and deposits due to cash dividends paid, income taxes paid and purchase of investments in subsidiaries, as well as an increase of ¥1,485 million in the property, plant and equipment.

#### 2) Liabilities

Total liabilities as of February 28, 2013 decreased ¥1,594 million or 3.6%, compared with May 31, 2012 totaling ¥42,999 million. The principal decrease in total liabilities was long-term loans payable of ¥1,826 million. This was partly offset by an increase in lease obligations of ¥887 million.

#### 3) Net Assets

Net assets as of February 28, 2013 stood at ¥24,848 million, a decline of ¥1,447 million or 5.5%, compared with May 31, 2012. This was mainly attributable to the net loss of ¥294 million and the payment of cash dividends totaling ¥374 million, as well as a decrease of ¥790 million in minority interests.

Accounting for the aforementioned, the equity ratio as of February 28, 2013 increased 0.3 percentage points to 29.3% compared with the end of the previous fiscal year.

## **(3) Qualitative Information Concerning Consolidated Forecasts**

As of the date of this report, there are no changes to the forecast of full fiscal year results announced on July 13, 2012.

## **2. Matters Relating to Notes**

### **Changes of accounting principles, changes in accounting estimates and retrospective restatement**

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)

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

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of May 31, 2012	As of February 28, 2013
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	22,763	16,283
Notes and accounts receivable—trade	22,379	23,093
Other	4,335	5,113
Allowance for doubtful accounts	(61)	(52)
Total current assets	49,417	44,438
<b>Noncurrent assets</b>		
Property, plant and equipment	7,009	8,494
Intangible assets		
Goodwill	4,292	4,253
Other	3,410	3,716
Total intangible assets	7,702	7,969
Investments and other assets		
Other	7,125	7,311
Allowance for doubtful accounts	(25)	(27)
Allowance for investment loss	(340)	(340)
Total investments and other assets	6,759	6,943
Total noncurrent assets	21,471	23,408
<b>Total assets</b>	<b>70,889</b>	<b>67,847</b>

As of May 31, 2012

As of February 28, 2013

<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable—trade	2,034	1,436
Short-term loans payable	3,105	3,005
Accrued expenses	12,611	11,684
Income taxes payable	941	608
Provision for bonuses	1,969	1,130
Provision for directors' bonuses	16	9
Asset retirement obligations	10	12
Other	11,259	12,995
<b>Total current liabilities</b>	<b>31,949</b>	<b>30,883</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	8,262	6,435
Provision for retirement benefits	1,164	1,552
Asset retirement obligations	796	832
Other	2,421	3,293
<b>Total noncurrent liabilities</b>	<b>12,644</b>	<b>12,115</b>
<b>Total liabilities</b>	<b>44,593</b>	<b>42,999</b>
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	6,054	6,054
Retained earnings	13,075	12,379
Treasury stock	(3,493)	(3,493)
<b>Total shareholders' equity</b>	<b>20,636</b>	<b>19,940</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	40	38
Foreign currency translation adjustment	(134)	(92)
<b>Total accumulated other comprehensive income</b>	<b>(93)</b>	<b>(54)</b>
Minority interests	5,752	4,962
<b>Total net assets</b>	<b>26,295</b>	<b>24,848</b>
<b>Total liabilities and net assets</b>	<b>70,889</b>	<b>67,847</b>

**(2) Quarterly Consolidated Statements of Income**

(Millions of yen)

	9M FY2011	9M FY2012
Net sales	135,245	153,561
Cost of sales	110,348	124,468
Gross profit	24,896	29,093
Selling, general and administrative expenses	23,816	27,340
Operating income	1,080	1,752
Non-operating income		
Interest income	10	8
Equity in earnings of affiliates	33	42
Subsidy	115	39
Other	90	101
Total non-operating income	249	192
Non-operating expenses		
Interest expenses	109	138
Commitment fee	37	31
Other	43	71
Total non-operating expenses	191	241
Ordinary income	1,138	1,703
Extraordinary income		
Gain on sales of subsidiaries and affiliates' stocks	—	3
Gain on donation of noncurrent assets	58	—
Total extraordinary income	58	3
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	21	41
Loss on change in equity	2	1
Total extraordinary loss	24	42
Income before income taxes	1,172	1,664
Income taxes—current	865	1,116
Income taxes—deferred	(84)	280
Income taxes	781	1,396
Income (loss) before minority interests	391	267
Minority interests in income	498	561
Net loss	(106)	(294)



**(3) Quarterly Consolidated Statements of Comprehensive Income**

(Millions of yen)

	9M FY2011	9M FY2012
Income (loss) before minority interests	391	267
Other comprehensive income (loss)		
Valuation difference on available-for-sale securities	46	(4)
Foreign currency translation adjustment	(73)	55
Total other comprehensive income (loss)	(27)	51
Comprehensive income (loss)	363	318
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(126)	(240)
Comprehensive income attributable to minority interests	490	559

(4) Notes to Going Concern Assumption

Not applicable

(5) Segment Information

Information regarding net sales and segment income (loss) by reporting segment

Nine Months ended February 29, 2012

(Millions of yen)

	Reporting segments				Others (Note 2)	Total	Adjustment (Note 3)	Figures in consolidated statements of income (Note 4)
	HR Solutions			Subtotal				
	Expert Services (Temporary staffing), Insourcing (Contracting), Others (Note 1)	Outplacement	Outsourcing					
Net sales								
(1) Sales to outside customers	116,193	7,197	10,671	134,063	1,182	135,245	—	135,245
(2) Intersegment sales and transfers	276	5	168	450	1,603	2,053	(2,053)	—
Total	116,470	7,202	10,840	134,513	2,785	137,299	(2,053)	135,245
Operating income	1,274	708	1,628	3,612	106	3,718	(2,638)	1,080

Notes:

1. The “Expert Services (Temporary staffing), Insourcing (Contracting), Others” segment includes each of the businesses of Expert Services (Temporary staffing), Insourcing (Contracting), HR Consulting, Place & Search (Placement / Recruiting) and Global Sourcing (Overseas).
2. The “Others” segment includes Life Solutions, Public Solutions, and Shared operations, is not included in reporting segments.
3. Adjustment is as follows: Operating loss of ¥2,638 million includes the elimination of intersegment transactions of ¥5 million and corporate expenses of ¥2,644 million. Corporate expenses are not allocated to reporting segments. Corporate expenses primarily consist of Group management costs relating to the Company.
4. Segment income is adjusted with operating income under consolidated statements of income.

Nine Months ended February 28, 2013

(Millions of yen)

	Reporting segments				Others (Note 2)	Total	Adjustment (Note 3)	Figures in consolidated statements of income (Note 4)
	HR Solutions			Subtotal				
	Expert Services (Temporary staffing), Insourcing (Contracting), Others (Note 1)	Outplacement	Outsourcing					
Net sales								
(1) Sales to outside customers	130,700	8,914	12,538	152,152	1,409	153,561	—	153,561
(2) Intersegment sales and transfers	541	1	164	707	1,586	2,293	(2,293)	—
Total	131,241	8,915	12,702	152,860	2,995	155,855	(2,293)	153,561
Operating income (loss)	1,838	1,485	1,766	5,090	(12)	5,077	(3,325)	1,752

Notes:

1. The “Expert Services (Temporary staffing), Insourcing (Contracting), Others” segment includes each of the businesses of Expert Services (Temporary staffing), Insourcing (Contracting), HR Consulting, Place & Search (Placement / Recruiting) and Global Sourcing (Overseas).
2. The “Others” segment includes Life Solutions, Public Solutions, and Shared operations, is not included in reporting segments.
3. Adjustment is as follows: Operating loss of ¥3,325 million includes the elimination of intersegment transactions of ¥2 million and corporate expenses of ¥3,327 million. Corporate expenses are not allocated to reporting segments. Corporate expenses primarily consist of Group management costs relating to the Company.
4. Segment income (loss) is adjusted with operating income (loss) under consolidated statements of income.

(6) Notes on Significant Changes in the Amount of Shareholders' Equity

Not applicable

(7) Important Subsequent Events

Not applicable