

# OASIS

## **Statement by Oasis Management Company Ltd. on “A Better Pasona” (Stock Code: 2168 JT)**

**\* Pasona needs real change and can unlock substantial value by adopting Oasis proposals**

**\* Campaign calls upon all stakeholders to closely monitor Pasona led by the current Board**

*More information available at [www.ABetterPasona.com](http://www.ABetterPasona.com)*

*November 9, 2017, Hong Kong* - Oasis Management Company Ltd. (“Oasis”) is the manager to funds that beneficially own approximately 4.8% of Pasona Group Inc. (2168 JT) (“Pasona” or “the Company”), making Oasis one of the Company’s largest minority shareholders. Oasis has adopted the Japan FSA “Principles of Responsible Ownership” (a/k/a Japan Stewardship Code) and in line with those principles, Oasis monitors and engages with our investee companies.

We have been monitoring the Company for a long time and have sent our proposals on its strategic implementation and governance restructuring to the Board of Directors of the Company. Despite our efforts, to date we have neither received formal response to our proposal nor had a chance to meet with the Company’s Board members, even though we have requested a meeting several times. We are very disappointed with the Company’s lack of effort in engaging in dialogue with us, even though the consciousness towards interactive communication with shareholders is widely increasing in Japan. Therefore, we have today announced “A Better Pasona” campaign ([www.ABetterPasona.com](http://www.ABetterPasona.com)) in response to the situation at the Company.

The key objective of our campaign is to urge transformational change at Pasona and enhance the Company’s business and governance structure for every stakeholder, including employees, customers, lenders, creditors, and minority shareholders. Pasona is one of the least profitable companies in its industry, despite its history, expertise, and scale. We fear that there is a material risk in the short- and medium-term for every stakeholder if the company continues its very low level of profitability, including risk to:

- Employees: Risk of stable employment and economic interest;
- Clients: Risk of stable and value-added service from the company;
- Lenders and creditors: Risk of debt collection; and
- Minority shareholders: Breach of the board of directors’ duty to increase shareholder equity over the long term. The board has failed to increase profitability over the short, medium and long term.

We believe that this is caused by 1) the lack of substantial investment into profitable and growing business in the industry, 2) no cost management, and 3) a poor governance structure. As a result of its weak profitability, the company’s stock price has underperformed industry peers over an extended period, and is currently valued at around half of the value of the Benefit One Inc. (2412 JT) stake that Pasona owns. Our

proposed implementations are designed to resolve these issues, and have been compiled into a presentation uploaded to our “A Better Pasona” website.

We will continue our effort to meet with Pasona's Board members in order to engage in a collaborative and positive dialogue with the Company to realize "A Better Pasona".

We also welcome Pasona stakeholders to contact us via our “A Better Pasona” website to join the movement to improve Pasona.

For all inquiries, please contact Taylor Hall at [thall@hk.oasiscm.com](mailto:thall@hk.oasiscm.com).

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**Oasis Management Company Ltd. manages private investment funds focused on opportunities in a wide array of asset classes across countries and sectors. Oasis was founded in 2002 by Seth H. Fischer, who leads the firm as its Chief Investment Officer. More information about Oasis is available at <https://oasiscm.com>.**

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