

Results for the First Half of the Fiscal Year Ending May 31, 2025

H1 FY2024

(June 1, 2024 - November 30, 2024)

Pasona Group Inc.
Prime Market TSE (2168)

January 21, 2025

www.pasonagroup.co.jp/English



Table of Contents

1 . Financial Summary	2
2 . H1 FY2024 Results	3
3 . Segment information	10
4 . Revision of Consolidated Financial Results Forecast for FY2024	20
5 . Initiatives to Enhance Corporate Value	24
6 . Business Strategy for the Second Half of the Fiscal Year	27
7 . Reference	33

① H1 FY2024 Results

- The Outsourcing segment was excluded from the beginning of the current first half period.
- The BPO Solutions segment experienced a peak-out of large outsourcing projects, resulting in a year-on-year decline in both net sales and profits.
- Recorded an extraordinary loss of ¥2.6 billion approx. as Expo exhibit-related expenses related to our pavilion at the Expo 2025 Osaka, Kansai, Japan.

② Revision of Consolidated Financial Results Forecast for FY2024

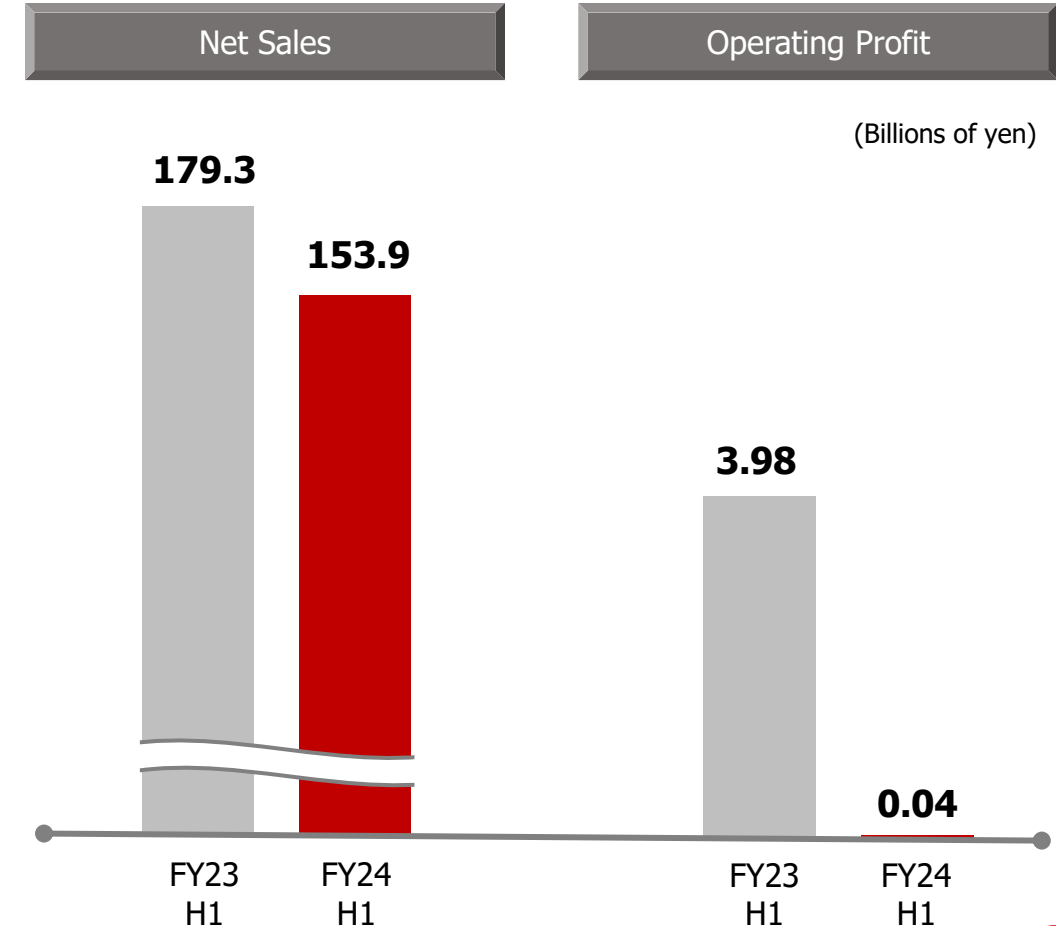
- Revised full-year forecasts in light of H1 results and current performance trends.
- The dividend forecast remains unchanged from the previous forecast.
Annual dividends per share FY2024 (Forecast) ¥75
(Ordinary dividend ¥15 , Special dividend ¥60)

H1 FY2024 Results

Consolidated Results

- Net sales and profit decreased YoY due to the exclusion of the Outsourcing segment (Benefit One) and the peak-out of large outsourcing projects in BPO Solutions.
- ¥2,571 million of Expo exhibit-related expenses were recorded as extraordinary loss due to the participation of the pavilion in Expo 2025 Osaka, Kansai, Japan.

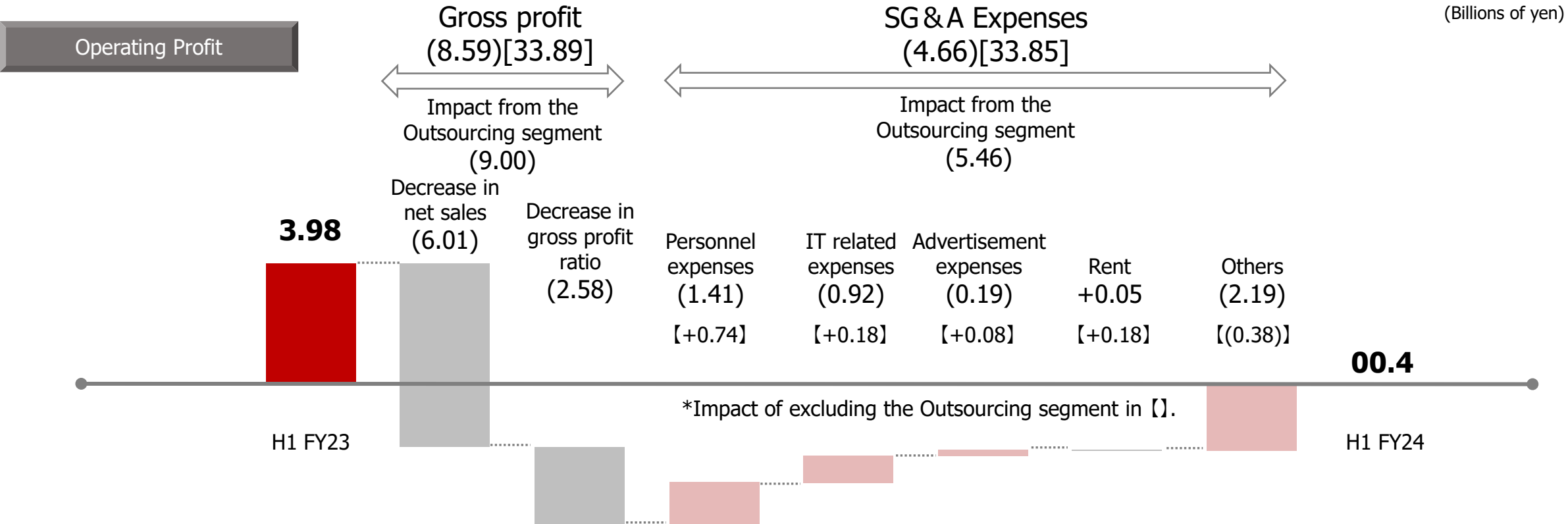
(Millions of yen)	H1 FY23 (%)	H1 FY24 (%)	Increase /Decrease	H1 FY23 (Excluding Outsourcing) (%)	Increase /Decrease
Net sales	179,316 100.0	153,934 100.0	(25,381) (14.2)%	160,837 100.0	(6,902) (4.3)%
Cost of sales	136,830 76.3	120,040 78.0	(16,789) (12.3)%	127,353 79.2	(7,312) (5.7)%
Gross profit	42,485 23.7	33,894 22.0	(8,591) (20.2)%	33,483 20.8	+410 +1.2%
SG&A expenses	38,505 21.5	33,850 22.0	(4,655) (12.1)%	33,043 20.5	+806 +2.4%
Operating profit	3,980 2.2	44 0.0	(3,936) (98.9)%	440 0.3	(395) (90.0)%
Ordinary profit	3,987 2.2	189 0.1	(3,798) (95.3)%		
Net profit attributable to owners of parent or net loss attributable to owners of the parent	145 0.1	(3,762) —	(3,908) —		
Gross profit ratio	23.7%	22.0%	(1.7)pt	20.8%	+1.2pt
Operating profit ratio	2.2%	0.0%	(2.2)pt	0.3%	(0.3)pt



※ Since the Outsourcing segment was excluded from the first quarter of the current consolidated fiscal year due to the sale of shares of Benefit One Inc., which was a consolidated subsidiary at the end of the previous consolidated fiscal year, the total excluding Outsourcing is shown as reference information.

Operating Profit

- Operating profit decreased due to lower net sales and lower gross profit margin.
- Gross profit excluding the impact of the Outsourcing segment was +¥410 million.
Gross profit ratio also improved.

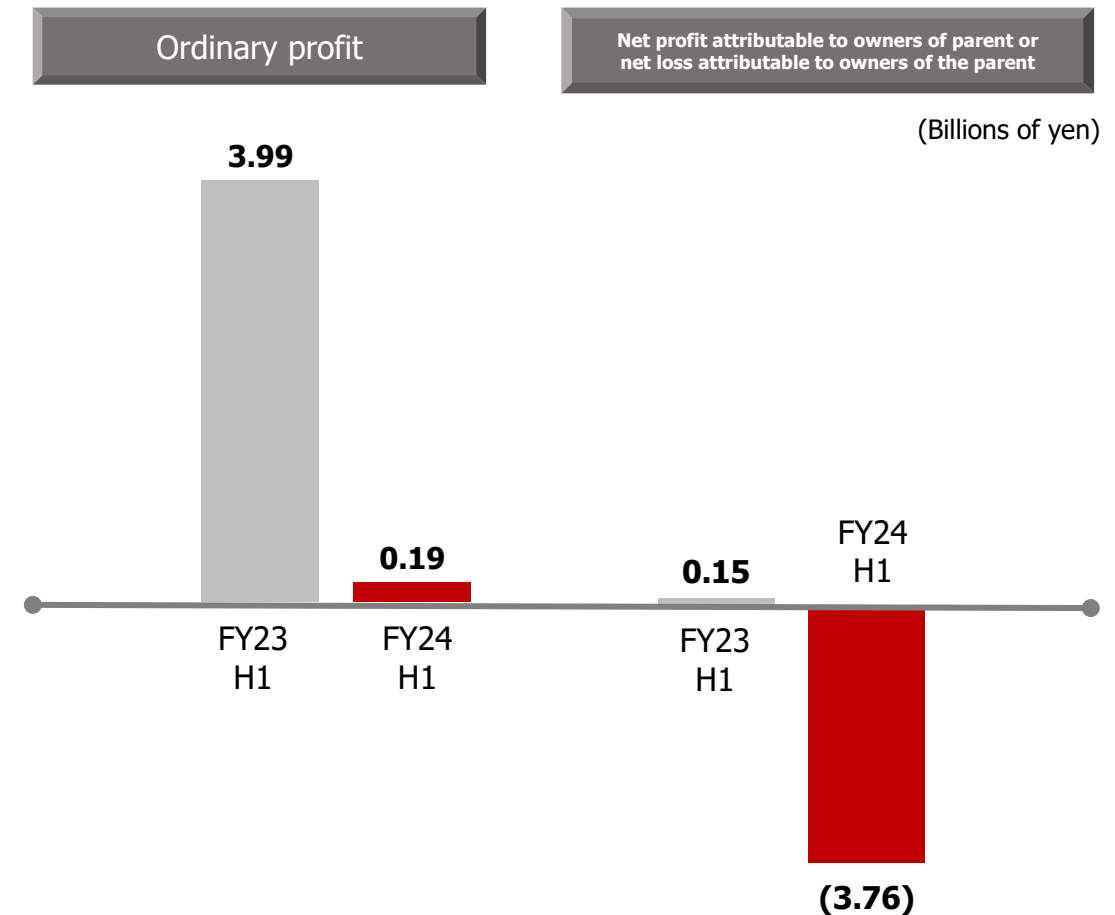


	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	H1 FY23	H1 FY23 (Excluding Outsourcing)	H1 FY24
Gross Profit ratio	20.0%	20.2%	21.5%	22.8%	23.6%	24.8%	24.5%	24.6%	23.8%	23.7%	20.8%	22.0%
SG&A ratio	18.6%	18.6%	19.4%	20.0%	20.3%	18.8%	18.5%	20.7%	21.9%	21.5%	20.5%	22.0%
Operating Profit ratio	1.5%	1.6%	2.1%	2.9%	3.3%	6.0%	6.0%	3.9%	1.9%	2.2%	0.3%	0.0%

Non-operating/Extraordinary profit (loss), Others

- **¥2,571 million of Expo exhibit-related expenses were recorded as extraordinary loss due to the participation of the pavilion in Expo 2025 Osaka, Kansai, Japan.**
- **Profit attributable to non-controlling interests decreased due to the sale of shares in former consolidated subsidiary Benefit One Inc.**

(Millions of yen)	H1 FY23	H1 FY24	Increase/ Decrease	YoY
Operating profit	3,980	44	(3,936)	(98.9)%
Non-operating profit	411	465	+54	+13.1%
Non-operating expenses	403	319	(83)	(20.8)%
Ordinary profit	3,987	189	(3,798)	(95.3)%
Extraordinary profit	3	61	+57	+1,490.4%
Extraordinary loss	170	2,605	+2,434	+1,426.3%
Profit before income taxes	3,820	(2,355)	(6,175)	—
Income taxes - current	2,449	1,006	(1,442)	(58.9)%
Income taxes - deferred	(380)	124	+505	—
Income taxes	2,068	1,130	(937)	(45.3)%
Profit attributable to non-controlling interests	1,606	276	(1,329)	(82.8)%
Net profit attributable to owners of parent or net loss attributable to owners of the parent	145	(3,762)	(3,908)	—



Consolidated Results by Segment

(Millions of yen)

Segment		Net sales				Operating profit (loss)				Operating profit ratio		
		H1 FY23	H1 FY24	Increase/ Decrease	YoY	H1 FY23	H1 FY24	Increase/ Decrease	YoY	H1 FY23	H1 FY24	Increase/ Decrease
①	BPO Solutions (Contracting)	74,302	67,709	(6,593)	(8.9)%	5,981	5,468	(512)	(8.6)%	4.1%	4.0%	(0.1)pt
②	Expert Solutions (Temporary Staffing)	69,877	68,176	(1,700)	(2.4)%							
③	Career Solutions (Placement/ Recruiting, Outplacement)	6,810	7,008	+198	+2.9%							
HR Solutions		150,989	142,894	(8,094)	(5.4)%	8,107	7,871	(235)	(2.9)%	5.4%	5.5%	+0.1pt
④	Global Solutions (Overseas)	5,234	5,463	+228	+4.4%	134	131	(3)	(2.5)%	2.6%	2.4%	(0.2)pt
	Outsourcing	18,727	—	(18,727)	—	3,540	—	(3,540)	—	18.9%	—	—
⑤	Life Solutions	3,797	4,160	+363	+9.6%	23	74	+50	+214.3%	0.6%	1.8%	+1.2pt
⑥	Regional Revitalization and Tourism Solutions	3,274	3,494	+219	+6.7%	(1,282)	(915)	+366	—	—	—	—
⑦	Eliminations and Corporate	(2,707)	(2,077)	+629	—	(6,543)	(7,117)	(573)	—	—	—	—
Total (Including Outsourcing)		179,316	153,934	(25,381)	(14.2)%	3,980	44	(3,936)	(98.9)%	2.2%	0.0%	(2.2)pt
Total (Excluding Outsourcing)		160,837	153,934	(6,902)	(4.3)%	440	44	(395)	(90.0)%	0.3%	0.0%	(0.3)pt

Balance Sheets

Major Item of Increase/Decrease	May 31,2024	Nov 30,2024	(Billions of yen) Increase/ Decrease
Assets	301.1	285.9	(15.2)
Current assets	243.6	214.9	(28.8)
Cash and deposits	192.3	152.0	(40.3)
Notes and accounts receivable-trade, and contract assets	43.5	47.5	+4.1
Securities	—	8.5	+8.5
Non-current assets	57.3	71.0	+13.6
Property, plant and equipment	35.5	44.3	+8.9
Intangible assets	5.0	6.1	+1.1
Investments and other assets	16.9	20.5	+3.6
Liabilities	146.4	138.5	(7.9)
Current liabilities	103.9	99.4	(4.5)
Short-term loans payable	9.3	7.4	(1.8)
Accrued expenses	16.8	18.4	+1.6
Deposits received	56.4	52.2	(4.1)
Non-current liabilities	42.5	39.1	(3.4)
Long-term loans payable	29.4	26.6	(2.9)
Net assets	154.7	147.4	(7.3)
Shareholders' equity	147.3	140.5	(6.8)
Capital surplus	17.5	17.5	+0.0
Retained earnings	127.5	120.7	(6.8)
Treasury shares	(2.7)	(2.7)	+0.0
Total accumulated other comprehensive income	1.2	0.9	(0.4)
Share acquisition rights	0.0	0.0	±0.0
Non-controlling interests	6.2	6.0	(0.1)
Equity ratio	49.3%	49.4%	+0.1pt
Equity ratio (Excluding deposits received for contracted projects)	60.3%	59.8%	(0.5)pt

Major Item of Increase/Decrease

[Cash and deposits]

- Decrease due to acquisition of property, plant and equipment, short-term fund management, acquisition of investment securities, repayment of loans payable, dividends, etc.
- Decreased in temporary deposits related to contracted projects.

¥ (5.7) billion YoY
As of Nov 30, 2024 (H1FY24) ¥ 49.3 billion
As of May 31, 2024 (FY23) ¥ 55.0 billion

[Securities]

short-term fund management

[Property, plant and equipment]

Acquisition of assets associated with regional development projects, etc.

[Deposits received]

Decreased in temporary deposits related to contracted projects
¥ (5.7) billion YoY

[Retained earnings]

- Net loss attributable to owners of the parent ¥ (3.8) billion
- Dividends paid ¥ (3.0) billion

[Equity ratio]

59.8% ((0.5)pt) after deducting "deposits received" related to contracted projects

Cash Flows

Major Item of Increase/Decrease	H1 FY23	H1 FY24	(Billions of yen) Increase/ Decrease
Cash flows from operating activities	(3.9)	(1.8)	+2.0
Profit (loss) before income taxes	3.8	(2.4)	(6.2)
Depreciation	2.6	1.3	(1.3)
Amortization of goodwill	0.4	0.2	(0.2)
Decrease (increase) in accounts receivable - trade, and contract assets	(5.5)	(4.0)	+1.5
Increase (decrease) in trade payables	(2.9)	(1.0)	+1.9
Income taxes refund (paid)	(0.8)	0.3	+1.1
Other	(1.5)	3.7	+5.2
Cash flows from investment activities	(8.5)	(31.6)	(23.1)
Decrease (increase) in time deposits	0.0	(7.5)	(7.5)
Purchase of securities	—	(8.5)	(8.5)
Purchase of property, plant and equipment	(5.5)	(10.5)	(5.0)
Purchase of investment securities	(0.2)	(3.7)	(3.6)
Cash flows from financing activities	(8.5)	(8.6)	(0.0)
Repayments of long-term borrowings	(5.4)	(4.5)	+0.9
Dividends paid	(1.4)	(3.0)	(1.6)
Dividends paid to non-controlling interests	(3.2)	(0.4)	+2.8
Net increase (decrease) in cash and cash equivalents	(20.7)	(42.1)	(21.4)
Cash and cash equivalents at beginning of period	47.9	137.0	+89.1
Cash and cash equivalents at the end of period	27.3	94.9	+67.6
Free cash flows	(12.4)	(33.4)	(21.0)

Major Item of Increase/Decrease

【Profit before depreciation and amortization】

¥ 0.9 billion (¥ (7.7) billion YoY)
 ※Excluding Impact from the Outsourcing segment
 (¥ (2.9) billion YoY)

【Purchase of securities】

Short-term fund management

【Purchase of property, plant and equipment】

Acquisition of assets associated with regional development projects, etc.

【Purchase of investment securities】

Investment in venture companies, etc.

【Dividends paid】

Increased payment due to higher dividends

【Dividends paid to non-controlling interests】

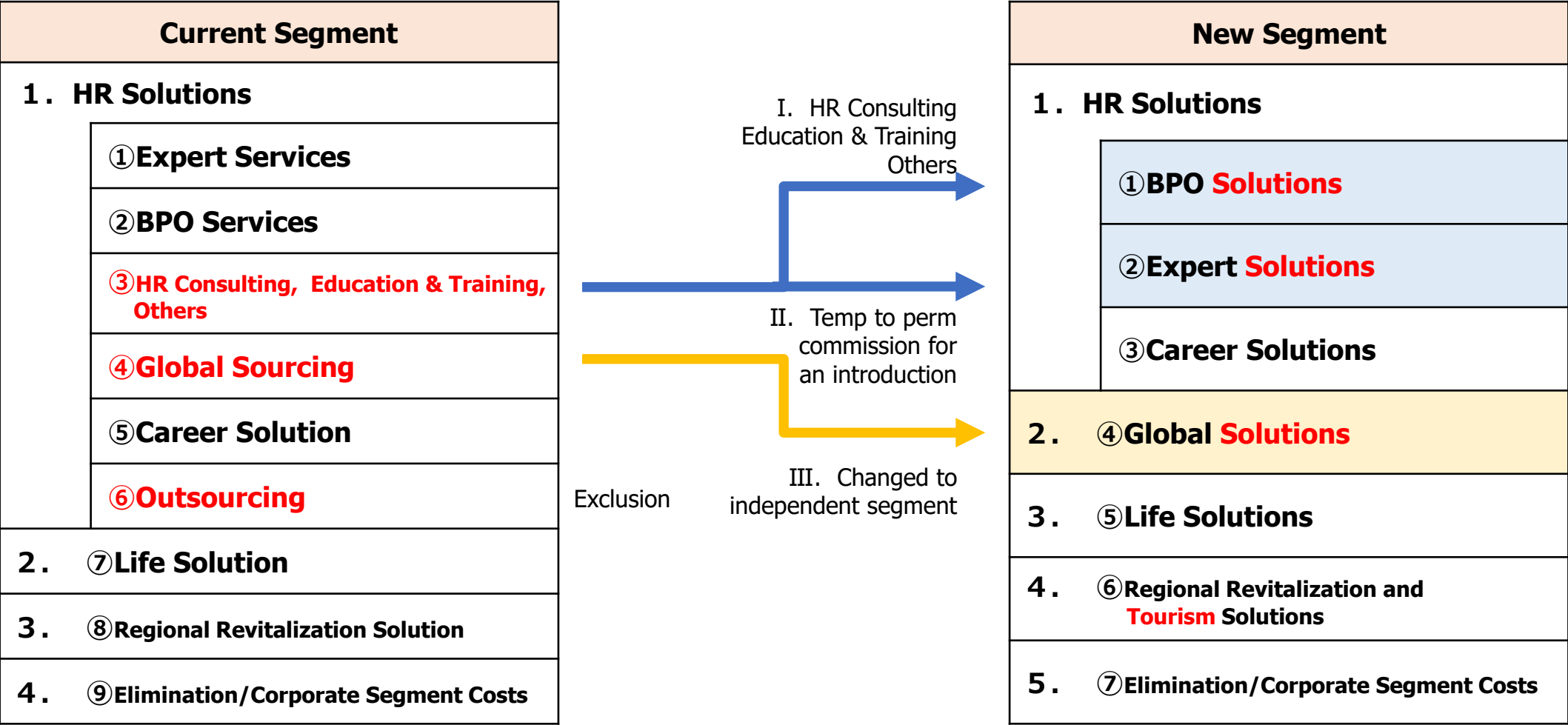
Decreased in cash outflow due to deconsolidation of Benefit One

※Cash flow does not include the cash balance and increase/decrease in cash corresponding to "deposits" from customers for projects entrusted to the Company.

Segment information

Segment Change

Since Benefit One Inc., which was responsible for the "Outsourcing" segment, has been excluded from the scope of consolidation due to the sale of shares, the composition and names of reportable segments will be partially changed from FY24.

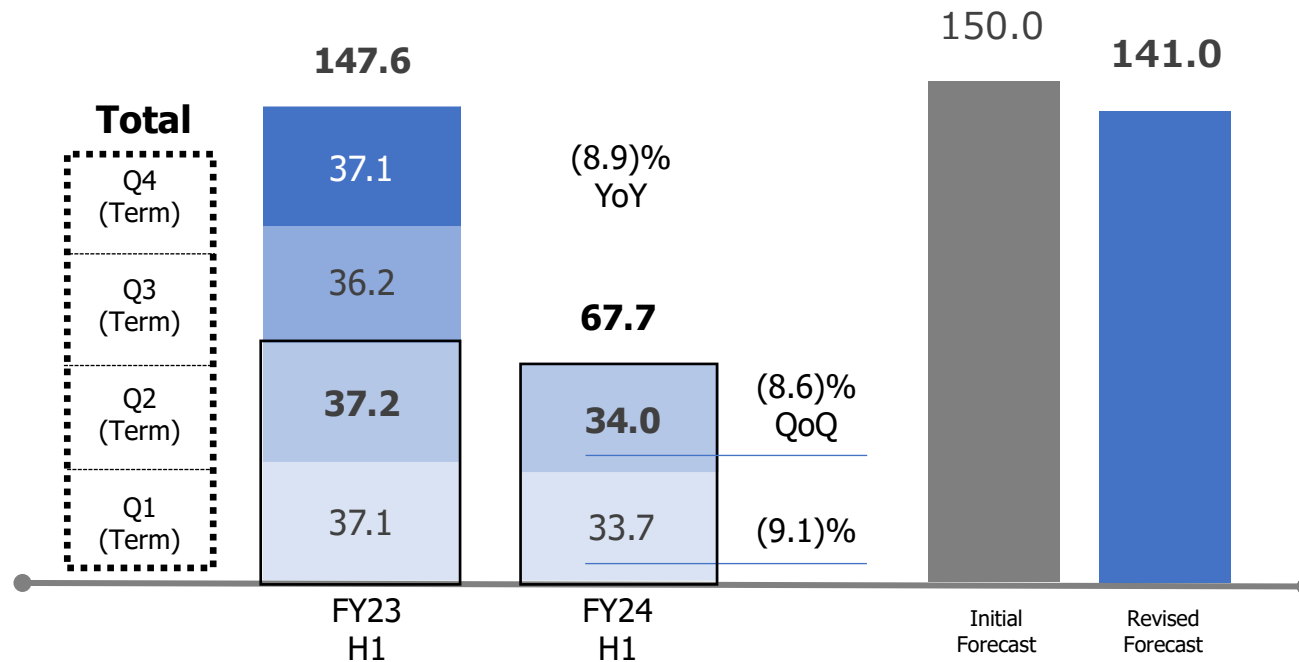


① BPO Solutions (Contracting)

- Net sales decreased YoY due to the impact of the peak-out of large outsourced projects and delays in acquiring new orders, which failed to offset the negative impact of large outsourced projects.
- “X-TECH BPO” expanded. Gross profit margin improved by 1.1 pt to improve profitability.

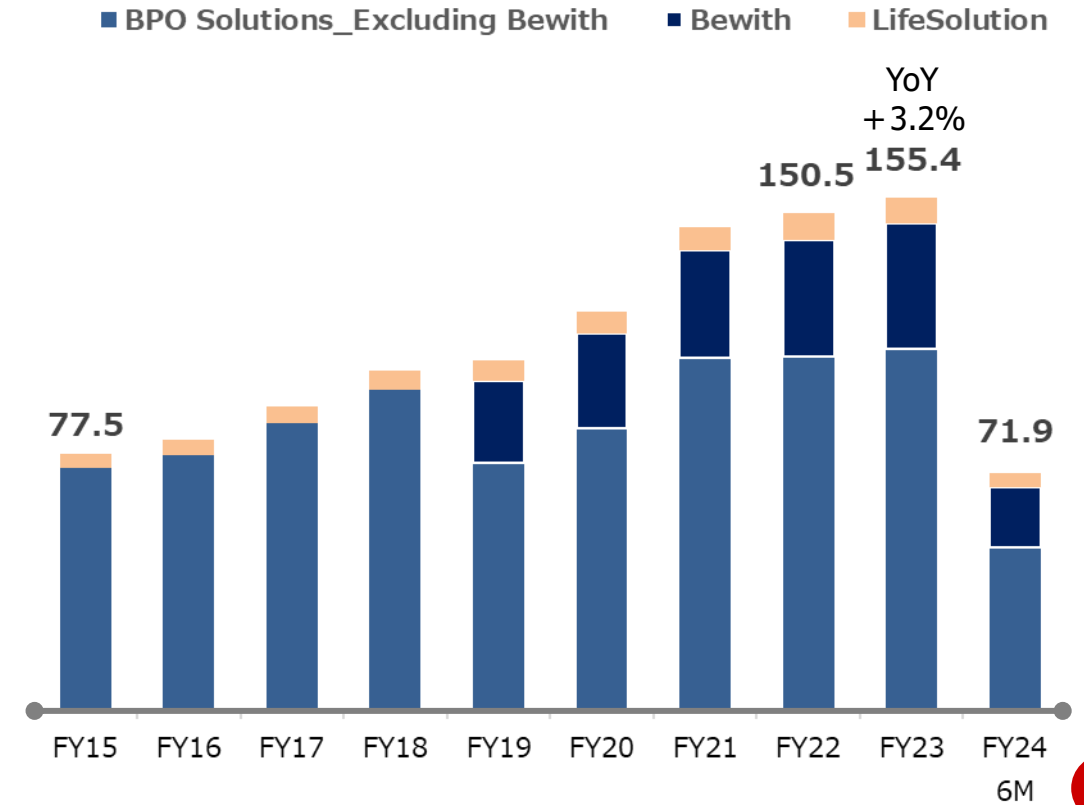
Net Sales

(Billions of yen)



(Topics)
Trends in the Group's BPO and outsourcing service area sales

(Billions of yen)

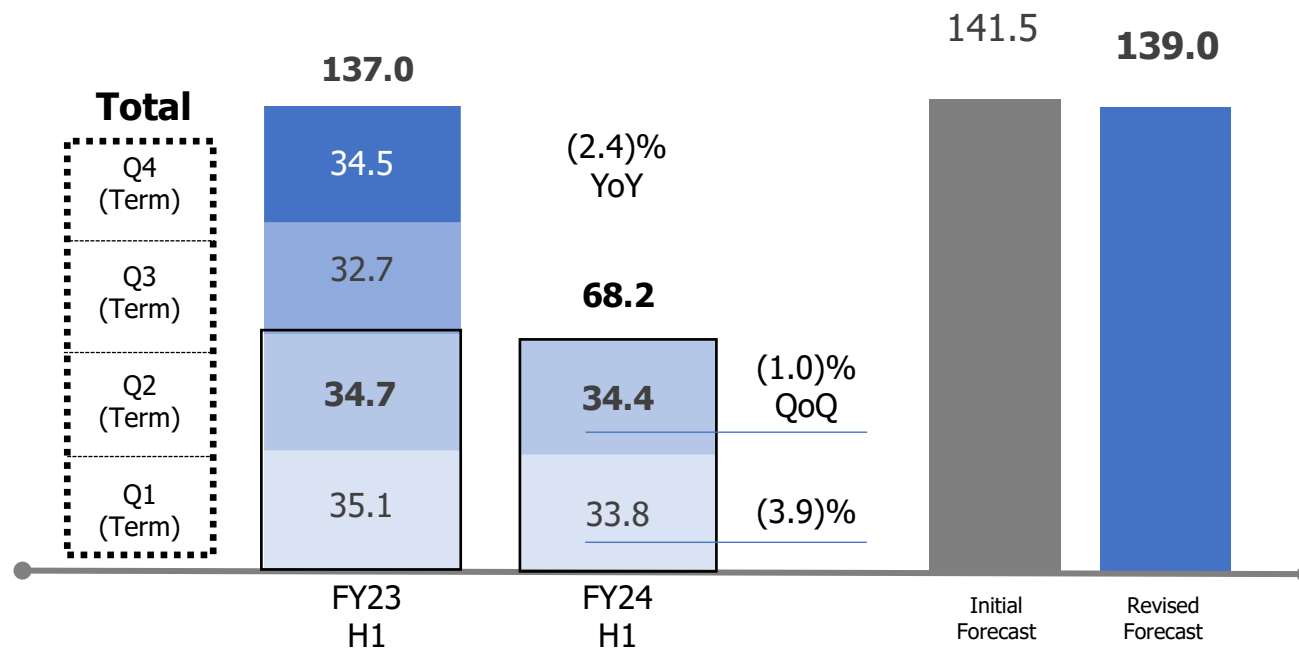


② Expert Solutions (Temporary staffing)

- Number of orders and new registrations exceeded that of the same period of the previous year.
- We are strengthening sales activities mainly in the Kansai region, which will host the Osaka-Kansai Expo in 2025, and recovery is planned for the second half of the fiscal year and beyond.

Net Sales

(Billions of yen)



(Topics)

Strengthening Engagement and Increasing Satisfaction

Avatar Concierge

Increase in the number of utilized items

Professional career consultants who can be consulted easily, anonymously, and without showing their face.



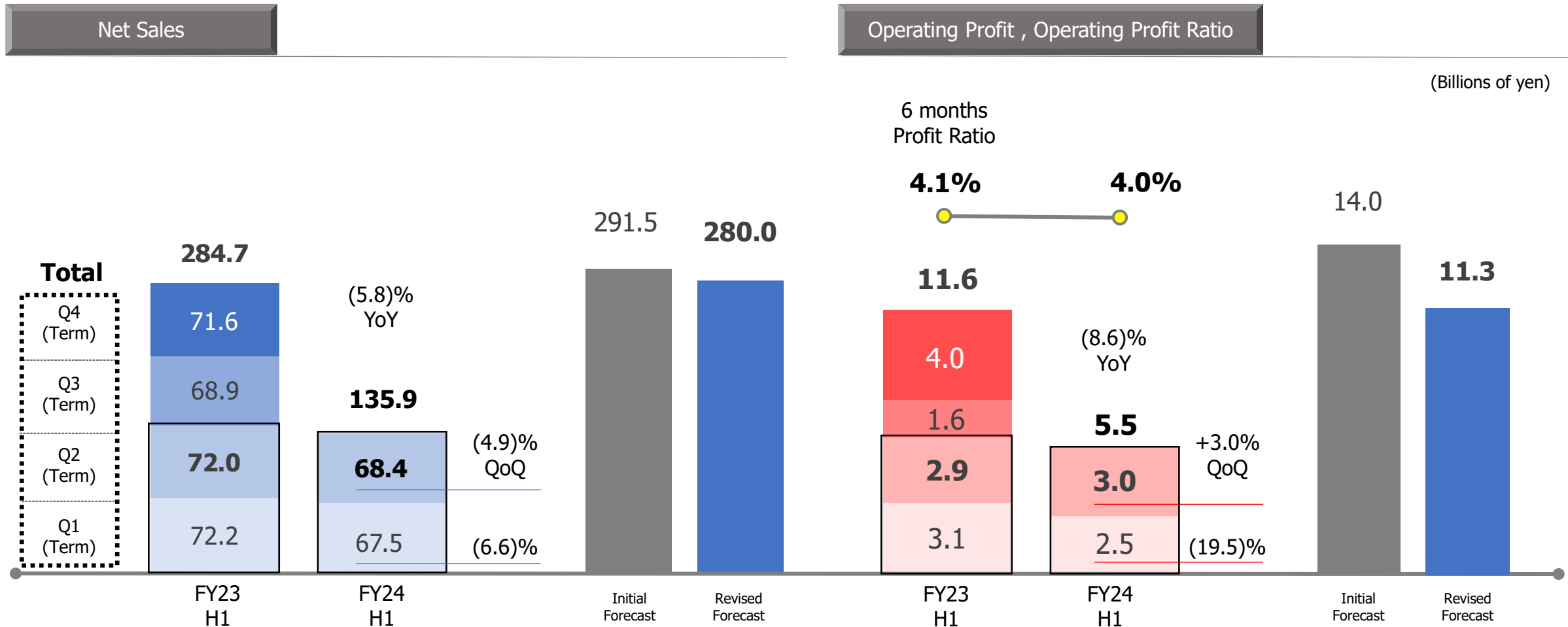
Avatar Work Rescue Starting Dec. 2024

Support for maintaining employment of ryokan employees in the Noto region by leveraging the strengths of Avatar Services.



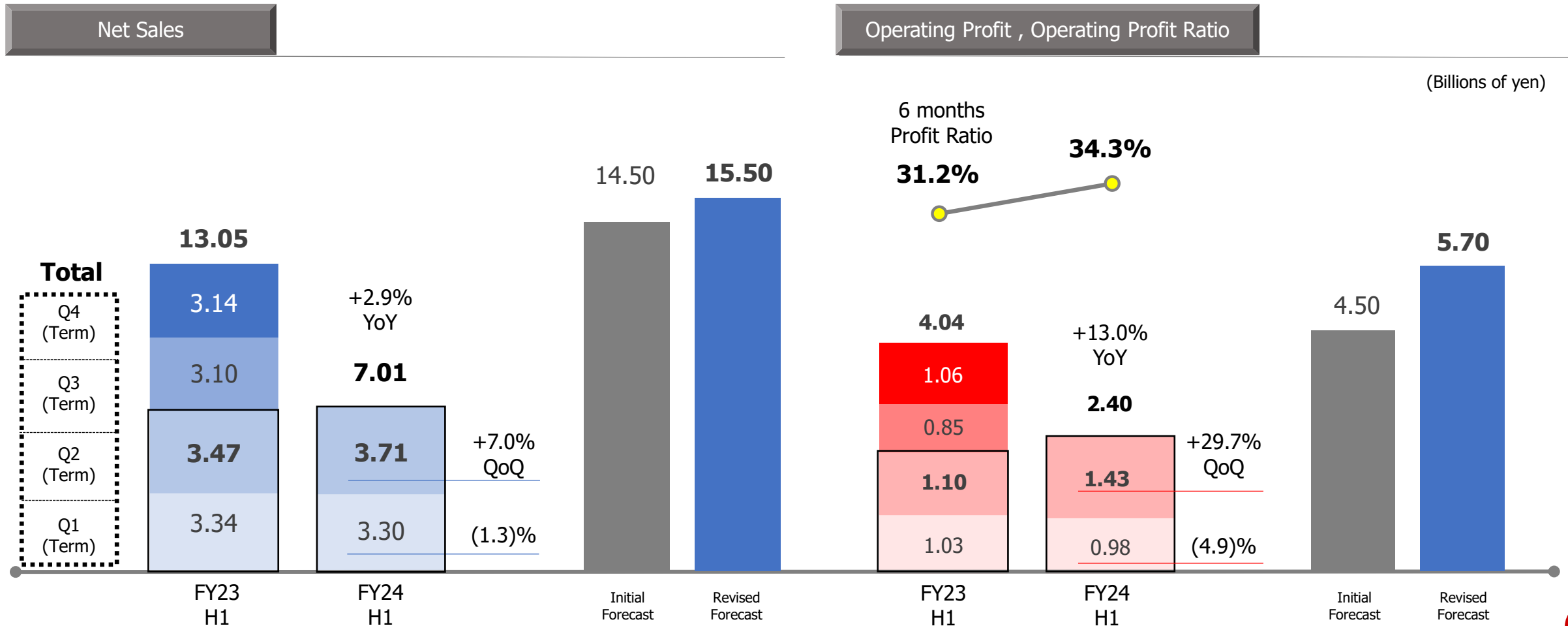
BPO Solutions · Expert Solutions

- Operating profit ratio improved in the 2Q period due to improved gross profit margin and lower SG&A expenses compared to the same period last year.
- From the second half of the fiscal year, we plan to increase the number of temporary staff and further improve gross profit margin in BPO solutions.



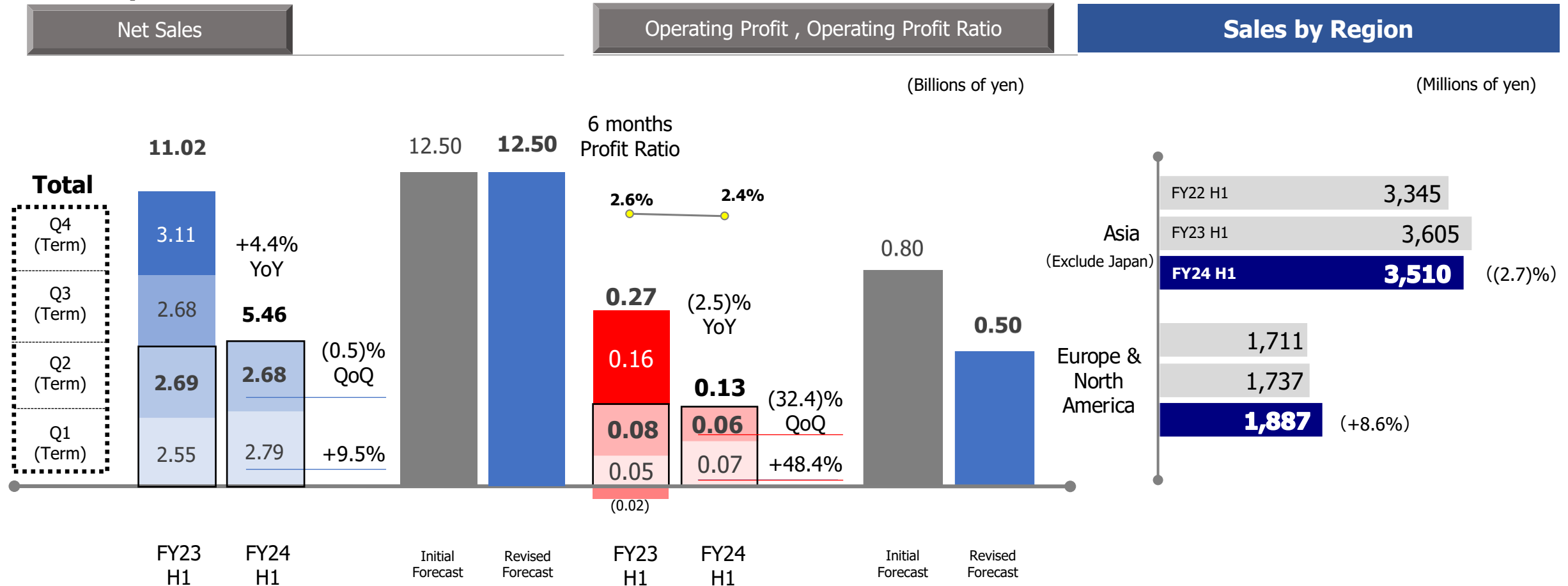
③ Career Solutions (Placement/Recruiting , Outplacement) PASONA

- **【Placement/Recruiting】** In the 2Q period, the number of contracts increased due to the effective measures, despite a decline in the number of contracts in the 1Q period.
- **【Outplacement】** The number of applicants for early retirement and voluntary retirement expanded, exceeding both the previous year's level and the initial projection.



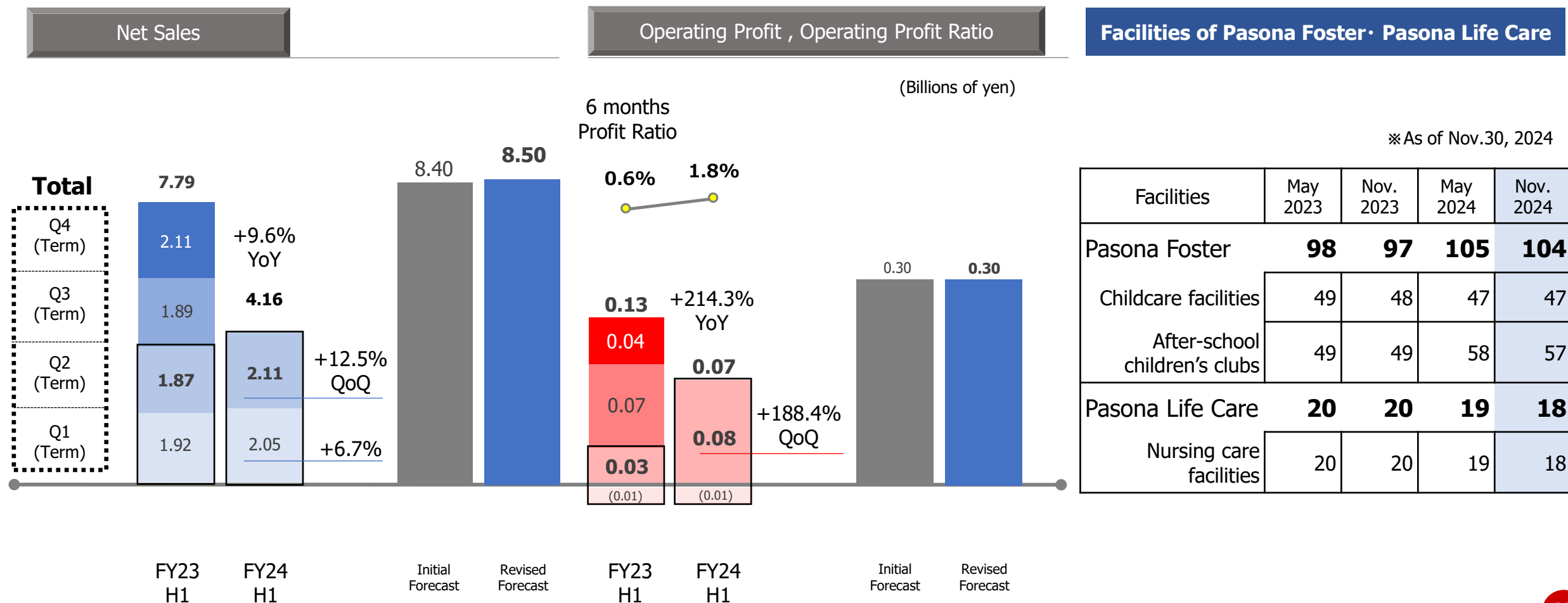
④ Global Solutions (Overseas)

- **【Asia】** Strong demand for human resources in Taiwan and placement business in India recovered.
- **【North America region】** BPO and HR consulting services expanded while temporary staffing services saw a decline in net sales.
- **【Others】** SG&A expenses increased due to hiring of personnel to strengthen the workforce and improved compensation.



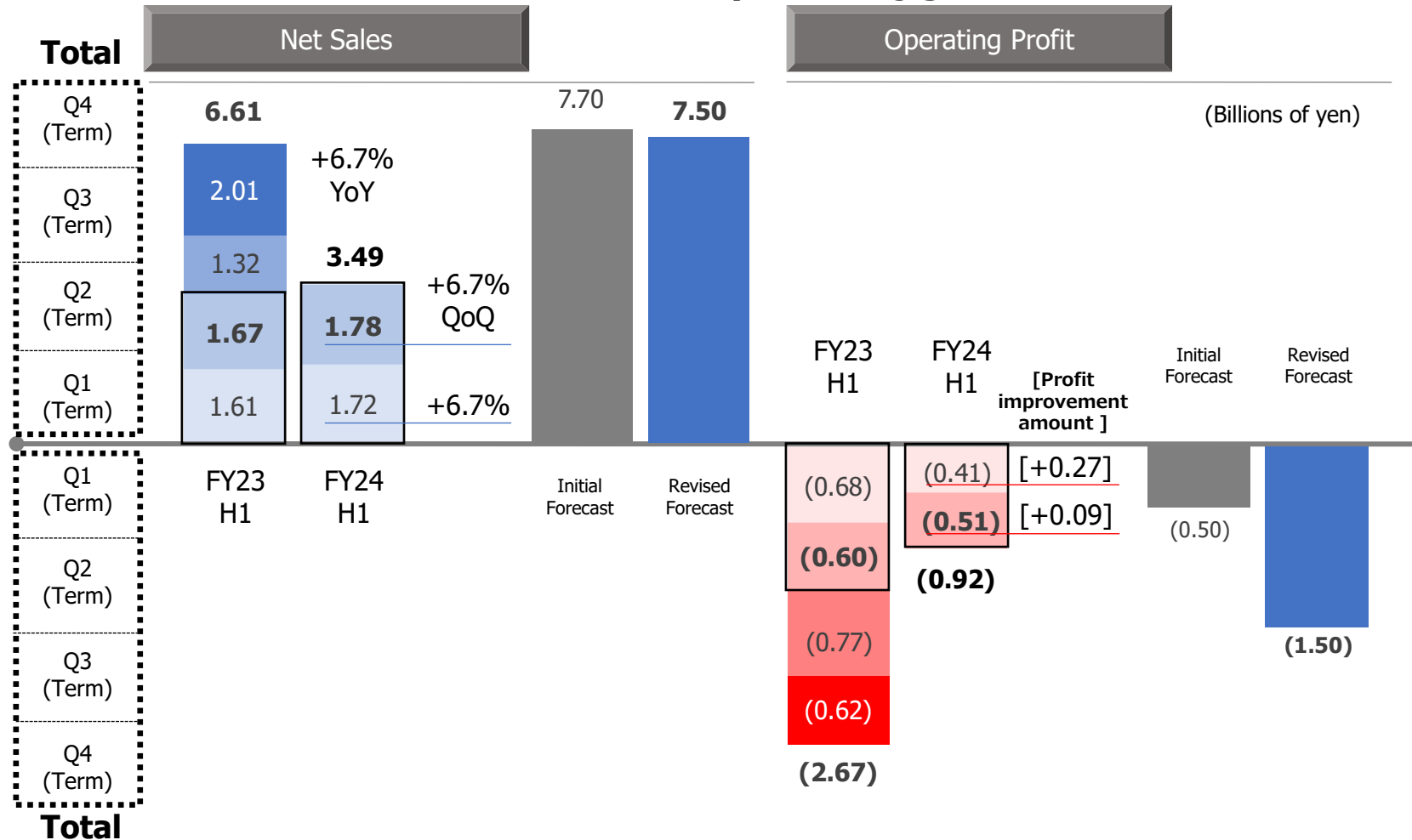
⑤ Life Solutions (Nursing care , Life support , Childcare)

- The number of childcare facilities operated increased compared to the same period last year. Subsidies for the operation of childcare facilities and the number of children in the care of childcare facilities increased.
- Profitability improved due to optimization of purchasing costs, introduction of a new paperless system, etc.



⑥Regional Revitalization and Tourism Solutions

- Increased number of tourists from a wide range of backgrounds such as inbound visitors and group tourists. Operating profit improved due in part to a decrease in depreciation and amortization expenses.
- Both net sales and operating profit were lower than initially expected due to the impact of weather conditions caused by typhoons, etc.
- New attractions are scheduled to open at Nijigen no Mori in March 2025.



Initiatives for regional revitalization

"Monster Hunter the Field in Nijigen no Mori," a 10-meter-long large monster, "Zinogre," makes its debut.



©CAPCOM

The third event will be held
Anime "Demon Slayer" collaboration event
starts on Saturday, March 15.



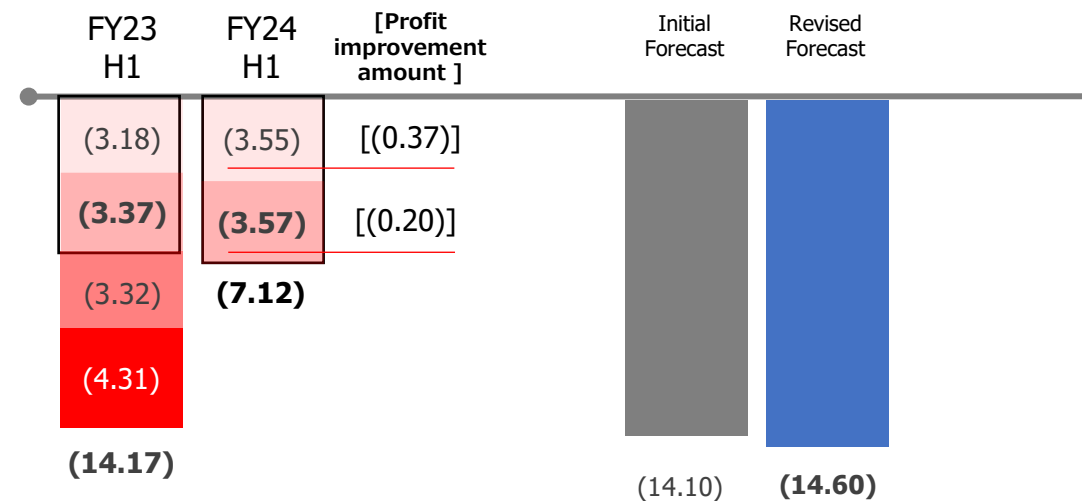
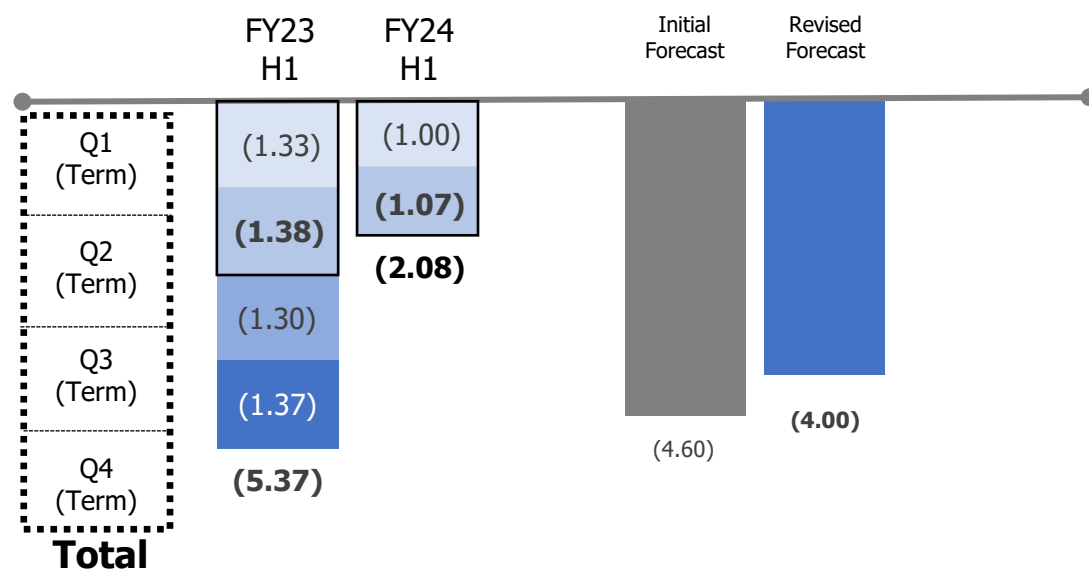
⑦ Elimination/Corporate Segment Costs

- Increased in personnel expenses and IT-related expenses due to promoting DX.
- Some double rent was incurred due to the relocation of the office to Umeda, Osaka.

Net Sales

Operating Profit

(Billions of yen)



Revision of Consolidated Financial Results Forecast for FY2024

Revision of Consolidated Financial Results Forecast for FY2024

- Revised full-year consolidated business forecast for the fiscal year ending May 31, 2025 based on expenses related to the Expo exhibit recorded as an extraordinary loss in the current first half period.
- Net sales and operating profit in the BPO Solutions and Expert Solutions segments fell short of the initial projection.
- The Regional Revitalization and Tourism Solutions segment's net sales and profits also falling short of the initial projection due to the impact of typhoons and other weather conditions, although net sales and profits in the segment expanded and improved compared to the previous fiscal year.

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share (yen)
Previous forecast (A) Announced on July 12, 2024	330,000	5,000	5,000	1,300	33.18
Revised forecast (B)	320,000	1,700	2,000	(4,300)	—
Change (B – A)	(10,000)	(3,300)	(3,000)	(5,600)	
Change (%)	(3.0)	(66.0)	(60.0)	—	
Reference: Actual results for the previous fiscal year	356,733	6,794	7,152	95,891	2,447.56
Reference: Actual results for the previous fiscal year *Excluding the Outsourcing segment	318,301	△821			

Revision of Consolidated Financial Results Forecast for FY2024

【 Segment / Outlook for the second half of the fiscal year and beyond】

- In the BPO Solutions, we plan to promote the expansion of “X-TECH BPO and improve gross profit margins.
- In the Expert Solutions, we plan to expand by strengthening order acquisition mainly in the Kansai region toward the end of the fiscal year.
- In the Career Solutions segment, we expect an increase in the second half, especially in the outplacement business, as the first half of the fiscal year exceeded our initial projection.

(Millions of yen)

Segment		Net sales							Operating profit (loss)						
		(A) FY24 Initial Forecast	(B) FY24 Revised Forecast	(B)-(A)	YoY	(C) FY23*	(B)-(C)	YoY	(A) FY24 Initial Forecast	(B) FY24 Revised Forecast	(B)-(A)	YoY	(C) FY23*	(B)-(C)	YoY
①	BPO Solutions	150,000	141,000	(9,000)	(6.0)%	147,579	(6,579)	(4.5)%	14,000	11,300	(2,700)	(19.3)%	11,582	(282)	(2.4)%
②	Expert Solutions	141,500	139,000	(2,500)	(1.8)%	137,082	+1,917	+1.4%							
③	Career Solutions	14,500	15,500	+1,000	+6.9%	13,054	+2,445	+18.7%	4,500	5,700	+1,200	+26.7%	4,042	+1,657	+41.0%
HR Solutions		306,000	295,500	(10,500)	(3.4)%	297,715	(2,215)	(0.7)%	18,500	17,000	(1,500)	(8.1)%	15,625	+1,374	+8.8%
④	Global Solutions	12,500	12,500	0	0.0%	11,024	+1,475	+13.4%	800	500	(300)	(37.5)%	270	+229	+84.8%
⑤	Life Solutions	8,400	8,500	+100	+1.2%	7,792	+707	+9.1%	300	300	0	0.0%	128	+171	+133.5%
⑥	Regional Revitalization and Tourism Solutions	7,700	7,500	(200)	(2.6)%	6,610	+889	+13.4%	(500)	(1,500)	(1,000)	-	(2,671)	+1,171	-
⑦	Eliminations and Corporate	(4,600)	(4,000)	+600	-	(4,841)	+841	-	(14,100)	(14,600)	(500)	-	(14,174)	(425)	-
Total		330,000	320,000	(10,000)	(3.0)%	318,301*	+1,699	+0.5%	5,000	1,700	(3,300)	(66.0)%	(821)*	+2,521	-

*Reference figures are shown excluding the Outsourcing segment.

Revision of Consolidated Financial Results Forecast for FY2024



Net Sales

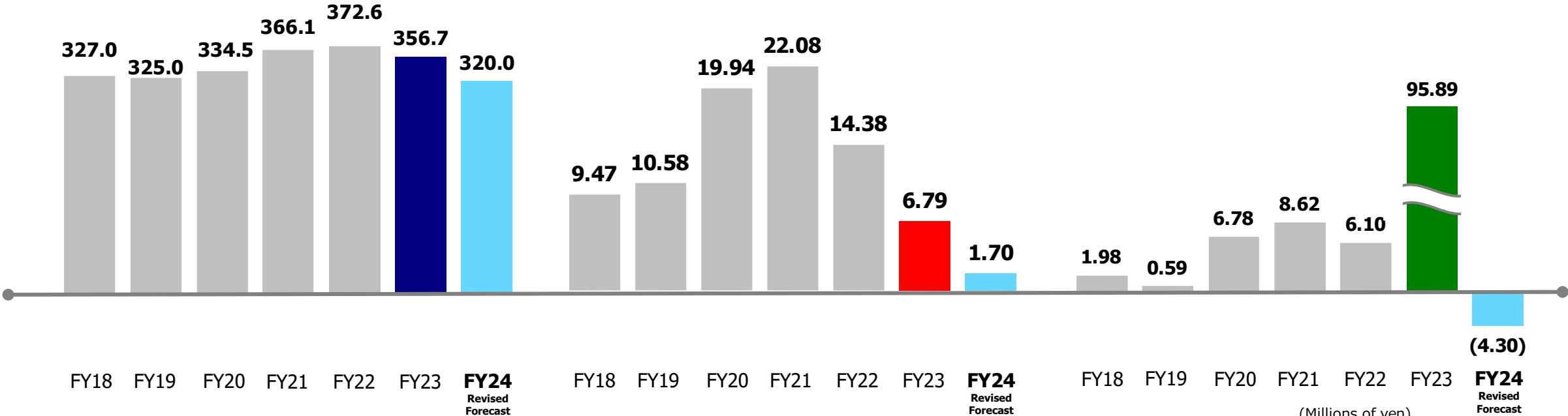
Operating Profit

Profit attributable to owners of parent

YoY
(10.3)%

(75.0)%

(Billions of yen)



	FY22	FY23	FY24 Initial Forecast	FY24 Revised Forecast	vs FY24 Initial Forecast Increase/Decrease	YoY	vs FY23 Increase/Decrease	YoY
Net sales	372,579	356,733	330,000	320,000	(10,000)	(3.0)%	(36,733)	(10.3)%
Operating profit	14,377	6,794	5,000	1,700	(3,300)	(66.0)%	(5,094)	(75.0)%
Ordinary profit	15,366	7,152	5,000	2,000	(3,000)	(60.0)%	(5,152)	(72.0)%
Profit attributable to owners of parent	6,099	95,891	1,300	(4,300)	(5,600)	-	(100,191)	-

Initiatives to Enhance Corporate Value

Repurchase of treasury stock

For the purpose of further improving capital efficiency and implementing a flexible capital policy in response to the business environment, at a meeting of the Board of Directors held on January 14, 2025, the Company resolved matters pertaining to the acquisition of treasury stock.

1. Class of shares to be repurchased	Common stock
2. Total number of shares to be repurchased	2,000,000 shares (maximum) (4.97% of total shares outstanding, excluding treasury stock)
3. Total amount to be paid for repurchase	JPY5,000,000,000(maximum)
4. Period of share repurchase	January 15, 2025 to January 14, 2026
5. Method of repurchase	Market purchase on the Tokyo Stock Exchange (Discretionary trading by securities company)

Initiatives to Enhance Corporate Value

[Update] Use of Funds from Sale of Shares in Affiliated Companies

Growth Investments	HR Solutions (BPO Solutions, Expert Solutions, etc.)	Core system renewal and launch of new services	Business Process Optimization Improve productivity through the use of generative AI Promote DX of HR solution services	¥10 billion
	Creation of new businesses	Incubation Program	The program to support aspiring entrepreneurs 「PASONA NATUREVERSE FUND」	¥3 billion
Expansion of Shareholder Returns	Strengthening Shareholder Returns	Repurchase of treasury stock	2,000,000 shares (maximum) (4.97% of total shares outstanding) January 15, 2025 to January 14, 2026	¥5 billion (maximum)

(Note) Please also refer to the following documents for “Use of Proceeds from Sale of Shares in Affiliated Companies” that have been announced so far.

[\(Reference\) May 2025 1st Quarter
Supplemental Information](#)

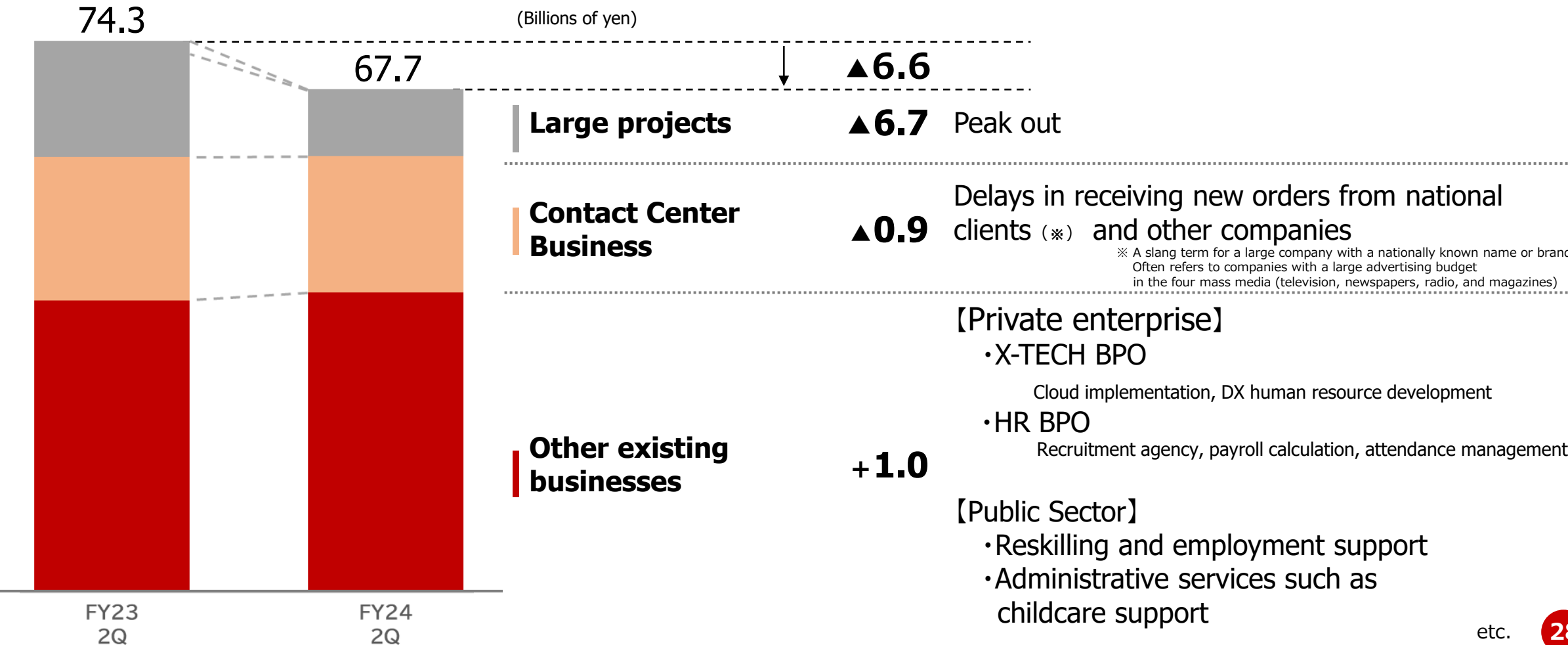
[\(Reference\) Financial Results for the Fiscal
Year Ended May 31, 2024](#)

Business Strategy for the Second Half of the Fiscal Year

Progress in the BPO Solutions (during the first half of the year)

- Large projects included in the initial plan peaked out as expected
- Although new orders were delayed in some businesses, revenue increased from the strategic "X-TECH BPO" and HR BPO due to labor shortages, etc.

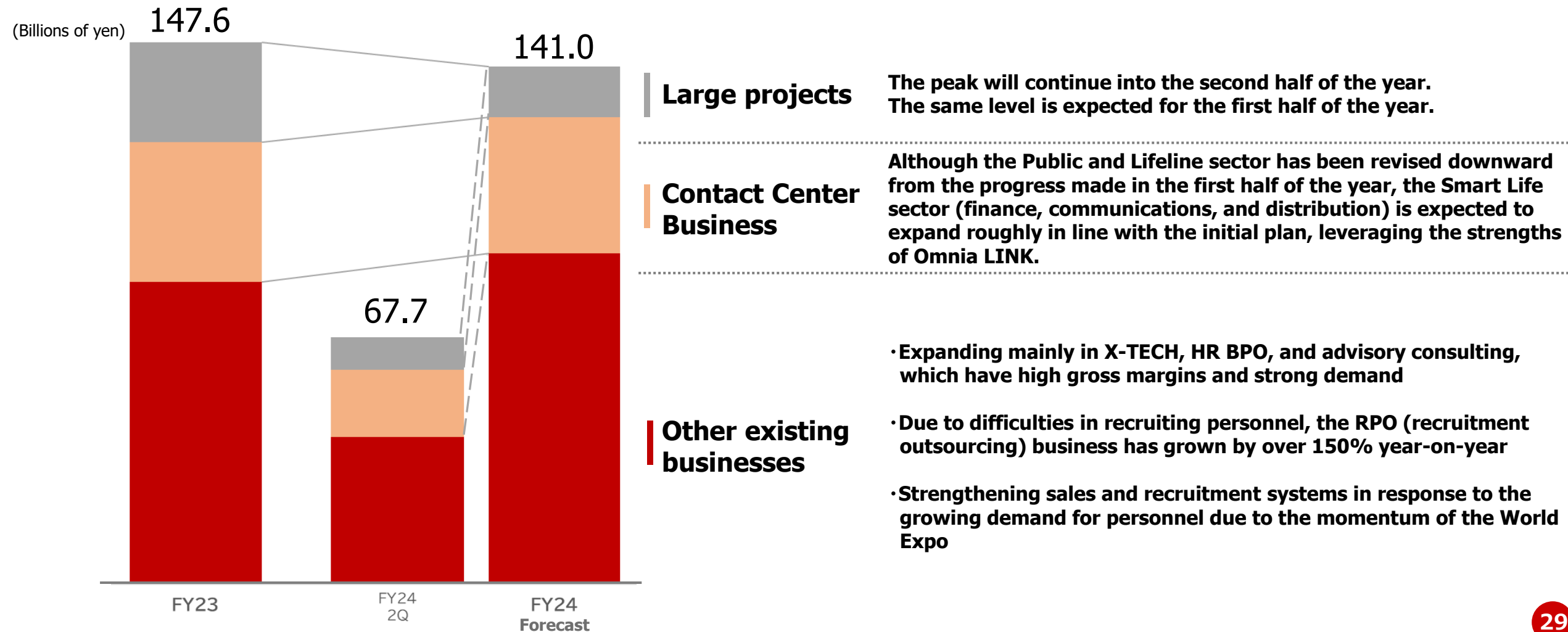
< BPO Solutions First Half Sales Comparison of Two Quarters >



Future plans for the BPO Solutions (for the second half of the year) P A S O N A

- Although large projects will continue to peak out in the second half of the year, the company will strive to recover in the contact center business, and in other businesses, it will continue to acquire projects with high gross profit margins, striving to improve segment profit margins.

< BPO Solutions Full-year Sales Comparison of Two Fiscal Years >



Strengthening branding through participation in the Osaka Kansai Expo

Pavilion Concept

"Thank you for life."

With Professor Yoshiki Sawa, Emeritus Professor at Osaka University and a leading authority on regenerative medicine using iPS cells, as executive producer, the exhibition will feature a variety of exhibits on the theme of "Body, Mind and Bonds," including the latest technologies such as the "iPS heart" as a symbol of life.

Through this exhibition, the company will promote its new "Well-being" business and strengthen its branding.

Media Coverage: **1,650** (as of January 2025)

Collaborative and sponsoring partner companies:
13 companies (as of January 2025)

Partner Examples

Future Sleep

MinebeaMitsumi
Passion to Create Value through Difference

Future of Medicine

 Your dreams. Woven together.
ASAHI INTECC
MAKE BEYOND つくるを拓く
大林組

Cartilage Conduction
Earphones

 **奈良県立医科大学**
Nara Medical University
 **軟骨伝導**

The exterior of the pavilion is modeled after a spiral ammonite and a conch shell



A 2m-long Astro Boy appears at the top of the conch building, pointing at Awaji Island



Expansion of Professional BPO Solutions

Providing mental health care services with a proven track record for over 2,000 companies and 1.5 million people

Pasona Safety Net Inc. begins group operation

Expand synergy with existing
health management support services



Expanding support for corporate sustainability management through the establishment of specialized companies

Pasona Sustainability Inc. will be established in February 2025



Improving productivity and profitability through next-generation core systems

- By implementing BPR for each business and revamping the core system, we aim to expand business, maximize employment opportunities, and optimize business processes
- By implementing this project, we aim to achieve further improvement in profit margins in each segment from the next fiscal year onwards

Segment	Total investment amount	Priority Measures	Schedule		
			FY2024	FY2025	FY2026
 BPO Solutions Expert Solutions	10 billion yen	<ul style="list-style-type: none">✓ Strengthening sales capabilities in both businesses and improving productivity by streamlining indirect operations✓ Realize the standardization and integration of information, optimize system operation costs, and strengthen the ability to adapt to changes✓ Utilizing the latest technologies such as generative AI to improve matching accuracy and expand business automation	 BPO Solutions		
 Career Solutions Placement/Recruiting Outplacement			 Expert Solutions		
			 Placement/Recruiting		
			 Outplacement		

CLM* reduces work hours by approximately 3,000 hours per year
※ Contract Lifecycle Management

Reference

Promoting environmental conservation activities in the Awaji Island project

Sustainability Policy for Local Development Projects

Pasona Group will develop its business activities based on the following policies in order to achieve sustainable development that takes into consideration local communities and the global environment in its regional development business, which aims to create new industries with dreams.

1. Contribution to sustainable local communities
2. Community-based job creation and human resource development
3. Management of facilities that respect and coexist with nature

2024 Examples of Initiatives (partial)

Sustainability Education

Pasona Group Sustainability Training for new employees, head chefs and managers, store employees, etc.



Composting of food waste at Awaji Island facilities

Compost is used in about 50 locations, including offices and stores, and is utilized for recycling-oriented agriculture.



Switching to RE100-derived electricity

Completed switching all electricity used in stores (16 stores) to renewable energy sources.



Switched 97% of company vehicles on Awaji Island to eco-friendly vehicles

Completed switching 97% of company vehicles to EVs, PHEVs, and other eco-friendly vehicles.



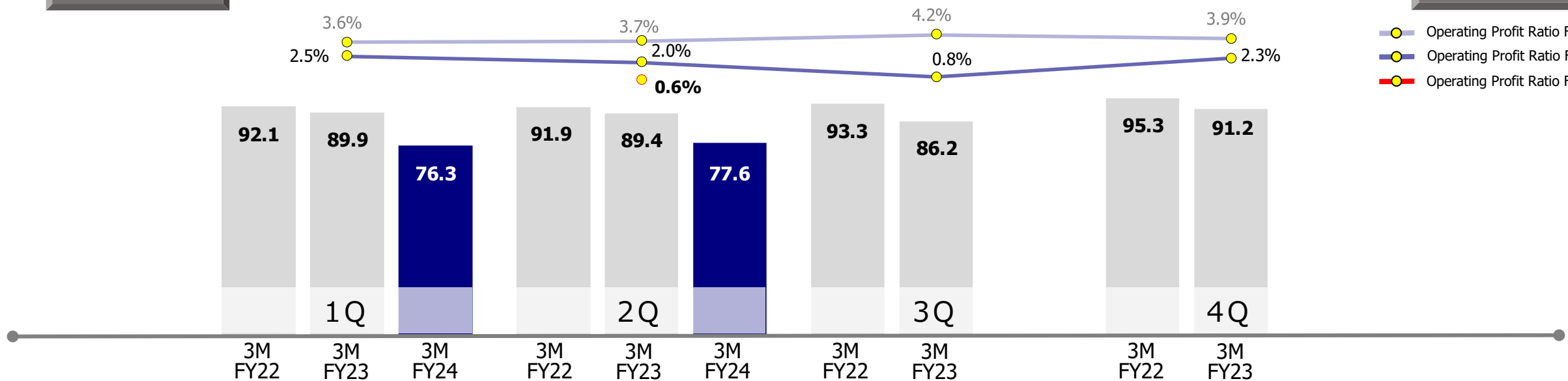
Quarterly Sales and Profit Trends

Net Sales

(Billions of yen)

Operating Profit Ratio

- Operating Profit Ratio FY22
- Operating Profit Ratio FY23
- Operating Profit Ratio FY24



(Millions of yen)

		Q1 (June to August)					Q2 (September to November)					Q3 (December to February)			Q4 (March to May)		
		FY22	FY23	YoY	FY24	YoY	FY22	FY23	YoY	FY24	YoY	FY22	FY23	YoY	FY22	FY23	YoY
Consolidated	Net sales	92,066	89,881	(2.4)%	76,323	(15.1)%	91,906	89,434	(2.7)%	77,610	(13.2)%	93,307	86,241	(7.6)%	95,299	91,174	(4.3)%
	Gross profit	22,273	21,226	(4.7)%	16,374	(22.9)%	22,582	21,259	(5.9)%	17,520	(17.6)%	22,956	19,964	(13.0)%	23,712	22,375	(5.6)%
	SG&A expenses	18,943	18,997	+0.3%	16,810	(11.5)%	19,180	19,508	+1.7%	17,039	(12.7)%	19,025	19,270	+1.3%	19,999	20,254	+1.3%
	Operating profit	3,330	2,228	(33.1)%	(436)	-	3,402	1,751	(48.5)%	480	(72.6)%	3,931	693	(82.3)%	3,712	2,120	(42.9)%
	Profit (Loss) attributable to owners of parent	1,293	187	(85.5)%	(1,194)	-	1,440	(41)	-	(2,568)	-	1,213	(899)	-	2,151	96,644	+4,392.5%
	Gross profit ratio	24.2%	23.6%	(0.6)pt	21.5%	(2.1)pt	24.6%	23.8%	(0.8)pt	22.6%	(1.2)pt	24.6%	23.1%	(1.5)pt	24.9%	24.5%	(0.4)pt
	SG&A expense ratio	20.6%	21.1%	+0.5pt	22.0%	+0.9pt	20.9%	21.8%	+0.9pt	22.0%	+0.2pt	20.4%	22.3%	+1.9pt	21.0%	22.2%	+1.2pt
	Operating profit ratio	3.6%	2.5%	(1.1)pt	-	-	3.7%	2.0%	(1.7)pt	0.6%	(1.4)pt	4.2%	0.8%	(3.4)pt	3.9%	2.3%	(1.6)pt

※ Please refer to the Investors Guide for the figures before the listed year.

Quarterly Sales and Profit Trends by Segment

(Millions of yen)

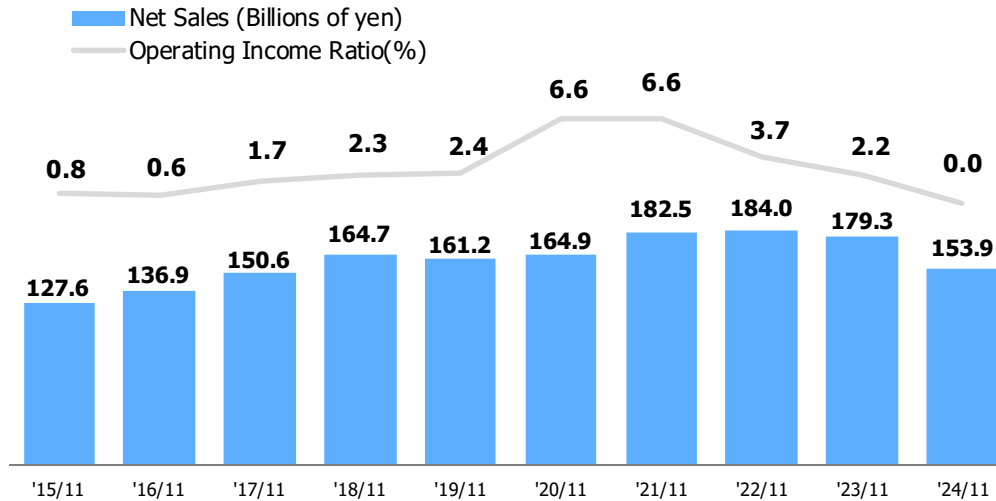
		Sales							
Segment		Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	YoY	YoY
①	BPO Solutions (Contracting)	37,080	37,222	36,162	37,114	33,698	34,010	(9.1)%	(8.6)%
②	Expert Solutions (Temporary Staffing)	35,137	34,739	32,742	34,462	33,773	34,403	(3.9)%	(1.0)%
③	Career Solutions (Placement/ Recruiting, Outplacement)	3,341	3,468	3,099	3,144	3,297	3,711	(1.3)%	+7.0%
HR Solutions		75,559	75,430	72,004	74,721	70,769	72,125	(6.3)%	(4.4)%
④	Global Solutions (Overseas)	2,545	2,688	2,677	3,112	2,787	2,675	+9.5%	(0.5)%
	Outsourcing	9,571	9,156	9,648	10,586	—	—	—	—
⑤	Life Solutions	1,923	1,873	1,889	2,105	2,052	2,107	+6.7%	+12.5%
⑥	Regional Revitalization and Tourism Solutions	1,609	1,665	1,321	2,014	1,716	1,777	+6.7%	+6.7%
⑦	Eliminations and Corporate	(1,328)	(1,379)	(1,299)	(1,366)	(1,003)	(1,074)	—	—
Total (Including Outsourcing)		89,881	89,434	86,241	91,174	76,323	77,610	(15.1)%	(13.2)%
Total (Excluding Outsourcing)		80,438	80,399	76,742	80,722	76,323	77,610	(5.1)%	(3.5)%

		Operating profit (loss)							
Segment		Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	YoY	YoY
①	BPO Solutions (Contracting)	3,079	2,901	1,612	3,988	2,478	2,990	(19.5)%	+3.0%
②	Expert Solutions (Temporary Staffing)								
③	Career Solutions (Placement/ Recruiting, Outplacement)	1,025	1,100	854	1,062	975	1,427	(4.9)%	+29.7%
HR Solutions		4,104	4,002	2,466	5,051	3,453	4,418	(15.9)%	+10.4%
④	Global Solutions (Overseas)	49	84	(19)	155	73	57	+48.4%	(32.4)%
	Outsourcing	1,934	1,605	2,273	1,801	—	—	—	—
⑤	Life Solutions	(5)	28	67	37	(9)	83	—	+188.4%
⑥	Regional Revitalization and Tourism Solutions	(677)	(604)	(772)	(617)	(408)	(506)	—	—
⑦	Eliminations and Corporate	(3,177)	(3,365)	(3,322)	(4,309)	(3,545)	(3,571)	—	—
Total (Including Outsourcing)		2,228	1,751	693	2,120	(436)	480	—	(72.6)%
Total (Excluding Outsourcing)		294	145	(1,579)	318	(436)	480	—	+229.3%

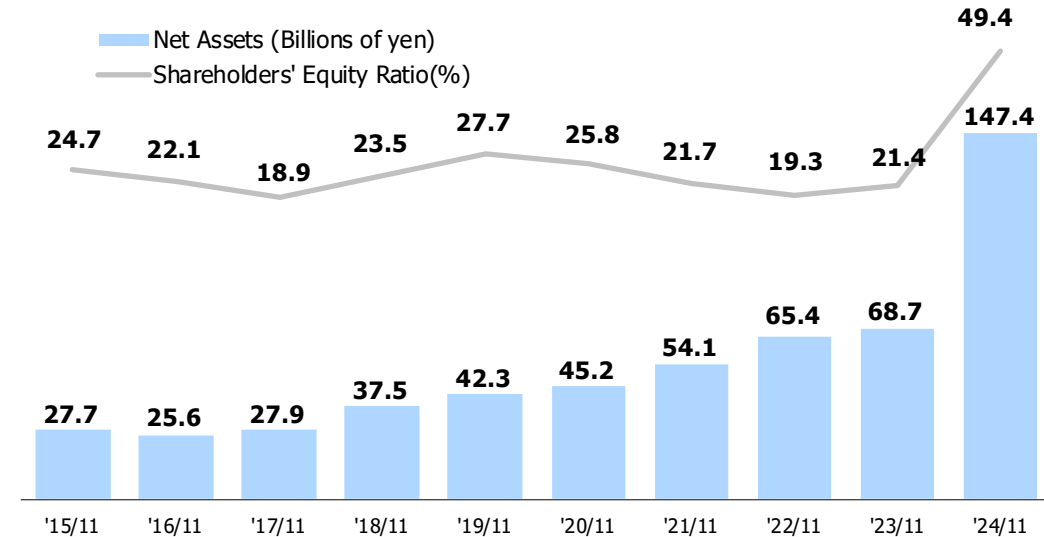
※ Please refer to the Investors Guide for the figures before the listed year.

H1 Key Indicators

Net Sales and Operating Profit Ratio



Net Assets and Shareholders' Equity Ratio



First Half Results

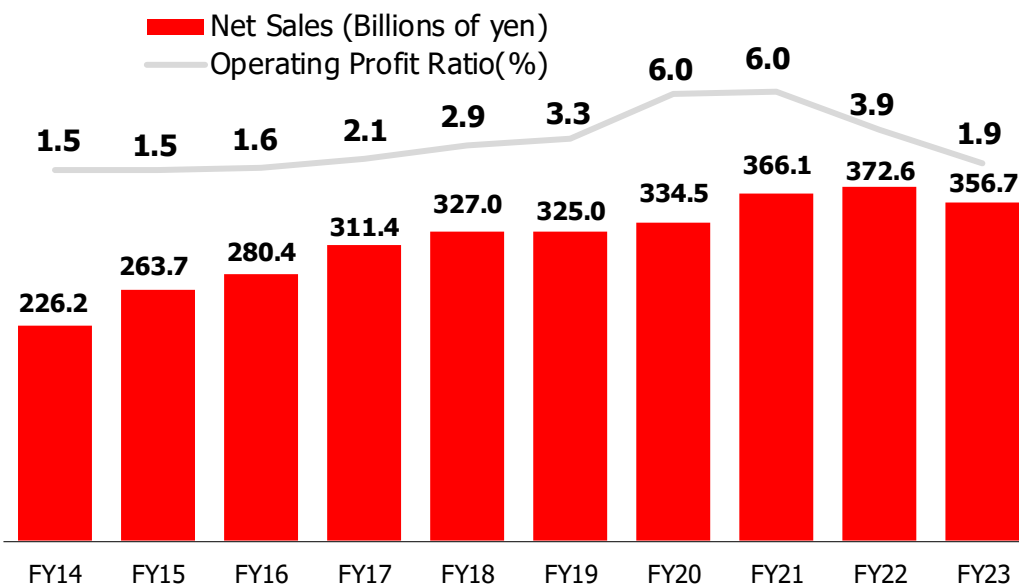
Key Indicators	'15/11	'16/11	'17/11	'18/11	'19/11	'20/11	'21/11	'22/11	'23/11	'24/11
Net Sales	127,602	136,867	150,619	164,692	161,229	164,906	182,486	183,973	179,316	153,934
Gross Profit Margin	19.9%	19.7%	21.2%	22.0%	23.2%	25.5%	24.4%	24.4%	23.7%	22.0%
S&A Expenses	24,362	26,205	29,313	32,425	33,496	31,189	32,516	38,123	38,505	33,850
S&A Expense Ratio	19.1%	19.1%	19.5%	19.7%	20.8%	18.9%	17.8%	20.7%	21.5%	22.0%
Operating Income	1,072	794	2,618	3,732	3,901	10,802	11,996	6,733	3,980	44
Operating Income Ratio	0.8%	0.6%	1.7%	2.3%	2.4%	6.6%	6.6%	3.7%	2.2%	0.0%
Ordinary Income	977	759	2,634	3,538	3,606	10,854	12,149	7,431	3,987	189
Ordinary Income Ratio	0.8%	0.6%	1.7%	2.1%	2.2%	6.6%	6.7%	4.0%	2.2%	0.1%
Net Income (Loss) *1	(334)	(816)	470	631	392	4,278	4,800	2,734	145	(3,762)
Net Income Ratio	-	-	0.3%	0.4%	0.2%	2.6%	2.6%	1.5%	0.1%	-
Total Assets *2	80,164	80,517	100,881	114,914	116,930	137,757	193,839	261,335	246,907	285,915
Net Assets	27,702	25,591	27,886	37,529	42,341	45,200	54,132	65,426	68,738	147,420
Shareholders' Equity Ratio *2	24.7%	22.1%	18.9%	23.5%	27.7%	25.8%	21.7%	19.3%	21.4%	49.4%

*1. Since the fiscal year ended on May 31, 2016, net income has been referred to profit attributable to owners of parent.

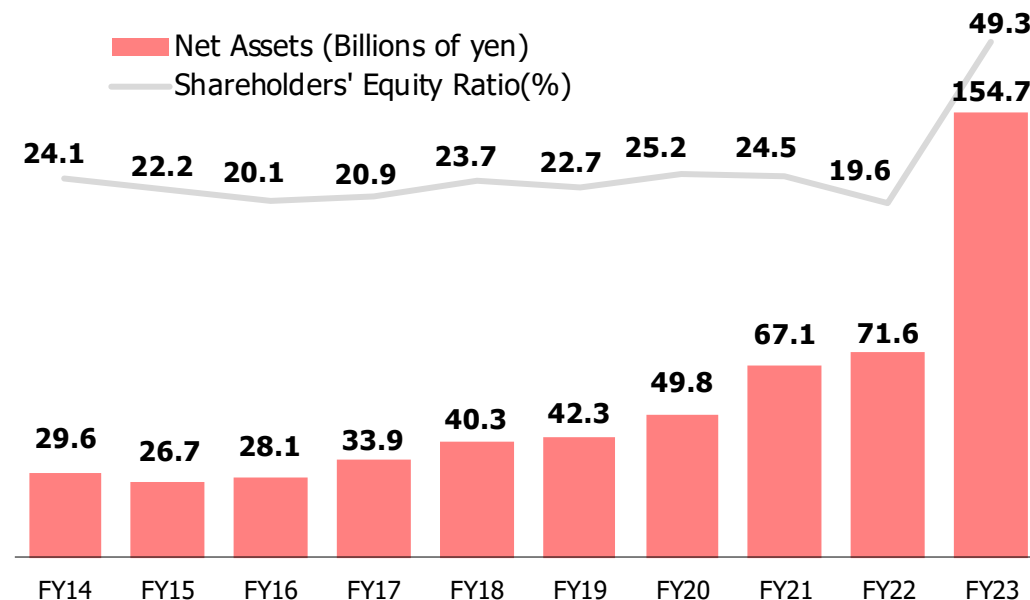
*2. As the Company adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" from the beginning of the first quarter of FY2018. As for the financial position, the figures for the previous consolidated fiscal year were processed by the method.

Full-Year Key Indicators

Net Sales and Operating Profit Ratio



Net Assets and Shareholders' Equity Ratio



Results

Key Indicators	'15/05	'16/05	'17/05	'18/05	'19/05	'20/05	'21/05	'22/05	'23/05	'24/05
Net Sales	226,227	263,728	280,395	311,410	326,984	324,986	334,540	366,096	372,579	356,733
Gross Profit Margin	20.3%	20.0%	20.2%	21.5%	22.8%	23.6%	24.8%	24.5%	24.6%	23.8%
SG&A Expenses	42,381	48,948	52,128	60,489	65,245	66,112	63,028	67,588	77,148	78,030
SG&A Expense Ratio	18.7%	18.6%	18.6%	19.4%	20.0%	20.3%	18.8%	18.5%	20.7%	21.9%
Operating Profit	3,490	3,860	4,488	6,539	9,465	10,577	19,940	22,083	14,377	6,794
Operating Profit Ratio	1.5%	1.5%	1.6%	2.1%	2.9%	3.3%	6.0%	6.0%	3.9%	1.9%
Ordinary Profit	3,343	3,855	4,319	6,631	9,237	10,236	20,379	22,496	15,366	7,152
Ordinary Profit Ratio	1.5%	1.5%	1.5%	2.1%	2.8%	3.1%	6.1%	6.1%	4.1%	2.0%
Net Profit *1	214	243	(129)	1,288	1,975	594	6,784	8,621	6,099	95,891
Net Profit Ratio	0.1%	0.1%	—	0.4%	0.6%	0.2%	2.0%	2.4%	1.6%	26.9%
Total Assets *2	88,641	85,356	94,584	112,477	119,459	140,441	151,641	203,746	275,504	301,090
Net Assets	29,620	26,735	28,062	33,889	40,253	42,316	49,779	67,146	71,624	154,677
Shareholders' Equity Ratio *2	24.1%	22.2%	20.1%	20.9%	23.7%	22.7%	25.2%	24.5%	19.6%	49.3%
Return on Equity	1.0%	1.2%	(0.7)%	6.0%	7.6%	2.0%	19.4%	19.6%	11.7%	94.7%
Number of Employees	7,908	8,550	8,682	9,074	9,317	19,538	21,789	23,488	24,918	25,046

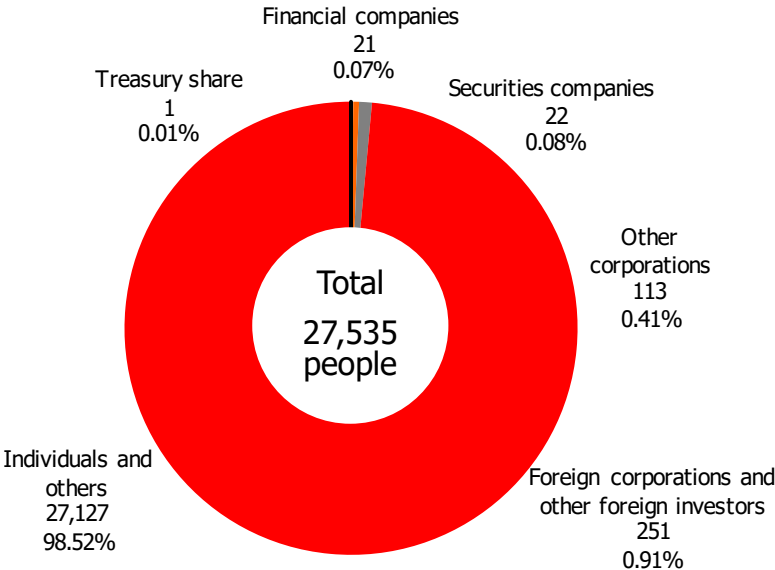
1. Since the fiscal year ended on May 31, 2016, net profit has been referred to profit attributable to owners of parent.

2. As the Company adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" from the beginning of the first quarter of FY2018. As for the financial position, the figures for the previous consolidated fiscal year were processed by the method.

Share Information (Including treasury share)



Breakdown of Shareholders by Type



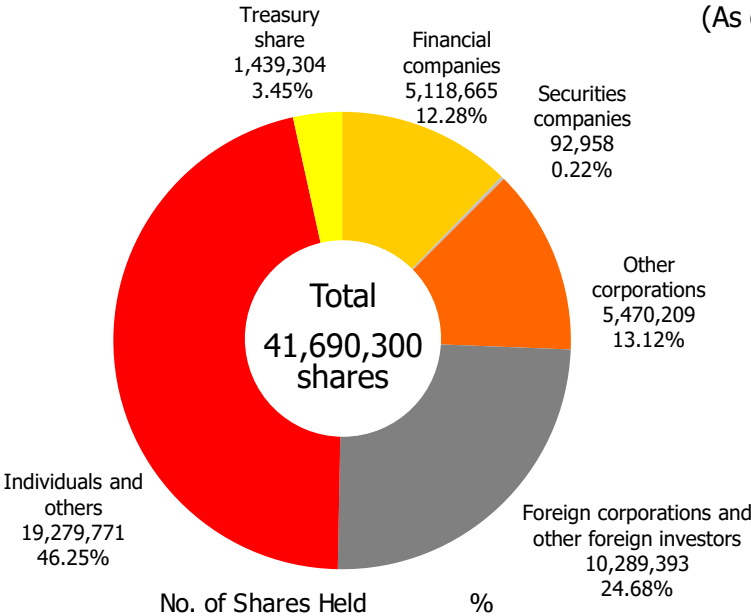
Principal Shareholders

Yasuyuki Nambu	14,763,200	35.41%
Nambu Enterprise Inc.	3,738,500	8.97%
The Master Trust Bank of Japan, Ltd (Trust Account)	2,631,000	6.31%
JP JPMSE LUX RE UBS AG LONDON BRANCH EQ CO	1,716,100	4.12%
Pasona Group Inc.	1,439,304	3.45%
Custody Bank of Japan, Ltd.(Trust Account E)	1,053,665	2.53%
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	986,872	2.37%
BNP PARIBAS LONDON BRANCH FOR PRIME BROKERAGE CLEARANCE ACC FOR THIRD PARTY	931,175	2.23%
Custody Bank of Japan, Ltd.(Trust Account)	712,900	1.71%
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB)	597,575	1.43%

1. The Company's treasury share (1,439,304 shares, 3.45% of total issued shares) ranked fourth. In accordance with Article 308.2 of the Corporations Law, there are no voting rights attached to treasury share.

2. Oasis Management Company Ltd. sent a change report to the Kanto Finance Bureau on July 29, 2024, reporting that it owns 2,094,200 shares as of July 29, 2024. However, the number of shares held as of the end of November 2024 cannot be confirmed, so it is not included in the status of the above major shareholders.

Breakdown of Shareholders by Number of Share Held



(As of Nov. 30, 2024)

Group Companies (by segment)

BPO Solutions (Contracting) Expert Solutions (Temporary staffing)

Pasona Inc.	Pasona Nihon Somubu Co., Ltd.	Doinet Co., Ltd.
Bewith, Inc.	Pasona Heartful Inc.	Pasona Joinus Inc.
PASONA LOGICOM Inc.	Pasona art now Inc.	TECHNORESEARCH CO.,LTD.
Pasona HS Inc.	Pasona Knowledge Partner Inc.	Pasona Force Inc.
Nagasaki diamond staff	Pasona Intellectual Property	Circlace Inc.*
Pasona Masters Inc.	Trust Inc.	Pasona Safety Net Inc.
Pasona HR Solution Inc.	Profelier, Inc	e-Staffing Co., Ltd. *
Gotop Co., Ltd.	Smart Style CO.,Ltd	National Examination Center Inc. *
Pasona JOB HUB Inc.	iBRID.Co.Ltd	Shadow Consulting Inc. *
Pasona YBS Inc.	Asahi Beer Communications Co, Ltd.	

Global Solutions (Overseas)

Pasona N A, Inc.	Pasona Tech Vietnam Co., Ltd.
Pasona Canada, Inc.	Pasona Education Co. Limited
Pasona Taiwan Co., Ltd.	Pasona HR Malaysia Sdn.Bhd.
Pasona Singapore Pte. Ltd.	PT.Dutagriya Sarana
Pasona Asia Co., Limited	Agensi Pekerjaan Pasona Sdn. Bhd.
PT Pasona HR Indonesia	Pasona HR Consulting Thailand Co., Ltd
Pasona Korea Co., Ltd	Pasona Oversea Recruitment
Pasona India Private Limited	
MGR Consulting Co.,Ltd.	
Pasona Human Resources (Shanghai) Co., Ltd.	
Pasona Recruitment (Thailand) Co., Ltd	

Career Solutions (Placement/Recruiting, Outplacement)

Pasona Inc.

Life Solutions (Childcare support business and education business, Nursing care business, Life Support business)

Pasona Foster Inc.

Pasona Life Care Inc.

Regional Revitalization and Tourism Solutions

Pasona Furusato Incubation Inc.	Pasona HR HUB Inc.
Pasona Agri-Partners Inc.	RE BORN Inc.
Tango Kingdom Brewery Inc.	Kosyunoya Inc.
Pasona Tohoku Sousei Inc.	Japanese Kosyukura Inc.
Nijigennomori Inc.	awajishima resort Inc.
Pasona Smile Inc.	All Japan Tourism Alliance Inc.
Chihou Sousei Inc.	Awaji Nature Farm Inc.
Takumi Sousei Inc.	IHATOV TOHOKU Inc. *

(As of Nov. 30, 2024)

● Consolidated subsidiaries 59

* Equity-method affiliates 5

Prime Market TSE (2168)

Corporate Name	Pasona Group Inc.	
Headquarters	Shin Marunouchi Bldg. 1-5-1, Marunouchi, Chiyoda-ku, Tokyo 100-6514	<u>Comprehensive Group office</u> Minami-Aoyama 3-1-30 Minato-ku, Tokyo 107-8351 Phone 03-6734-0200
Established	December 3, 2007 (Founding February 1976)	
Paid-in Capital	5,000 million yen	
Representative	Yasuyuki Nambu	
Business Activities	BPO Solutions (Contracting) Expert Solutions (Temporary staffing) Career Solutions (Placement/Recruiting, Outplacement) Global Solutions (Overseas) Life Solutions (Childcare support business and education business, Nursing care business, Life Support business) Regional Revitalization and Tourism Solutions	
Number of Employees	25,046 (Consolidated, including contract workers)	(As of May. 31, 2024)
Consolidated Group Companies	Subsidiaries 59 , Affiliates 5	(As of Nov. 30, 2024)
URL	www.pasonagroup.co.jp/English/	