



October 15, 2025

Consolidated Financial Results for the Three Months Ended August 31, 2025 (Under Japanese GAAP)

Company name: Pasona Group Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 2168
 URL: <https://www.pasonagroup.co.jp>
 Representative: Hirotaka Wakamoto, Representative Director, Chairperson and CEO
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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: No

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended August 31, 2025 (June 1, 2025 to August 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended August 31, 2025	76,965	0.8	(568)	—	(64)	—	(606)	—
August 31, 2024	76,323	(15.1)	(436)	—	(479)	—	(1,194)	—

Note: Comprehensive income For the three months ended August 31, 2025: ¥(613) million [—%]
 For the three months ended August 31, 2024: ¥(986) million [—%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended August 31, 2025	(15.92)	—
August 31, 2024	(30.47)	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
August 31, 2025	246,782	136,010	52.8
May 31, 2025	265,038	141,134	50.9

Reference: Equity As of August 31, 2025: ¥130,271 million
 As of May 31, 2025: ¥134,934 million

Note: Total assets as of August 31, 2025 and May 31, 2025 include temporary “Deposits received” from customers for contracted projects and the corresponding “Cash and deposits” in assets and liabilities. For details, please refer to “1. Overview of Business Results (2) Overview of Financial Position for the Period under Review.”

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended May 31, 2025	—	0.00	—	75.00	75.00
Fiscal year ending May 31, 2026	—				
Fiscal year ending May 31, 2026 (Forecast)		0.00	—	75.00	75.00

Note: Revisions to the forecast of cash dividends most recently announced: None

Note: Breakdown of the dividend for the fiscal year ended May 31, 2025

Ordinary dividend ¥15.00, Special dividend ¥60.00

Note: Breakdown of the dividend for the fiscal year ending May 31, 2026 (Forecast)

Ordinary dividend ¥15.00, Special dividend ¥60.00

3. Consolidated financial results forecast for the fiscal year ending May 31, 2026 (from June 1, 2025 to May 31, 2026)

(Percentage figures are changes from the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	330,000	6.7	2,500	—	2,800	—	500	—	12.81

Note: Revisions to the forecast of results most recently announced: None

4. NOTES

- (1) Significant changes in the scope of consolidation during the current period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - ii) Changes in accounting policies due to other reasons: None
 - iii) Changes in accounting estimates: None
 - iv) Restatement: None
- (4) Number of issued shares (common shares)
- i) Total number of issued shares at the end of the period (including treasury shares)
 - As of August 31, 2025: 40,190,300 shares
 - As of May 31, 2025: 40,190,300 shares
 - ii) Number of treasury shares at the end of the period
 - As of August 31, 2025: 2,231,934 shares
 - As of May 31, 2025: 1,823,771 shares
 - iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)
 - Three months ended August 31, 2025: 38,132,022 shares
 - Three months ended August 31, 2024: 39,190,300 shares

Note:

The Company has introduced “Board Benefit Trust (BBT)” and “Employment Stock Ownership Plan (J-ESOP).” The Company’s shares in the BBT and J-ESOP, which are reported as treasury shares under Shareholders’ equity, are counted as the number of treasuries shares as of the average number of shares outstanding for the period for the purpose of not including for computing basic earnings per share.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Explanation of appropriate use of earnings forecasts and other special notes

(Cautionary statement regarding forward-looking statements)

The 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 “Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information.”

(Method to obtain supplemental materials for financial results)

Supplemental materials for the financial results have been posted on the Company’s website since October 15, 2025.

<https://www.pasonagroup.co.jp/english/ir/>

**Consolidated Financial Results
for the Three Months Ended August 31, 2025**

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1. Overview of Business Results

(1) Overview of Operating Results for the Period under Review

i) Business Results for the First Quarter ended August 31, 2025

Consolidated Financial Report (June 1, 2025 – August 31, 2025)

	Three months ended August 31, 2024	Three months ended August 31, 2025	YoY
	Millions of yen	Millions of yen	%
Net sales	76,323	76,965	+0.8
Operating loss	(436)	(568)	—
Ordinary loss	(479)	(64)	—
Loss attributable to owners of parent	(1,194)	(606)	—

During the first quarter of the consolidated fiscal year, Japan's economy continued its gradual recovery, despite some impact from the U.S. trade policies and other factors. Amid these circumstances, the Group's performance in the current quarter was also affected by the peak-out of large-scale contracted projects in BPO Solutions. On the other hand, consolidated net sales increased due to business expansion in Expert Solutions, Life Solutions and Regional Revitalization & Tourism Solutions. From a cost perspective, selling, general and administrative expenses increased due to higher personnel costs resulting from increased staffing levels, improved compensation, and higher retirement benefit expenses, coupled with a rise in IT-related expenses stemming from revisions to usage fees for the IT infrastructure implemented across the Group. As a result, consolidated operating profit decreased compared to the same period last year. Consolidated ordinary profit improved year-on-year due to an increase in non-operating profit resulting from sponsorship money income and product sales income from the pavilion exhibition at Expo 2025 Osaka, Kansai, Japan. Profit attributable to owners of the parent turned to a loss due to the recognition of Expo exhibit related expenses as extraordinary losses, although Income taxes-deferred decreased.

ii) Business Segment Information (before elimination of intersegment transactions)

Segment Information (Figures include intersegment sales)

Consolidated Net Sales by Segment

(Millions of yen)

	Three months ended August 31, 2024	Three months ended August 31, 2025	YoY
HR Solutions	70,769	71,096	+0.5%
BPO Solutions (Contracting, Outsourcing)	33,698	33,071	(1.9)%
Expert Solutions (Temporary staffing)	33,773	34,680	+2.7%
Career Solutions (Placement/Recruiting, Outplacement)	3,297	3,345	+1.4%
Global Solutions (Overseas Human Resource Services)	2,787	2,777	(0.4)%
Life Solutions (Childcare support, Nursing care, etc.)	2,052	2,229	+8.6%
Regional Revitalization and Tourism Solutions	1,716	2,085	+21.5%
Elimination and Corporate	(1,003)	(1,223)	—
Total	76,323	76,965	+0.8%

Consolidated Operating Profit (Loss) by Segment

(Millions of yen)

	Three months ended August 31, 2024	Three months ended August 31, 2025	YoY
HR Solutions	3,453	3,432	(0.6)%
BPO Solutions (Contracting, Outsourcing)	2,478	2,567	+3.6%
Expert Solutions (Temporary staffing)			
Career Solutions (Placement/Recruiting, Outplacement)	975	864	(11.3)%
Global Solutions (Overseas Human Resource Services)	73	26	(64.1)%
Life Solutions (Childcare support, Nursing care, etc.)	(9)	18	—
Regional Revitalization and Tourism Solutions	(408)	(336)	—
Elimination and Corporate	(3,545)	(3,709)	—
Total	(436)	(568)	—

HR Solutions Net sales ¥71,096 million Operating profit ¥3,432 million

[BPO Solutions (Contracting, Outsourcing)] Net sales ¥33,071 million

New business opportunities for corporate DX support and system development projects progressed, while advisory consulting services providing management support to companies remained steady. In the public sector, contracts for reskilling and administrative outsourcing expanded. Although the decline in revenue due to the peak-out of large-scale contracted projects has narrowed, sales revenue decreased compared to the same period last year.

[Expert Solutions (Temporary staffing)] Net sales ¥34,680 million

Amid ongoing labor shortages, demand for staffing services remained stable, with the number of active temporary workers exceeding the same period last year. During the current period, we aimed to increase order volume while improving convenience for new registrants during sign-up and revising the process leading to job placement. This enabled us to secure placements earlier, resulting in increased net sales.

[Career Solutions (Placement/Recruiting, Outplacement)]

Net sales ¥3,345 million Operating profit ¥864 million

In the recruitment agency business, stable demand persisted in the high-caliber career segment where we strategically focus, and the average placement fee per candidate also increased. However, net sales fell short of expectations due to the replacement of internal systems and some clients restrained their hiring.

In the outplacement services business, the scale of voluntary retirement applications per company increased among businesses undertaking structural reforms. Demand for counseling and reskilling services supporting employees' autonomous career development remained steady.

As a result, while net sales increased, operating profit decreased due to higher IT-related expenses.

Global Solutions (Overseas Human Resource Services)

Net sales ¥2,777 million Operating profit ¥26 million

In the U.S., BPO services for accounting and payroll processing operations and recruitment services expanded. In Taiwan, recruitment services and BPO services expanded, primarily in the semiconductor manufacturing sector. However, segment net sales declined in some regions due to difficulties in securing projects amid shifting personnel demand and reduced transactions resulting from specific companies scaling back their operations. On the expense side, increased personnel costs for sales and consulting staff in various countries, combined with the impact of foreign exchange, led to a decrease in profit.

Life Solutions (Childcare support, Nursing care, etc.)

Net sales ¥2,229 million Operating profit ¥18 million

In the Childcare Support Business, net sales increased due to the expansion of operations for new after-school clubs and similar services within Tokyo starting this spring. Strengthening cost management at each facility has also improved profitability.

In the Life Support Business, the expansion of childcare support services, such as housekeeping assistance primarily provided to urban municipalities, led to an increase in the scale of contracted projects for this business, resulting in higher sales and profits.

Regional Revitalization and Tourism Solutions

Net sales ¥2,085 million Operating profit ¥(336) million

At Nijigennomori Anime Awajishima Park, implementing optimal promotional strategies for each content type drove customer acquisition and increased awareness outside the Kansai region. Additionally, the limited-time event for the anime “Demon Slayer: Kimetsu no Yaiba” (running until December 14, 2025) significantly boosted visitor numbers. Furthermore, the restaurants “HELLO KITTY SMILE” and “HELLO KITTY SHOW BOX,” where visitors can enjoy the world of the immensely popular character Hello Kitty, saw an increase in group visitors due to strengthened business collaborations with travel agencies and other partners. This summer, we opened new lodging and dining facilities on Awaji Island in Hyogo Prefecture to increase customer stay opportunities, which led to an increase in temporary expenses. However, the segment's deficit narrowed due to increased sales at existing facilities.

Eliminations and Corporate Net sales ¥(1,223) million Operating profit ¥(3,709) million

During the current quarter, operating profit decreased compared to the same period last year due to an increase in IT-related expenses resulting from revisions to usage fees for the IT infrastructure implemented across the Group, as well as the impact of inter-segment transaction eliminations. We are advancing efforts to achieve “PASONA GROUP VISION 2030” by optimizing personnel allocation and reviewing cost distribution, and we will strengthen cost control during the current period.

(2) Overview of Financial Position for the Period under Review

Status of Assets, Liabilities and Net Assets

As of August 31, 2025, the amount of ¥26,713 million (¥35,319 million at the end of the previous fiscal year) of temporary “Deposits received” from customers by the Group related to contracted projects was recorded in liabilities, and “Cash and deposits” worth it was recorded in assets, whose use is restricted.

Assets

Total assets as of August 31, 2025 stood at ¥246,782 million, a decrease of ¥18,255 million or 6.9%, compared with May 31, 2025. This was mainly attributable to a decrease of ¥31,430 million in Cash and deposits due to the above decrease in “Deposits received”, the acquisition of the Non-current assets and payment of dividends and Income taxes, while Securities increased by ¥3,000 million due to fund management, and Property, plant and equipment for Regional Revitalization and Tourism Solutions segment increased by ¥6,803 million.

Liabilities

Total liabilities as of August 31, 2025 stood at ¥110,772 million, a decrease of ¥13,131 million or 10.6%, compared with May 31, 2025. This was mainly attributable to a decrease of ¥8,155 million in deposits received due to the above-mentioned contracted projects, a ¥1,568 million decrease in Accounts payable - trade, and a ¥1,228 million decrease in Income taxes payable.

Net Assets

Net assets as of August 31, 2025 stood at ¥136,010 million, a decrease of ¥5,124 million or 3.6%, compared with May 31, 2025. This was mainly due to a decrease of ¥3,563 million in retained earnings due to a Loss attributable to owners of parent of ¥606 million and dividend payments of ¥2,956 million, and an increase of ¥1,029 million in Treasury shares associated with the purchase of treasury shares.

As a result, Equity-to-asset ratio as of August 31, 2025 was 52.8% (50.9% at the end of the previous fiscal year). Total assets after deducting “Cash and deposits” with “Deposits received” related to contracted projects stood at ¥220,069 million (¥229,719 million at the end of the previous fiscal year), and Equity-to-asset ratio 59.2% (58.7% at the end of the previous fiscal year).

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

As we mark our 50th anniversary since founding, we have positioned the five-year period starting with the fiscal year ending May 2026 as “PASONA GROUP VISION 2030,” our new growth strategy looking ahead to the next 50 years. We are pursuing this strategy to reform our revenue structure and drive new business growth, striving for sustainable corporate growth and further enhancement of corporate value.

As planned at the beginning of the period, BPO Solutions experienced a sales decline due to the peak-out of large-scale contracted projects for the fiscal year ending May 2026 as well. However, demand for BPO services remains steady, and we are improving gross profit margins by enhancing operational efficiency. Furthermore, in Regional Revitalization and Tourism Solutions, facilities utilizing popular anime and characters are driving increased visitor numbers. We are working to expand earnings by implementing further customer attraction measures, branding strategies, and enhancing customer experience value.

There are no changes from the earnings forecast announced on July 15, 2025.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of May 31, 2025	As of August 31, 2025
Assets		
Current assets		
Cash and deposits	124,771	93,341
Notes and accounts receivable - trade, and contract assets	41,272	42,029
Securities	14,500	17,500
Inventories	2,352	2,646
Other	6,100	7,212
Allowance for doubtful accounts	(48)	(52)
Total current assets	188,948	162,677
Non-current assets		
Property, plant and equipment	47,145	53,949
Intangible assets		
Goodwill	815	754
Other	6,802	7,517
Total intangible assets	7,617	8,271
Investments and other assets		
Other	21,245	21,816
Allowance for doubtful accounts	(11)	(19)
Total investments and other assets	21,233	21,796
Total non-current assets	75,997	84,018
Deferred assets	92	87
Total assets	265,038	246,782

(Millions of yen)

	As of May 31, 2025	As of August 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	2,771	1,202
Short-term borrowings	6,043	5,952
Accrued expenses	18,596	18,678
Income taxes payable	1,621	393
Deposits received	38,741	30,586
Provision for bonuses	4,217	3,148
Provision for bonuses for directors (and other officers)	20	13
Asset retirement obligations	66	92
Other	15,650	15,892
Total current liabilities	87,728	75,961
Non-current liabilities		
Bonds payable	2,100	2,100
Long-term borrowings	23,671	22,935
Provision for share awards for directors (and other officers)	253	253
Allowance for stock benefit for employee	278	278
Retirement benefit liability	2,359	2,341
Asset retirement obligations	2,923	2,909
Other	4,589	3,991
Total non-current liabilities	36,175	34,810
Total liabilities	123,904	110,772
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	15,963	15,946
Retained earnings	115,788	112,224
Treasury shares	(2,577)	(3,607)
Total shareholders' equity	134,174	129,564
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	95	100
Foreign currency translation adjustment	530	504
Remeasurements of defined benefit plans	133	100
Total accumulated other comprehensive income	760	706
Share acquisition rights	2	2
Non-controlling interests	6,196	5,736
Total net assets	141,134	136,010
Total liabilities and net assets	265,038	246,782

(2) Quarterly Consolidated Statements of Income

For the three months ended August 31, 2025

(Millions of yen)

	For the three months ended August 31, 2024	For the three months ended August 31, 2025
Net sales	76,323	76,965
Cost of sales	59,949	59,880
Gross profit	16,374	17,085
Selling, general and administrative expenses	16,810	17,653
Operating loss	(436)	(568)
Non-operating income		
Interest income	15	105
Share of profit of entities accounted for using equity method	12	-
Sponsorship money income	-	225
Subsidy income	9	11
Expo product sales income	-	260
Other	83	154
Total non-operating income	121	757
Non-operating expenses		
Interest expenses	86	78
Share of loss of entities accounted for using equity method	-	13
Commitment fees	7	7
Expo cost of product sales	-	127
Other	70	27
Total non-operating expenses	164	253
Ordinary loss	(479)	(64)
Extraordinary income		
Gain on change in equity	2	2
Gain on sale of non-current assets	56	0
Gain on sale of investment securities	-	4
Total extraordinary income	58	8
Extraordinary losses		
Loss on sale and retirement of non-current assets	26	12
Expo exhibit related expenses	-	520
Total extraordinary losses	26	532
Loss before income taxes	(447)	(588)
Income taxes - current	238	224
Income taxes - deferred	363	(248)
Total income taxes	601	(24)
Loss	(1,049)	(563)
Profit attributable to non-controlling interests	144	43
Loss attributable to owners of parent	(1,194)	(606)

(3) Quarterly Consolidated Statements of Comprehensive Income

For the three months ended August 31, 2025

(Millions of yen)

	For the three months ended August 31, 2024	For the three months ended August 31, 2025
Loss	(1,049)	(563)
Other comprehensive income		
Valuation difference on available-for-sale securities	42	4
Foreign currency translation adjustment	146	(20)
Remeasurements of defined benefit plans, net of tax	(125)	(34)
Share of other comprehensive income of entities accounted for using equity method	0	0
Total other comprehensive income	63	(50)
Comprehensive income	(986)	(613)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,140)	(661)
Comprehensive income attributable to non-controlling interests	154	47

(4) Notes to Going Concern Assumption

None

(5) Notes on Significant Changes in the Shareholders' Equity

None

(6) Segment Information

i) Three months ended August 31, 2024

Information regarding net sales, segment profit (loss) by reporting segment and revenue decomposition

(Millions of yen)

	Reporting segments					Total	Adjustment (Note 1)	Figures in consolidated statements of income (Note 2)
	HR Solutions		Global Solutions	Life Solutions	Regional Revitalization and Tourism Solutions			
	BPO Solutions, Expert Solutions	Career Solutions						
Net sales								
BPO Solutions	33,176	—	—	—	—	33,176	—	33,176
Expert Solutions	33,666	—	—	—	—	33,666	—	33,666
Career Solutions	—	3,294	—	—	—	3,294	—	3,294
Global Solutions	—	—	2,745	—	—	2,745	—	2,745
Life Solutions	—	—	—	1,920	—	1,920	—	1,920
Regional Revitalization and Tourism Solutions	—	—	—	—	1,520	1,520	—	1,520
Revenue from contract with customers	66,842	3,294	2,745	1,920	1,520	76,323	—	76,323
Other revenue	—	—	—	—	—	—	—	—
Sales to outside customers	66,842	3,294	2,745	1,920	1,520	76,323	—	76,323
Intersegment sales and transfers	629	2	42	132	196	1,003	(1,003)	—
Total	67,472	3,297	2,787	2,052	1,716	77,327	(1,003)	76,323
Operating profit (loss)	2,478	975	73	(9)	(408)	3,109	(3,545)	(436)

Notes:

1. Adjustments of ¥(3,545) million with Operating profit (loss) includes corporate expenses of ¥(3,565) million which primarily consist of Group management costs relating to the Company and incubation cost for our new business and the elimination of intersegment transactions of ¥19 million.
2. Operating profit (loss) is adjusted with operating loss under consolidated statements of income.

ii) Three months ended August 31, 2025

Information regarding net sales, segment profit (loss) by reporting segment and revenue decomposition

(Millions of yen)

	Reporting segments					Total	Adjustment (Note 1)	Figures in consolidated statements of income (Note 2)
	HR Solutions		Global Solutions	Life Solutions	Regional Revitalization and Tourism Solutions			
	BPO Solutions, Expert Solutions	Career Solutions						
Net sales								
BPO Solutions	32,447	—	—	—	—	32,447	—	32,447
Expert Solutions	34,557	—	—	—	—	34,557	—	34,557
Career Solutions	—	3,335	—	—	—	3,335	—	3,335
Global Solutions	—	—	2,710	—	—	2,710	—	2,710
Life Solutions	—	—	—	2,102	—	2,102	—	2,102
Regional Revitalization and Tourism Solutions	—	—	—	—	1,810	1,810	—	1,810
Revenue from contract with customers	67,005	3,335	2,710	2,102	1,810	76,965	—	76,965
Other revenue	—	—	—	—	—	—	—	—
Sales to outside customers	67,005	3,335	2,710	2,102	1,810	76,965	—	76,965
Intersegment sales and transfers	745	9	66	127	274	1,223	(1,223)	—
Total	67,751	3,345	2,777	2,229	2,085	78,189	(1,223)	76,965
Operating profit (loss)	2,567	864	26	18	(336)	3,140	(3,709)	(568)

Notes:

- Adjustments of ¥(3,709) million with Operating profit (loss) includes corporate expenses of ¥(3,624) million which primarily consist of Group management costs relating to the Company and incubation cost for our new business and the elimination of intersegment transactions of ¥(84) million.
- Operating profit (loss) is adjusted with operating loss under consolidated statements of income.

(7) Notes to Statements of Cash Flows

Quarterly consolidated statements of cash flows have not been prepared for three months ended August 31, 2025. Depreciation (including amortization related to intangible fixed assets excluding goodwill) and amortization of goodwill for the first quarter of the consolidated fiscal year under review are as follows.

(Millions of yen)

	For the three months ended August 31, 2024	For the three months ended August 31, 2025
Depreciation	605	673
Amortization of goodwill	82	60

(8) Important Subsequent Events

None