



January 14, 2026

Consolidated Financial Results for the Six Months Ended November 30, 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 file semi-annual securities report: January 14, 2026
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (For analysts & institutional investors)

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

1. Consolidated financial results for the six months ended November 30, 2025 (from June 1, 2025 to November 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
November 30, 2025	154,527	0.4	(204)	—	815	330.4	(620)	—
November 30, 2024	153,934	(14.2)	44	(98.9)	189	(95.3)	(3,762)	—

Note: Comprehensive income For the six months ended November 30, 2025: ¥(503) million [—%]
 For the six months ended November 30, 2024: ¥(3,863) million [—%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
November 30, 2025	(16.38)	—
November 30, 2024	(96.01)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
November 30, 2025	237,125	134,858	54.4
May 31, 2025	265,038	141,134	50.9

Reference: Equity As of November 30, 2025: ¥129,045 million
 As of May 31, 2025: ¥134,934 million

Note : Total assets as of November 30, 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 the attached document “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	—	0.00			
Fiscal year ending May 31, 2026 (Forecast)			—	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	—	13.19

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

4. Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual 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 November 30, 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 November 30, 2025:	2,838,434 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)

Six months ended November 30, 2025:	37,899,918 shares
Six months ended November 30, 2024:	39,193,796 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.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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. For the assumptions underlying the earnings forecasts, please refer to the attached document “1. Overview of Operating Results, etc. (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information.”

(Method to obtain materials for financial results)

Supplementary materials for the financial results are available on our website (<https://www.pasonagroup.co.jp/ir/>) as of today, January 14, 2026.

Additionally, we plan to hold the financial results briefing for analysts and institutional investors on January 22, 2026. Presentation materials will be posted on our website (same as above) promptly after the briefing.

Consolidated Financial Results
for the Six Months Ended November 30, 2025

INDEX

1. Overview of Business Results	
(1) Overview of Operating Results for the Period under Review	4
(2) Overview of Financial Position for the Period under Review	7
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information	8
2. Semi-annual Consolidated Financial Statements and Major Notes	
(1) Semi-annual Consolidated Balance Sheets	9
(2) Semi-annual Consolidated Statements of Income	11
(3) Semi-annual Consolidated Statements of Comprehensive Income	12
(4) Semi-annual Consolidated Statements of Cash Flows	13
(5) Notes to Going Concern Assumption	15
(6) Notes on Significant Changes in the Shareholders' Equity	15
(7) Segment Information	16
(8) Important Subsequent Events	17

1. Overview of Business Results

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

i) Business Results for the Six Months ended November 30, 2025

Consolidated Financial Report (June 1, 2025 – November 30, 2025)

(Millions of yen)

	Six months ended November 30, 2024	Six months ended November 30, 2025	Increase/ Decrease	YoY
Net sales	153,934	154,527	+592	+0.4%
Operating profit or loss	44	(204)	(248)	—
Ordinary profit	189	815	+625	+330.4%
Loss attributable to owners of parent	(3,762)	(620)	+3,141	—

During the semi-annual consolidated accounting period (hereinafter referred to as “the current semi-annual period”), the Japanese economy continued its gradual recovery, with improvements in personal consumption and employment conditions persisting, despite impacts from U.S. trade policies and other factors being felt primarily in the automotive industry. Amid these circumstances, the Group's performance saw consolidated sales increase. While sales from BPO Solutions continued to decline due to the peak-out of large-scale contracted projects, sales from Regional Revitalization and Tourism Solutions rose as visitor numbers increased at “Nijigen no Mori.” Furthermore, business expansion in both Expert Solutions and Life Solutions contributed to the overall growth.

Additionally, the gross profit margin improved due to factors such as the growth of the Regional Revitalization and Tourism Solutions business, leading to an increase in gross profit. From a cost perspective, selling, general and administrative expenses increased due to higher personnel costs resulting from 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, operating profit decreased by ¥248 million compared to the same period last year. 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 for the semi-annual period was negative due to the recognition of Expo-related expenses as extraordinary losses, but it improved compared to the same period last year.

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

Segment Information (Figures include intersegment sales)

Consolidated Net Sales by Segment

(Millions of yen)

	Six months ended November 30, 2024	Six months ended November 30, 2025	Increase/ Decrease	YoY
HR Solutions	142,894	142,166	(728)	(0.5)%
BPO Solutions (Contracting, Outsourcing)	67,709	66,180	(1,528)	(2.3)%
Expert Solutions (Temporary staffing)	68,176	68,914	+737	+1.1%
Career Solutions (Placement/Recruiting, Outplacement)	7,008	7,071	+62	+0.9%
Global Solutions (Overseas Human Resource Services)	5,463	5,724	+261	+4.8%
Life Solutions (Childcare support, Life support, etc.)	4,160	4,624	+463	+11.2%
Regional Revitalization and Tourism Solutions	3,494	4,360	+866	+24.8%
Elimination and Corporate	(2,077)	(2,349)	(271)	—
Total	153,934	154,527	+592	+0.4%

Consolidated Operating Profit (Loss) by Segment

(Millions of yen)

	Six months ended November 30, 2024	Six months ended November 30, 2025	Increase/ Decrease	YoY
HR Solutions	7,871	7,484	(387)	(4.9)%
BPO Solutions (Contracting, Outsourcing)	5,468	5,352	(116)	(2.1)%
Expert Solutions (Temporary staffing)				
Career Solutions (Placement/Recruiting, Outplacement)	2,403	2,131	(271)	(11.3)%
Global Solutions (Overseas Human Resource Services)	131	116	(14)	(10.8)%
Life Solutions (Childcare support, Life support, etc.)	74	192	+118	+160.7%
Regional Revitalization and Tourism Solutions	(915)	(531)	+383	—
Elimination and Corporate	(7,117)	(7,466)	(349)	—
Total	44	(204)	(248)	—

HR Solutions **Net sales ¥142,166 million** **Operating profit ¥7,484 million**

[BPO Solutions (Contracting, Outsourcing)] **Net sales ¥66,180 million**

Demand for BPO services remains resilient, driven by corporate structural reform and accelerated DX leveraging digital technologies like AI. However, our company continued to experience sales declines due to the peak-out effect of large-scale contracted projects. Meanwhile, by securing new projects in high-value-added specialized fields, the gross profit margin improved by 0.9 percentage points from the same period last year to 21.9%. Notably, “ProShare,” which resolves corporate management challenges through professional talent-driven, co-creation services, is expanding. Areas such as sales strategy support for client companies and technical support addressing DX needs showed growth. Furthermore, in the public sector, we saw increased demand for reskilling and administrative outsourcing services.

[Expert Solutions (Temporary staffing)] **Net sales ¥68,914 million**

While the domestic job openings-to-applicants ratio shows a declining trend, labor shortages persist, and demand for staffing services remained stable. Although the number of temporary workers deployed remained at the same level as the same period last year, sales increased due to an expansion in the dispatch of experienced senior personnel and an increase in the unit rate for temporary staffing services. Furthermore, during this semi-annual period, the number of registrants has increased by double digits compared to the same period last year due to improved convenience during new registrations. In the second half of the year, we will focus on accelerating contract closures and revising the unit price to reflect improved treatment for dispatched staff.

[BPO Solutions (Contracting, Outsourcing), Expert Solutions (Temporary staffing)]

Operating profit ¥5,352 million

Operating profit for BPO Solutions and Expert Solutions was ¥5,352 million (a 2.1% decrease compared to the same period last year). This decrease compared to the same period last year resulted from lower sales in BPO Solutions combined with an increase in selling, general, and administrative expenses, including IT-related costs, etc.

[Career Solutions (Placement/Recruiting, Outplacement)]

Net sales ¥7,071 million Operating profit ¥2,131 million

In the recruitment agency business, stable demand persisted in the high-caliber career segment where we are strategically focusing, and the average placement fee also increased. On the other hand, while productivity temporarily declined due to the impact of replacing our internal systems during the first quarter and has gradually recovered, sales for the semi-annual period fell short of expectations.

In the Outplacement Support business, demand from companies restructuring their operations amid favorable economic conditions has persisted, leading to increased sales per client. Currently, negotiations for the second half of the year and beyond are progressing, and we are strengthening our service infrastructure to meet this sustained demand.

Global Solutions (Overseas Human Resource Services)

Net sales ¥5,724 million Operating profit ¥116 million

In the United States, BPO services for accounting and payroll operations and recruitment services performed steadily. In Taiwan, recruitment expanded, particularly in the semiconductor manufacturing sector, and BPO services in the HR consulting field also grew. Additionally, in Thailand, segment sales increased as businesses such as recruitment and HR consulting recovered. From a cost perspective, however, profits declined due to increased personnel expenses driven by hiring for sales, consulting, and new business initiatives across countries.

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

Net sales ¥4,624 million Operating profit ¥192 million

In our Childcare Support Services, sales increased due to the expansion of new after-school club operations within Tokyo starting this spring. From a cost perspective, we strengthened income and expenditure management at each facility, and combined with reduced cost, profitability improved.

In the Life Support Business, we expanded childcare support services such as housekeeping assistance, primarily for municipalities in urban areas, leading to an increase in the scale of contracts for this business. Furthermore, during the semi-annual period, we secured contracts for the Expo 2025 Osaka, Kansai, Japan, resulting in increased sales and profits.

Regional Revitalization and Tourism Solutions

Net sales ¥4,360 million Operating profit ¥(531) million

At “Nijigen no Mori” on Awaji Island in Hyogo Prefecture, the limited-time event for the anime “Demon Slayer: Kimetsu no Yaiba” (from March 15, 2025 to December 14, 2025) drew crowds, leading to increased visitor numbers and strong performance in merchandise sales, food and beverage, and lodging services. Additionally, the internationally popular “NARUTO & BORUTO Shinobi-zato” drove inbound tourism, boosting overall facility attendance. From a profit perspective, operating profit improved due to reduced SG&A expenses, achieved through optimizing personnel allocation at Nijigen no Mori and promoting cost efficiency in promotional expenses, etc. Furthermore, visitor numbers increased at the restaurants “HELLO KITTY SMILE” and “HELLO KITTY SHOW BOX,” where guests can enjoy the world of the immensely popular character “Hello Kitty,” driven by the popularity of experiential content and photo spots. As a result, sales increased, absorbing the initial costs of new facilities and improving the operating loss margin.

Eliminations and Corporate Net sales ¥(2,349) million Operating profit ¥(7,466) million

During the current semi-annual period, operating profit decreased year-on-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.

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

i) Status of Assets, Liabilities and Net Assets

As of November 30, 2025, the amount of ¥11,356 million (¥35,319 million at the end of the previous consolidated 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 November 30, 2025 stood at ¥237,125 million, a decrease of ¥27,912 million or 10.5%, compared with May 31, 2025. This was mainly attributable to a decrease of ¥36,367 million in cash and deposits due to the redemption of securities decreasing securities by ¥5,500 million, the decrease in “Deposits received” mentioned above, the acquisition of fixed assets, and payments for dividends and accrued income taxes, among other factors, while notes and accounts receivable-trade and contract assets increased by ¥3,832 million, tangible fixed assets increased by ¥8,470 million mainly due to regional development projects, and other intangible fixed assets increased by ¥1,292 million due to system investments and other factors.

Liabilities

Total liabilities as of November 30, 2025 stood at ¥102,266 million, a decrease of ¥21,637 million or 17.5%, compared with May 31, 2025. This was mainly attributable to a decrease of ¥24,445 million in deposits received due to the above-mentioned contracted projects, etc., and a decrease of ¥1,383 million in accounts payable, and other factors, while long-term borrowings increased by ¥8,433 million due to financing activities.

Net Assets

Net assets as of November 30, 2025 stood at ¥134,858 million, a decrease of ¥6,275 million or 4.4%, compared with May 31, 2025. This was mainly attributable to a decrease in retained earnings of ¥3,577 million due to a semi-annual net loss attributable to owners of parent of ¥620 million, dividend payments of ¥2,956 million and an increase in treasury share of ¥2,265 million due to acquisition of treasury share.

As a result, Equity ratio as of November 30, 2025 was 54.4% (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 ¥225,769 million (¥229,719 million at the end of the previous fiscal year), and Equity ratio 57.2% (58.7% at the end of the previous fiscal year).

ii) Status of Cash Flows

Cash and cash equivalents (hereafter “net cash”) as of November 30, 2025 decreased by ¥14,927 million, compared with May 31, 2025, to ¥63,737 million. Net cash does not include "cash and deposits" commensurate with temporary "deposits" from customers related to contracted projects.

(Cash Flows from Operating Activities)

Net cash used in operating activities totaled ¥6,621 million (¥1,845 million decrease in the same period of the previous consolidated fiscal year).

The increase in net cash was mainly due to depreciation and amortization of ¥1,372 million (¥1,317 million in the same period of the previous fiscal year).

The decrease in net cash was mainly due to an increase in accounts receivable-trade and contract assets of ¥3,840 million (an increase of ¥3,993 million for the same period), and a decrease in operating liabilities of ¥2,056 million (a decrease of ¥975 million in the same period of previous fiscal year), and payments of ¥1,429 million for income taxes (a refund of ¥293 million in the same period of the previous fiscal year).

(Cash Flows from Investing Activities)

Net cash used in investing activities totaled ¥10,149 million (¥31,567 million decrease in the same period of the previous fiscal year).

The increase in net cash was mainly due to an increase in funds, which proceeds from the redemption of securities of ¥13,500 million (none in the same period of the previous fiscal year), among others.

The decrease in net cash was mainly due to an increase of time deposits of ¥2,518 million (¥7,482 million in the same period of the previous fiscal year), payments for purchase of investment securities of ¥8,000 million (¥8,500 million in the same period of the previous fiscal year), property, plant and equipment of ¥10,120 million (¥10,483 million in the same period of the previous fiscal year) associated with the purchases of tangible assets in the Regional Revitalization business, and an increase of ¥2,078 million for the acquisition of intangible fixed assets associated with system investments (¥1,572 million in the same period of the previous fiscal year), among others.

(Cash Flows from Financing Activities)

Net cash used in financing activities totaled ¥1,786 million (¥8,592 million decrease in the same period of the previous fiscal year).

The increase in net cash was mainly due to proceeds from long-term borrowings of ¥11,000 million (none in the same period of the previous fiscal year), etc.

The decrease in net cash was mainly due to repayment of long-term borrowings of ¥2,863 million (¥4,518 million in the same period of the previous year), the purchase of treasury shares of ¥2,467 million (none in the same period of the previous fiscal year), and cash dividends paid of ¥3,512 million (¥3,414 million in the same period of the previous year), etc.

(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 sales structure and drive new business growth, striving for sustainable corporate growth and further enhancement of corporate value.

For the fiscal year ending May 2026, BPO Solutions experienced a sales decline due to the peak-out of large-scale contracted projects. However, demand for BPO Solutions remains steady. We are improving gross profit margin by enhancing the high value-added nature of BPO services and optimizing operational efficiency. For Expert Solutions, we plan to further increase the unit price of staffing rates and expand business in specialized fields starting in the second half of the fiscal year. Regarding Regional Revitalization and Tourism Solutions, while facilities will experience closures for winter maintenance during the third quarter, we are planning services utilizing popular anime and characters this spring. We are working to expand earnings by implementing further customer attraction measures, branding strategies, and enhancing customer experience value.

As part of our cost control measures, we will reduce costs by accelerating the launch of new businesses and thoroughly optimizing personnel allocation and equipment across all business units.

There are no changes to the full-year consolidated earnings forecast for the fiscal year ending May 2026 from the forecast announced on July 15, 2025.

2. Semi-annual Consolidated Financial Statements and Major Notes

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of May 31, 2025	As of November 30, 2025
Assets		
Current assets		
Cash and deposits	124,771	88,403
Notes and accounts receivable - trade, and contract assets	41,272	45,104
Securities	14,500	9,000
Inventories	2,352	2,620
Other	6,100	5,065
Allowance for doubtful accounts	(48)	(47)
Total current assets	188,948	150,147
Non-current assets		
Property, plant and equipment	47,145	55,615
Intangible assets		
Goodwill	815	705
Other	6,802	8,095
Total intangible assets	7,617	8,800
Investments and other assets		
Other	21,245	22,495
Allowance for doubtful accounts	(11)	(16)
Total investments and other assets	21,233	22,478
Total non-current assets	75,997	86,895
Deferred assets	92	82
Total assets	265,038	237,125

(Millions of yen)

	As of May 31, 2025	As of November 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	2,771	1,388
Short-term borrowings	6,043	5,791
Accrued expenses	18,596	18,047
Income taxes payable	1,621	1,126
Deposits received	38,741	14,295
Provision for bonuses	4,217	4,291
Provision for bonuses for directors (and other officers)	20	7
Asset retirement obligations	66	31
Other	15,650	14,025
Total current liabilities	87,728	59,005
Non-current liabilities		
Bonds payable	2,100	1,835
Long-term borrowings	23,671	32,105
Provision for share awards for directors (and other officers)	253	253
Allowance for stock benefit for employee	278	278
Retirement benefit liability	2,359	2,322
Asset retirement obligations	2,923	2,926
Other	4,589	3,540
Total non-current liabilities	36,175	43,261
Total liabilities	123,904	102,266
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	15,963	15,962
Retained earnings	115,788	112,210
Treasury shares	(2,577)	(4,842)
Total shareholders' equity	134,174	128,330
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	95	102
Foreign currency translation adjustment	530	544
Remeasurements of defined benefit plans	133	67
Total accumulated other comprehensive income	760	714
Share acquisition rights	2	2
Non-controlling interests	6,196	5,810
Total net assets	141,134	134,858
Total liabilities and net assets	265,038	237,125

(2) Semi-annual Consolidated Statements of Income

Semi-annual Consolidated Statement of Income

(Millions of yen)

	For the six months ended November 30, 2024	For the six months ended November 30, 2025
Net sales	153,934	154,527
Cost of sales	120,040	119,299
Gross profit	33,894	35,227
Selling, general and administrative expenses	33,850	35,431
Operating profit (loss)	44	(204)
Non-operating income		
Interest income	35	177
Share of profit of entities accounted for using equity method	42	98
Sponsorship money income	86	542
Subsidy income	54	27
Expo product sales income	-	531
Other	246	341
Total non-operating income	465	1,717
Non-operating expenses		
Interest expenses	175	183
Commitment fees	15	165
Expo cost of product sales	-	269
Other	129	80
Total non-operating expenses	319	698
Ordinary profit	189	815
Extraordinary income		
Gain on change in equity	4	5
Gain on sale of non-current assets	56	1
Gain on sale of investment securities	-	4
Total extraordinary income	61	11
Extraordinary losses		
Loss on sale and retirement of non-current assets	34	48
Impairment losses	-	161
Expo exhibit-related expenses	2,571	969
Total extraordinary losses	2,605	1,180
Loss before income taxes	(2,355)	(353)
Income taxes - current	1,006	912
Income taxes - deferred	124	(803)
Total income taxes	1,130	109
Loss	(3,485)	(463)
Profit attributable to non-controlling interests	276	157
Loss attributable to owners of parent	(3,762)	(620)

(3) Semi-annual Consolidated Statements of Comprehensive Income

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended November 30, 2024	For the six months ended November 30, 2025
Loss	(3,485)	(463)
Other comprehensive income		
Valuation difference on available-for-sale securities	(16)	9
Foreign currency translation adjustment	(110)	19
Remeasurements of defined benefit plans, net of tax	(250)	(68)
Share of other comprehensive income of entities accounted for using equity method	(0)	0
Total other comprehensive income	(377)	(39)
Comprehensive income	(3,863)	(503)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(4,133)	(666)
Comprehensive income attributable to non-controlling interests	269	163

(4) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended November 30, 2024	For the six months ended November 30, 2025
Cash flows from operating activities		
Loss before income taxes	(2,355)	(353)
Depreciation	1,317	1,372
Impairment losses	-	161
Amortization of goodwill	167	109
Increase (decrease) in allowance for doubtful accounts	0	2
Increase (decrease) in provision for bonuses	30	69
Increase (decrease) in provision for bonuses for directors (and other officers)	(6)	(12)
Increase (decrease) in retirement benefit liability	(14)	(47)
Decrease (increase) in retirement benefit asset	(455)	(214)
Interest and dividend income	(58)	(189)
Interest expenses	175	183
Subsidy income	(54)	(27)
Sponsorship income	(86)	(542)
Share of loss (profit) of entities accounted for using equity method	(42)	(98)
Loss (gain) on change in equity	(4)	(5)
Loss (gain) on sale and retirement of non-current assets	(22)	47
Loss (gain) on sale of investment securities	-	(4)
Decrease (increase) in accounts receivable - trade, and contract assets	(3,993)	(3,840)
Increase (decrease) in trade payables	(975)	(2,056)
Increase (decrease) in accrued consumption taxes	872	1,058
Other, net	3,355	(1,432)
Subtotal	(2,149)	(5,819)
Interest and dividends received	46	213
Interest paid	(177)	(155)
Subsidies received	54	27
Support money received	86	542
Income taxes refund (paid)	293	(1,429)
Net cash provided by (used in) operating activities	(1,845)	(6,621)
Cash flows from investing activities		
Decrease (increase) in time deposits	(7,482)	(2,518)
Purchase of securities	(8,500)	(8,000)
Proceeds from redemption of securities	-	13,500
Purchase of property, plant and equipment	(10,483)	(10,120)
Proceeds from sale of property, plant and equipment	60	2
Purchase of intangible assets	(1,572)	(2,078)
Purchase of investment securities	(3,738)	(539)
Proceeds from sale of investment securities	-	19
Loan advances	(3)	(17)
Payments of leasehold and guarantee deposits	(61)	(501)
Proceeds from refund of leasehold and guarantee deposits	720	128
Payments for acquisition of businesses	(491)	-
Other, net	(14)	(24)
Net cash provided by (used in) investing activities	(31,567)	(10,149)

(Millions of yen)

	For the six months ended November 30, 2024	For the six months ended November 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(195)	48
Proceeds from long-term borrowings	-	11,000
Repayments of long-term borrowings	(4,518)	(2,863)
Redemption of bonds	(293)	(265)
Repayments of finance lease liabilities	(183)	(161)
Purchase of treasury shares	(0)	(2,467)
Purchase of treasury shares of subsidiaries	(0)	-
Dividends paid	(3,014)	(2,953)
Dividends paid to non-controlling interests	(400)	(559)
Other, net	12	7
Net cash provided by (used in) financing activities	(8,592)	1,786
Effect of exchange rate change on cash and cash equivalents	(100)	57
Net increase (decrease) in cash and cash equivalents	(42,106)	(14,927)
Cash and cash equivalents at beginning of period	137,047	78,664
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	2	-
Cash and cash equivalents at end of period	94,942	63,737

(5) Notes to Going Concern Assumption

None

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

None

(7) Segment Information

i) Six months ended November 30, 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	66,659	—	—	—	—	66,659	—	66,659
Expert Solutions	67,950	—	—	—	—	67,950	—	67,950
Career Solutions	—	6,994	—	—	—	6,994	—	6,994
Global Solutions	—	—	5,366	—	—	5,366	—	5,366
Life Solutions	—	—	—	3,894	—	3,894	—	3,894
Regional Revitalization and Tourism Solutions	—	—	—	—	3,069	3,069	—	3,069
Revenue from contract with customers	134,609	6,994	5,366	3,894	3,069	153,934	—	153,934
Other revenue	—	—	—	—	—	—	—	—
Sales to outside customers	134,609	6,994	5,366	3,894	3,069	153,934	—	153,934
Intersegment sales and transfers	1,276	13	96	266	424	2,077	(2,077)	—
Total	135,886	7,008	5,463	4,160	3,494	156,012	(2,077)	153,934
Operating profit (loss)	5,468	2,403	131	74	(915)	7,161	(7,117)	44

Notes:

1. Adjustments of ¥(7,117) million with Operating profit (loss) includes corporate expenses of ¥(7,174) 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 ¥57 million.
2. Operating profit (loss) is adjusted with operating loss under consolidated statements of income.

ii) Six months ended November 30, 2025

1.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	64,991	—	—	—	—	64,991	—	64,991
Expert Solutions	68,657	—	—	—	—	68,657	—	68,657
Career Solutions	—	7,060	—	—	—	7,060	—	7,060
Global Solutions	—	—	5,589	—	—	5,589	—	5,589
Life Solutions	—	—	—	4,362	—	4,362	—	4,362
Regional Revitalization and Tourism Solutions	—	—	—	—	3,865	3,865	—	3,865
Revenue from contract with customers	133,649	7,060	5,589	4,362	3,865	154,527	—	154,527
Other revenue	—	—	—	—	—	—	—	—
Sales to outside customers	133,649	7,060	5,589	4,362	3,865	154,527	—	154,527
Intersegment sales and transfers	1,445	11	134	262	495	2,349	(2,349)	—
Total	135,095	7,071	5,724	4,624	4,360	156,876	(2,349)	154,527
Operating profit (loss)	5,352	2,131	116	192	(531)	7,262	(7,466)	(204)

Notes:

1. Adjustments of ¥(7,466) million with Operating profit (loss) includes corporate expenses of ¥(7,419) 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 ¥(46) million.
2. Operating profit (loss) is adjusted with operating loss under consolidated statements of income.

2. Information on impairment losses on fixed assets or goodwill, etc., by reportable segment

An impairment loss on fixed assets has been recorded in the “BPO Solutions, Expert Solutions” segment.

The amount of this impairment loss recorded during the current semi-annual consolidated accounting period is ¥161 million.

(8) Important Subsequent Events

None