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June 27, 2025

To whom it may concern,

Listed company name	Pasona Group Inc.
Listing stock exchange:	Tokyo Stock Exchange Prime Market
Securities code number:	2168
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Notice on Recording of Extraordinary Losses and Revision of Full-Year Consolidated Financial Forecasts for the Fiscal Year Ended May 2025

Pasona Group Inc. (the Company) announces that it has recorded an extraordinary loss in its consolidated financial results for the fiscal year ended May 31, 2025 and has revised its consolidated business forecast for the full fiscal year ended May 31, 2025 announced on January 14, 2025, based on recent performance trends, as follows.

The dividend forecast remains unchanged from the previous forecast.

1. Recording of Extraordinary Losses

We are exhibiting the “PASONA NATUREVERSE” pavilion at the 2025 Osaka-Kansai Expo, promoting a well-being society that realizes physical, mental, and social health, as well as a truly prosperous society where everyone can live vibrantly and enrich their hearts. Since its opening, the pavilion has been very popular, attracting nearly 1 million visitors and receiving daily coverage in many media outlets.

The pavilion was scheduled to be relocated to Awaji Island in Hyogo Prefecture after the Expo closed, but due to the temporary expenses incurred for the relocation of the pavilion and items that are not expected to be used, we recorded ¥2,571 million as extraordinary losses related to Expo exhibition expenses during the interim period. In addition, in the current second half of the fiscal year, extraordinary expenses incurred after the interim period such as facility-related and operation-related temporary costs will be recorded as extraordinary losses as Expo exhibit related expenses. As a result, Expo-related expenses totaling approximately ¥4,830 million for the consolidated fiscal year and approximately ¥4,840 million for the non-consolidated fiscal year are expected to be recorded as extraordinary losses.

2. Consolidated Business Forecast for the Fiscal Year Ended May 31, 2025

(From June 1, 2024 to May 31, 2025)

(in millions of yen unless otherwise specified)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share (yen)
Previous forecast (A) Announced on January 14., 2025	320,000	1,700	2,000	(4,300)	—
Revised forecast (B)	309,200	(1,250)	(450)	(8,650)	—
Change (B—A)	(10,800)	(2,950)	(2,450)	(4,350)	
Change (%)	(3.4)	—	—	—	
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)			

3. Reasons for Revision of Consolidated Business Forecasts for the Fiscal Year Ended May 31, 2025

In the current fiscal year, we planned for a decrease in net sales from the previous fiscal year due to the discontinuation of the Outsourcing segment at the beginning of the current consolidated fiscal year as a result of the sale of shares in a consolidated subsidiary in the previous fiscal year, as well as the peak-out of large-scale BPO Solution projects. Under these circumstances, although we made progress in acquiring new BPO demand associated with productivity improvements and DX promotion at companies experiencing expanding demand, the acquisition of projects did not grow as much as expected toward the end of the fiscal year, and sales are expected to fall short of the previous forecast. In the Expert Solutions business, although the number of temporary workers exceeded the previous year's figures on a monthly basis from April onwards, it is unlikely to reach the previous forecast. These shortfalls in sales have affected profits, which are now expected to fall short of the previous forecast. Career Solutions are expected to exceed initial forecasts, but due to longer-than-expected employment decision periods in the reemployment support business, results are not expected to reach the previous forecast.

In addition to these factors, we have revised our consolidated earnings forecast for the fiscal year ended May 2025, because the aforementioned expenses related to the Expo exhibit were recorded as an extraordinary losses.

4. Forecast for consolidated results for the fiscal year ending May 2026

Regarding the business outlook for each segment in the next fiscal year, BPO Solutions are expected to continue to be affected by the peak-out effect of large-scale contracted projects, as in the current fiscal year. However, Expert Solutions are currently exceeding the current fiscal year's results, and we will continue to improve gross profit margins with the aim of expanding operating profit. Career Solutions and Global Solutions are also performing steadily, and Regional Revitalization & Tourism Solutions, which are seeing a narrowing of losses, will continue to improve profitability, mainly at existing facilities, by further strengthening inbound tourism. As a result, we plan to improve earnings and return to profitability.

The full-year consolidated earnings forecast for the fiscal year ending May 2026 will be announced on July 15, 2025, together with the current fiscal year's financial results.

*Please note that the above forecasts are based on currently available information and that actual results may differ from these forecasts due to various factors.