

Results for the First Quarter of the Fiscal Year Ending May 31, 2021

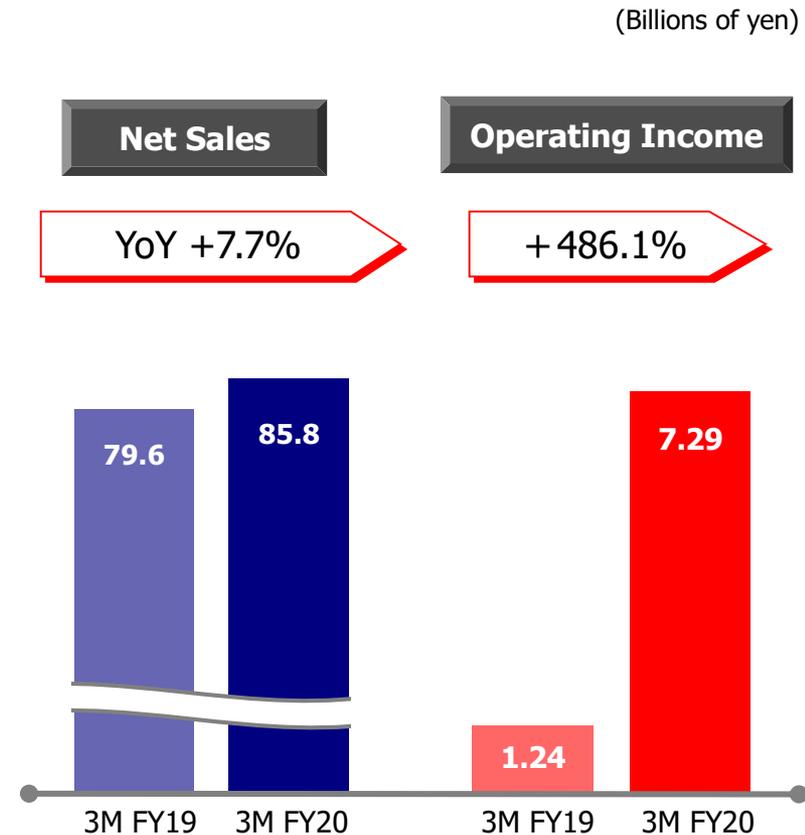
**FY2020 (June 1, 2020 - May 31, 2021)
Three months ended August 31, 2020**

Pasona Group Inc.
First Section TSE (2168)

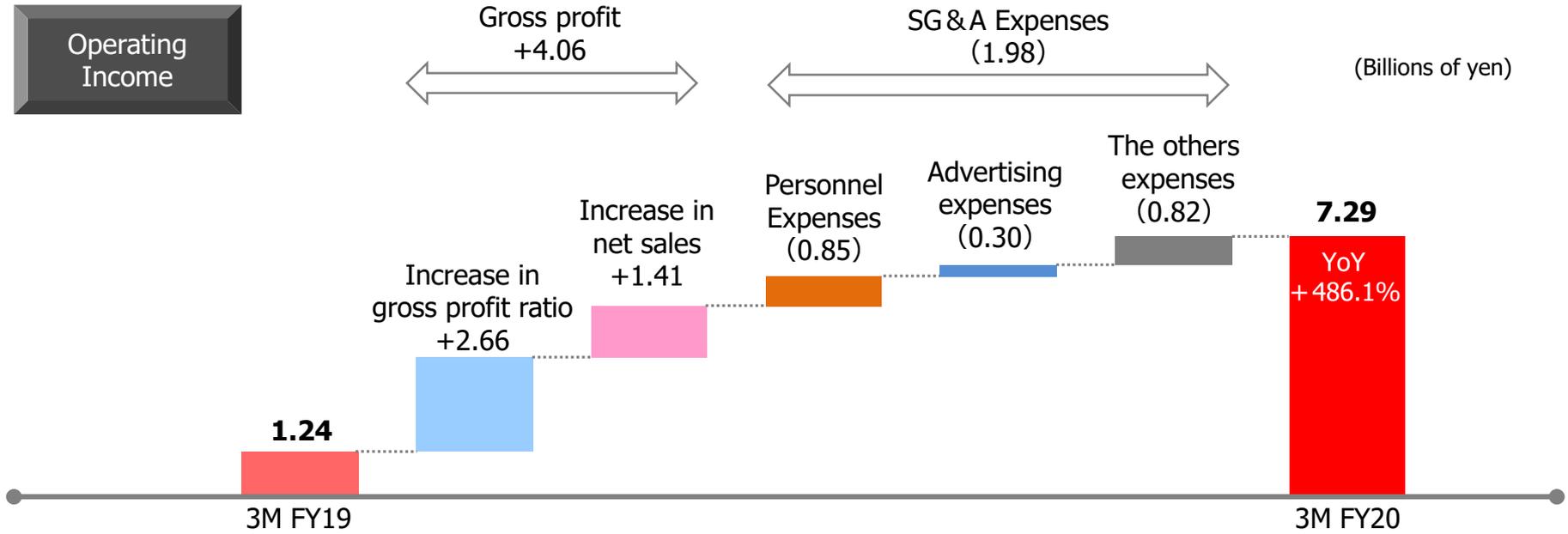
October 15, 2020
www.pasonagroup.co.jp/english

Consolidated Results

| (Millions of yen) | 3M FY19 | (%) | 3M FY20 | (%) | Increase /Decrease |
|---|---------|-------|---------|-------|--------------------------------|
| Net sales | 79,626 | 100.0 | 85,751 | 100.0 | +6,125 +7.7% |
| Cost of sales | 61,356 | 77.1 | 63,419 | 74.0 | +2,063 +3.4% |
| Gross profit | 18,270 | 22.9 | 22,332 | 26.0 | +4,062 +22.2% |
| SG&A expenses | 17,026 | 21.4 | 15,044 | 17.5 | (1,981) (11.6)% |
| Operating income | 1,243 | 1.6 | 7,287 | 8.5 | +6,044 +486.1% |
| Ordinary income | 930 | 1.2 | 7,357 | 8.6 | +6,427 ¹ +691.0% |
| Profit attributable to owners of parent | 46 | 0.1 | 4,064 | 4.7 | +4,018 +8,650.2% |
| Gross profit ratio | 22.9% | | 26.0% | | +3.1pt |
| Operating income ratio | 1.6% | | 8.5% | | +6.9pt |



Operating Income



| | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | 3M FY19 | 3M FY20 |
|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|---------|
| Gross Profit ratio | 18.8% | 18.6% | 19.3% | 19.3% | 20.3% | 20.0% | 20.2% | 21.5% | 22.8% | 23.6% | 22.9% | 26.0% |
| SG&A ratio | 17.4% | 17.5% | 17.8% | 17.7% | 18.7% | 18.6% | 18.6% | 19.4% | 20.0% | 20.3% | 21.4% | 17.5% |
| Operating Income ratio | 1.4% | 1.1% | 1.5% | 1.5% | 1.5% | 1.5% | 1.6% | 2.1% | 2.9% | 3.3% | 1.6% | 8.5% |

Major Item of Increase/Decrease

- **Gross profit** increased due to improved profitability of BPO services through efficient management.
- **SG&A** expenses decreased due to reassignment of employees and reduction of sales-related expenses such as advertising and travel expenses.

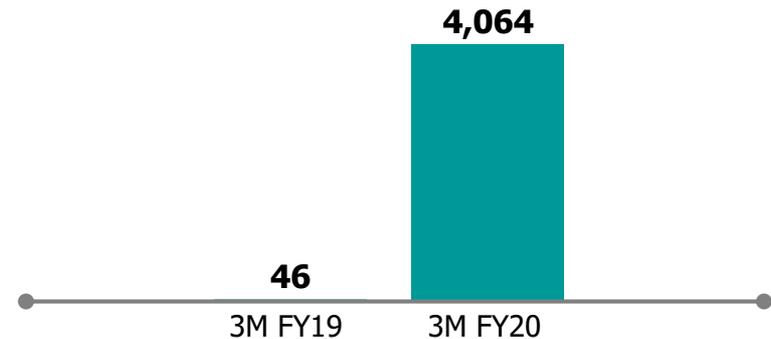
Non-operating/Extraordinary income (loss), Others

| (Millions of yen) | 3M FY19 | 3M FY20 | Increase/ Decrease | YoY |
|--|---------|---------|-----------------------|-----------|
| Operating income | 1,243 | 7,287 | +6,044 | +486.1% |
| Non-operating income | 357 | 447 | +90 | +25.2% |
| Non-operating expenses | 670 | 377 | (293) | (43.8)% |
| Ordinary income | 930 | 7,357 | +6,427 | +691.0% |
| Extraordinary income | - | - | - | - |
| Extraordinary loss | 11 | 73 | +62 | +549.1% |
| Income before income taxes | 918 | 7,284 | +6,365 | +692.8% |
| Income taxes - current | (202) | 2,472 | +2,674 | - |
| Income taxes - deferred | 480 | 67 | (412) | (85.9)% |
| Income taxes | 278 | 2,540 | +2,261 | +812.1% |
| Profit attributable to non-controlling interests | 593 | 679 | +85 | +14.4% |
| Profit attributable to owners of parent | 46 | 4,064 | +4,018 | +8,650.2% |

Profit attributable to owners of parent

(Millions of yen)

YoY +8,650.2%



Major Item of Increase/Decrease

● **Non-operating expenses**

- Commission fee (409)million
- Share of loss of entities accounted for using equity method +86million

(YoY)

Consolidated Results by Segment

(Millions of yen)

| Segment | | Net sales | | | | Operating income (loss) | | | | Operating income ratio | | |
|----------|---|-----------|---------|-----------------------|---------|-------------------------|---------|-----------------------|---------|------------------------|---------|-----------------------|
| | | 3M FY19 | 3M FY20 | Increase/ Decrease | YoY | 3M FY19 | 3M FY20 | Increase/ Decrease | YoY | 3M FY19 | 3M FY20 | Increase/ Decrease |
| ① | Expert Services (Temporary Staffing) | 38,011 | 38,008 | (3) | (0.0)% | | | | | | | |
| ② | BPO Services (Contracting) | 23,765 | 32,140 | +8,374 | +35.2% | 1,528 | 7,197 | +5,669 | +371.0% | 2.4% | 10.0% | +7.6pt |
| ③ | HR Consulting , Education & Training , Others. | 2,339 | 1,504 | (835) | (35.7)% | | | | | | | |
| ④ | Global Sourcing (Overseas) | 2,060 | 1,658 | (401) | (19.5)% | 125 | (83) | (208) | - | 6.1% | - | - |
| Subtotal | | 66,177 | 73,312 | +7,134 | +10.8% | 1,653 | 7,114 | +5,460 | +330.2% | 2.5% | 9.7% | +7.2pt |
| ⑤ | Career Solutions (Placement/ Recruiting, Outplacement) | 3,309 | 3,061 | (247) | (7.5)% | 673 | 625 | (48) | (7.2)% | 20.3% | 20.4% | +0.1pt |
| ⑥ | Outsourcing | 8,679 | 8,248 | (430) | (5.0)% | 1,916 | 2,181 | +264 | +13.8% | 22.1% | 26.4% | +4.3pt |
| ⑦ | Life Solutions | 1,527 | 1,563 | +36 | +2.4% | (12) | 41 | +53 | - | - | 2.7% | - |
| ⑧ | Regional Revitalization Solutions | 815 | 479 | (336) | (41.2)% | (517) | (575) | (57) | - | - | - | - |
| ⑨ | Eliminations and Corporate | (882) | (913) | (31) | - | (2,470) | (2,099) | +371 | - | - | - | - |
| Total | | 79,626 | 85,751 | +6,125 | +7.7% | 1,243 | 7,287 | +6,044 | +486.1% | 1.6% | 8.5% | +6.9pt |

Balance Sheet

(Billions of yen)

| Major Item of Increase/Decrease | May 31,2020 | Aug 31,2020 | Increase/ Decrease |
|--|-------------|-------------|-----------------------|
| Assets | 140.4 | 133.2 | (7.2) |
| Current assets | 101.0 | 93.1 | (7.9) |
| Cash and deposits | 49.1 | 45.6 | (3.5) |
| Notes and accounts receivable-trade | 42.7 | 38.3 | (4.5) |
| Non-current assets | 39.3 | 40.0 | +0.7 |
| Property, plant and equipment | 16.6 | 17.9 | +1.3 |
| Intangible assets | 7.2 | 6.8 | (0.3) |
| Investments and other assets | 15.5 | 15.2 | (0.3) |
| Liabilities | 98.1 | 88.7 | (9.4) |
| Current liabilities | 64.5 | 55.9 | (8.5) |
| Accounts payable-trade | 5.7 | 3.0 | (2.7) |
| Short-term loans payable | 8.6 | 8.6 | +0.0 |
| Other | 50.1 | 44.3 | (5.9) |
| Non-current liabilities | 33.6 | 32.8 | (0.9) |
| Bonds payable | 2.5 | 2.5 | ±0.0 |
| Long-term loans payable | 23.2 | 22.6 | (0.6) |
| Net assets | 42.3 | 44.5 | +2.2 |
| Shareholders' equity | 31.4 | 34.7 | +3.3 |
| Capital surplus | 14.0 | 14.0 | (0.0) |
| Retained earnings | 14.8 | 18.1 | +3.3 |
| Treasury shares | (2.4) | (2.4) | +0.0 |
| Total accumulated other comprehensive income | 0.5 | 0.6 | +0.1 |
| Non-controlling interests | 10.5 | 9.3 | (1.2) |
| Equity ratio | 22.7% | 26.5% | +3.8pt |

Major Item of Increase/Decrease

【 Current assets 】

Decrease in cash to pay dividends and corporate taxes
(3.5) billion
Decrease in accounts receivable-trade
(4.5) billion

【 Liabilities 】

Decrease in accounts payable
(2.7) billion
Decrease in unpaid corporate taxes
(1.7) billion
Decrease in unpaid expenses due to business
holidays at the end of the previous fiscal year
(1.9) billion

【 Retained earnings 】

Net income
+4.1 billion
Pay for dividends
(0.8) billion

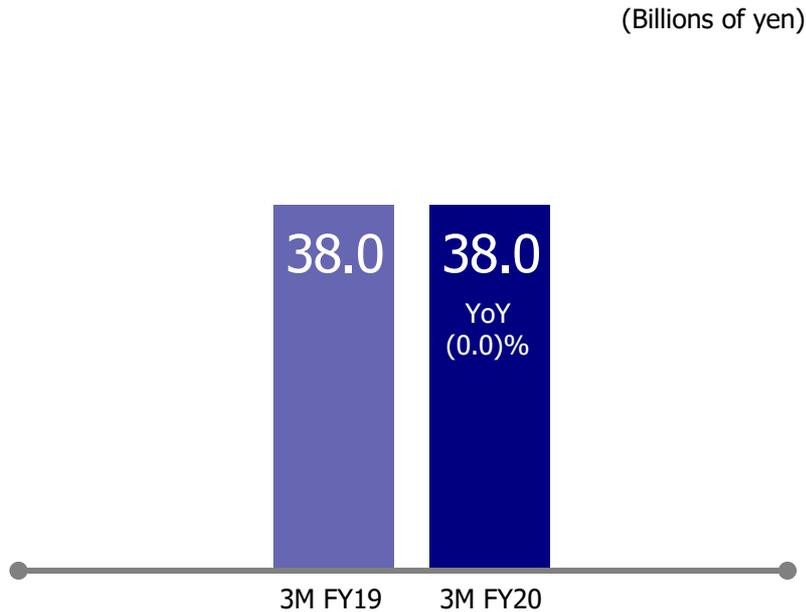
【 Non-controlling interests 】

Benefit One earnings distribution
+0.7 billion
Dividends paid by Benefit One
(2.0) billion

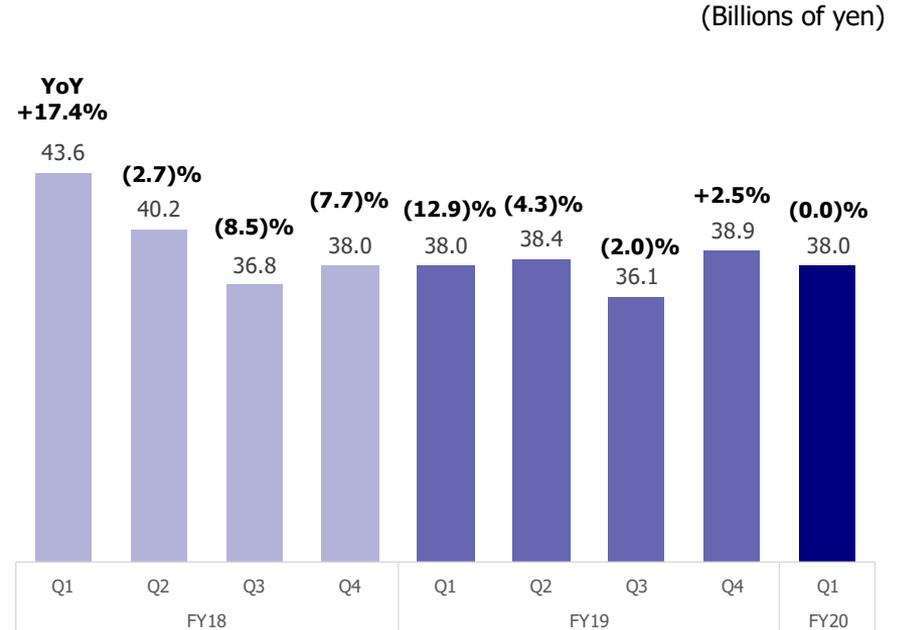
Segment information

Expert Services (Temporary staffing)

Net Sales



Sales Trends



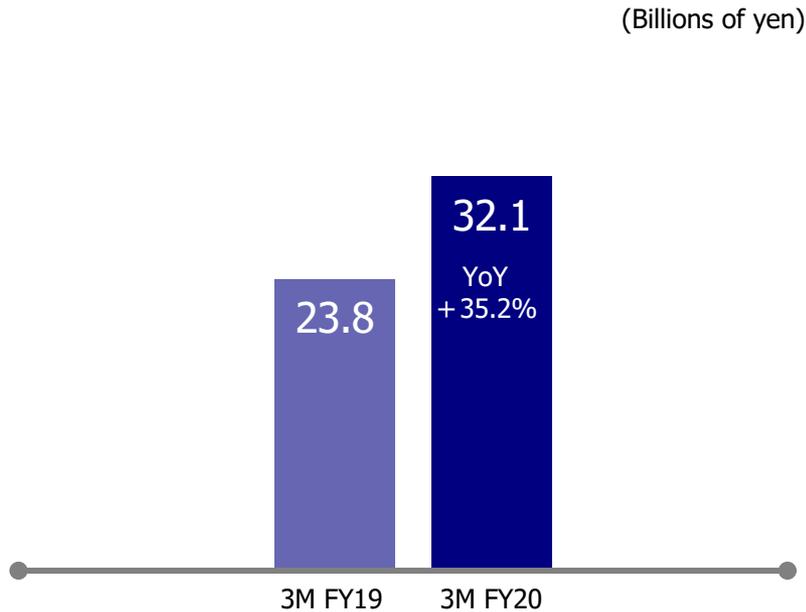
※ Graph figures are reclassified into new segment classifications after FY18.

Business Conditions (3M FY20 result)

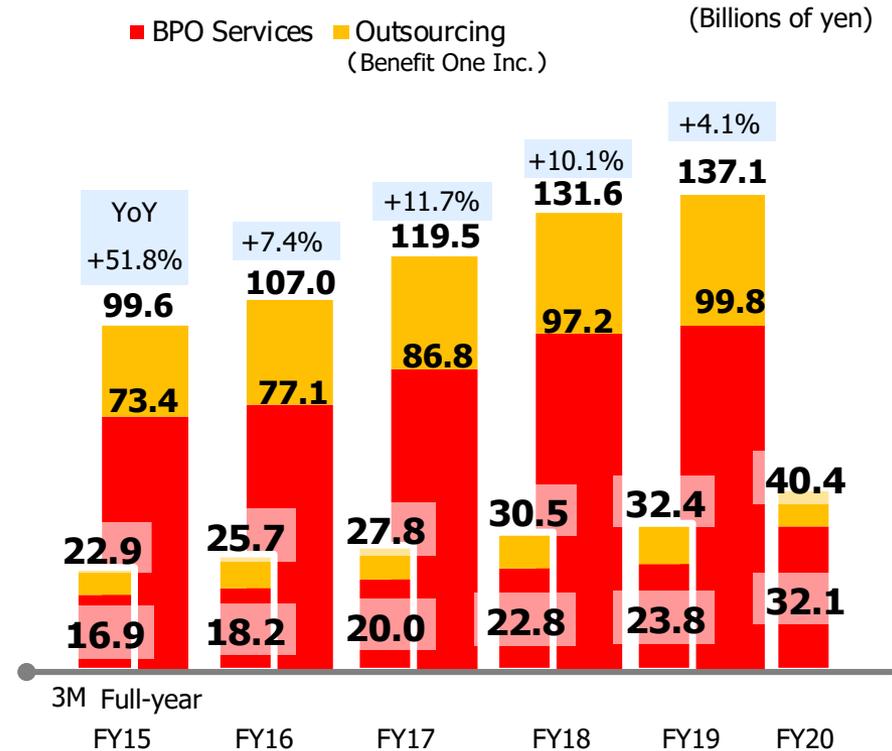
- Demand for new dispatch declines due to uncertain economic outlook. The rate of decline in dispatched staffing orders has recovered since the previous fourth quarter, but it remains severe.
- Billing unit price rises due to improved treatment on price revision and measures equal pay for equal work from April 2020.

BPO Services (Contracting)

Net Sales



BPO Services , Outsourcing Sales Trends



Business Conditions (3M FY20 result)

- Corporate needs for outsourcing services to improve operational efficiency and strategically utilize external human resources is expanding.
- In response to the demand from private companies promoting operational efficiency and the temporary demand from the public sector to prevent the spread of the new coronavirus infection, we implemented appropriate allocation of existing human resources and effective use of office space.

※ Graph figures are reclassified into new segment classifications after FY18.

Global Sourcing (Overseas)

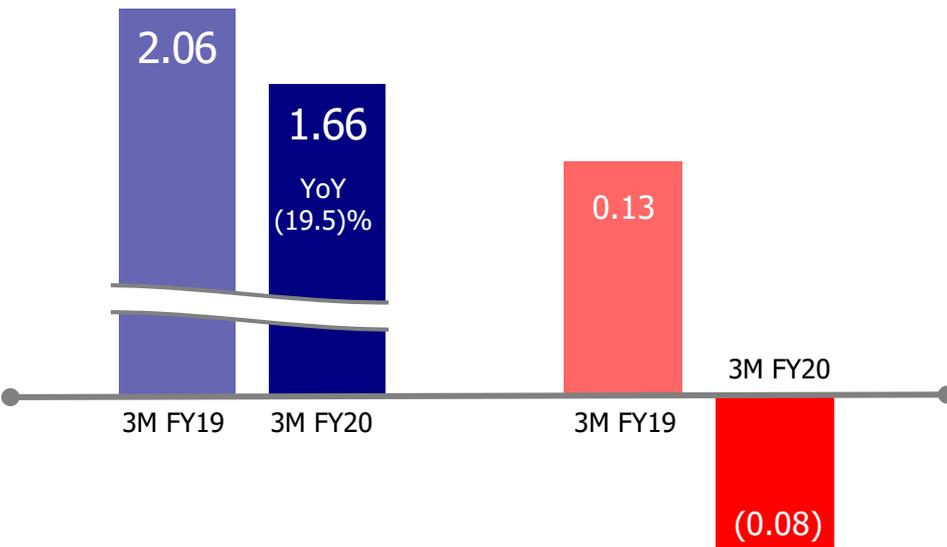
Net Sales

Operating Income

Sales by Business Segment

(Billions of yen)

(Millions of yen)



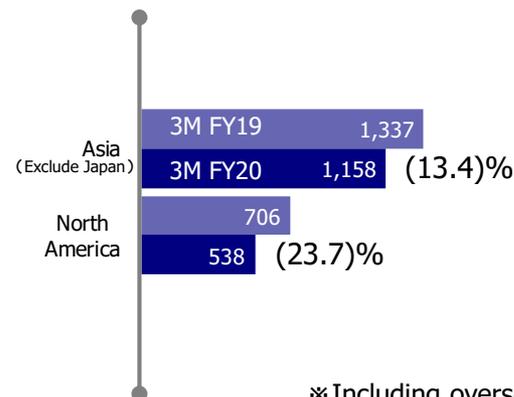
| | 3M FY19 | 3M FY20 | YoY |
|-------------------------------|--------------|--------------|----------------|
| Temporary Staffing | 940 | 918 | (2.4)% |
| Placement / Recruiting | 505 | 284 | (43.6)% |
| Contracting (Payroll, others) | 477 | 314 | (34.2)% |
| Others | 137 | 141 | +3.3% |
| Total | 2,060 | 1,658 | (19.5)% |

Business Conditions (3M FY20 result)

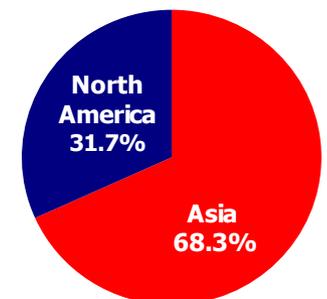
- Global demand for human resources services is still shrinking and continuing severe conditions.
- PT. Dutagriya Sarana in Indonesia is performing well due to the large number of logistics dispatches with active demand.
- Promoting diversification of human resources services suitable for the region, such as an online education and training, expansion of BPO services.

Sales by Region

(Millions of yen)



Sales composition

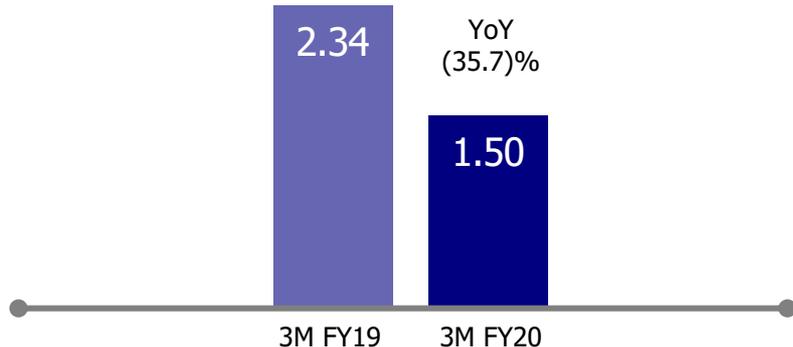


※ Including overseas outsourcing

HR Consulting , etc. / Operating Income by Segments

Net Sales (HR Consulting , Education & Training , Others.)

(Billions of yen)

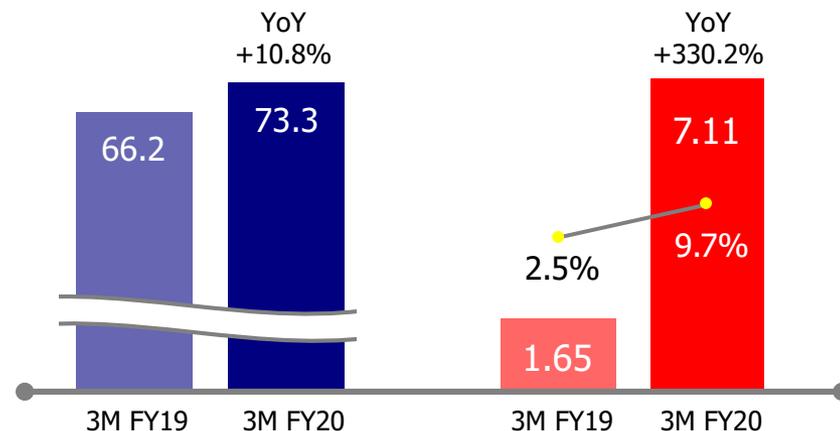


Business Conditions (3M FY20 result)

- Group-type training including for new employees has been canceled or postponed.
- Decrease in direct employment of dispatched staff.

Net Sales(ES~GS)

※ ES~GS: Expert Service ,
BPO Services ,
HR Consulting ,
Global Sourcing

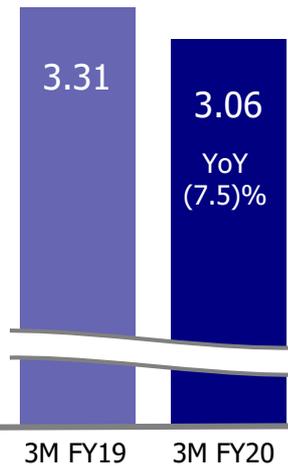


Business Conditions (3M FY20 result)

- Operating income increased significantly as a result of improving profitability of BPO services, promoting operational efficiency and curbing SG&A expenses.

Career Solutions (Placement/Recruiting , Outplacement)

Net Sales



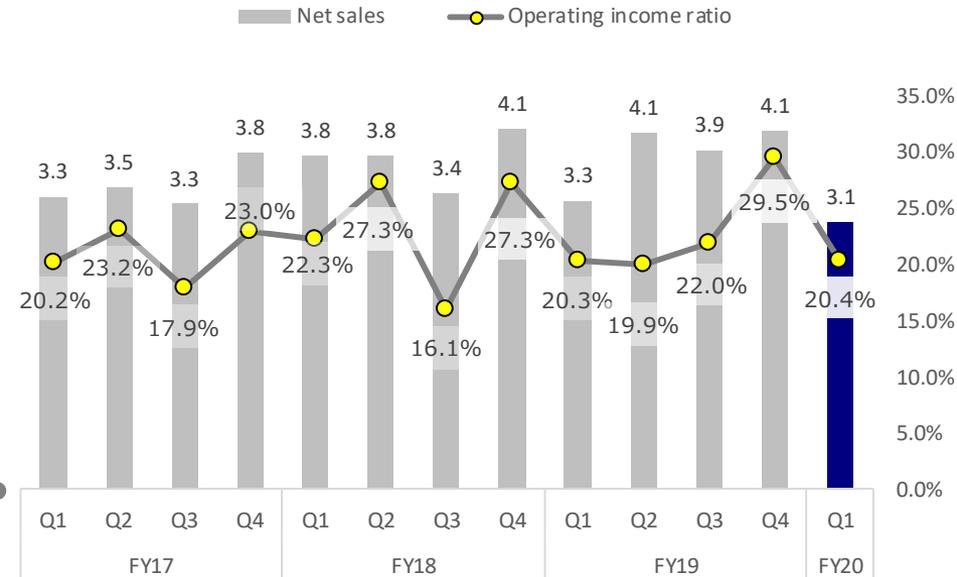
Operating Income , Operating Income Ratio

(Billions of yen)



Net Sales, Operating Income Ratio Trends

(Billions of yen)



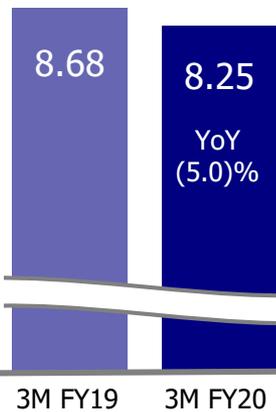
* Graph figures are reclassified into new segment classifications after FY18.

Business Conditions (3M FY20 result)

- In Placement / Recruiting, sales activities are stagnant due to declaration of a state of emergency.
- The number of job offers has decreased compared to last year due to hiring refrain of companies and rising hiring standards.
- Expansion of Outplacement partially compensates for decrease in sales of Placement / Recruiting.

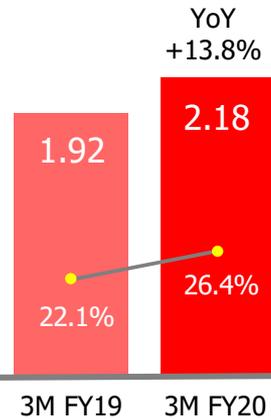
Outsourcing (Benefit One Inc.)

Net Sales



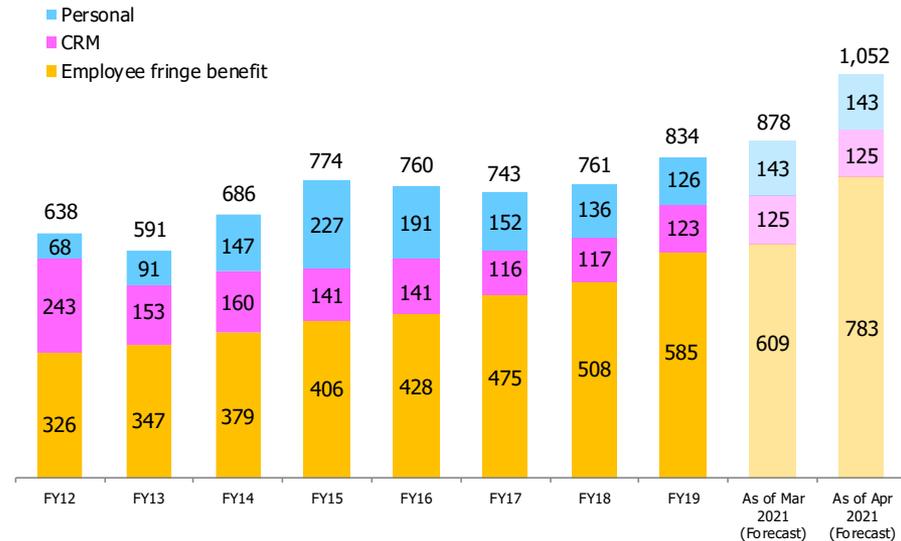
Operating Income , Operating Income Ratio

(Billions of yen)



Benefit One Membership Trends

(10Thousands people)



Business Conditions (3M FY20 result)

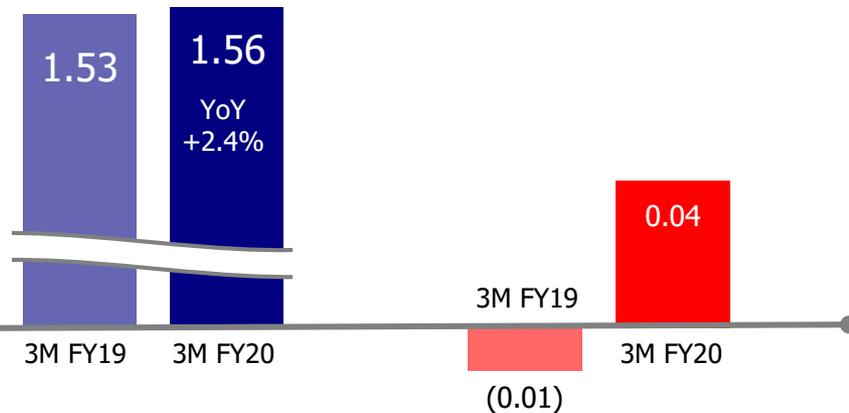
- The effects of the new coronavirus infection is limited than expected at the beginning of the term in some businesses.
- In the welfare business, membership acquisition progressed as expected.
- Service usage changes and subsidy spending declines.

Life Solutions (Childcare, Nursing care)

Net Sales

Operating Income

(Billions of yen)



Facilities of Pasona Foster · Pasona Life Care

※As of Aug.31, 2020

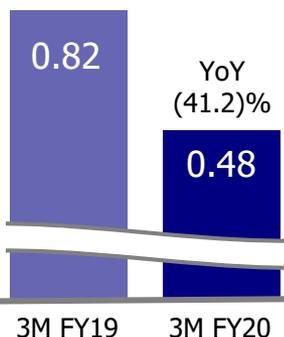
| | Facilities | May 2018 | May 2019 | May 2020 | Aug 2020 | YoY |
|------------------|-------------------------------|----------|----------|----------|----------|-----|
| Pasona Foster | Daycare facilities | 39 | 47 | 49 | 49 | 0 |
| | After-school children's clubs | 38 | 40 | 39 | 40 | +1 |
| Pasona Life Care | Nursing care facilities | 27 | 26 | 22 | 22 | 0 |

Business Conditions (3M FY20 result)

- In Nursing care, some facilities were closed in the previous fiscal year and the demand for dispatch services and the number of facility users decreased.
- In Childcare, the increase on-site childcare facilities, the expansion of online training, and the revision of rates contributed positively.

Regional Revitalization Solutions

Net Sales



Operating Income

(Billions of yen)



Business Conditions (3M FY20 result)

- Many companies have a fiscal term of March, and some facilities were closed from April to June due to declaration of a state of emergency.
- Tourists gradually return to areas that can be visited by a small number of people using private cars in the vicinity.
- We will continue to accept tourists after taking sufficient measures against the new coronavirus infection.

Awajishima

- Opened the theater and social distance restaurant "SEIKAIHA", lovely and enjoyable Japanese culture such as food, history, and performing arts. (Aug 2020)



-SEIKAIHA-

JAPANESE RESTAURANT 『AONoya』



- Opened the entertainment attraction "Godzilla Intercept Operation ~National Godzilla Awajishima Research Center~" in "NIJIGENNOMORI". (Oct 2020)



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Elimination/Corporate Segment Costs

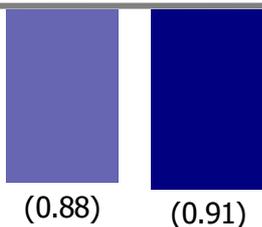
Net Sales

Operating Income

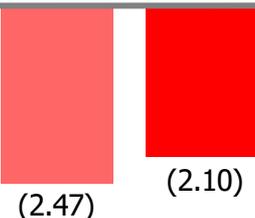
(Billions of yen)

Costs Trends

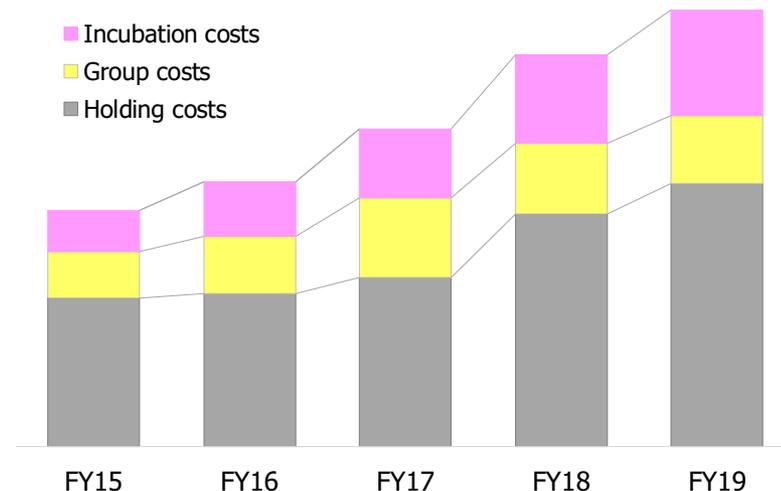
3M FY19 3M FY20



3M FY19 3M FY20



Incubation costs
Group costs
Holding costs



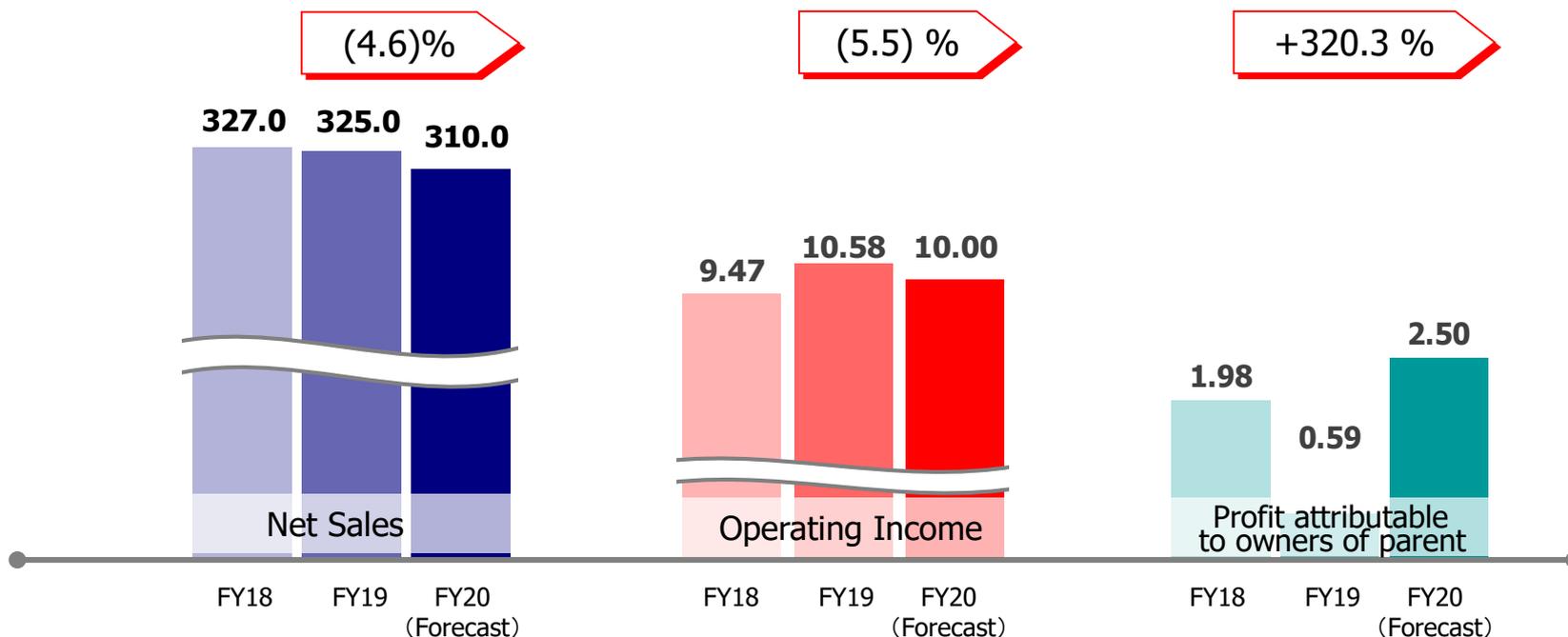
Main Reasons for Cost Decrease Conditions (3M FY20 result)

- Event costs related to the Tokyo Olympics and Paralympics have decreased.
- Temporary expenses for new businesses were incurred in the previous fiscal year, and this amount decreased in the current fiscal year.
- Optimal staffing to each group company and reduction of advertising expenses.

FY2020 Forecasts

FY2020 Consolidated Forecasts

(Billions of yen)



| (Millions of yen) | FY18 | to net sales % | FY19 | to net sales % | FY20 Forecast | to net sales % | vs FY19 Increase/Decrease | YoY |
|---|---------|----------------|---------|----------------|---------------|----------------|---------------------------|---------|
| Net sales | 326,984 | 100.0 | 324,984 | 100.0 | 310,000 | 100.0 | (14,984) | (4.6)% |
| Operating income | 9,465 | 2.9 | 10,577 | 3.3 | 10,000 | 3.2 | (577) | (5.5)% |
| Ordinary income | 9,237 | 2.8 | 10,236 | 3.1 | 10,000 | 3.2 | (236) | (2.3)% |
| Profit attributable to owners of parent | 1,975 | 0.6 | 594 | 0.2 | 2,500 | 0.8 | +1,905 | +320.3% |

Reference

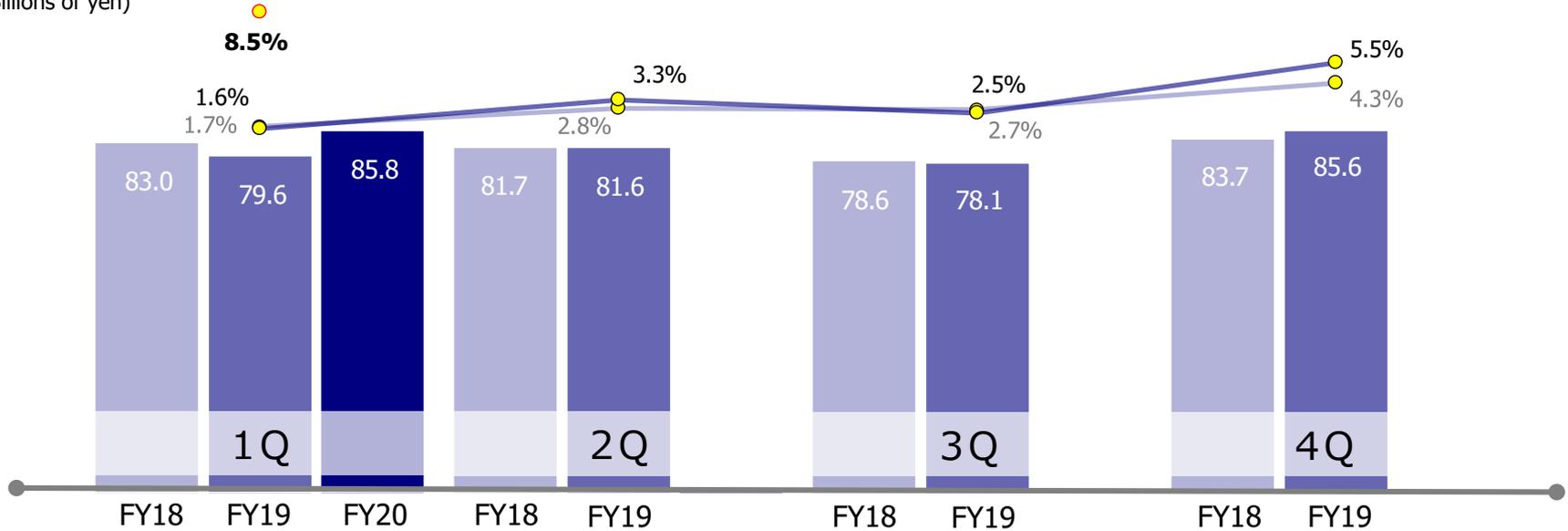
Quarterly Sales and Income Trends

Net Sales

(Billions of yen)

- Operating Income Ratio FY18
- Operating Income Ratio FY19
- Operating Income Ratio FY20

Operating Income Ratio



(Millions of yen)

| | Q1 (June to August) | | | | | | Q2 (September to November) | | | Q3 (December to February) | | | Q4 (March to May) | | |
|------------------------|---------------------|--------|---------|--------|---------|--------|----------------------------|--------|--------|---------------------------|---------|--------|-------------------|---------|--|
| | FY18 | FY19 | YoY | FY20 | YoY | FY18 | FY19 | YoY | FY18 | FY19 | YoY | FY18 | FY19 | YoY | |
| | Consolidated | | | | | | | | | | | | | | |
| Net sales | 82,997 | 79,626 | (4.1)% | 85,751 | +7.7% | 81,694 | 81,602 | (0.1)% | 78,603 | 78,119 | (0.6)% | 83,689 | 85,636 | +2.3% | |
| Gross profit | 18,051 | 18,270 | +1.2% | 22,332 | +22.2% | 18,107 | 19,127 | +5.6% | 18,078 | 18,233 | +0.9% | 20,474 | 21,058 | +2.9% | |
| SG&A expenses | 16,599 | 17,026 | +2.6% | 15,044 | (11.6)% | 15,826 | 16,469 | +4.1% | 15,983 | 16,278 | +1.8% | 16,836 | 16,336 | (3.0)% | |
| Operating income | 1,451 | 1,243 | (14.4)% | 7,287 | +486.1% | 2,280 | 2,658 | +16.5% | 2,094 | 1,954 | (6.7)% | 3,637 | 4,721 | +29.8% | |
| Gross profit ratio | 21.7% | 22.9% | +1.2pt | 26.0% | +3.1pt | 22.2% | 23.4% | +1.2pt | 23.0% | 23.3% | +0.3pt | 24.5% | 24.6% | +0.1pt | |
| SG&A expense ratio | 20.0% | 21.4% | +1.4pt | 17.5% | (3.9)pt | 19.4% | 20.2% | +0.8pt | 20.3% | 20.8% | +0.5pt | 20.1% | 19.1% | (1.0)pt | |
| Operating income ratio | 1.7% | 1.6% | (0.1)pt | 8.5% | +6.9pt | 2.8% | 3.3% | +0.5pt | 2.7% | 2.5% | (0.2)pt | 4.3% | 5.5% | +1.2pt | |

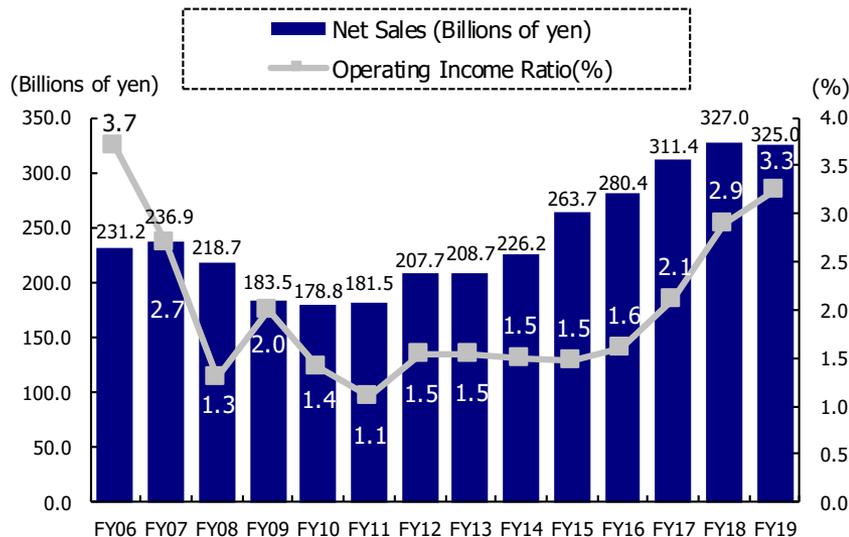
Quarterly Sales and Income Trends by Segment

(Millions of yen)

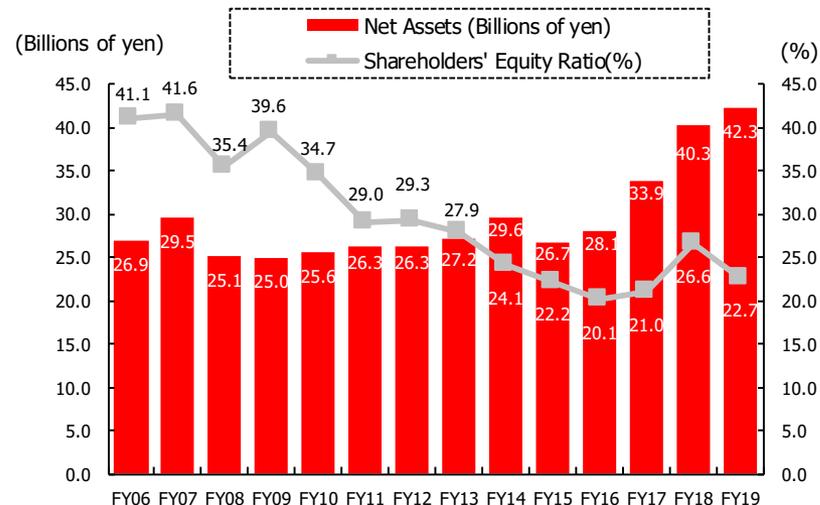
| Segment | | Sales | | | | | | Operating income (loss) | | | | | |
|----------|--|---------|---------|---------|---------|---------|---------|-------------------------|---------|---------|---------|---------|---------|
| | | Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | Q1 FY20 | YoY | Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | Q1 FY20 | YoY |
| ① | Expert Services (Temporary Staffing) | 38,011 | 38,447 | 36,072 | 38,917 | 38,008 | (0.0)% | | | | | | |
| ② | BPO Services (Contracting) | 23,765 | 24,690 | 23,773 | 27,551 | 32,140 | +35.2% | 1,528 | 2,324 | 1,347 | 3,740 | 7,197 | +371.0% |
| ③ | HR Consulting , Education & Training , Others. | 2,339 | 1,666 | 2,213 | 1,795 | 1,504 | (35.7)% | | | | | | |
| ④ | Global Sourcing (Overseas) | 2,060 | 1,977 | 1,878 | 1,879 | 1,658 | (19.5)% | 125 | 125 | 9 | (62) | (83) | - |
| Subtotal | | 66,177 | 66,782 | 63,937 | 70,145 | 73,312 | +10.8% | 1,653 | 2,450 | 1,356 | 3,678 | 7,114 | +330.2% |
| ⑤ | Career Solutions (Placement/Recruiting, Outplacement) | 3,309 | 4,075 | 3,886 | 4,100 | 3,061 | (7.5)% | 673 | 812 | 854 | 1,208 | 625 | (7.2)% |
| ⑥ | Outsourcing | 8,679 | 9,278 | 9,104 | 10,209 | 8,248 | (5.0)% | 1,916 | 1,845 | 2,192 | 2,420 | 2,181 | +13.8% |
| ⑦ | Life Solutions | 1,527 | 1,577 | 1,587 | 1,558 | 1,563 | +2.4% | (12) | 65 | 95 | 75 | 41 | - |
| ⑧ | Regional Revitalization Solutions | 815 | 822 | 615 | 736 | 479 | (41.2)% | (517) | (343) | (440) | (574) | (575) | - |
| ⑨ | Eliminations and Corporate | (882) | (932) | (1,013) | (1,113) | (913) | - | (2,470) | (2,171) | (2,104) | (2,087) | (2,099) | - |
| Total | | 79,626 | 81,602 | 78,119 | 85,636 | 85,751 | +7.7% | 1,243 | 2,658 | 1,954 | 4,721 | 7,287 | +486.1% |

Full-Year Key Indicators

Net Sales and Operating Income Ratio



Net Assets and Shareholders' Equity Ratio



Results

| Key Indicators | '07/05 | '08/05 | '09/05 | '10/05 | '11/05 | '12/05 | '13/05 | '14/05 | '15/05 | '16/05 | '17/05 | '18/05 | '19/05 | '20/05 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Net Sales | 231,231 | 236,945 | 218,699 | 183,515 | 178,806 | 181,498 | 207,685 | 208,660 | 226,227 | 263,728 | 280,395 | 311,410 | 326,984 | 324,984 |
| Gross Profit Margin | 20.3% | 20.8% | 19.9% | 20.0% | 18.8% | 18.6% | 19.3% | 20.3% | 20.3% | 20.0% | 20.2% | 21.5% | 22.8% | 23.6% |
| SG&A Expenses | 38,542 | 42,925 | 40,735 | 33,070 | 31,125 | 31,840 | 36,898 | 37,029 | 42,381 | 48,948 | 52,128 | 60,489 | 65,245 | 66,111 |
| SG&A Expense Ratio | 16.6% | 18.1% | 18.6% | 18.0% | 17.4% | 17.5% | 17.8% | 17.7% | 18.7% | 18.6% | 18.6% | 19.4% | 20.0% | 20.3% |
| Operating Income | 8,507 | 6,444 | 2,850 | 3,660 | 2,432 | 1,964 | 3,176 | 3,210 | 3,490 | 3,860 | 4,488 | 6,539 | 9,465 | 10,577 |
| Operating Income Ratio | 3.7% | 2.7% | 1.3% | 2.0% | 1.4% | 1.1% | 1.5% | 1.5% | 1.5% | 1.5% | 1.6% | 2.1% | 2.9% | 3.3% |
| Ordinary Income | 8,807 | 6,637 | 3,361 | 4,044 | 2,571 | 2,091 | 3,187 | 3,135 | 3,343 | 3,855 | 4,319 | 6,631 | 9,237 | 10,236 |
| Ordinary Income Ratio | 3.8% | 2.8% | 1.5% | 2.2% | 1.4% | 1.2% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 2.1% | 2.8% | 3.1% |
| Net Income *4 | 4,198 | 2,962 | 312 | 204 | 412 | 29 | 610 | 526 | 214 | 243 | (129) | 1,288 | 1,975 | 594 |
| Net Income Ratio | 1.8% | 1.3% | 0.1% | 0.1% | 0.2% | 0.0% | 0.3% | 0.3% | 0.1% | 0.1% | - | 0.4% | 0.6% | 0.2% |
| Total Assets *5 | 54,425 | 58,513 | 55,468 | 52,269 | 60,564 | 70,889 | 71,276 | 75,615 | 88,641 | 85,356 | 94,584 | 112,477 | 119,459 | 140,441 |
| Net Assets *1 | 26,904 | 29,468 | 25,148 | 24,979 | 25,642 | 26,295 | 26,253 | 27,181 | 29,620 | 26,735 | 28,062 | 33,889 | 40,253 | 42,316 |
| Shareholders' Equity Ratio *2 *5 | 41.1% | 41.6% | 35.4% | 39.6% | 34.7% | 29.0% | 29.3% | 27.9% | 24.1% | 22.2% | 20.1% | 21.0% | 26.6% | 22.7% |
| Return on Equity *3 | 18.2% | 12.7% | 1.4% | 1.0% | 2.0% | 0.1% | 2.9% | 2.5% | 1.0% | 1.2% | (0.7)% | 6.0% | 7.6% | 2.0% |
| Number of Employees (exclude contract workers) | 3,126 | 3,647 | 3,671 | 3,643 | 3,956 | 4,452 | 4,778 | 5,022 | 6,584 | 7,144 | 7,238 | 7,716 | 7,855 | 9,657 |

Notes: 1. Presentation of shareholders' equity amended to a net assets basis in line with changes to accounting standards and policies. Non-controlling interests included in presentation of net assets since the fiscal year ended May 31, 2007.

2. Despite changes in calculation methods for net assets following the introduction of changes to accounting standards and policies, the shareholders' equity ratio since the fiscal year ended May 31, 2007 is calculated utilizing an amount equivalent to net assets applicable to common shares.

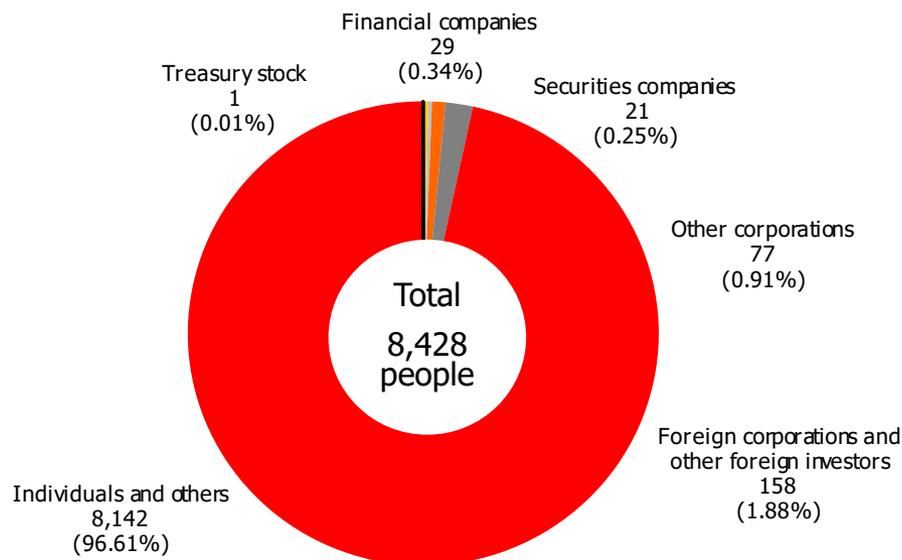
3. The data for the periods up to and including the fiscal year ended May 31, 2007 are consolidated data for Pasona Inc. The data for the periods commencing the fiscal year ended May 31, 2008 and beyond are consolidated data for Pasona Group Inc.

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

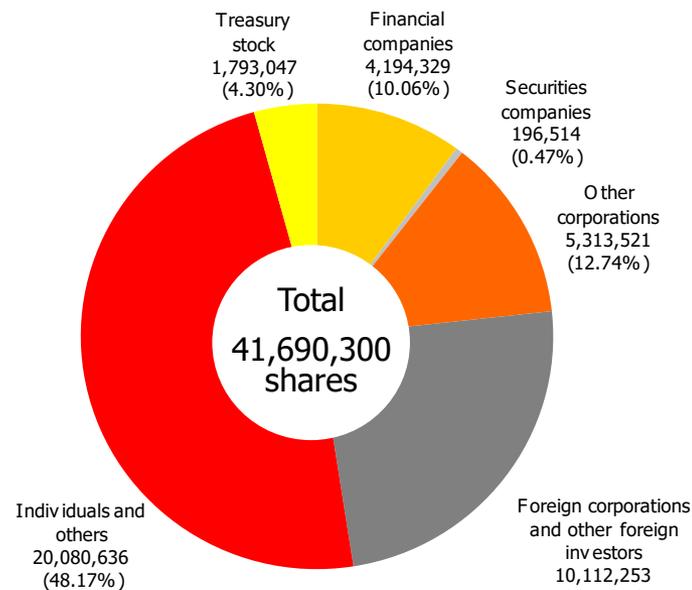
5. As the Company adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" from the beginning of the first quarter of FY2018. As for the financial position, the figures for the previous consolidated fiscal year were processed by the method.

Stock Information (As of May. 31, 2020)

Breakdown of Shareholders by Type



Breakdown of Shareholders by Number of Share Held



Principal Shareholders

| | No. of Shares Held | % |
|---|--------------------|--------|
| Yasuyuki Nambu | 14,763,200 | 35.41% |
| Nambu Enterprise Inc. | 3,738,500 | 8.97% |
| BNYM NON-TREATY DTT | 1,861,600 | 4.47% |
| Pasona Group Inc. | 1,793,047 | 4.30% |
| AVI GLOBAL TRUST PLC | 1,574,000 | 3.78% |
| The Master Trust Bank of Japan, Ltd (Trust Account) | 1,152,900 | 2.77% |
| CREDIT SUISSE AG HONG KONG TRUST A/C CLIENT | 782,800 | 1.88% |
| Trust & Custody Services Bank, Ltd. (Trust Account E) | 781,729 | 1.88% |
| AVI JAPAN OPPORTUNITY TRUST PLC | 720,600 | 1.73% |
| BNYM TREATY DTT 15 | 625,400 | 1.50% |

1. The Company's treasury stock (1,793,047 shares, 4.30% of total issued shares) ranked Fourth. In accordance with Article 308.2 of the Corporations Law, there are no voting rights attached to treasury stock.
2. Pasona Group received a notification from Tempered Investment Management LTD. , that it held 2,847,400 shares as of October 21, 2019 outlined the delivery of a Substantial Shareholding Report submitted to the Kanto Local Finance Bureau on October 21, 2019. As the Company is unable to confirm the number of shares held as of 31 May, 2020, Tempered Investment Management LTD. has been omitted from the list of major shareholders identified.

Group Companies (by segment)

Expert Services, BPO Services (Contracting) HR Consulting, Education and Training, Others

| | |
|---------------------------|---|
| Pasona Inc. | CAPLAN Corporation |
| Pasona Tech, Inc. | Pasona Yaskawa Business Staff Inc. |
| Pasona Okayama Inc. | Bewith, Inc. |
| PASONA LOGICOM Inc. | Asahi Beer Communications Co, Ltd. |
| Pasona Masters Inc. | Pasona art now Inc. |
| Pasona Marketing, Inc. | Pasona Panasonic Business Service Co.,Ltd |
| Shin nihon kogyo Co.,Ltd. | Pasona Knowledge Partner Inc. |
| Pasona HS Inc. | Nagasaki diamond staff |
| Pasona Heartful Inc. | Pasona HR Solution Inc. |
| Pasona JOB HUB Inc. | circlace Inc.* |

Others *

Global Sourcing

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

Career Solutions

Pasona Inc. Pasona Fortune Inc.

Outsourcing

Benefit One Inc.
 BENEFIT ONE INTERNATIONAL PTE. LTD.
 贝那商务咨询（上海）有限公司
 Benefit One USA,INC.
 Benefit One (Thailand) Co., Ltd.
 PT. BENEFIT ONE INDONESIA
 Benefit One Deutschland GmbH
 REWARDZ PRIVATE LIMITED
 BENEFITONE ENGAGEMENT TECHNOLOGIES PRIVATE LIMITED
 DG1 Inc. Others *

Life Solutions

Pasona Foster Inc.
 Pasona Life Care Inc.

Regional Revitalization Solutions

Pasona Furusato Incubation Inc.
 Pasona Agri-Partners Inc.
 Tango Kingdom Inc.
 Tango Kingdom Brewery Inc.
 Pasona Tohoku Sousei Inc.
 Nijigennomori Inc.
 Pasona Smile Inc. Others *

● Consolidated subsidiaries 63

* Equity-method affiliates 11

(As of Aug. 31, 2020)

Corporate Information

Tokyo Stock Exchange, 1st Section 2168

| | | |
|-------------------------------------|---|---|
| Corporate Name | Pasona Group Inc. | |
| Headquarters | Shin Marunouchi Bldg. 1-5-1, Marunouchi, Chiyoda-ku, Tokyo 100-6514 | <u>Comprehensive Group office</u> Otemachi 2-6-2 Chiyoda-ku, Tokyo 100-8228 Phone 03-6734-0200 |
| Established | December 3, 2007 (Founding February 1976) | |
| Paid-in Capital | 5,000 million yen | |
| Representative | Yasuyuki Nambu | |
| Business Activities | Expert Services (Temporary staffing) , BPO Services (Contracting) HR Consulting, Education & Training, Others Global Sourcing (Overseas) Career Solutions (Placement/Recruiting, Outplacement) Outsourcing , Life Solutions Regional Revitalization Solutions | |
| Number of Employees | 19,588 (Consolidated, including contract workers) | (As of May. 31, 2020) |
| Consolidated Group Companies | Subsidiaries 63 , Affiliates 11 | (As of Aug. 31, 2020) |
| URL | www.pasonagroup.co.jp/english/ | |