

# **Results for the Third Quarter of the Fiscal Year Ending May 31, 2023**

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**9M FY2022 (June 1, 2022 - February 28, 2023)**

**Pasona Group Inc.**

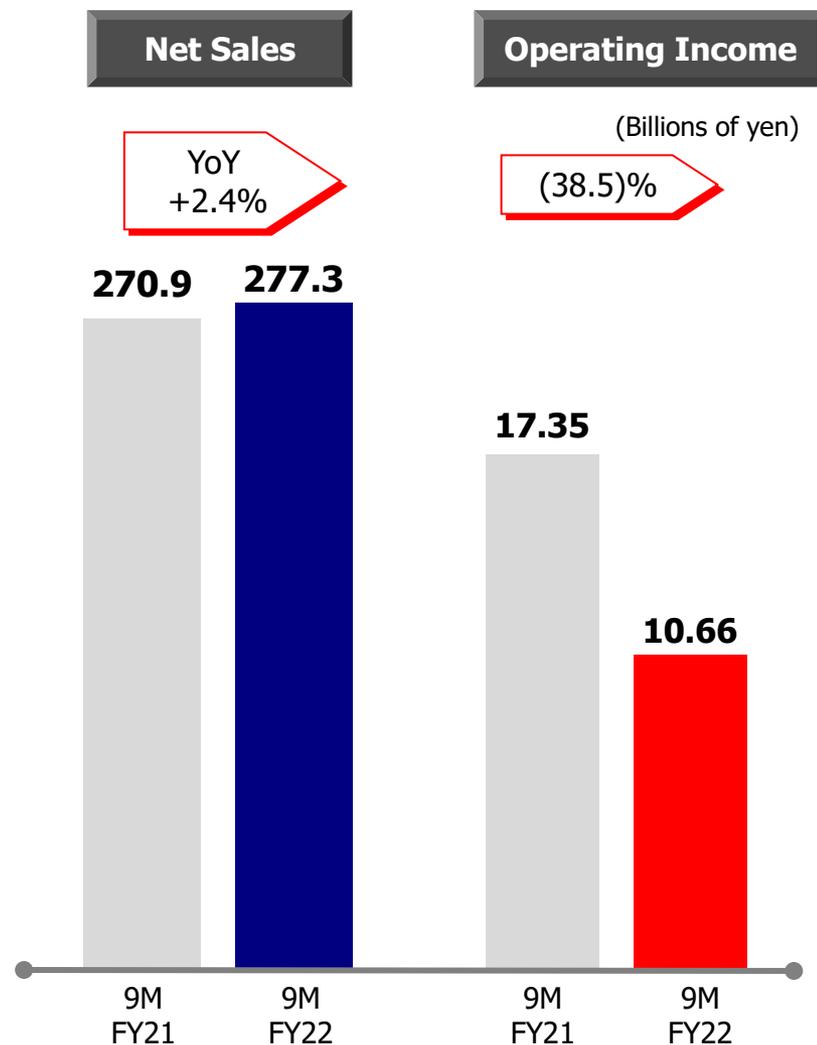
**Prime Market TSE (2168)**

**April 14, 2023**

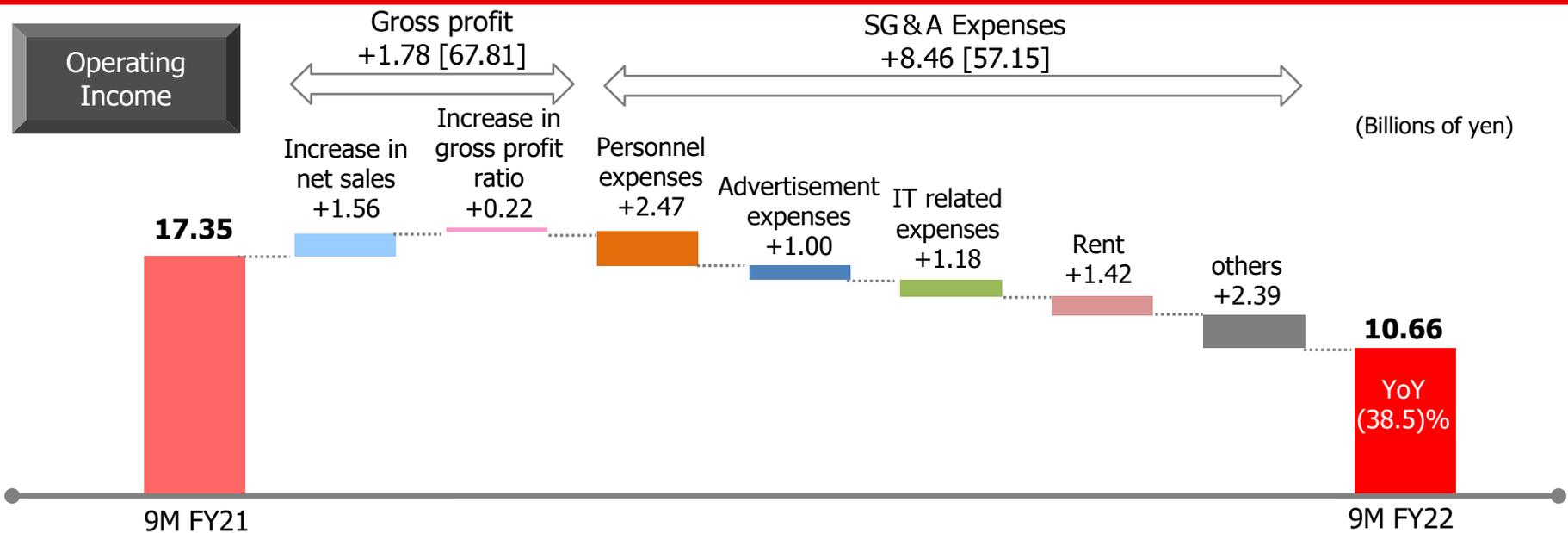
**[www.pasonagroup.co.jp/English](http://www.pasonagroup.co.jp/English)**

# Consolidated Results

(Millions of yen)	9M FY21	9M FY22	Increase /Decrease
	(%)	(%)	
Net sales	270,875 100.0	277,280 100.0	+6,404 +2.4%
Cost of sales	204,837 75.6	209,466 75.5	+4,629 +2.3%
Gross profit	66,038 24.4	67,813 24.5	+1,775 +2.7%
SG&A expenses	48,690 18.0	57,148 20.6	+8,458 +17.4%
Operating income	17,348 6.4	10,664 3.8	(6,683) (38.5)%
Ordinary income	17,760 6.6	11,445 4.1	(6,314) (35.6)%
Profit attributable to owners of parent	7,314 2.7	3,948 1.4	(3,366) (46.0)%
Gross profit ratio	24.4%	24.5%	+0.1pt
Operating income ratio	6.4%	3.8%	(2.6)pt



# Operating Income



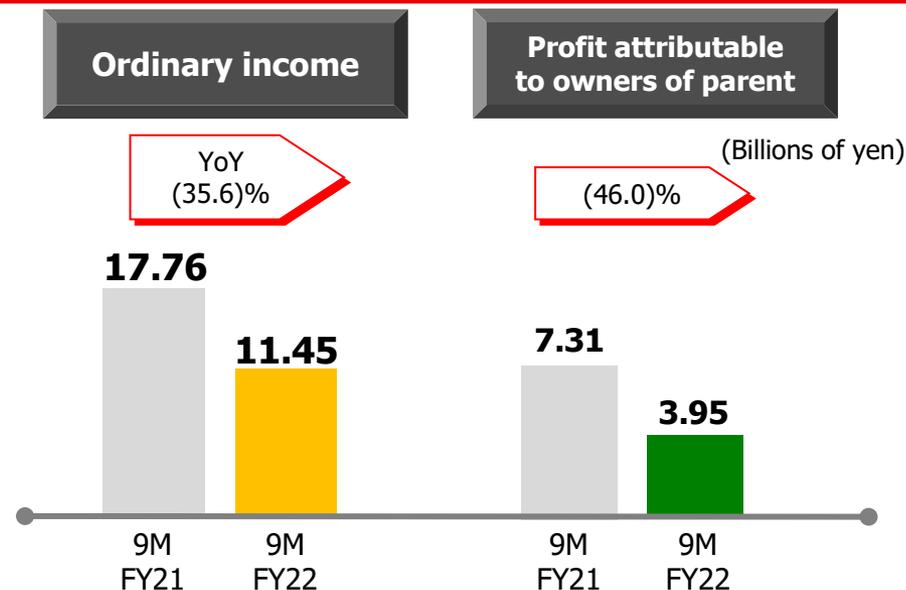
	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	9M FY21	9M FY22
Gross Profit ratio	19.3%	20.3%	20.0%	20.2%	21.5%	22.8%	23.6%	24.8%	24.5%	24.4%	24.5%
SG&A ratio	17.7%	18.7%	18.6%	18.6%	19.4%	20.0%	20.3%	18.8%	18.5%	18.0%	20.6%
Operating Income ratio	1.5%	1.5%	1.5%	1.6%	2.1%	2.9%	3.3%	6.0%	6.0%	6.4%	3.8%

## Major Item of Increase/Decrease

- Gross profit** : Strong demand in BPO Services , Outsourcing, and Placement / Recruiting. Business environment recovered for Global Sourcing and Regional Revitalization Solutions.
- SG&A expenses** : Increased costs due to Outsourcing expansion (M&A) and advertisement expenses such as large-scale promotions. Double rent costs incurred in H1 FY22 due to the relocation to "PASONA SQUARE" in Minami Aoyama, Tokyo.

# Non-operating/Extraordinary income (loss), Others

(Millions of yen)	9M FY21	9M FY22	Increase/ Decrease	YoY
Operating income	17,348	10,664	(6,683)	(38.5)%
Non-operating income	1,283	1,378	+94	+7.4%
Non-operating expenses	870	596	(273)	(31.5)%
Ordinary income	17,760	11,445	(6,314)	(35.6)%
Extraordinary income	28	995	+967	+3,416.8%
Extraordinary loss	54	113	+59	+109.1%
Income before income taxes	17,734	12,327	(5,407)	(30.5)%
Income taxes - current	6,086	4,735	(1,350)	(22.2)%
Income taxes - deferred	955	322	(633)	(66.2)%
Income taxes	7,042	5,058	(1,983)	(28.2)%
Profit attributable to non-controlling interests	3,377	3,320	(56)	(1.7)%
Profit attributable to owners of parent	7,314	3,948	(3,366)	(46.0)%



Major Item of Increase/Decrease
<ul style="list-style-type: none"> <li>• <b>Non-operating income / expenses</b> <ul style="list-style-type: none"> <li>• Share of profit of entities accounted for using equity method ¥ 74 million (+ ¥ 71 million)</li> <li>• Subsidy ¥ 738 million (+ ¥ 291 million)</li> <li>• Real estate rent / Rent expenses on real estates (Decreased in sublease income and expenses mainly due to relocation from Nippon Building) ¥ 177 million ( ¥ (377) million) / ¥ 140 million ( ¥ (325) million)</li> </ul> </li> <li>• <b>Extraordinary income</b> <ul style="list-style-type: none"> <li>• Gain on change in equity (listing of Circlace Inc) ¥ 213 million</li> <li>• Gain on sales of investment securities ¥ 731 million (Investment securities held by Benefit One Inc.)</li> </ul> </li> </ul>

# Consolidated Results by Segment

(Millions of yen)

Segment		Net sales				Operating income (loss)				Operating income ratio		
		9M FY21	9M FY22	Increase/ Decrease	YoY	9M FY21	9M FY22	Increase/ Decrease	YoY	9M FY21	9M FY22	Increase/ Decrease
①	Expert Services (Temporary Staffing)	114,102	110,876	(3,226)	(2.8)%							
②	BPO Services (Contracting)	102,518	104,718	+2,199	+2.1%	13,818	10,953	(2,865)	(20.7)%	6.2%	4.9%	(1.3)pt
③	HR Consulting, Education & Training, Others.	6,256	6,580	+324	+5.2%							
④	Global Sourcing (Overseas)	6,145	7,288	+1,142	+18.6%	257	456	+199	+77.4%	4.2%	6.3%	+2.1pt
Subtotal		<b>229,022</b>	<b>229,463</b>	<b>+440</b>	<b>+0.2%</b>	<b>14,075</b>	<b>11,409</b>	<b>(2,666)</b>	<b>(18.9)%</b>	<b>6.1%</b>	<b>5.0%</b>	<b>(1.1)pt</b>
⑤	Career Solutions (Placement/ Recruiting, Outplacement)	11,021	10,305	(715)	(6.5)%	3,358	2,969	(388)	(11.6)%	30.5%	28.8%	(1.7)pt
⑥	Outsourcing	27,065	31,022	+3,956	+14.6%	9,533	7,838	(1,694)	(17.8)%	35.2%	25.3%	(9.9)pt
⑦	Life Solutions	5,262	6,114	+851	+16.2%	177	314	+136	+76.9%	3.4%	5.1%	+1.7pt
⑧	Regional Revitalization Solutions	3,291	5,247	+1,955	+59.4%	(1,702)	(2,119)	(417)	-	-	-	-
⑨	Eliminations and Corporate	(4,788)	(4,872)	(84)	-	(8,094)	(9,748)	(1,653)	-	-	-	-
Total		<b>270,875</b>	<b>277,280</b>	<b>+6,404</b>	<b>+2.4%</b>	<b>17,348</b>	<b>10,664</b>	<b>(6,683)</b>	<b>(38.5)%</b>	<b>6.4%</b>	<b>3.8%</b>	<b>(2.6)pt</b>

# Balance Sheet

Major Item of Increase/Decrease	(Billions of yen)			Major Item of Increase/Decrease
	May 31,2022	Feb 28,2023	Increase/ Decrease	
<b>Assets</b>	<b>203.7</b>	<b>257.4</b>	<b>+53.7</b>	<b>[Cash and deposits]</b> Increased in temporary deposits related to contracted projects. ¥ 65.1 billion (+ ¥ 55.0 billion )
Current assets	131.1	180.5	+49.4	<b>[Notes and accounts receivable-trade, and contract assets]</b> Increased due to expansion of contracted projects.
Cash and deposits	67.0	101.7	+34.8	
Notes and accounts receivable-trade, and contract assets	51.0	61.3	+10.3	
Non-current assets	72.5	76.8	+4.3	<b>[Property, plant and equipment]</b> Assets increased due to new construction of business facilities in regional revitalization projects, etc.
Property, plant and equipment	27.3	31.8	+4.5	
Intangible assets	23.2	26.0	+2.8	
Investments and other assets	21.9	18.9	(3.0)	
<b>Liabilities</b>	<b>136.6</b>	<b>189.7</b>	<b>+53.1</b>	<b>[Intangible assets]</b> Increased in goodwill from acquisition of KANDEN JOINUS CO.,LTD. and software investment in Benefit One Inc.
Current liabilities	83.6	129.6	+46.1	<b>[Deposits received]</b> Increased in temporary deposits related to contracted projects.
Accounts payable-trade	8.7	5.6	(3.2)	
Short-term loans payable	9.6	10.2	+0.6	
Accrued expenses	16.0	16.8	+0.8	
Deposits received	13.1	67.7	+54.6	
Non-current liabilities	53.0	60.0	+7.0	<b>[Equity ratio]</b> 26.8% after deducting "deposits received" related to contracted projects.
Bonds payable	3.8	3.5	(0.3)	
Long-term loans payable	38.8	44.6	+5.8	
<b>Net assets</b>	<b>67.1</b>	<b>67.8</b>	<b>+0.6</b>	
Shareholders' equity	48.6	50.5	+1.9	
Capital surplus	17.8	17.1	(0.7)	
Retained earnings	28.2	30.8	+2.6	
Treasury shares	(2.4)	(2.4)	+0.0	
Total accumulated other comprehensive income	1.3	1.0	(0.3)	
Share acquisition rights	0.0	0.0	(0.0)	
Non-controlling interests	17.2	16.2	(0.9)	
Equity ratio	24.5%	20.0%	(4.5)pt	
Equity ratio (Excluding deposits received for contracted projects)	25.8%	26.8%	+1.0pt	

# Segment information

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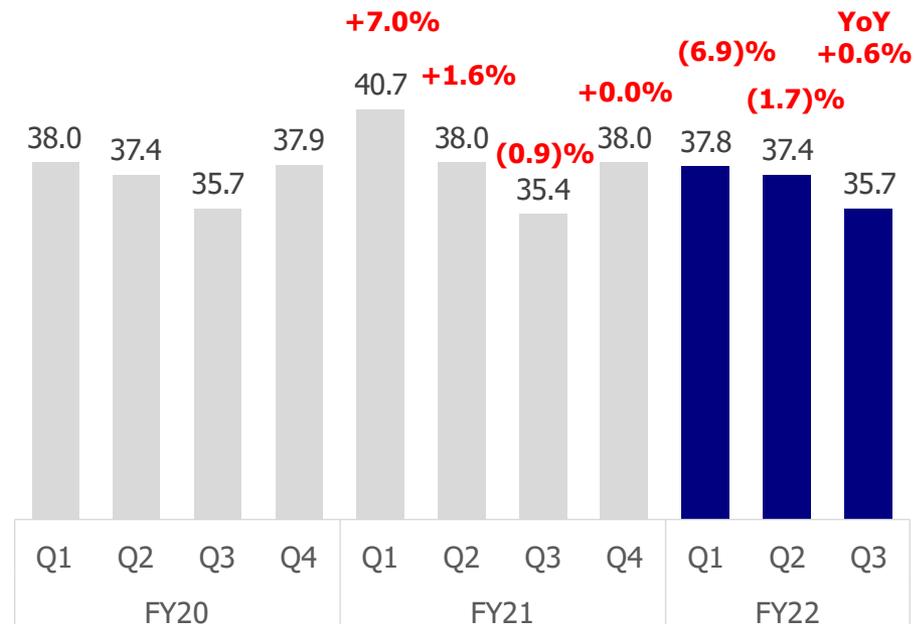
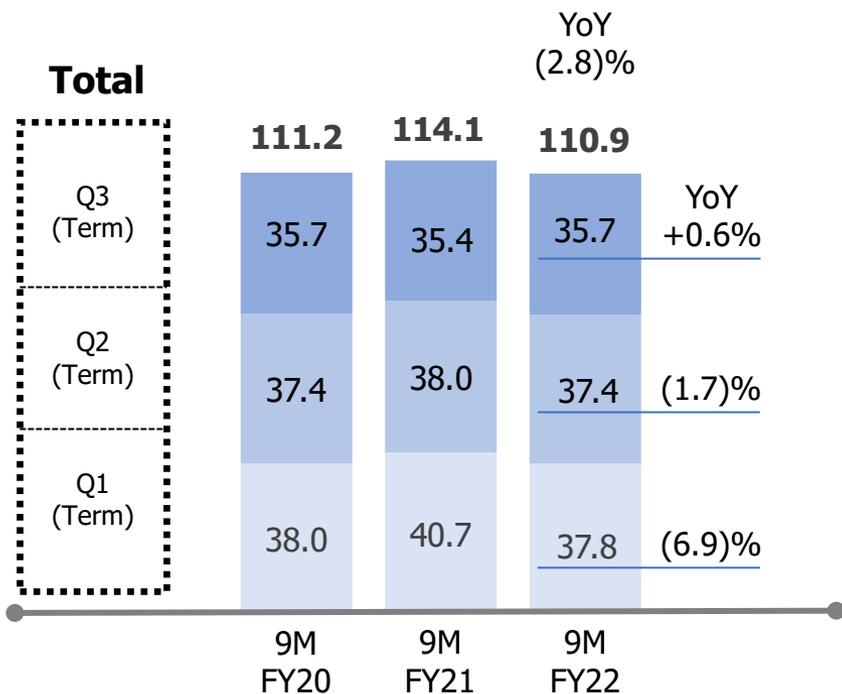
# Expert Services (Temporary staffing)

## Net Sales

(Billions of yen)

## Sales Trends

(Billions of yen)



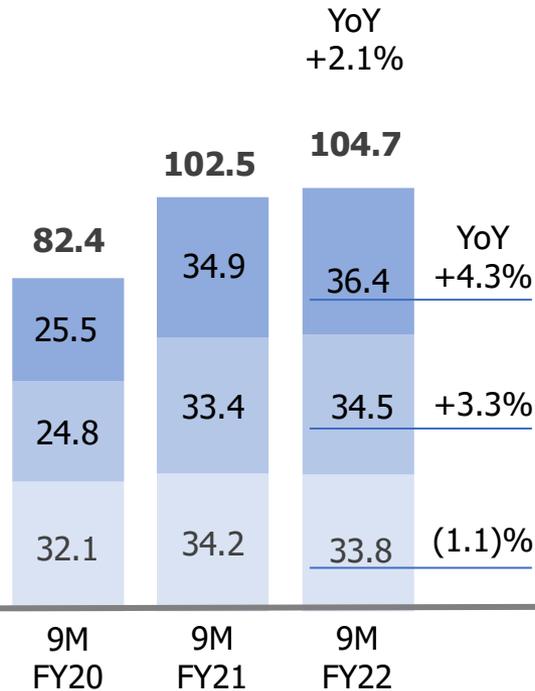
### Business Conditions (9M FY22 result)

- Temporary staffing demand continues to recover, and orders are increasing from a wide range of industries, mainly in the financial sector, IT, and Manufacturers.
- Sales in the current quarter exceeded those of the same period of the previous year, they did not make up for the special demand of the previous year.
- KANDEN JOINUS CO., LTD. (which changed trade name to Pasona Joinus Inc. on April 1), which became a subsidiary of the Company on January 5, 2023, will contribute to the Company's earnings from the fourth quarter of the current fiscal year.

# BPO Services (Contracting)

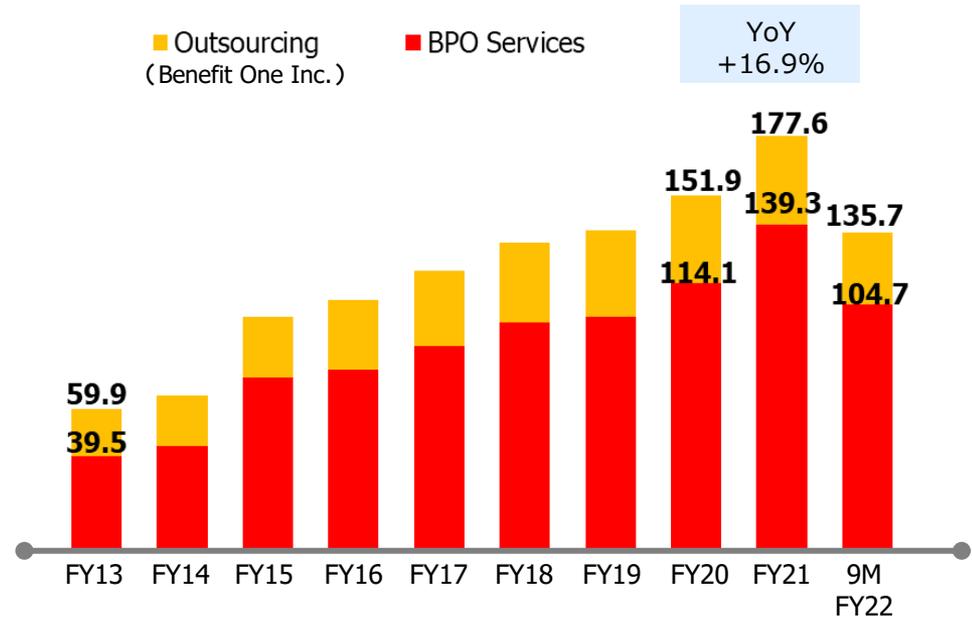
## Net Sales

(Billions of yen)



## BPO Services , Outsourcing Sales Trends

(Billions of yen)

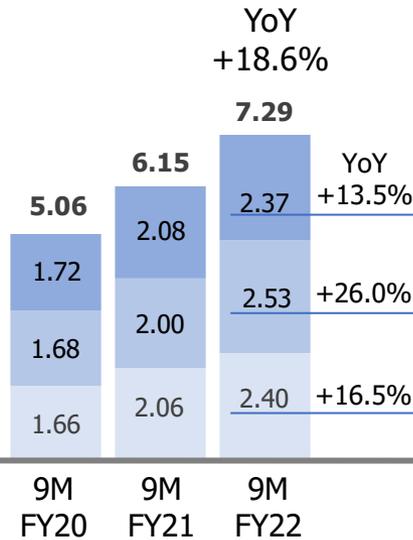


## Business Conditions (9M FY22 result)

- Demand for BPO services remained strong, and the impact of the previous year's special demand was offset by the accumulation of new projects and the expansion of service areas for existing transactions.
- Public sector : Acquired new business associated with job placement assistance and human resource development.
- Private companies : Continued demand related to organizational restructuring and DX promotion.

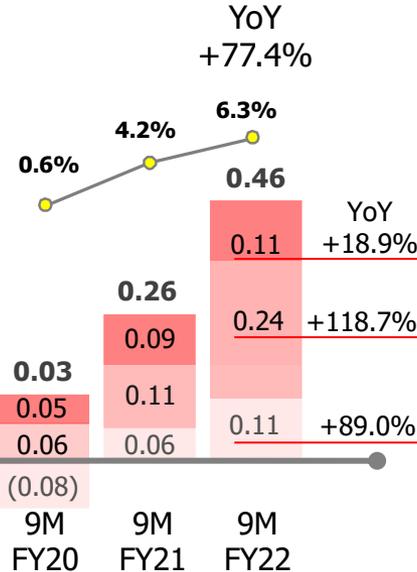
# Global Sourcing (Overseas)

## Net Sales



## Operating Income , Operating Income Ratio

(Billions of yen)



## Sales by Business Segment

(Millions of yen)

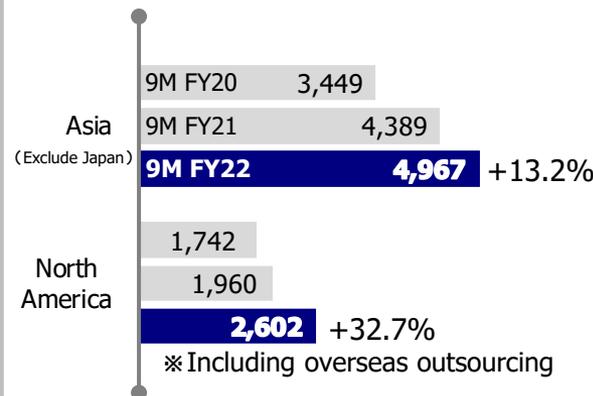
	9M FY20	9M FY21	9M FY22	YoY
Temporary Staffing	2,634	3,227	3,501	+8.5%
Placement / Recruiting	932	1,255	1,783	+42.1%
Contracting (Payroll, others)	971	1,066	1,270	+19.1%
Others	524	596	732	+23.0%
<b>Total</b>	<b>5,062</b>	<b>6,145</b>	<b>7,288</b>	<b>+18.6%</b>

## Business Conditions (9M FY22 result)

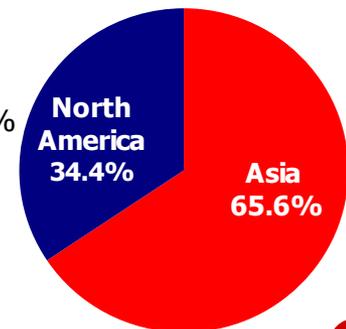
- North America : Unit price of placement and recruiting commissions rose and executive-level contracts expanded, while in BPO, outsourcing of payroll-related operations grew.
- Asia : In Taiwan, demand for human resources increases, especially in the semiconductor manufacturing industry. In India, Thailand and Malaysia, net sales recovered.
- The company focuses on cross-border transactions. IT development work in Vietnam can be horizontally deployed in other countries.

## Sales by Region

(Millions of yen)



## Sales composition

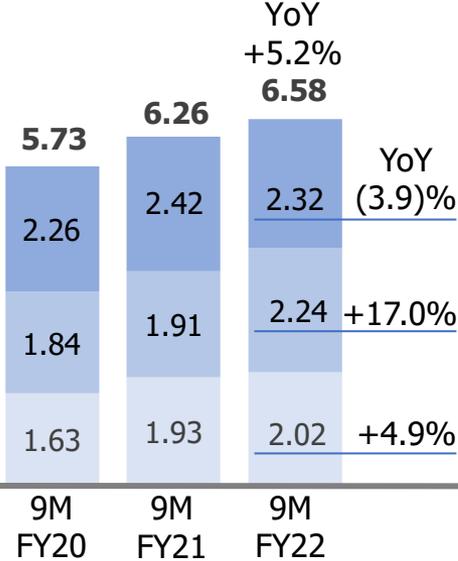


# HR Consulting , etc. / Operating Income by Segments

## Net Sales

(HR Consulting , Education & Training , Others.)

(Billions of yen)



### Business Conditions (9M FY22 result)

- Advisory consulting business : Recruitment consulting services expanded on the strength of human resource company know-how.
- Education and training business : Reinforced training programs related to promotion of women's activities and related human capital management.

## Net Sales(ES~GS)

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

(Billions of yen)

### Total

Q4 (Term)  
Q3 (Term)  
Q2 (Term)  
Q1 (Term)

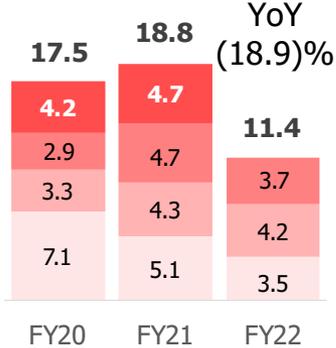


### Business Conditions (9M FY22 result)

- Cost of sale : Increased in paid leave utilization and social insurance premiums in Expert Services.
- SG&A expenses : Personnel expenses increased.

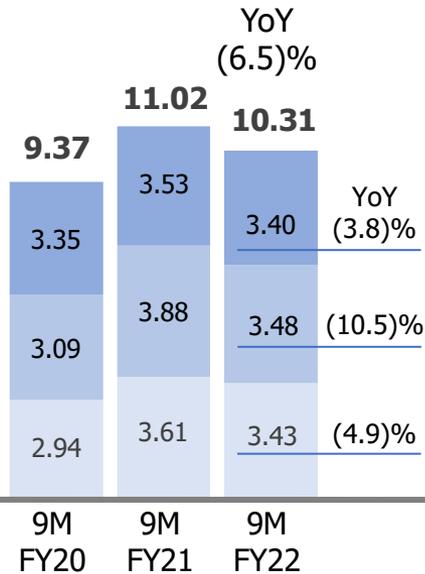
## Operating Income

(Billions of yen)



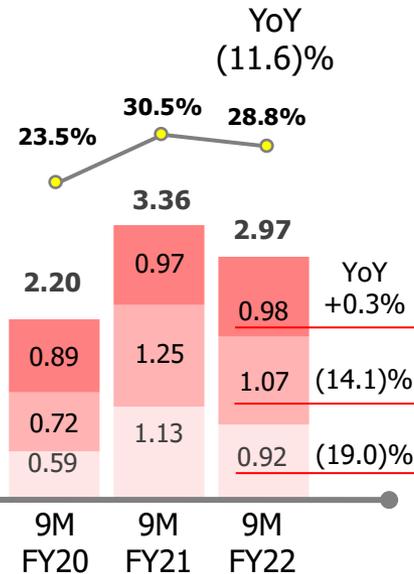
# Career Solutions (Placement/Recruiting , Outplacement )

## Net Sales



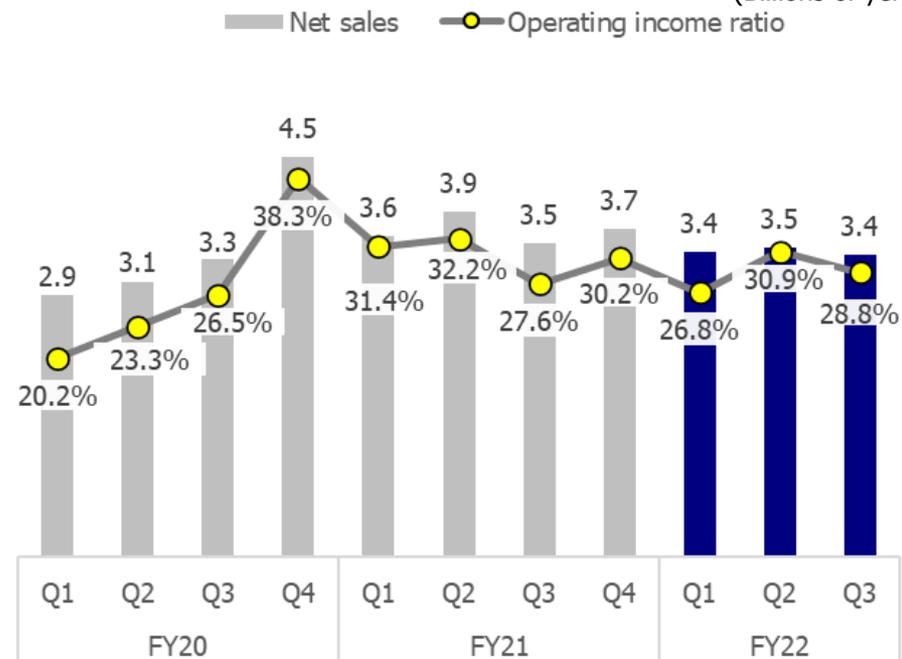
## Operating Income , Operating Income Ratio

(Billions of yen)



## Net Sales, Operating Income Ratio Trends

(Billions of yen)

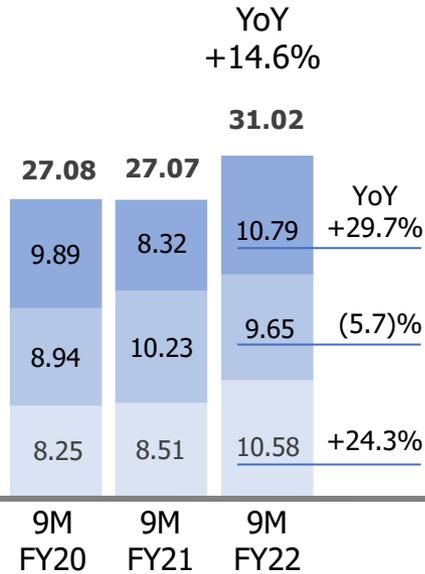


## Business Conditions (9M FY22 result)

- The Placement / Recruiting business : companies' willingness to recruit remained strong, we focused on high-career and specialized job areas.  
A number of contracts increased and unit contract price rose.  
The business is expanding due to continued strong demand for hiring female managers.
- The Outplacement business : Restructuring of the business has settled down and demand has hit a lull.  
Demand for "Safe Placement Total Services" , which supports employees' career development, is steadily expanding.
- The Placement / Recruiting business recovered steadily, but this was not enough to offset the decline in the Outplacement business.

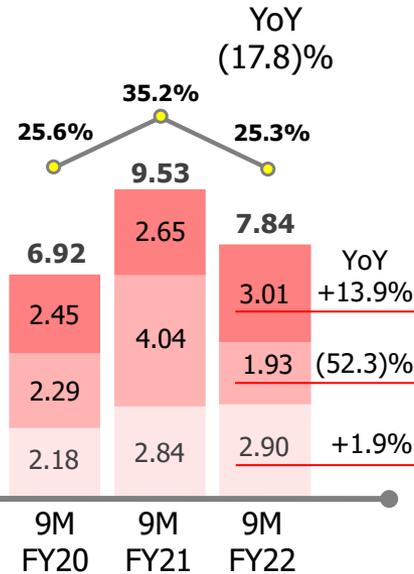
# Outsourcing (Benefit One Inc.)

## Net Sales



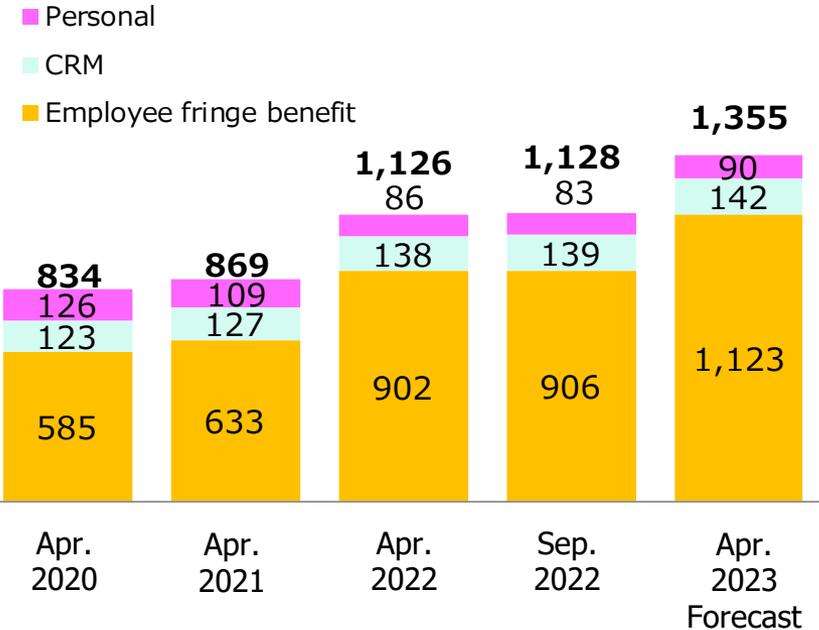
## Operating Income , Operating Income Ratio

(Billions of yen)



## Benefit One Membership Trends

(10Thousands people)



## Business Conditions (9M FY22 result)

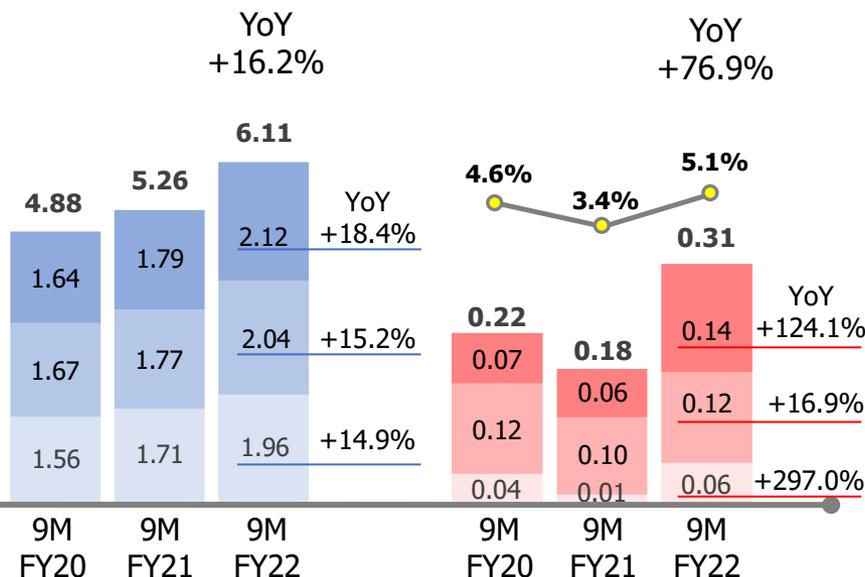
- Employee benefits business : Revenues increased due to external growth from M&A, as well as an increase in membership of part-time employees of the Public Employees' Mutual Aid Association.
- Healthcare business : The COVID-19 vaccination support project has been steady and exceeded the initial forecast. The health guidance project: As the impact of the COVID-19 remains and there are delays in the implementation progress.
- Large-scale promotional investment expense head office relocation expenses were recorded as SG&A.

# Life Solutions (Childcare, Nursing care)

## Net Sales

## Operating Income, Operating Income Ratio

(Billions of yen)



## Facilities of Pasona Foster · Pasona Life Care

※ As of Feb.28, 2023

	Facilities	May 2020	May 2021	May 2022	Feb 2022	Feb 2023	YoY
		Pasona Foster	49	49	49	48	49
	Daycare facilities						
	After-school children's clubs	39	40	43	39	45	+6
Pasona Life Care	Nursing care facilities	22	22	22	22	22	0

## Business Conditions (9M FY22 result)

- The nursing care business : The dispatch of care staff to residential treatment facilities for the COVID-19 infections continued to increase.
- The life support business (housekeeping services) : There was growth in new customers from general households and in child-rearing family support services contracted by local governments.
- The childcare business : The number of facilities operated by school-age children's clubs increased. The number of children accepted at licensed childcare facilities grew.

# Regional Revitalization Solutions

## Net Sales

## Operating Income

## Initiatives for regional revitalization

YoY  
+59.4%

(Billions of yen)

**5.25**

YoY  
+46.8%

1.82

+47.3%

1.89

+100.2%

1.53

**2.17**

0.81

0.88

0.48

**3.29**

1.24

1.29

0.76

9M  
FY20

9M  
FY21

9M  
FY22

9M  
FY20

9M  
FY21

9M  
FY22

(0.58)

(0.70)

(0.67)

(0.51)

(0.55)

(0.45)

(0.47)

(0.45)

(1.00)

**(1.56)**

**(1.70)**

**(2.12)**

## Business Conditions (9M FY22 result)

- Awaji Island : A number of tourists increased due to easing restrictions on activities.  
Organizing various events for sustainable development of the community.  
Attract a wide range of exchange population from Japan and abroad.
- Some subsidiaries changed their fiscal year-ends from March to May in the current quarter, and deficit widened during additional period due to off-peak winter season.

- Tango Kingdom Beer's homebrewed craft beer "Weizen" won the Silver Award and "Smoked" won the Bronze Award at the "Japan Great Beer Awards". (Feb 2023)



▲Silver Award 「WEIZEN」、Bronze Award 「SMOKED」

- Opening of "miele the DINER", a seafood diner and cafe with "liveliness" and "relaxation" where you can enjoy "seafood". (March 2023)



# Elimination/Corporate Segment Costs

## Net Sales

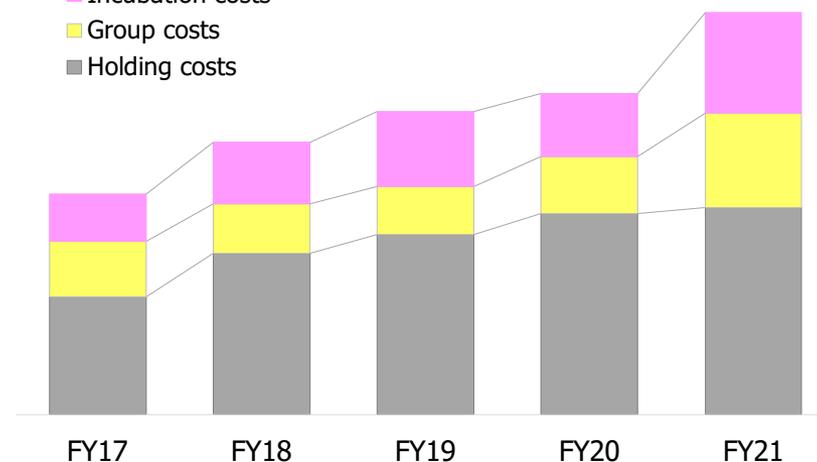
## Operating Income

## Costs Trends

(Billions of yen)

	9M FY20	9M FY21	9M FY22	9M FY20	9M FY21	9M FY22
Q1 (Term)	(0.91)	(1.50)	(1.52)	(2.10)	(2.67)	(3.38)
Q2 (Term)	(1.16)	(1.96)	(1.80)	(2.44)	(2.88)	(3.47)
Q3 (Term)	(1.14)	(1.33)	(1.56)	(2.11)	(2.54)	(2.90)
<b>Total</b>	<b>(3.22)</b>	<b>(4.79)</b>	<b>(4.87)</b>	<b>(6.65)</b>	<b>(8.09)</b>	<b>(9.75)</b>

■ Incubation costs  
■ Group costs  
■ Holding costs



### Main Factors for Cost Increase/Decrease (9M FY22 result)

- In the first quarter, Expenses related to the relocation to "Pasona Square" in Minami Aoyama, Tokyo, and double rent during the relocation period were incurred.
- Increased expenses related to the phased relocation of some head office functions to Awaji Island, Hyogo Prefecture.

# FY2022 Forecasts

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# FY2022 Consolidated Forecasts

## Net Sales

## Operating Income

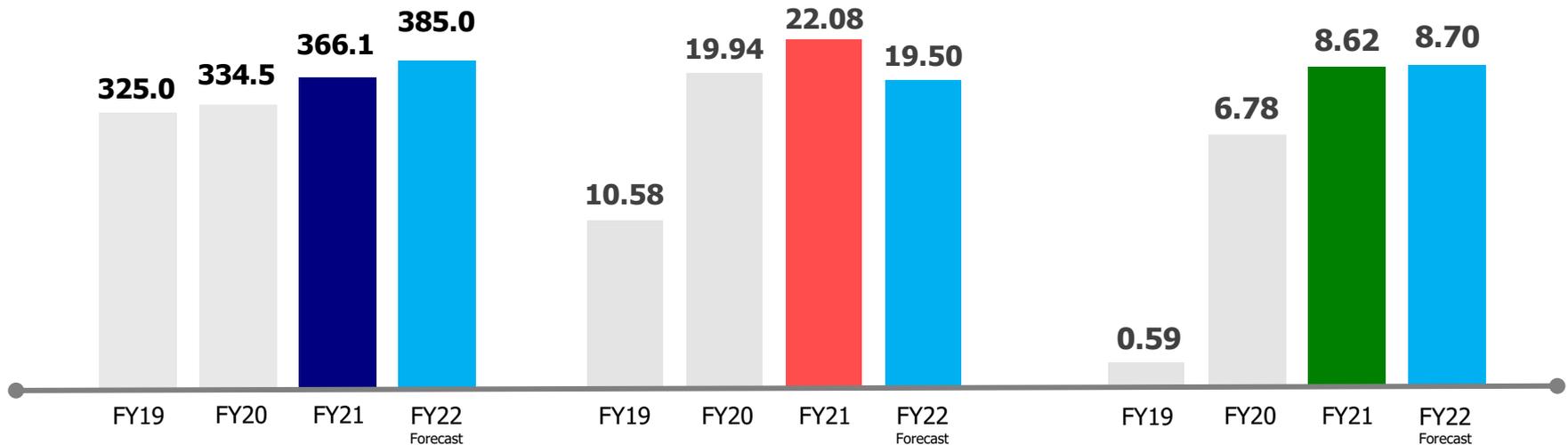
## Profit attributable to owners of parent

(Billions of yen)

YoY +5.2%

(11.7)%

+0.9%



(Millions of yen)	FY19	to net sales %	FY20	to net sales %	FY21	to net sales %	FY22 Forecast	to net sales %	vs FY21 Increase/Decrease	YoY
Net sales	324,984	100.0	334,540	100.0	366,096	100.0	385,000	100.0	+18,903	+5.2%
Operating income	10,577	3.3	19,940	6.0	22,083	6.0	19,500	5.1	(2,583)	(11.7)%
Ordinary income	10,236	3.1	20,379	6.1	22,496	6.1	20,200	5.2	(2,296)	(10.2)%
Profit attributable to owners of parent	594	0.2	6,784	2.0	8,621	2.4	8,700	2.3	+78	+0.9%

# FY2022 Consolidated Forecasts by Segment

(Millions of yen)

Segment		Sales				Operating income (loss)				Operating income margin		
		FY21	FY22 Forecast	VS FY21 Increase/Decrease	VS FY21 %	FY21	FY22 Forecast	VS FY21 Increase/Decrease	VS FY21 %	FY21	FY22 Forecast	VS FY21 Increase/Decrease
①	Expert Services (Temporary Staffing)	152,067	154,000	+1,932	+1.3%							
②	BPO Services (Contracting)	139,272	142,000	+2,727	+2.0%	18,345	17,100	(1,245)	(6.8)%	6.1%	5.6%	(0.5)pt
③	HR Consulting, Education, Training, etc.	8,418	9,500	+1,081	+12.8%							
④	Global Sourcing (Overseas)	8,335	10,100	+1,764	+21.2%	447	700	+252	+56.3%	5.4%	6.9%	+1.5pt
Subtotal		308,093	315,600	+7,506	+2.4%	18,793	17,800	(993)	(5.3)%	6.1%	5.6%	(0.5)pt
⑤	Career Solutions (Placement/Recruiting, Outplacement)	14,700	15,000	+299	+2.0%	4,470	4,700	+229	+5.1%	30.4%	31.3%	+0.9pt
⑥	Outsourcing	38,359	46,100	+7,740	+20.2%	12,765	10,800	(1,965)	(15.4)%	33.3%	23.4%	(9.9)pt
⑦	Life Solutions	7,158	8,000	+841	+11.8%	232	400	+167	+72.3%	3.2%	5.0%	+1.8pt
⑧	Regional Revitalization Solutions	4,426	7,200	+2,773	+62.7%	(2,612)	(2,000)	+612	-	-	-	-
⑨	Elimination/Corporate	(6,642)	(6,900)	(257)	-	(11,566)	(12,200)	(633)	-	-	-	-
Consolidated		366,096	385,000	+18,903	+5.2%	22,083	19,500	(2,583)	(11.7)%	6.0%	5.1%	(0.9)pt

# Reference

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# Selected under the 2023 Health & Productivity Stock Selection

- 【 Pasona Group Inc. 】  
The 2023 Health & Productivity Stock Selection  
Health & Productivity Management Outstanding Organizations “White 500” ( seven consecutive years )
- 【 Benefit One Inc. 】  
Health & Productivity Management Outstanding Organizations “White 500” ( six consecutive years )
- 【 Pasona Panasonic Business Service Co., Ltd. 】  
Health & Productivity Management Outstanding Organizations “Bright 500”
- 【 Pasona HS Inc. 】  
Health & Productivity Management Outstanding Organizations



## 【Pasona Group Inc. Major Initiatives for Health Management】

1. Conduct lifestyle surveys and publish results  
Once a year, a lifestyle survey is conducted for employees to score their lifestyle habits in the categories of exercise, diet, sleep, and preferences (drinking, snacking, smoking) and provide feedback.
2. Mental Health Measures  
Conducted mental care training for all employees to promote self-care and line-care in conjunction with the implementation of stress checks.
3. Supporting Health Promotion for Men and Women  
Health lectures by obstetrics and gynecology specialists were given to all employees to promote understanding of changes in the minds and bodies of men and women and to "improve literacy".
4. Promoting employee communication through health  
Promoting group-wide communication by creating our own original physical exercises and providing physical exercise, training gyms, healthy lunches, etc.
5. Establishment of various consultation services  
We provide not only career counseling, but also a contact point to discuss various concerns such as one's own health and lifestyle.  
Women's health support programs are also being expanded, including an "online consultation service" where women can consult with specialists on women's specific health issues and concerns about childcare and childbirth.

※ "Health Management Issues" is a system for selecting companies listed on the Tokyo Stock Exchange that consider the health management of their employees from a managerial perspective and practice particularly excellent health management. The Ministry of Economy, Trade and Industry (METI) and the Japan Health Council certify corporations that are strategically engaged in employee health management from a managerial perspective.

※ News&Topics 2023.03.09: Pasona Group Recognized as a "Health Management Brand 2023" and Recognized as a "White 500" Organization for Excellent Health Management for the 7th consecutive year.

# Awaji Island

**2008** A support system for agricultural ventures aiming for independent farming

## **Pasona Challenge Farm**

**2012** Renovation of a closed-down elementary school Marche and Restaurant

## **Nojima Scuola**

**2014** Training entrepreneurs to solve social problems

## **Entrepreneurship Program**

A terrace with seaside view

## **Honey Cafe miele**

**2016** Seafront Market and Restaurant

## **CRAFT CIRCUS**

**2017** Aiming for regional revitalization through artistic activities

## **Began call for Entertainers to revitalize the region**

Hyogo Prefectural Awaji Island Animation Park

## **NIJIGEN NO MORI**

A grill restaurant with spectacular ocean views

## **Ocean Terrace**

**2018** Media art and restaurant by the sea

## **HELLO KITTY SMILE**

A luxury hotel on a "starry hill"

## **GRAND CHARIOT**

**2019** A new theater restaurant where you can enjoy a Hello Kitty show and dining

## **HELLO KITTY SHOW BOX**

**2020** A project aiming for regional revitalization through music

## **Music Island Project**

Theater and social distance restaurant

## **SEIKAIHA**

Aiming to create 10,000 jobs by 2025

## **General Headquarters for Emergency Job Creation**

**2021** Supporting the dreams of new graduates entering the workforce

## **Gap Year Program**

Supporting job retention and career development for younger employees

## **Fresh Career Development Program**

An outdoor food court amidst nature aiming to support chefs affected by the COVID-19 infection

## **Awaji Chef's Garden**

For those seeking full-time employment while raising children on their own

## **Single parent work support project**

A residency-style French restaurant

## **Auberge La Forêt de la Cuisine Française**

A restaurant featuring vegetables that you can enjoy in abundant nature

## **Farmer restaurant**

## **Haru・Sansan**

**2022** "Sea Cuisine" Restaurant, cooking freshly harvested ingredients from Awaji Island

## **The First Island**

## **AMAN NO SHOKUTAKU**

enjoying gentle meals and a mindfulness experience in the wilderness away from the city

## **Zazen Yoga Retreatment & Restaurant Zenbo Seinei**

World's largest apple-shaped observation theater

## **HELLO KITTY APPLE HOUSE**

Ukraine Support Project

## **Awaji World Ballet**

Renewal Opening of Seaside Restaurant & Market

## **CRAFT CIRCUS**

**2023** A lively and relaxing seafood diner and cafe where you can enjoy seafood

## **miele the DINER**

# ESG · Sustainability

- Based on the corporate philosophy of “solving society's problems,” we engage in business activities to realize a sustainable society and promote sustainability management for the sustainable growth of the Group.
- The Pasona Group Sustainability Statement clarifies the significance of sustainability initiatives and the future vision that the company is aiming for.

## Pasona Group’s Sustainability Management



### Commitment to Sustainable Global Environment

- Major Efforts to Reduce CO2 Emissions
- Environmental Initiatives
- Compliance with the Task Force on Climate-related Financial Disclosure (TCFD)



### Respect for Diversity Commitment to Human Capital

- Diversity and Inclusion
- Human Resource Development
- Providing diverse career paths and employment opportunities
- Health Management Initiatives



### Inheritance of the Founding Spirit and Corporate Culture

- Spreading the Philosophy
- Fostering a corporate culture geared toward solving social issues
- Governance

# ESG · Sustainability

- Collaborating with Biomass Resin Holdings Co.,Ltd. on Awaji Island to realize decarbonized society.  
Started offering “Sustainable Training Program” for companies and organizations. (July 2022)

【Detail】

- Started offering “Sustainable Training Program”

The training program for companies, organizations, and school corporations to learn about “SDGs” such as food safety and the natural environment.

- ① Providing agricultural experience to learn about food safety and the production process of agricultural products through agricultural process of soil separation, etc.
- ② Conducting classroom training to learn about agricultural issues in Japanese society, such as abandoned farmlands, and examples of plastic-free use by using rice.

- Introduction, display and sales of biomass plastic cutlery and children’s toys

Introduction, display and sales of cutlery such as forks and spoons and children’s toys made from the biomass plastic “Rice Resin ®” developed and manufactured by Biomass Resin Holdings Co.,Ltd. in the farmers' restaurant “Haru San San” in “Awaji Nature Lab & Resort”.



The farmer's restaurant “Haru-sansan”

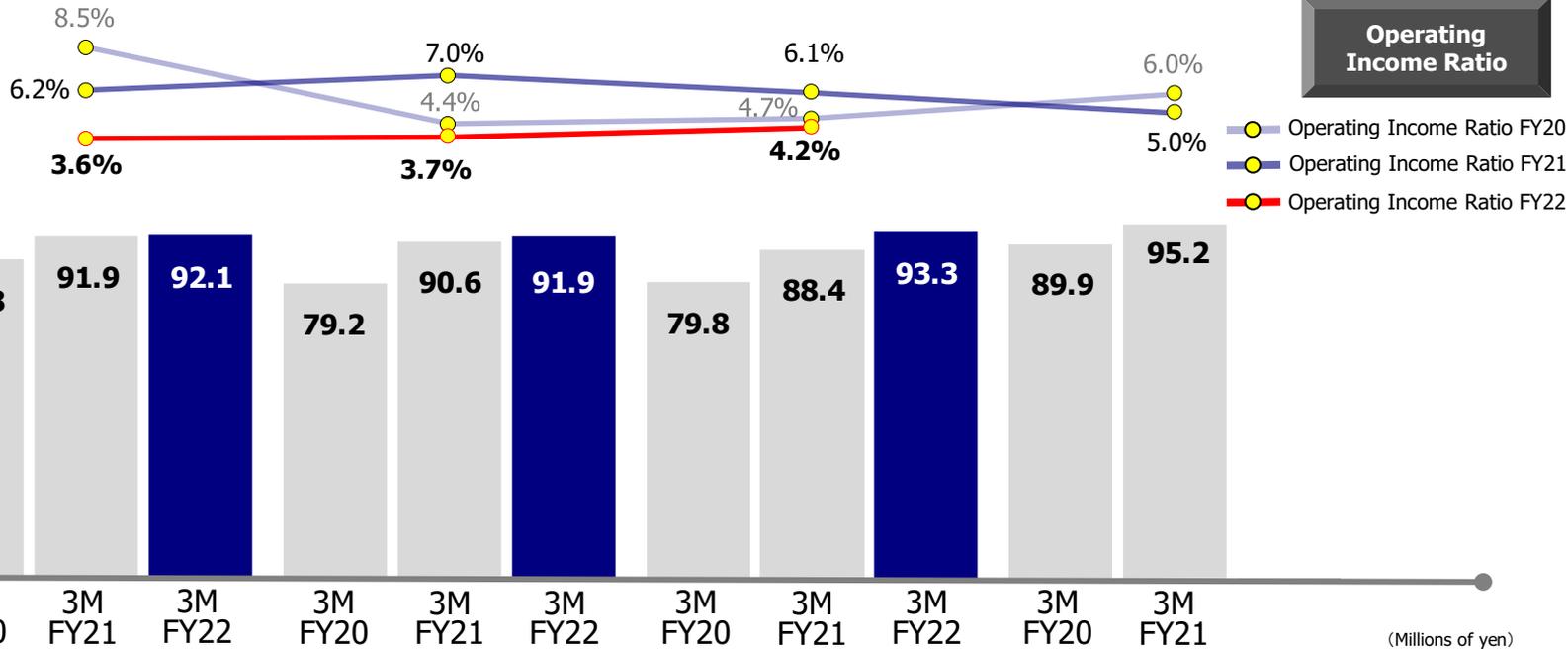


Forks, spoons and children's toys made from biomass plastic

# Quarterly Sales and Income Trends

## Net Sales

(Billions of yen)



(Millions of yen)

Q1 (June to August)

Q2 (September to November)

Q3 (December to February)

Q4 (March to May)

	Q1 (June to August)					Q2 (September to November)					Q3 (December to February)					Q4 (March to May)		
	FY20	FY21	YoY	FY22	YoY	FY20	FY21	YoY	FY22	YoY	FY20	FY21	YoY	FY22	YoY	FY20	FY21	YoY
Net sales	85,751	91,927	+7.2%	92,066	+0.2%	79,154	90,558	+14.4%	91,906	+1.5%	79,763	88,389	+10.8%	93,307	+5.6%	89,869	95,221	+6.0%
Gross profit	22,332	21,720	(2.7)%	22,273	+2.5%	19,659	22,792	+15.9%	22,582	(0.9)%	19,038	21,525	+13.1%	22,956	+6.7%	21,939	23,633	+7.7%
SG&A expenses	15,044	16,020	+6.5%	18,943	+18.2%	16,144	16,496	+2.2%	19,180	+16.3%	15,327	16,173	+5.5%	19,025	+17.6%	16,511	18,898	+14.5%
Operating income	7,287	5,700	(21.8)%	3,330	(41.6)%	3,515	6,295	+79.1%	3,402	(46.0)%	3,710	5,352	+44.2%	3,931	(26.5)%	5,428	4,735	(12.8)%
Profit (Loss) attributable to owners of parent	4,064	2,481	(38.9)%	1,293	(47.9)%	213	2,318	+983.5%	1,440	(37.9)%	1,304	2,514	+92.8%	1,213	(51.7)%	1,201	1,306	+8.8%
Gross profit ratio	26.0%	23.6%	(2.4)pt	24.2%	+0.6pt	24.8%	25.2%	+0.4pt	24.6%	(0.6)pt	23.9%	24.4%	+0.5pt	24.6%	+0.2pt	24.4%	24.8%	+0.4pt
SG&A expense ratio	17.5%	17.4%	(0.1)pt	20.6%	+3.2pt	20.4%	18.2%	(2.2)pt	20.9%	+2.7pt	19.2%	18.3%	(0.9)pt	20.4%	+2.1pt	18.4%	19.8%	+1.4pt
Operating income ratio	8.5%	6.2%	(2.3)pt	3.6%	(2.6)pt	4.4%	7.0%	+2.6pt	3.7%	(3.3)pt	4.7%	6.1%	+1.4pt	4.2%	(1.9)pt	6.0%	5.0%	(1.0)pt

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

# Quarterly Sales and Income Trends by Segment

(Millions of yen)

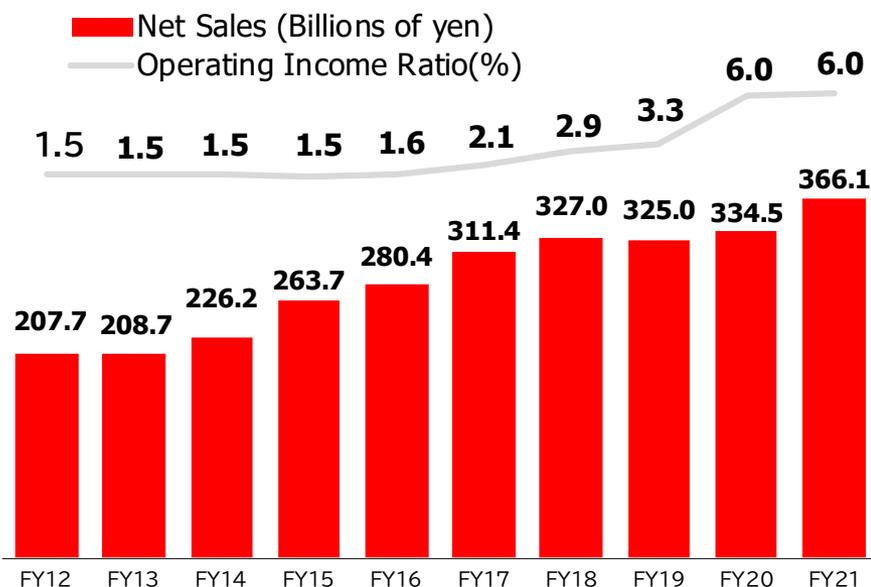
Segment		Sales							YoY
		Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22	
①	Expert Services (Temporary Staffing)	40,650	38,014	35,438	37,964	37,837	37,375	35,663	+0.6%
②	BPO Services (Contracting)	34,202	33,417	34,898	36,753	33,817	34,507	36,393	+4.3%
③	HR Consulting, Education & Training, Others.	1,926	1,911	2,418	2,162	2,021	2,235	2,323	(3.9)%
④	Global Sourcing (Overseas)	2,056	2,004	2,084	2,190	2,395	2,526	2,366	+13.5%
Subtotal		<b>78,835</b>	<b>75,347</b>	<b>74,839</b>	<b>79,071</b>	<b>76,071</b>	<b>76,645</b>	<b>76,746</b>	<b>+2.5%</b>
⑤	Career Solutions (Placement/Recruiting, Outplacement)	3,610	3,881	3,529	3,679	3,434	3,475	3,395	(3.8)%
⑥	Outsourcing	8,513	10,232	8,319	11,293	10,583	9,650	10,788	+29.7%
⑦	Life Solutions	1,708	1,767	1,786	1,896	1,963	2,035	2,115	+18.4%
⑧	Regional Revitalization Solutions	763	1,286	1,241	1,134	1,529	1,894	1,823	+46.8%
⑨	Eliminations and Corporate	(1,504)	(1,957)	(1,326)	(1,853)	(1,515)	(1,795)	(1,561)	-
Total		<b>91,927</b>	<b>90,558</b>	<b>88,389</b>	<b>95,221</b>	<b>92,066</b>	<b>91,906</b>	<b>93,307</b>	<b>+5.6%</b>

Segment		Operating income (loss)							YoY
		Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22	
①	Expert Services (Temporary Staffing)	5,021	4,222	4,574	4,527	3,398	3,963	3,591	(21.5)%
②	BPO Services (Contracting)								
③	HR Consulting, Education & Training, Others.								
④	Global Sourcing (Overseas)								
Subtotal		<b>5,079</b>	<b>4,333</b>	<b>4,663</b>	<b>4,717</b>	<b>3,506</b>	<b>4,205</b>	<b>3,697</b>	<b>(20.7)%</b>
⑤	Career Solutions (Placement/Recruiting, Outplacement)	1,134	1,250	973	1,112	919	1,074	976	+0.3%
⑥	Outsourcing	2,843	4,043	2,645	3,232	2,897	1,927	3,013	+13.9%
⑦	Life Solutions	14	100	62	54	55	117	140	+124.1%
⑧	Regional Revitalization Solutions	(702)	(547)	(451)	(910)	(667)	(450)	(1,001)	-
⑨	Eliminations and Corporate	(2,668)	(2,884)	(2,541)	(3,471)	(3,381)	(3,471)	(2,895)	-
Total		<b>5,700</b>	<b>6,295</b>	<b>5,352</b>	<b>4,735</b>	<b>3,330</b>	<b>3,402</b>	<b>3,931</b>	<b>(26.5)%</b>

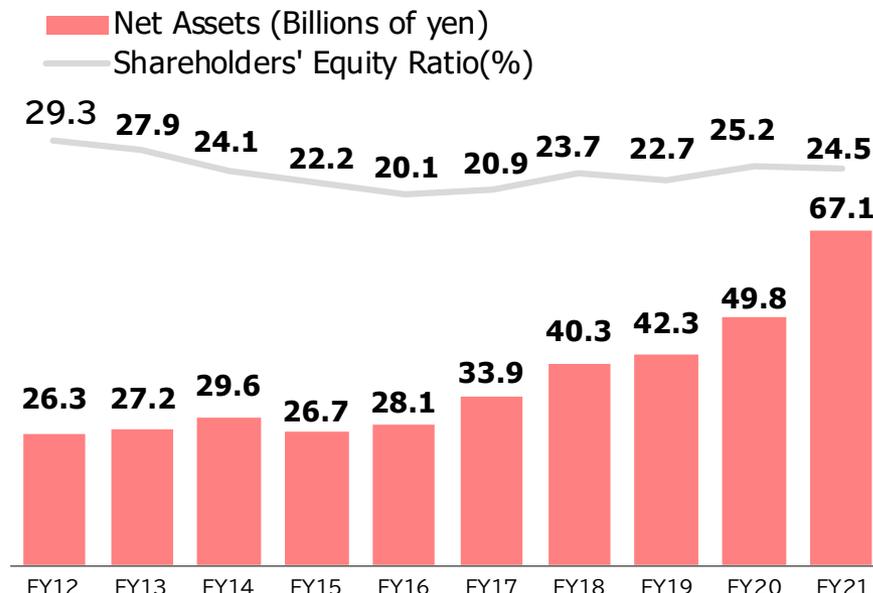
※ Please refer to the Investors Guide for the figures before the listed year.

# Full-Year Key Indicators

## Net Sales and Operating Income Ratio



## Net Assets and Shareholders' Equity Ratio



### Results

Key Indicators	'13/05	'14/05	'15/05	'16/05	'17/05	'18/05	'19/05	'20/05	'21/05	'22/05
Net Sales	207,685	208,660	226,227	263,728	280,395	311,410	326,984	324,986	334,540	366,096
Gross Profit Margin	19.3%	19.3%	20.3%	20.0%	20.2%	21.5%	22.8%	23.6%	24.8%	24.5%
SG&A Expenses	36,898	37,029	42,381	48,948	52,128	60,489	65,245	66,112	63,028	67,588
SG&A Expense Ratio	17.8%	17.7%	18.7%	18.6%	18.6%	19.4%	20.0%	20.3%	18.8%	18.5%
Operating Income	3,176	3,210	3,490	3,860	4,488	6,539	9,465	10,577	19,940	22,083
Operating Income Ratio	1.5%	1.5%	1.5%	1.5%	1.6%	2.1%	2.9%	3.3%	6.0%	6.0%
Ordinary Income	3,187	3,135	3,343	3,855	4,319	6,631	9,237	10,236	20,379	22,496
Ordinary Income Ratio	1.5%	1.5%	1.5%	1.5%	1.5%	2.1%	2.8%	3.1%	6.1%	6.1%
Net Income *4	610	526	214	243	(129)	1,288	1,975	594	6,784	8,621
Net Income Ratio	0.3%	0.3%	0.1%	0.1%	—	0.4%	0.6%	0.2%	2.0%	2.4%
Total Assets *5	71,276	75,615	88,641	85,356	94,584	112,477	119,459	140,441	151,641	203,746
Net Assets *1	26,253	27,181	29,620	26,735	28,062	33,889	40,253	42,316	49,779	67,146
Shareholders' Equity Ratio *2 *5	29.3%	27.9%	24.1%	22.2%	20.1%	20.9%	23.7%	22.7%	25.2%	24.5%
Return on Equity *3	2.9%	2.5%	1.0%	1.2%	(0.7)%	6.0%	7.6%	2.0%	19.4%	19.6%
Number of Employees (exclude contract workers)	4,778	5,022	6,584	7,144	7,238	7,716	7,855	9,607	9,498	10,364

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.

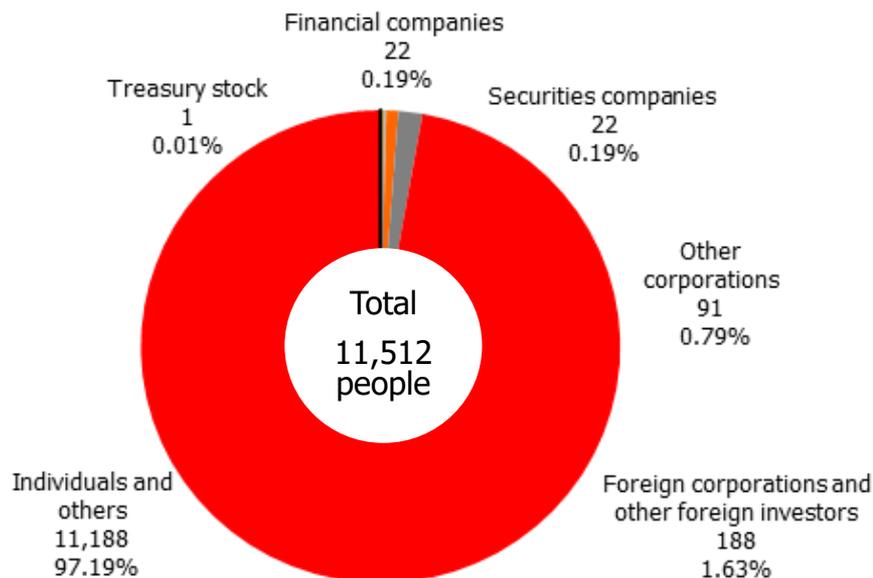
3. The data for the periods up to and including the fiscal year ended May 31, 2007 are consolidated data for Pasona Inc. The data for the periods commencing the fiscal year ended May 31, 2008 and beyond are consolidated data for Pasona Group Inc.

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

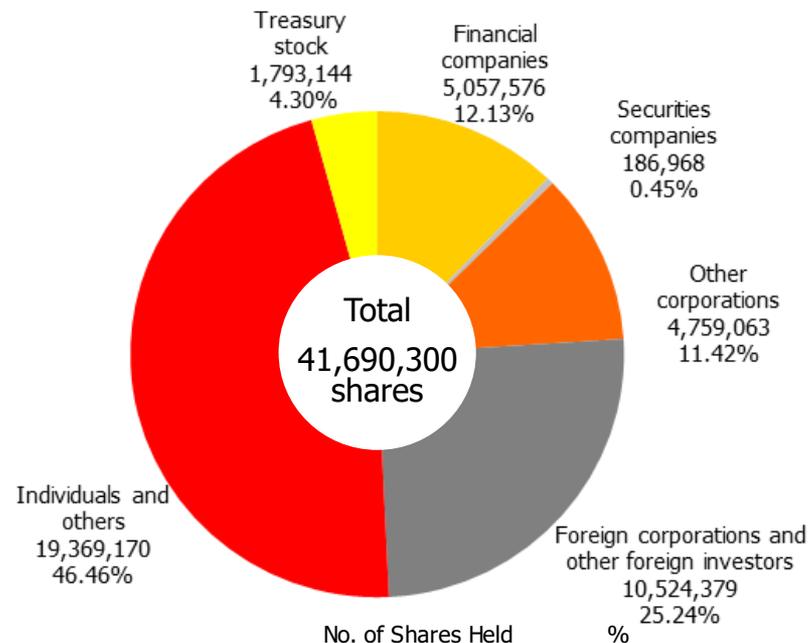
5. As the Company adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" from the beginning of the first quarter of FY2018. As for the financial position, the figures for the previous consolidated fiscal year were processed by the method.

# Stock Information (As of Nov. 30, 2022)

## Breakdown of Shareholders by Type



## Breakdown of Shareholders by Number of Share Held



## Principal Shareholders

Shareholder Name	No. of Shares Held	%
Yasuyuki Nambu	14,763,200	35.41%
Nambu Enterprise Inc.	3,738,500	8.97%
The Master Trust Bank of Japan, Ltd (Trust Account)	3,017,400	7.24%
THE BANK OF NEW YORK MELLON 140040	2,278,500	5.47%
Pasona Group Inc.	1,793,144	4.30%
INDUS SELECT MASTER FUND, LTD.	1,415,600	3.40%
AVI GLOBAL TRUST PLC	895,300	2.15%
CREDIT SUISSE AG HONG KONG TRUST A/C CLIENT	782,800	1.88%
Custody Bank of Japan, Ltd.(Trust Account)	746,800	1.79%
Custody Bank of Japan, Ltd.(Trust Account E)	722,376	1.73%
JP MORGAN CHASE BANK 385632	616,488	1.48%

- The Company's treasury stock (1,793,144 shares, 4.30% of total issued shares) ranked fifth. In accordance with Article 308.2 of the Corporations Law, there are no voting rights attached to treasury stock.
- Tempered Investment Management Limited sent a change report to the Kanto Finance Bureau on January 18, 2022, reporting that it owns 2,406,300 shares as of January 18, 2022. However, the number of shares held as of the end of Nov 2022 cannot be confirmed, so it is not included in the status of the above major shareholders.

# Group Companies (by segment)

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

Pasona Inc.	CAPLAN Corporation	
Bewith, Inc.	Pasona Heartful Inc.	
PASONA LOGICOM Inc.	Asahi Beer Communications Co, Ltd.	
Pasona HS Inc.	Pasona art now Inc.	
Nagasaki diamond staff	Pasona Knowledge Partner Inc.	
Pasona Masters Inc.	Pasona Intellectual Property Trust Inc.	
Pasona HR Solution Inc.	Profelier, Inc	
Gotop Co., Ltd.	circlace Inc.*	
Pasona JOB HUB Inc.		
Pasona Yaskawa Business Staff Inc.		
Pasona Panasonic Business Service Co.,Ltd		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.

## 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	
	Others *

## Life Solutions

Pasona Foster Inc.  
Pasona Life Care Inc.

## Regional Revitalization Solutions

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

● Consolidated subsidiaries 69

\* Equity-method affiliates 6

(As of Feb. 28, 2023)

# Corporate Information

Prime Market TSE (2168)

<b>Corporate Name</b>	Pasona Group Inc.	
<b>Headquarters</b>	Shin Marunouchi Bldg. 1-5-1, Marunouchi, Chiyoda-ku, Tokyo 100-6514	<u>Comprehensive Group office</u> Minami-Aoyama 3-1-30 Minato-ku, Tokyo 107-8351 Phone 03-6734-0200
<b>Established</b>	December 3, 2007 (Founding February 1976)	
<b>Paid-in Capital</b>	5,000 million yen	
<b>Representative</b>	Yasuyuki Nambu	
<b>Business Activities</b>	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	
<b>Number of Employees</b>	23,488 (Consolidated, including contract workers)	(As of May. 31, 2022)
<b>Consolidated Group Companies</b>	Subsidiaries 69 , Affiliates 6	(As of Feb. 28, 2023)
<b>URL</b>	<a href="http://www.pasonagroup.co.jp/English/">www.pasonagroup.co.jp/English/</a>	