

Results for the First Quarter of the Fiscal Year Ending May 31, 2023

**FY2022 (June 1, 2022 - May 31, 2023)
Three months ended August 31, 2022**

**Pasona Group Inc.
Prime Market TSE (2168)**

**October 14, 2022
www.pasonagroup.co.jp/English**

Consolidated Results

(Millions of yen)	3M FY21	(%)	3M FY22	(%)	Increase /Decrease
Net sales	91,927	100.0	92,066	100.0	+139 +0.2%
Cost of sales	70,207	76.4	69,793	75.8	(414) (0.6)%
Gross profit	21,720	23.6	22,273	24.2	+553 +2.5%
SG&A expenses	16,020	17.4	18,943	20.6	+2,922 +18.2%
Operating income	5,700	6.2	3,330	3.6	(2,369) (41.6)%
Ordinary income	5,786	6.3	3,610	3.9	(2,175) (37.6)%
Profit attributable to owners of parent	2,481	2.7	1,293	1.4	(1,188) (47.9)%
Gross profit ratio	23.6%		24.2%		+0.6pt
Operating income ratio	6.2%		3.6%		(2.6)pt

Net Sales

YoY
+0.2%

91.9 92.1

3M FY21 3M FY22

Operating Income

(Billions of yen)

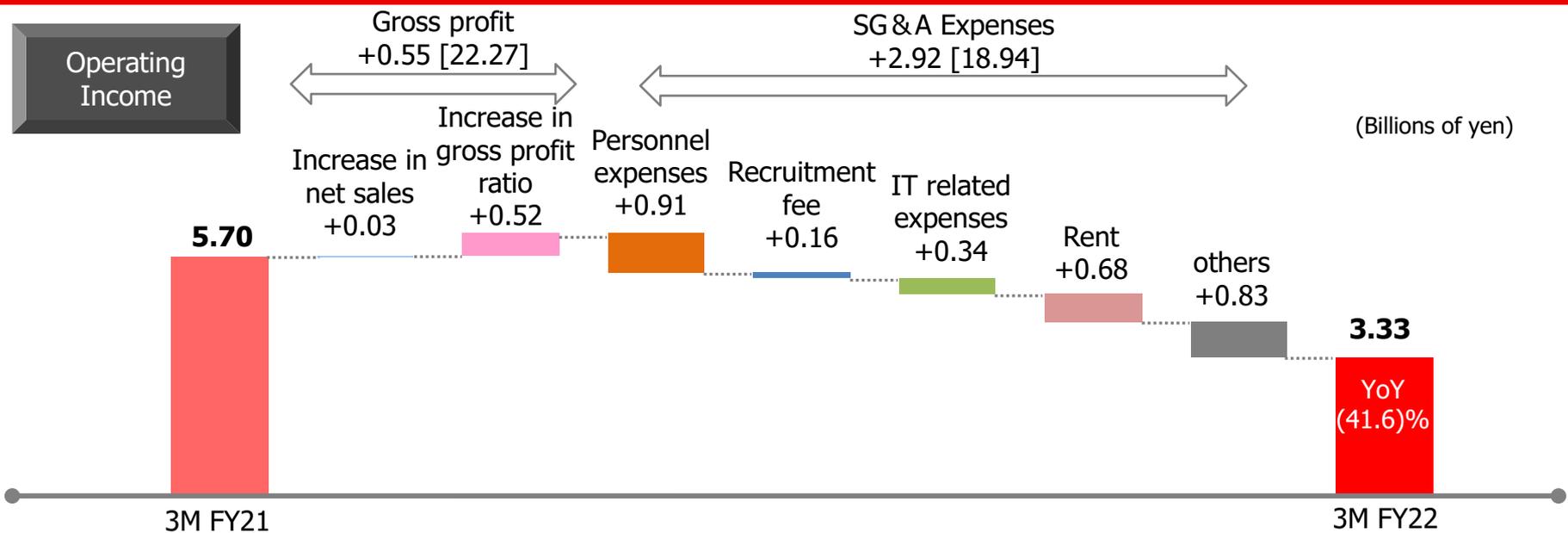
(41.6)%

5.70

3.33

3M FY21 3M FY22

Operating Income



	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	3M FY21	3M FY22
Gross Profit ratio	19.3%	20.3%	20.0%	20.2%	21.5%	22.8%	23.6%	24.8%	24.5%	23.6%	24.2%
SG&A ratio	17.7%	18.7%	18.6%	18.6%	19.4%	20.0%	20.3%	18.8%	18.5%	17.4%	20.6%
Operating Income ratio	1.5%	1.5%	1.5%	1.6%	2.1%	2.9%	3.3%	6.0%	6.0%	6.2%	3.6%

Major Item of Increase/Decrease

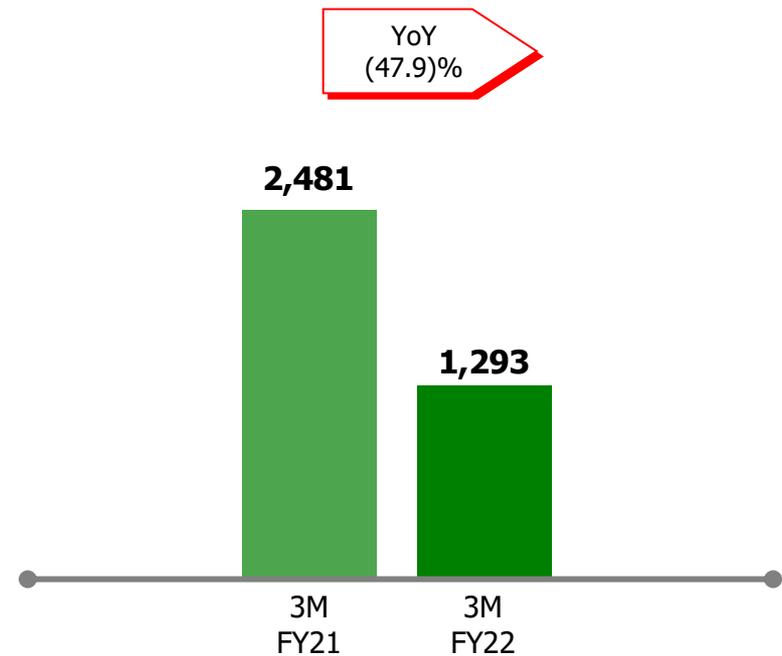
- Gross profit** : Consolidated gross profit increased ¥550 million and the gross profit margin was 24.2% (+0.6pt) due to sales growth in the outsourcing business, which has a high gross profit margin.
- SG&A expenses** : With the completion of the BPO project, personnel expenses will be transferred from cost to SG&A expenses. Increased costs due to outsourcing business expansion (M&A) and advertising expenses such as large-scale promotions. Double rent costs incurred due to relocation to Aoyama, Tokyo.

Non-operating/Extraordinary income (loss), Others

(Millions of yen)	3M FY21	3M FY22	Increase/ Decrease	YoY
Operating income	5,700	3,330	(2,369)	(41.6)%
Non-operating income	372	577	+205	+55.1%
Non-operating expenses	286	297	+11	+3.9%
Ordinary income	5,786	3,610	(2,175)	(37.6)%
Extraordinary income	27	217	+190	+696.5%
Extraordinary loss	13	9	(4)	(33.4)%
Income before income taxes	5,799	3,819	(1,980)	(34.2)%
Income taxes - current	1,472	1,162	(310)	(21.1)%
Income taxes - deferred	863	360	(503)	(58.3)%
Income taxes	2,336	1,522	(813)	(34.8)%
Profit attributable to non-controlling interests	981	1,002	+21	+2.2%
Profit attributable to owners of parent	2,481	1,293	(1,188)	(47.9)%

Profit attributable to owners of parent

(Millions of yen)



Major Item of Increase/Decrease

- **Extraordinary loss**
Gain on change in equity
(Equity change due to listing of Circlace Inc)

Consolidated Results by Segment

(Millions of yen)

Segment		Net sales				Operating income (loss)				Operating income ratio		
		3M FY21	3M FY22	Increase/ Decrease	YoY	3M FY21	3M FY22	Increase/ Decrease	YoY	3M FY21	3M FY22	Increase/ Decrease
①	Expert Services (Temporary Staffing)	40,650	37,837	(2,812)	(6.9)%							
②	BPO Services (Contracting)	34,202	33,817	(384)	(1.1)%	5,021	3,398	(1,623)	(32.3)%	6.5%	4.6%	(1.9)pt
③	HR Consulting , Education & Training , Others.	1,926	2,021	+95	+4.9%							
④	Global Sourcing (Overseas)	2,056	2,395	+339	+16.5%	57	108	+51	+89.0%	2.8%	4.5%	+1.7pt
Subtotal		78,835	76,071	(2,763)	(3.5)%	5,079	3,506	(1,572)	(31.0)%	6.4%	4.6%	(1.8)pt
⑤	Career Solutions (Placement/ Recruiting, Outplacement)	3,610	3,434	(176)	(4.9)%	1,134	919	(215)	(19.0)%	31.4%	26.8%	(4.6)pt
⑥	Outsourcing	8,513	10,583	+2,070	+24.3%	2,843	2,897	+53	+1.9%	33.4%	27.4%	(6.0)pt
⑦	Life Solutions	1,708	1,963	+254	+14.9%	14	55	+41	+297.0%	0.8%	2.8%	+2.0pt
⑧	Regional Revitalization Solutions	763	1,529	+765	+100.2%	(702)	(667)	+35	-	-	-	-
⑨	Eliminations and Corporate	(1,504)	(1,515)	(11)	-	(2,668)	(3,381)	(712)	-	-	-	-
Total		91,927	92,066	+139	+0.2%	5,700	3,330	(2,369)	(41.6)%	6.2%	3.6%	(2.6)pt

Balance Sheet

(Billions of yen)

Major Item of Increase/Decrease	May 31,2022	Aug 31,2022	Increase/ Decrease
Assets	203.7	199.3	(4.4)
Current assets	131.1	125.8	(5.4)
Cash and deposits	67.0	59.8	(7.1)
Notes and accounts receivable-trade, and contract assets	51.0	52.4	+1.4
Non-current assets	72.5	73.4	+0.9
Property, plant and equipment	27.3	28.9	+1.5
Intangible assets	23.2	23.6	+0.4
Investments and other assets	21.9	20.9	(1.0)
Liabilities	136.6	135.9	(0.7)
Current liabilities	83.6	83.2	(0.4)
Accounts payable-trade	8.7	5.3	(3.4)
Income taxes payable	5.9	1.5	(4.4)
Deposits received	13.1	20.7	+7.7
Non-current liabilities	53.0	52.8	(0.3)
Bonds payable	3.8	3.8	±0.0
Long-term loans payable	38.8	37.5	(1.3)
Net assets	67.1	63.4	(3.8)
Shareholders' equity	48.6	47.8	(0.8)
Capital surplus	17.8	17.1	(0.7)
Retained earnings	28.2	28.1	(0.1)
Treasury shares	(2.4)	(2.4)	+0.0
Total accumulated other comprehensive income	1.3	1.4	+0.1
Share acquisition rights	0.0	0.0	±0.0
Non-controlling interests	17.2	14.1	(3.0)
Equity ratio	24.5%	24.7%	+0.2pt
Equity ratio (Excluding deposits received for contracted projects)	25.8%	27.0%	+1.2pt

Major Item of Increase/Decrease

[Cash and deposits]

Increased due to temporary deposits related to entrusted projects, but decreased due to corporate tax payments and dividend payments.

[Property, plant and equipment]

Assets increased due to new construction of commercial facilities and business facilities in regional revitalization projects, etc.

[Deposits received]

Temporary deposits related to contracted projects increased.

[Non-controlling interests]

Decrease in capital mainly due to payment of dividends and acquisition of treasury stock at Benefit One Inc.

[Equity ratio]

27.0% when deposits received related to contracted projects are deducted.

FY2022 Forecasts

FY2022 Consolidated Forecasts (Announced on July 15, 2022)

Net Sales

Operating Income

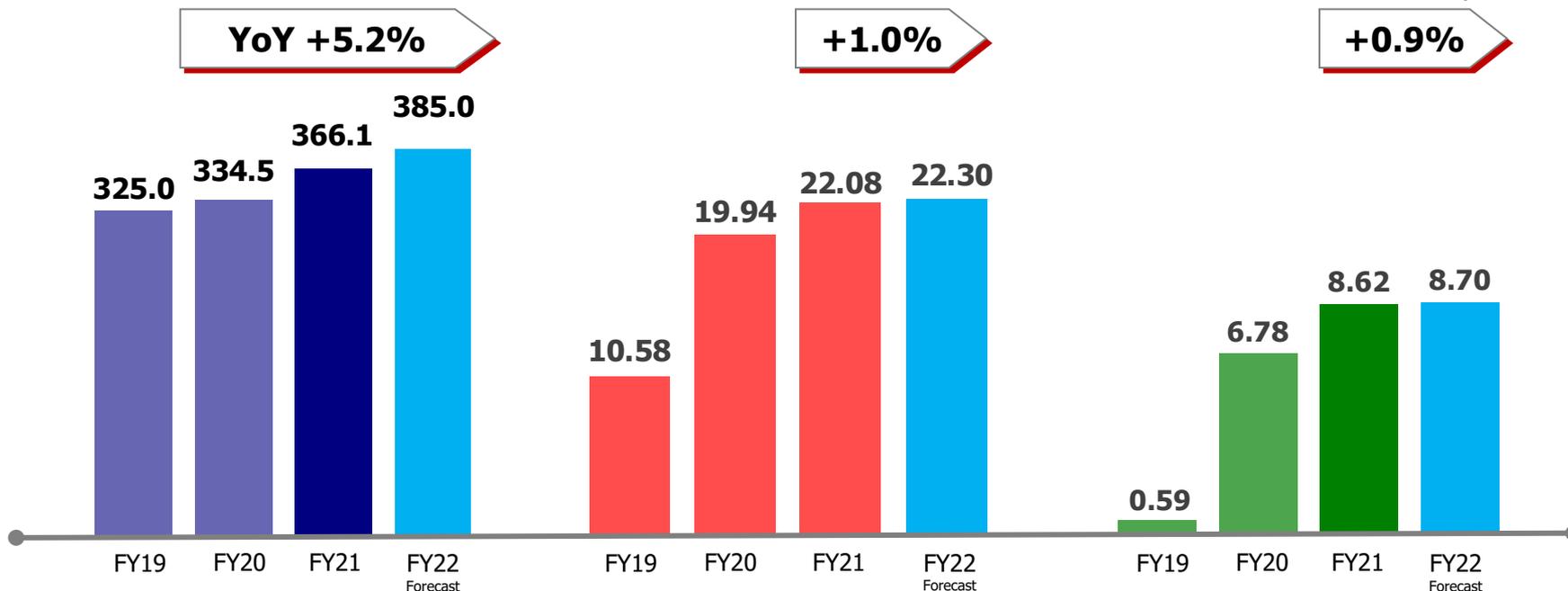
Profit attributable to owners of parent

(Billions of yen)

YoY +5.2%

+1.0%

+0.9%



(Millions of yen)	FY19	to net sales %	FY20	to net sales %	FY21	to net sales %	FY22 Forecast	to net sales %
Net sales	324,984	100.0	334,540	100.0	366,096	100.0	385,000	100.0
Operating income	10,577	3.3	19,940	6.0	22,083	6.0	22,300	5.8
Ordinary income	10,236	3.1	20,379	6.1	22,496	6.1	22,500	5.8
Profit attributable to owners of parent	594	0.2	6,784	2.0	8,621	2.4	8,700	2.3

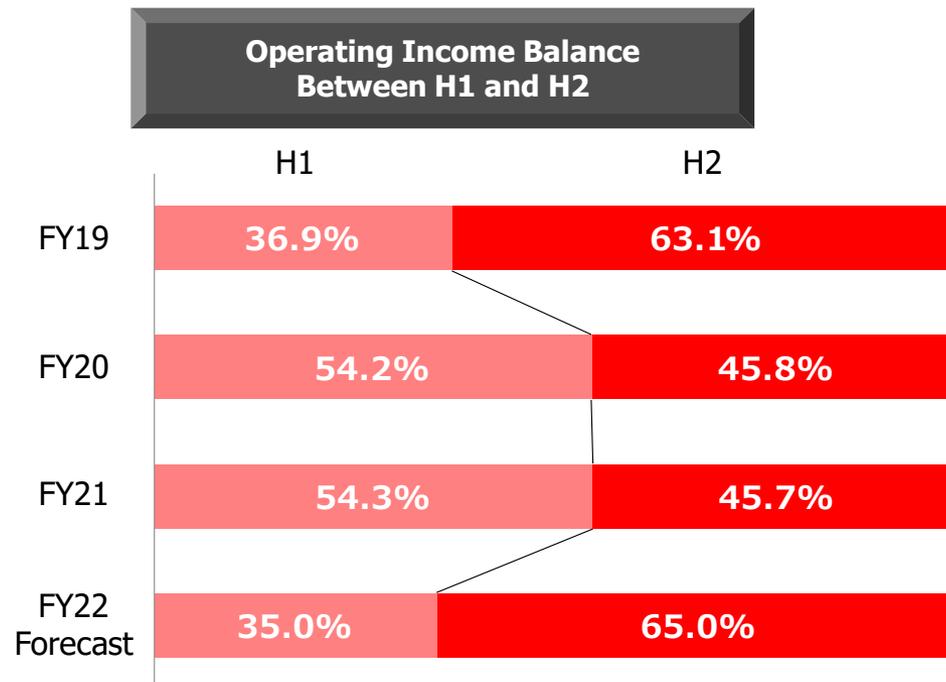
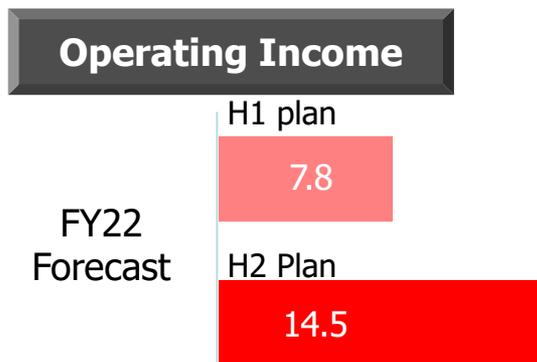
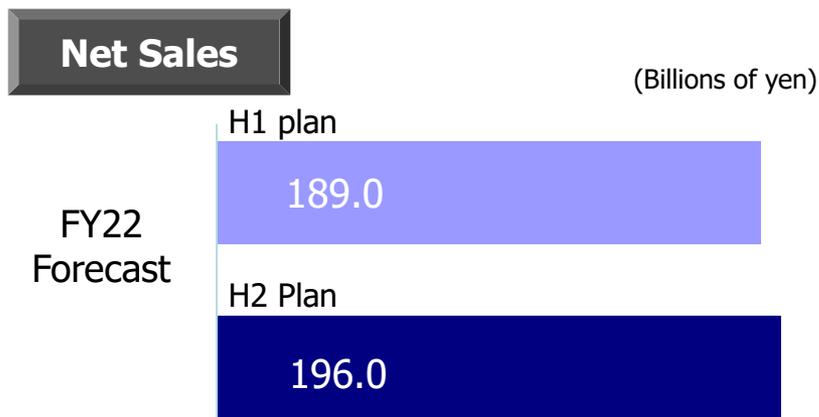
FY22 Consolidated Forecasts Progress Rate

- **H1 FY22 progress rate** : Although there was a decrease in spot projects, which had accumulated significantly in the previous fiscal year, progress was generally in line with plan.

	3M FY22	H1 FY22 Forecast	H1 FY22 Progress Rate (%)
Net sales	92,066	189,000	48.7%
Operating income	3,330	7,800	42.7%
Ordinary income	3,610	8,000	45.1%
Profit attributable to owners of parent	1,293	3,000	43.1%

(Millions of yen)

FY2022 Difference Between the First and Second Half



In FY20 and FY21, the ratio in the H1 increased due to the impact of large-scale business contracts due to the COVID-19 infection, but the ratio in the H2 is expected to return to the conventional high trend in this fiscal year.

(Millions of yen)	FY21 H1	FY22 H1	to net sales	vsFY21 %	FY21 H2	FY22 H2	to net sales	vsFY21 %	FY21	FY22	to net sales	vsFY21 %
Net Sales	182,486	189,000	100.0	+3.6%	183,610	196,000	100.0	+6.8%	366,096	385,000	100.0	+5.2%
Operating income	11,996	7,800	4.1	(35.0)%	10,087	14,500	7.4	+43.7%	22,083	22,300	5.8	+1.0%
Ordinary income	12,149	8,000	4.2	(34.2)%	10,347	14,500	7.4	+40.1%	22,496	22,500	5.8	+0.0%
Profit attributable to owners of parent	4,800	3,000	1.6	(37.5)%	3,821	5,700	2.9	+49.2%	8,621	8,700	2.3	+0.9%

FY2022 Consolidated Forecasts by Segment

(Millions of yen)

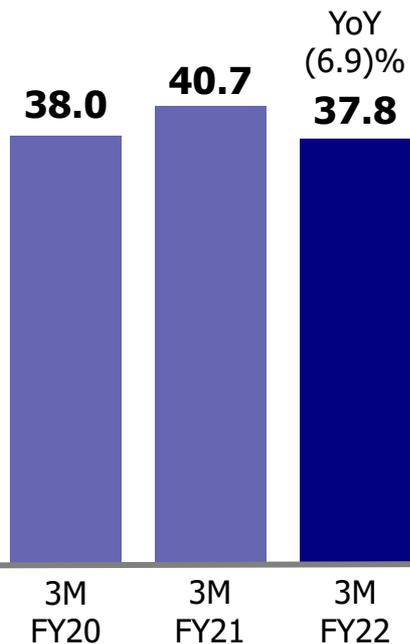
Segment	Sales				Operating income (loss)				Operating income margin		
	FY21	FY22 Forecast	VS FY21 Increase/Decrease	VS FY21 %	FY21	FY22 Forecast	VS FY21 Increase/Decrease	VS FY21 %	FY21	FY22 Forecast	VS FY21 Increase/Decrease
Expert Services (Temporary Staffing)	152,067	155,000	+2,932	+1.9%	18,345	17,400	(945)	(5.2)%	6.1%	5.7%	(0.4)pt
BPO Services (Contracting)	139,272	140,000	+727	+0.5%							
HR Consulting, Education, Training, etc.	8,418	9,300	+881	+10.5%							
Global Sourcing (Overseas)	8,335	10,100	+1,764	+21.2%	447	650	+202	+45.2%	5.4%	6.4%	+1.0pt
Subtotal	308,093	314,400	+6,306	+2.0%	18,793	18,050	(743)	(4.0)%	6.1%	5.7%	(0.4)pt
Career Solutions (Placement/Recruiting, Outplacement)	14,700	15,700	+999	+6.8%	4,470	5,150	+679	+15.2%	30.4%	32.8%	+2.4pt
Outsourcing	38,359	46,100	+7,740	+20.2%	12,765	10,800	(1,965)	(15.4)%	33.3%	23.4%	(9.9)pt
Life Solutions	7,158	7,600	+441	+6.2%	232	300	+67	+29.2%	3.2%	3.9%	+0.7pt
Regional Revitalization Solutions	4,426	8,000	+3,573	+80.7%	(2,612)	(1,000)	+1,612	-	-	-	-
Elimination/Corporate	(6,642)	(6,800)	(157)	-	(11,566)	(11,000)	+566	-	-	-	-
Consolidated	366,096	385,000	+18,903	+5.2%	22,083	22,300	+216	+1.0%	6.0%	5.8%	(0.2)pt

Segment information

Expert Services (Temporary staffing)

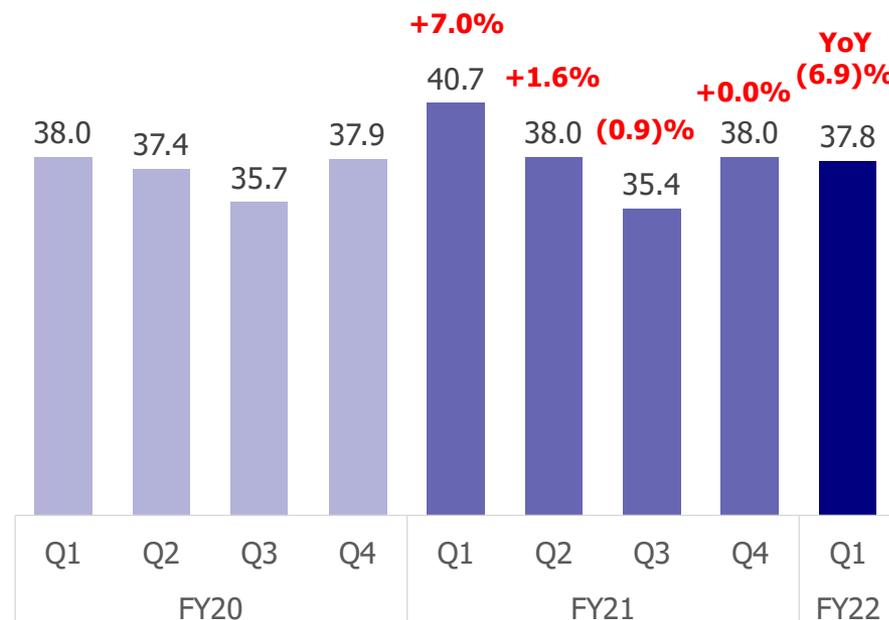
Net Sales

(Billions of yen)



Sales Trends

(Billions of yen)



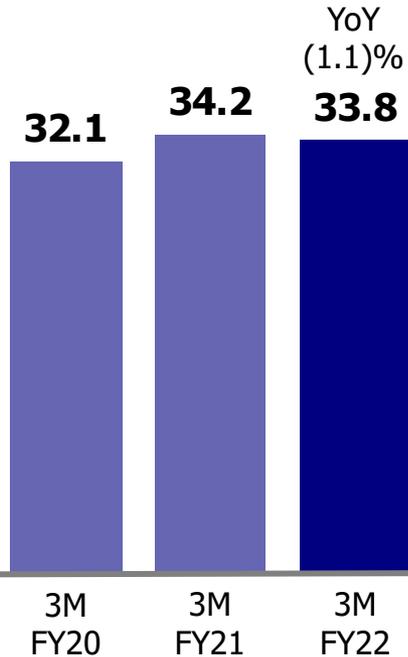
Business Conditions (3M FY22 result)

- Temporary staffing demand continues to recover, and orders from a wide range of industries, including manufacturers and financial institutions, are increasing.
- Sales decreased year-on-year, unable to make up for the special demand for the Tokyo 2020 Olympics and Paralympics in the same period of the previous year.

BPO Services (Contracting)

Net Sales

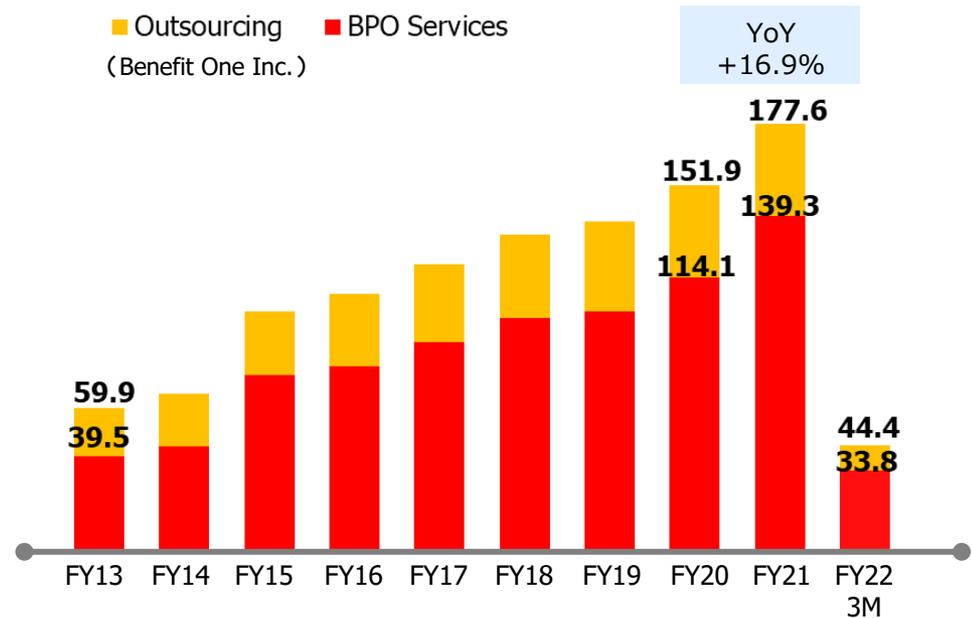
(Billions of yen)



BPO Services , Outsourcing Sales Trends

(Billions of yen)

■ Outsourcing ■ BPO Services
(Benefit One Inc.)

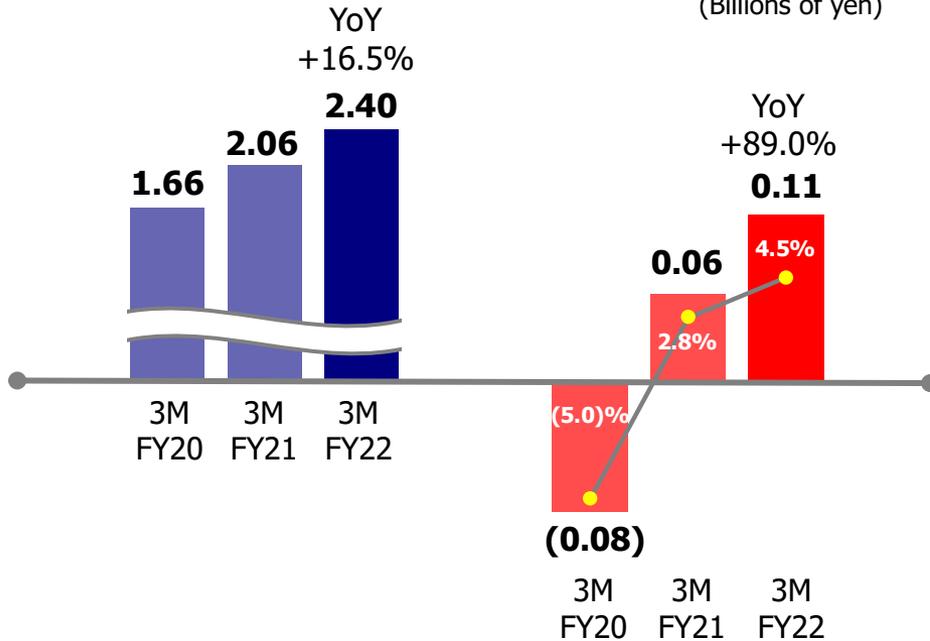


Business Conditions (3M FY22 result)

- Large-scale projects completed in the same period of the previous year, but new projects accumulated.
- From the public sector, we acquired new businesses related to promoting diverse work styles, securing human resources, supporting employment, and developing human resources.
- Private companies continue to review operational flows related to organizational structure reforms and DX promotion.

Global Sourcing (Overseas)

Net Sales



(0.08)

3M FY20 3M FY21 3M FY22

Sales by Business Segment

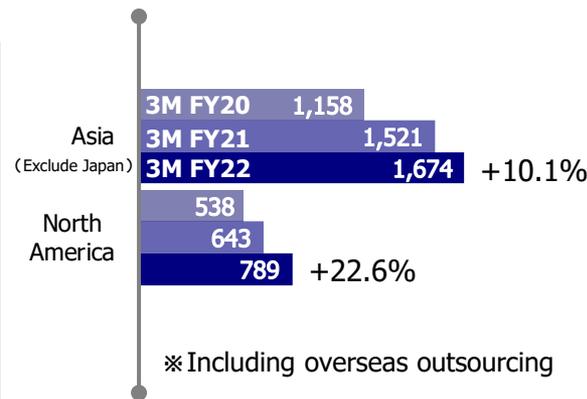
(Millions of yen)

	3M FY20	3M FY21	3M FY22	YoY
Temporary Staffing	918	1,142	1,213	+6.2%
Placement / Recruiting	284	372	535	+43.6%
Contracting (Payroll, others)	314	363	430	+18.4%
Others	141	177	216	+21.9%
Total	1,658	2,056	2,395	+16.5%

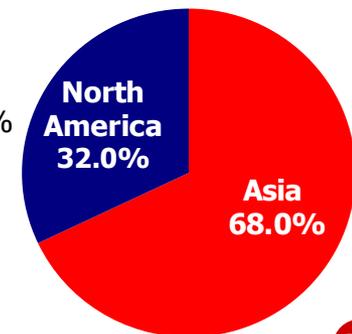
Business Conditions (3M FY22 result)

- Economic activity remains firm in North America.
- In Asia, business expanded in Taiwan, India, Thailand, and Malaysia.
- Both sales and profit increased due to the impact of exchange rates partly due to the depreciation of the yen.

Sales by Region



Sales composition

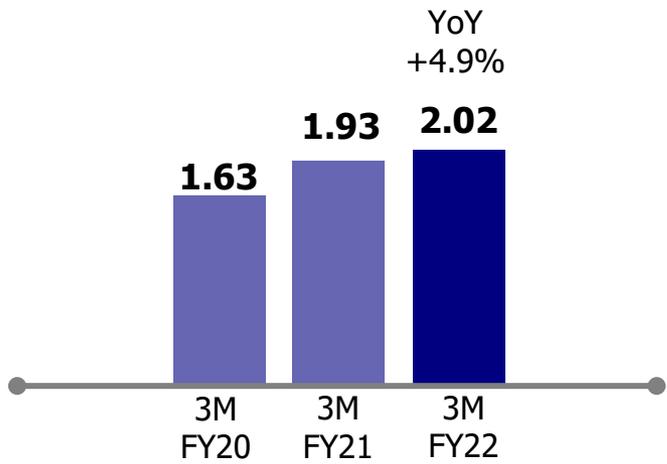


HR Consulting , etc. / Operating Income by Segments

Net Sales

(HR Consulting , Education & Training , Others.)

(Billions of yen)



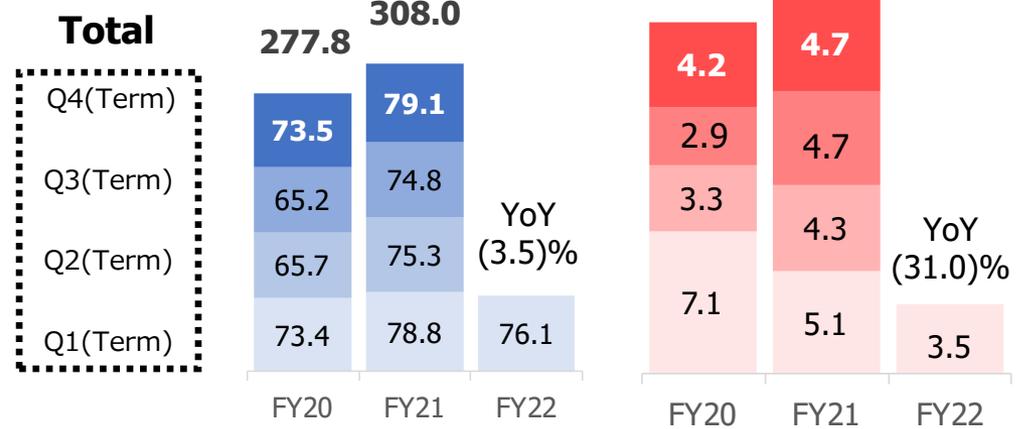
Business Conditions (3M FY22 result)

- Advisory consulting business for professional human resources and work style innovation business where freelancers are active remotely continue to expand.

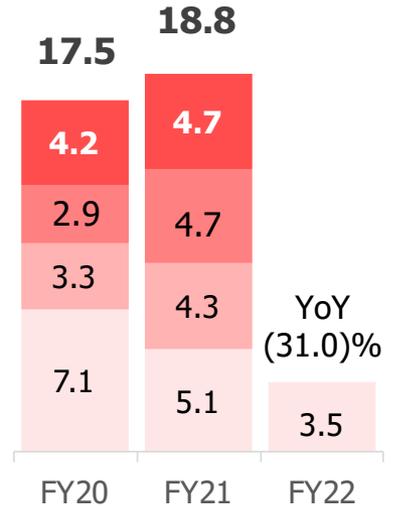
Net Sales(ES~GS)

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

(Billions of yen)



Operating Income

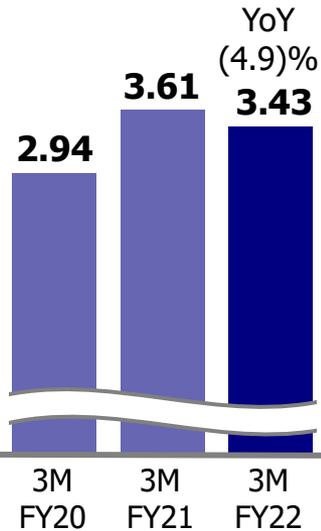


Business Conditions (3M FY22 result)

- Expert services and BPO services have seen a decline in gross profit margins due to the end of spot work and an increase in paid vacation days.
- With the completion of the BPO project, costs also increased, such as personnel expenses being transferred from cost to SG&A expenses.

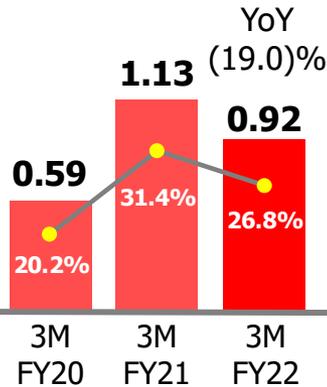
Career Solutions (Placement/Recruiting , Outplacement)

Net Sales



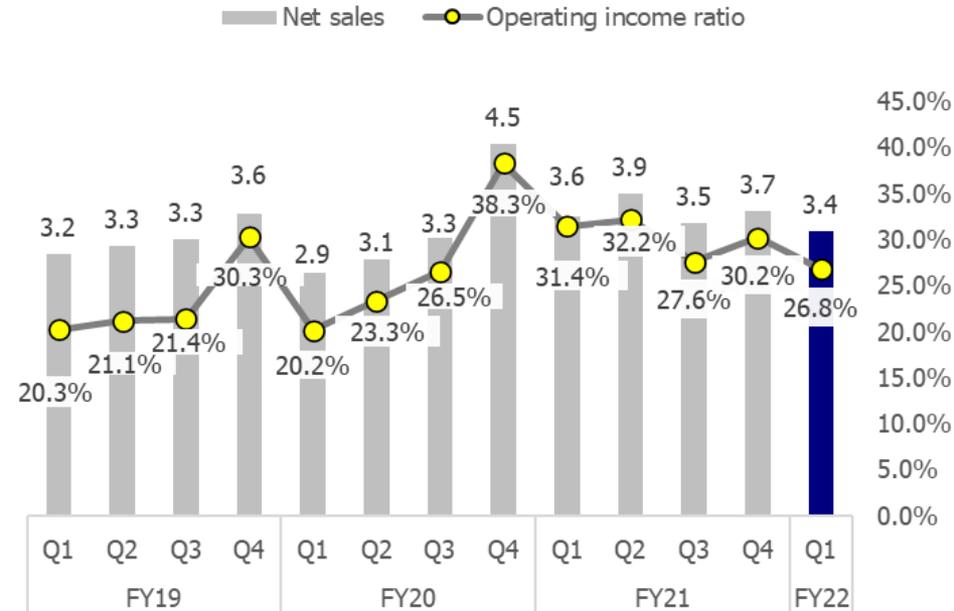
Operating Income , Operating Income Ratio

(Billions of yen)



Net Sales, Operating Income Ratio Trends

(Billions of yen)

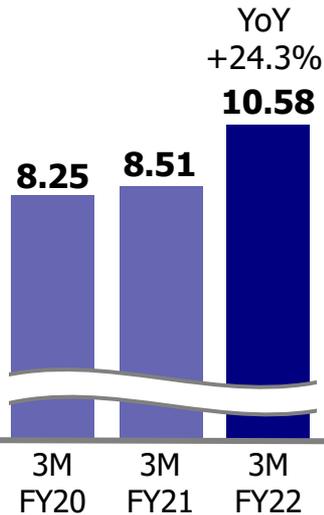


Business Conditions (3M FY22 result)

- In the placement/recruitment, the number of orders continued to increase as companies' willingness to hire recovered. Increase in referral results and unit price.
- In the outplacement, while large-scale restructuring of the business has settled down and demand has declined, demand for "safe placement total services" , which supports employees' career development, is steadily expanding.

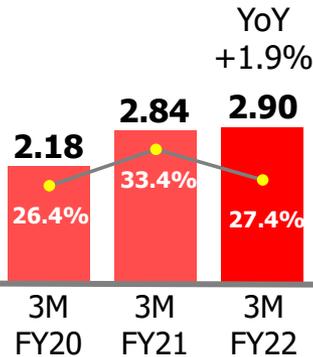
Outsourcing (Benefit One Inc.)

Net Sales



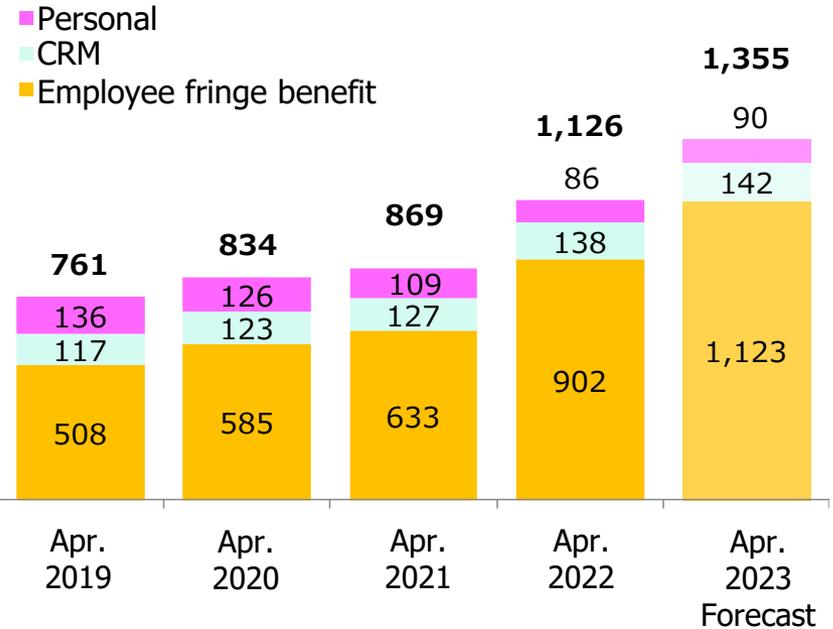
Operating Income , Operating Income Ratio

(Billions of yen)



Benefit One Membership Trends

(10Thousands people)



Business Conditions (3M FY22 result)

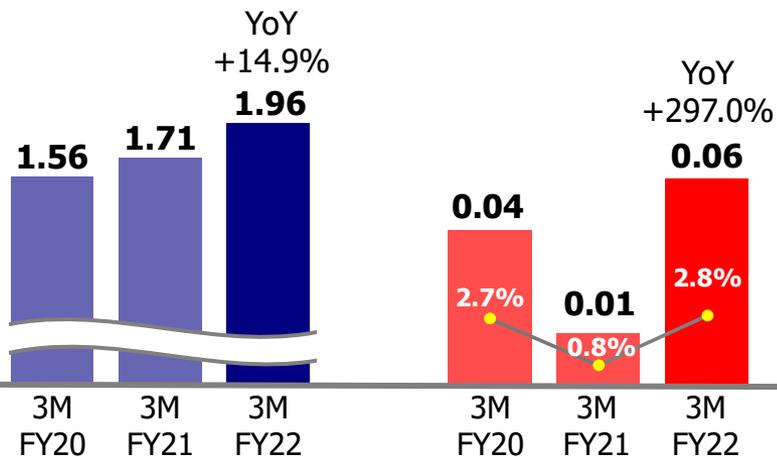
- In addition to internal growth, external growth through M&A boosts performance.
- Subsidy expenditures increased year on year due to the recovery in the use of services by benefit program members.
- Recorded large-scale promotional investment expenses, but remained within the expected range.

Life Solutions (Childcare , Nursing care)

Net Sales

Operating Income , Operating Income Ratio

(Billions of yen)



Facilities of Pasona Foster · Pasona Life Care

※As of Aug.31, 2022

Facilities		May 2021	May 2022	Aug 2021	Aug 2022	YoY
Pasona Foster	Daycare facilities	49	49	49	49	+2 (2)
	After-school children's clubs	40	43	40	45	+5
Pasona Life Care	Nursing care facilities	22	22	22	22	0

Business Conditions (3M FY22 result)

- In the nursing care business, while the number of new facility users decreased from the same period of the previous year, temporary staffing services to nursing care facilities, etc. expanded.
- In the life support business (housework agency), sterilization and disinfection services from hospitals and lodging facilities and child-rearing family support services for local governments grew.
- In the childcare business, the number of children using the service decreased slightly from the same period of the previous year. Recovery trend due to the establishment of after-school clubs and an increase in the number of children admitted to licensed nursery Schools.

Regional Revitalization Solutions

Net Sales

Operating Income

(Billions of yen)

YoY
+100.2%

1.53

0.48

0.76

3M
FY20

3M
FY21

3M
FY22

3M
FY20

3M
FY21

3M
FY22

(0.58)

(0.70)

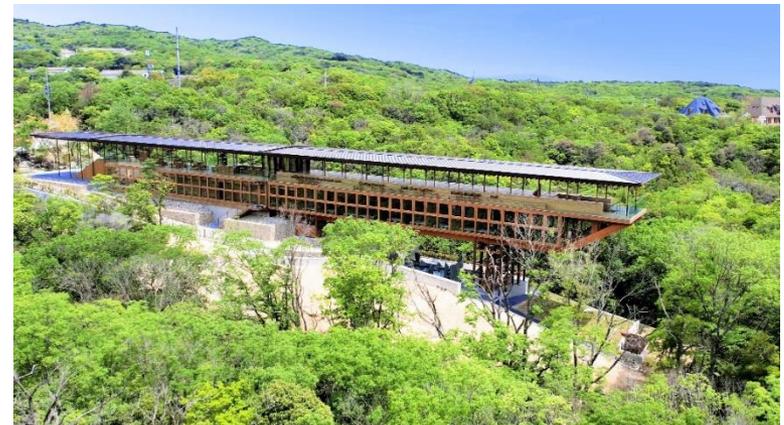
(0.67)

Initiatives for regional revitalization

- Awajishima NIJIGEN NO MORI Opens two new areas in "Godzilla Intercept Operation-National Godzilla Awajishima Research Center" (July 2022)
- Awajishima NIJIGEN NO MORI "Crayon Shin-chan Adventure Park" New area "WAKUWAKU ! KAKURENBO MEIRO IN FUTABA YOCHIEN" opened (September 2022)
- A premium brand of long-term aged old sake "INISHIE NO BISHU" Launched a new service "INISHIE NO BISHU Self-Blending" that allows you to blend multiple aged sake to create an "original vintage SAKE" (September 2022)
- "HELLO KITTY" travels around the country, including Tohoku, Kyotango, Okayama, Awajishima, and is appointed as the "regional revitalization president" to convey the charm of the region (September 2022)

Business Conditions (3M FY22 result)

- Although the spread of the COVID-19 infection continued, the flow of people to tourist destinations recovered as a result of coexisting with socioeconomic activities.
- In Awajishima, Hyogo Prefecture, popular attractions and limited-time events were held, and the number of visitors increased.
- "ZENBO SEINEI", a facility where you can enjoy activities such as "Zen" and "Yoga" and healthy meals, has attracted attention and will lead to the attraction of new tourists.



▲ZEN Wellness SEINEI

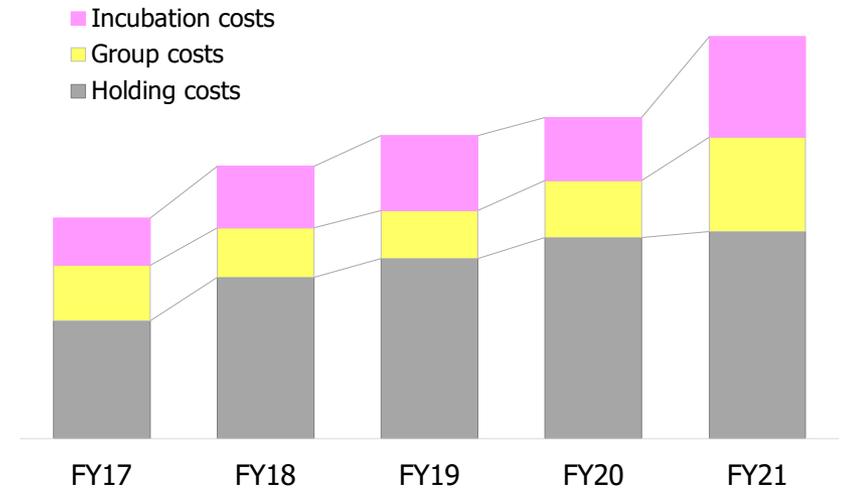
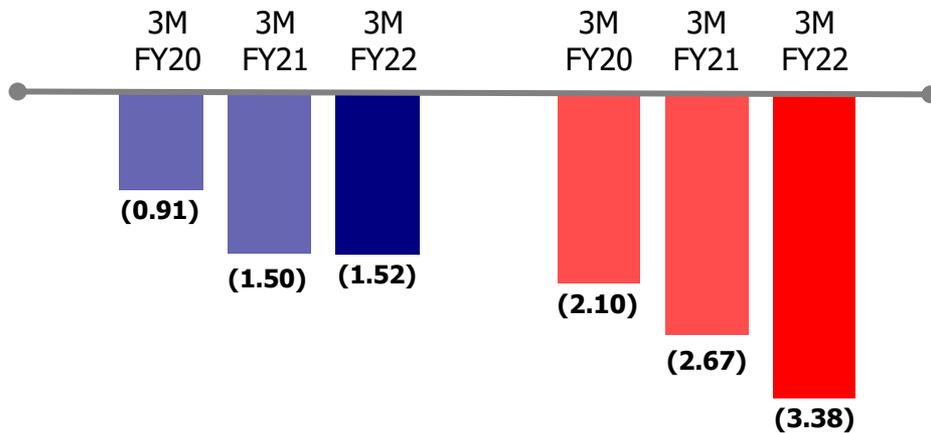
Elimination/Corporate Segment Costs

Net Sales

Operating Income

Costs Trends

(Billions of yen)



Main Factors for Cost Increase/Decrease (3M FY22 result)

- Double rent costs during the relocation period due to the relocation to the newly opened group base "PASONA SQUARE" in Aoyama.

Reference

Awajishima

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 Awajishima Anime Park
NIJIGEN NO MORI

2017 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 Pirates Cuisine Restaurant, cooking freshly harvested ingredients from Awajishima
HAJIMARINOSHIMA 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

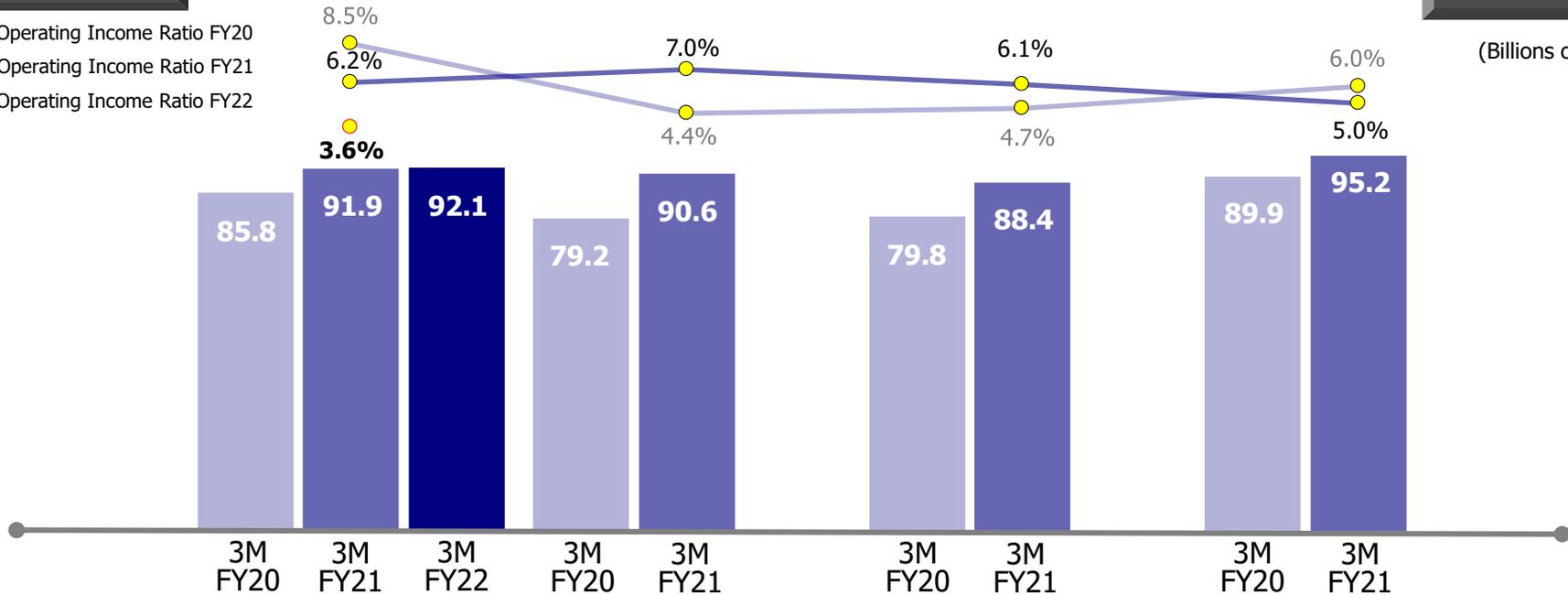
Quarterly Sales and Income Trends

Net Sales

Operating Income Ratio

(Billions of yen)

- Operating Income Ratio FY20
- Operating Income Ratio FY21
- Operating Income Ratio FY22



(Millions of yen)

	Q1 (June to August)					Q2 (September to November)			Q3 (December to February)			Q4 (March to May)		
	FY20	FY21	YoY	FY22	YoY	FY20	FY21	YoY	FY20	FY21	YoY	FY20	FY21	YoY
Net sales	85,751	91,927	+7.2%	92,066	+0.2%	79,154	90,558	+14.4%	79,763	88,389	+10.8%	89,869	95,221	+6.0%
Gross profit	22,332	21,720	(2.7)%	22,273	+2.5%	19,659	22,792	+15.9%	19,038	21,525	+13.1%	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%	15,327	16,173	+5.5%	16,511	18,898	+14.5%
Operating income	7,287	5,700	(21.8)%	3,330	(41.6)%	3,515	6,295	+79.1%	3,710	5,352	+44.2%	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%	1,304	2,514	+92.8%	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	23.9%	24.4%	+0.5pt	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	19.2%	18.3%	(0.9)pt	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	4.7%	6.1%	+1.4pt	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

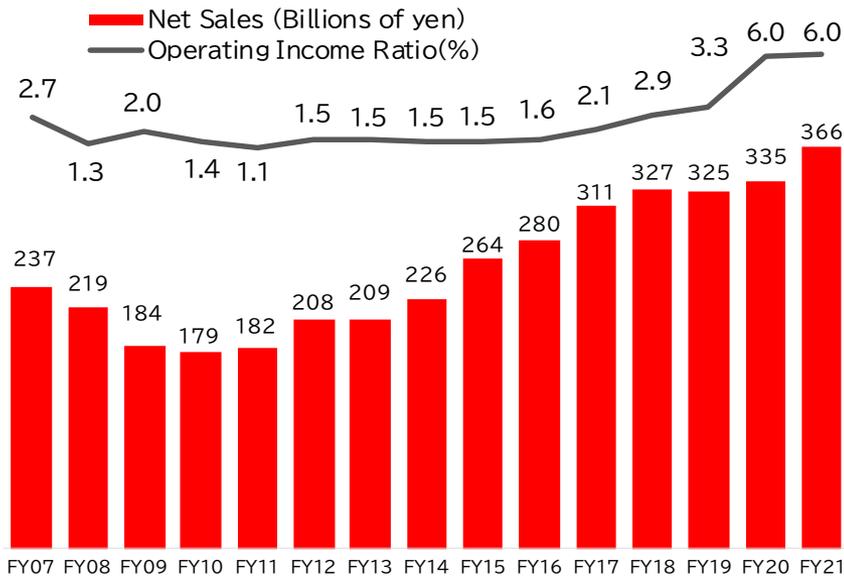
(Millions of yen)

Segment		Sales						Operating income (loss)					
		Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22	YoY	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22	YoY
①	Expert Services (Temporary Staffing)	40,650	38,014	35,438	37,964	37,837	(6.9)%						
②	BPO Services (Contracting)	34,202	33,417	34,898	36,753	33,817	(1.1)%	5,021	4,222	4,574	4,527	3,398	(32.3)%
③	HR Consulting, Education & Training, Others.	1,926	1,911	2,418	2,162	2,021	+4.9%						
④	Global Sourcing (Overseas)	2,056	2,004	2,084	2,190	2,395	+16.5%	57	110	89	190	108	+89.0%
Subtotal		78,835	75,347	74,839	79,071	76,071	(3.5)%	5,079	4,333	4,663	4,717	3,506	(31.0)%
⑤	Career Solutions (Placement/Recruiting, Outplacement)	3,610	3,881	3,529	3,679	3,434	(4.9)%	1,134	1,250	973	1,112	919	(19.0)%
⑥	Outsourcing	8,513	10,232	8,319	11,293	10,583	+24.3%	2,843	4,043	2,645	3,232	2,897	+1.9%
⑦	Life Solutions	1,708	1,767	1,786	1,896	1,963	+14.9%	14	100	62	54	55	+297.0%
⑧	Regional Revitalization Solutions	763	1,286	1,241	1,134	1,529	+100.2%	(702)	(547)	(451)	(910)	(667)	-
⑨	Eliminations and Corporate	(1,504)	(1,957)	(1,326)	(1,853)	(1,515)	-	(2,668)	(2,884)	(2,541)	(3,471)	(3,381)	-
Total		91,927	90,558	88,389	95,221	92,066	+0.2%	5,700	6,295	5,352	4,735	3,330	(41.6)%

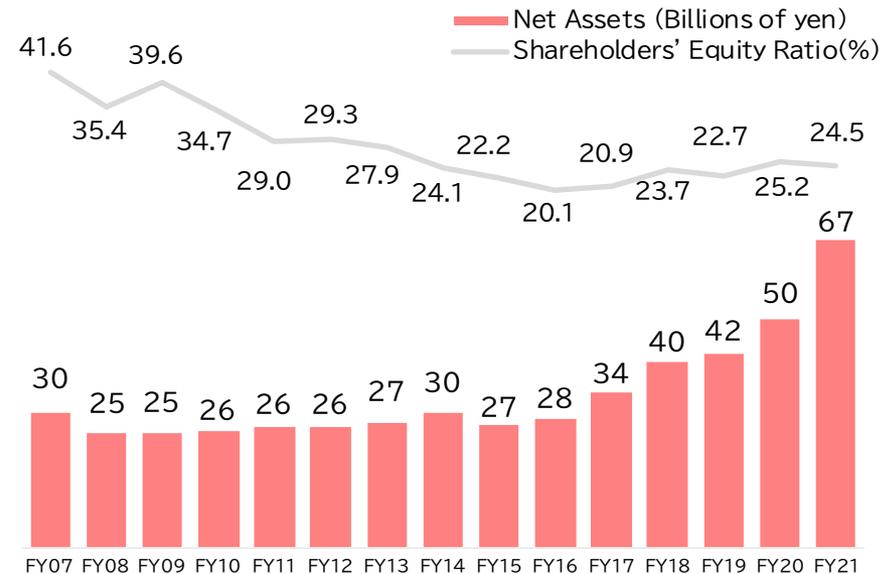
※ Please refer to the Investors Guide for the figures before the listed year.

Full-Year Key Indicators

Net Sales and Operating Income Ratio



Net Assets and Shareholders' Equity Ratio



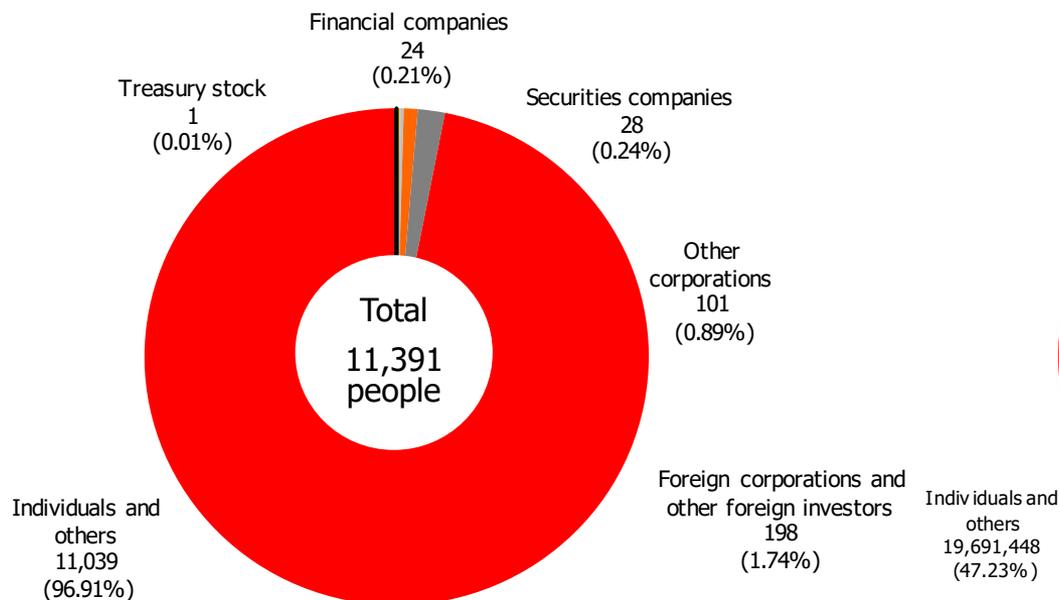
Results

Key Indicators	'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	'21/05	'22/05
Net Sales	236,945	218,699	183,515	178,806	181,498	207,685	208,660	226,227	263,728	280,395	311,410	326,984	324,986	334,540	366,096
Gross Profit Margin	20.8%	19.9%	20.0%	18.8%	18.6%	19.3%	19.3%	20.3%	20.0%	20.2%	21.5%	22.8%	23.6%	24.8%	24.5%
SG&A Expenses	42,925	40,735	33,070	31,125	31,840	36,898	37,029	42,381	48,948	52,128	60,489	65,245	66,112	63,028	67,588
SG&A Expense Ratio	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%	18.8%	18.5%
Operating Income	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	19,940	22,083
Operating Income Ratio	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%	6.0%	6.0%
Ordinary Income	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	20,379	22,496
Ordinary Income Ratio	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%	6.1%	6.1%
Net Income *4	2,962	312	204	412	29	610	526	214	243	(129)	1,288	1,975	594	6,784	8,621
Net Income Ratio	1.3%	0.1%	0.1%	0.2%	0.0%	0.3%	0.3%	0.1%	0.1%	-	0.4%	0.6%	0.2%	2.0%	2.4%
Total Assets *5	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	151,641	203,746
Net Assets *1	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	49,779	67,146
Shareholders' Equity Ratio *2 *5	41.6%	35.4%	39.6%	34.7%	29.0%	29.3%	27.9%	24.1%	22.2%	20.1%	20.9%	23.7%	22.7%	25.2%	24.5%
Return on Equity *3	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%	19.4%	19.6%
Number of Employees (exclude contract workers)	3,647	3,671	3,643	3,956	4,452	4,778	5,022	6,584	7,144	7,238	7,716	7,855	9,607	9,498	10,364

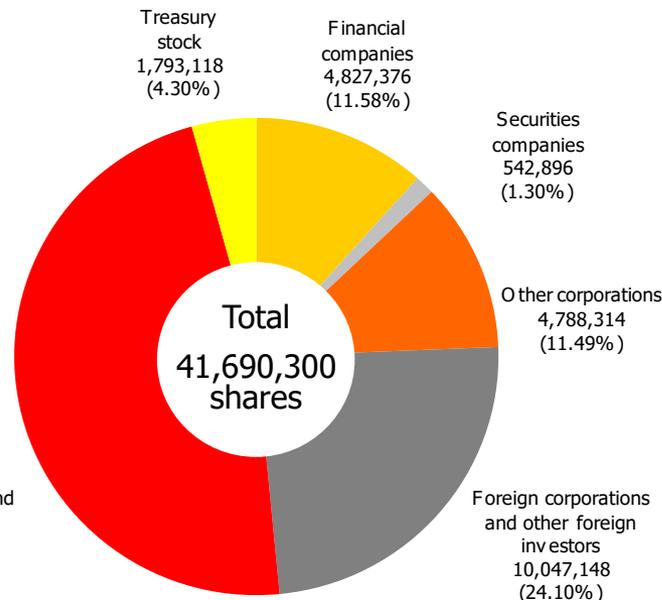
- Notes: 1. Presentation of shareholders' equity amended to a net assets basis in line with changes to accounting standards and policies. Non-controlling interests included in presentation of net assets since the fiscal year ended May 31, 2007. 2. Despite changes in calculation methods for net assets 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, 2022)

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%
The Master Trust Bank of Japan, Ltd (Trust Account)	2,867,800	6.88%
THE BANK OF NEW YORK MELLON 140040	2,332,200	5.59%
Pasona Group Inc.	1,793,118	4.30%
INDUS SELECT MASTER FUND, LTD.	1,123,200	2.69%
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 E)	722,976	1.73%
Custody Bank of Japan, Ltd.(Trust Account)	619,100	1.48%
JP MORGAN CHASE BANK 385632	608,288	1.46%

- The Company's treasury stock (1,793,118 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 May 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 JOB HUB Inc.	
Pasona Tech, 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 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 67

* Equity-method affiliates 8

(As of Aug. 31, 2022)

Corporate Information

Prime Market TSE (2168)

Corporate Name	Pasona Group Inc.	
Headquarters	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
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	23,488 (Consolidated, including contract workers)	(As of May. 31, 2022)
Consolidated Group Companies	Subsidiaries 67 , Affiliates 8	(As of Aug. 31, 2022)
URL	www.pasonagroup.co.jp/English/	