

# **Results for the First Half of the Fiscal Year Ending May 31, 2021**

---

**H1 FY2020 (June 1, 2020 - November 30, 2020)**

**Pasona Group Inc.**

**First Section TSE (2168)**

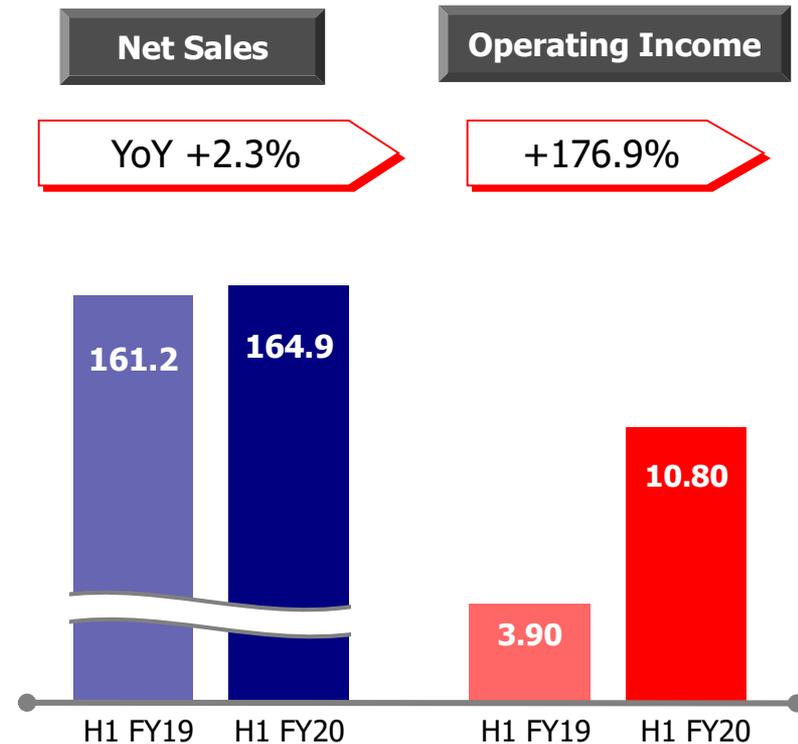
**January 19, 2021**

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

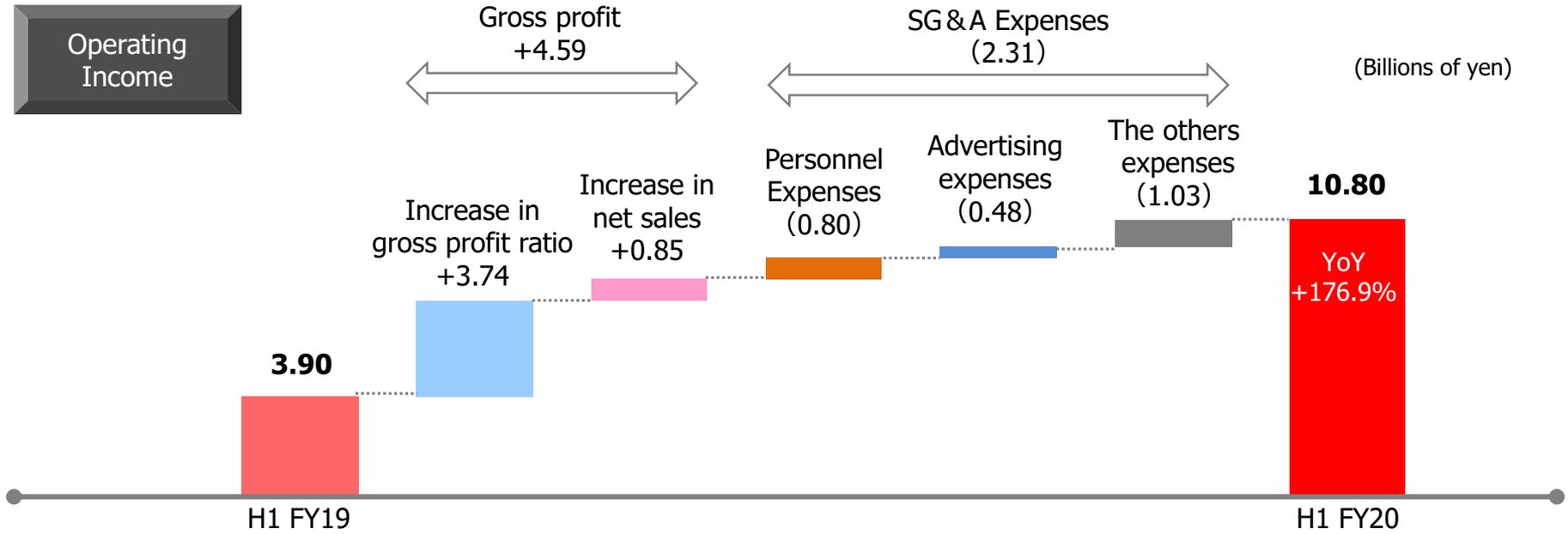
# Consolidated Results

(Millions of yen)	H1 FY19	(%)	H1 FY20	(%)	Increase /Decrease
Net sales	161,229	100.0	164,906	100.0	+3,677 +2.3%
Cost of sales	123,831	76.8	122,915	74.5	(916) (0.7)%
Gross profit	37,397	23.2	41,991	25.5	+4,594 +12.3%
SG&A expenses	33,496	20.8	31,189	18.9	(2,306) (6.9)%
Operating income	3,901	2.4	10,802	6.6	+6,900 +176.9%
Ordinary income	3,606	2.2	10,854	6.6	+7,248 +201.0%
Profit attributable to owners of parent	392	0.2	4,278	2.6	+3,885 +989.1%
Gross profit ratio	23.2%		25.5%		+2.3pt
Operating income ratio	2.4%		6.6%		+4.2pt

(Billions of yen)



# Operating Income



	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	H1 FY19	H1 FY20
Gross Profit ratio	18.8%	18.6%	19.3%	19.3%	20.3%	20.0%	20.2%	21.5%	22.8%	23.6%	23.2%	25.5%
SG&A ratio	17.4%	17.5%	17.8%	17.7%	18.7%	18.6%	18.6%	19.4%	20.0%	20.3%	20.8%	18.9%
Operating Income ratio	1.4%	1.1%	1.5%	1.5%	1.5%	1.5%	1.6%	2.1%	2.9%	3.3%	2.4%	6.6%

## Major Item of Increase/Decrease

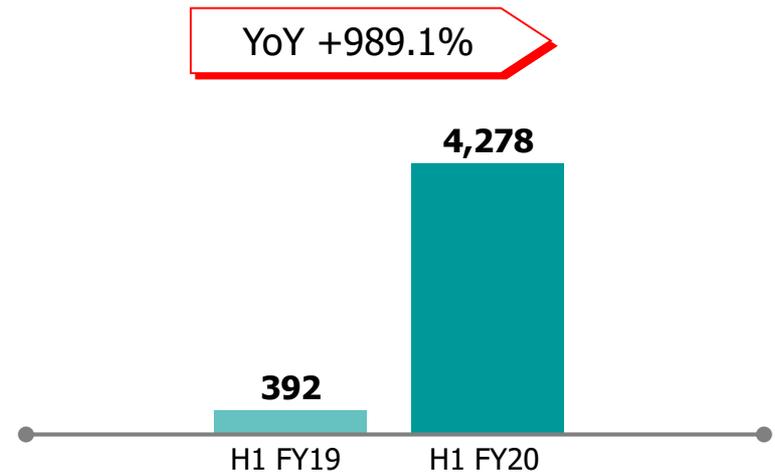
- **Gross profit** improved profitability through efficient management of BPO Services whose business performance has expanded and improvement of gross profit ratio in all segments.
- **SG&A** decreased due to optimal staffing for expanding segments, and reduction of operating expenses such as advertising, travel and transportation.

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

(Millions of yen)	H1 FY19	H1 FY20	Increase/ Decrease	YoY
Operating income	3,901	10,802	+6,900	+176.9%
Non-operating income	629	871	+241	+38.4%
Non-operating expenses	925	819	(105)	(11.4)%
Ordinary income	3,606	10,854	+7,248	+201.0%
Extraordinary income	4	5	+1	+31.3%
Extraordinary loss	450	1,220	+770	+171.0%
Income before income taxes	3,160	9,639	+6,479	+205.0%
Income taxes - current	1,548	4,830	+3,282	+212.0%
Income taxes - deferred	(30)	(504)	(474)	-
Income taxes	1,518	4,325	+2,807	+184.9%
Profit attributable to non-controlling interests	1,249	1,035	(213)	(17.1)%
Profit attributable to owners of parent	392	4,278	+3,885	+989.1%

Profit attributable to owners of parent

(Millions of yen)



Major Item of Increase/Decrease

- Extraordinary loss
- Impairment loss

(YoY)

¥ 1,092 million  
( ¥ +695 million)

# Consolidated Results by Segment

(Millions of yen)

Segment		Net sales				Operating income (loss)				Operating income ratio		
		H1 FY19	H1 FY20	Increase/ Decrease	YoY	H1 FY19	H1 FY20	Increase/ Decrease	YoY	H1 FY19	H1 FY20	Increase/ Decrease
①	Expert Services (Temporary Staffing)	76,459	75,439	(1,020)	(1.3)%							
②	BPO Services (Contracting)	48,449	56,917	+8,468	+17.5%	3,904	10,438	+6,533	+167.3%	3.0%	7.7%	+4.7pt
③	HR Consulting , Education & Training , Others.	4,638	3,210	(1,427)	(30.8)%							
④	Global Sourcing (Overseas)	4,038	3,341	(696)	(17.3)%	251	(19)	(270)	-	6.2%	-	-
Subtotal		133,585	138,908	+5,323	+4.0%	4,155	10,419	+6,263	+150.7%	3.1%	7.5%	+4.4pt
⑤	Career Solutions (Placement/ Recruiting, Outplacement)	6,752	6,286	(465)	(6.9)%	1,434	1,381	(52)	(3.7)%	21.2%	22.0%	+0.8pt
⑥	Outsourcing	17,957	17,190	(767)	(4.3)%	3,762	4,469	+706	+18.8%	21.0%	26.0%	+5.0pt
⑦	Life Solutions	3,104	3,238	+133	+4.3%	53	158	+105	+197.0%	1.7%	4.9%	+3.2pt
⑧	Regional Revitalization Solutions	1,638	1,360	(278)	(17.0)%	(861)	(1,087)	(225)	-	-	-	-
⑨	Eliminations and Corporate	(1,808)	(2,077)	(268)	-	(4,642)	(4,539)	+103	-	-	-	-
Total		161,229	164,906	+3,677	+2.3%	3,901	10,802	+6,900	+176.9%	2.4%	6.6%	+4.2pt

# Balance Sheet

(Billions of yen)

Major Item of Increase/Decrease	May 31,2020	Nov 30,2020	Increase/ Decrease
<b>Assets</b>	140.4	137.8	(2.7)
Current assets	101.0	97.9	(3.1)
Cash and deposits	49.1	47.5	(1.6)
Notes and accounts receivable-trade	42.7	40.1	(2.6)
Non-current assets	39.3	39.7	+0.4
Property, plant and equipment	16.6	17.3	+0.7
Intangible assets	7.2	6.4	(0.8)
Investments and other assets	15.5	16.0	+0.5
<b>Liabilities</b>	98.1	92.6	(5.6)
Current liabilities	64.5	59.4	(5.1)
Accounts payable-trade	5.7	3.5	(2.2)
Short-term loans payable	8.6	9.0	+0.3
Accrued expenses	17.3	15.3	(2.0)
Non-current liabilities	33.6	33.2	(0.5)
Bonds payable	2.5	2.3	(0.2)
Long-term loans payable	23.2	22.9	(0.2)
<b>Net assets</b>	42.3	45.2	+2.9
Shareholders' equity	31.4	34.9	+3.5
Capital surplus	14.0	14.0	+0.0
Retained earnings	14.8	18.3	+3.5
Treasury shares	(2.4)	(2.4)	+0.0
Total accumulated other comprehensive income	0.5	0.6	+0.2
Non-controlling interests	10.5	9.7	(0.8)
<b>Equity ratio</b>	22.7%	25.8%	+3.1pt

## Major Item of Increase/Decrease

### 【 Current assets 】

Decrease in cash to pay dividends  
and corporate taxes ,etc.                   ¥ (1.6) billion  
Decrease in accounts receivable-trade   ¥ (2.6) billion

### 【 Liabilities 】

Decrease in accounts payable                   ¥ (2.2) billion  
Elimination of temporary increase in accrued expenses  
due to business holiday at the end of previous fiscal  
year   ¥ (2.0) billion  
Decrease in deposit                               ¥ (1.9) billion

### 【 Retained earnings 】

Net income   ¥ +4.3 billion  
Pay for dividends                                 ¥ (0.8) billion

### 【 Non-controlling interests 】

Benefit One earnings distribution           ¥ +1.5 billion  
Dividends paid by Benefit One             ¥ (2.0) billion

# Cash Flows

(Billions of yen)

Major Item of Increase/Decrease	H1 FY19	H1 FY20	Increase/ Decrease
Cash flows from operating activities	1.5	4.9	+3.4
Income before income taxes	3.2	9.6	+6.5
Depreciation and amortization	2.0	1.8	(0.2)
Impairment loss	0.4	1.1	+0.7
Amortization of goodwill	0.4	0.3	(0.1)
Decrease (increase) in notes and accounts receivable—trade	(1.5)	2.6	+4.1
Increase (decrease) in operating debt	(0.2)	(3.8)	(3.6)
Income tax paid	(3.0)	(4.1)	(1.2)
Other	0.2	(2.7)	(2.9)
Cash flows from investing activities	(3.0)	(2.8)	+0.2
Purchase of property, plant and equipment	(2.0)	(2.6)	(0.6)
Purchase of intangible fixed assets	(0.9)	(0.7)	+0.2
Purchase of investment securities	(0.2)	(0.0)	+0.2
Cash flows from financing activities	(4.1)	(3.2)	+0.9
Increase (decrease) in short-term loans payable	(3.0)	0.0	+3.0
Increase (decrease) in long-term loans payable	(3.2)	0.1	+3.2
Proceeds from issuance of bonds	(0.0)	(0.2)	(0.1)
Cash dividends paid	(2.8)	(2.8)	(0.0)
Purchase of treasury shares of subsidiaries	(3.5)	(0.0)	+3.5
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	8.7	-	(8.7)
Net increase (decrease) in cash and cash equivalents	(5.7)	(1.1)	+4.6
Cash and cash equivalents at beginning of the period	31.8	48.1	+16.4
Cash and cash equivalents at the end of the period	26.0	47.0	+21.1
Free cash flows	(1.5)	2.1	+3.6

## Major Item of Increase/Decrease

### [ Profit before amortization ]

¥ 12.9 billion (YoY ¥ +6.9 billion)

### [ Decrease in notes and accounts receivable -trade ]

Decrease due to collection of accounts receivable-trade, etc  
¥ +4.1 billion

### [ Increase in operating dept ]

Elimination of the effects of holidays at the end of the previous fiscal year, etc  
¥ (3.6) billion

### [ Other ]

Decrease in deposit  
¥ (2.7) billion

### [ Long-term loans payable ]

Increase in long-term loans payable ¥ +4.5 billion  
Decrease in long-term loans payable ¥ (1.3) billion

### [ Purchase of treasury shares of subsidiaries ]

Purchase of treasury shares of Benefit One  
FY19 : ¥ (3.5) billion

### [ Proceeds from sales of investments in subsidiaries ]

Selling a portion of shares of Benefit  
FY19 : ¥ 8.7 billion

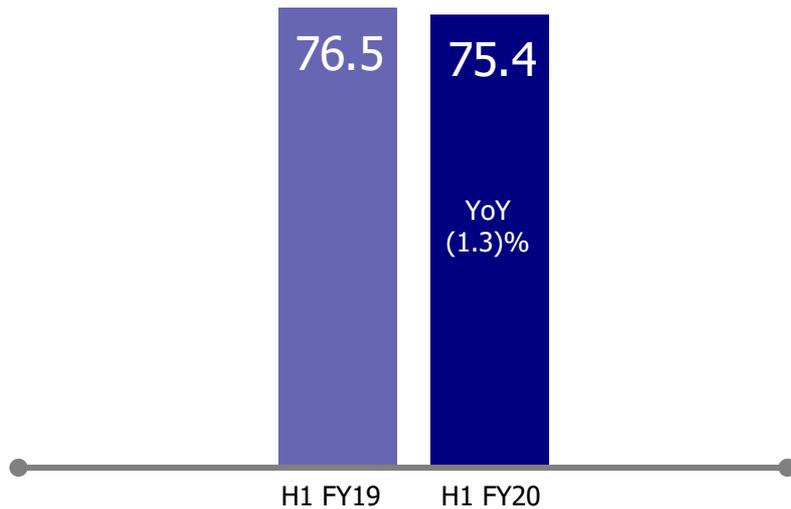
# Segment information

---

# Expert Services (Temporary staffing)

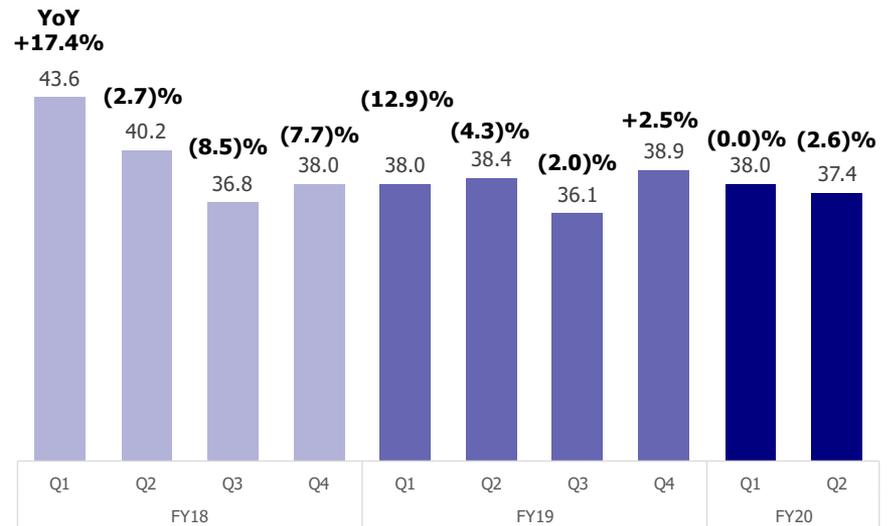
## Net Sales

(Billions of yen)



## Sales Trends

(Billions of yen)



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

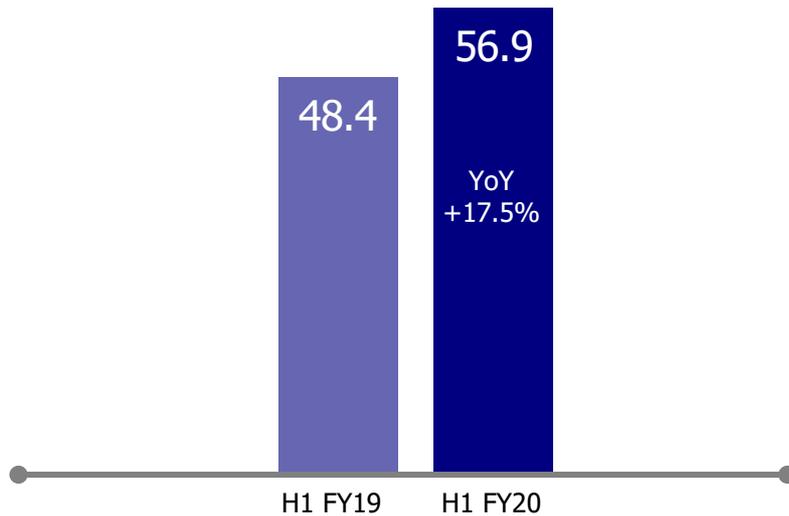
## Business Conditions (H1 FY20 result)

- Demand for temporary staffing from companies recovered slightly from the first quarter, but continued to decline YoY.
- The 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

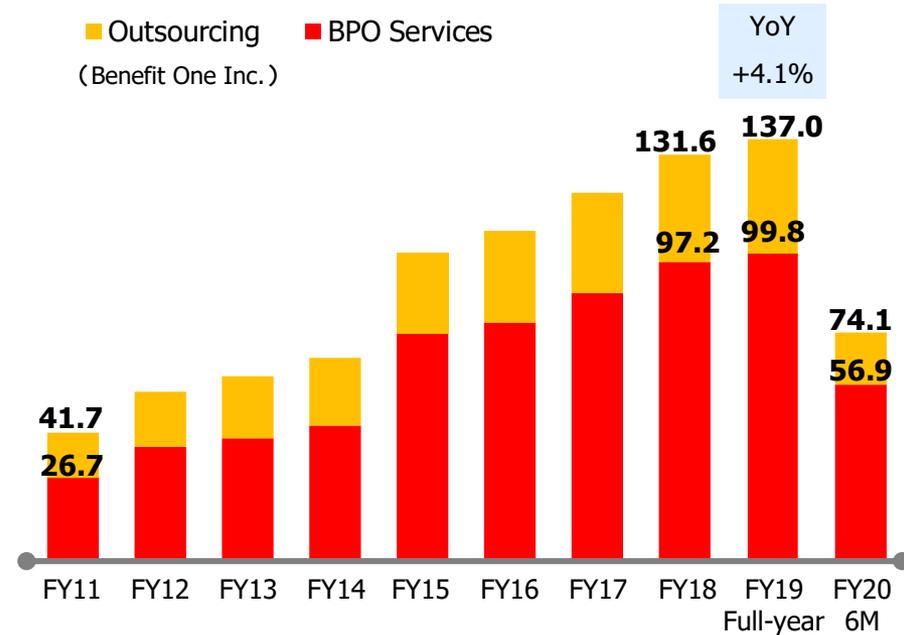
(Billions of yen)



## BPO Services , Outsourcing Sales Trends

(Billions of yen)

■ Outsourcing ■ BPO Services  
(Benefit One Inc.)



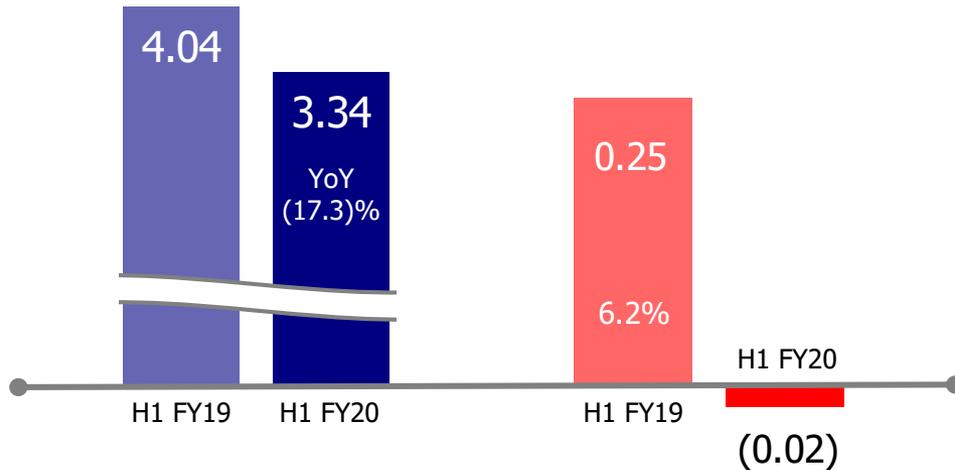
\* Graph figures are reclassified into new segment classifications after FY18.

## Business Conditions (H1 FY20 result)

- Private companies have grown needs for BPO Services that improve operational efficiency and strategically utilize external human resources.
- Some limited-time projects from the public sector to prevent the spread of COVID-19 ended, and continue to respond to new demand associated with preventing it.

# Global Sourcing (Overseas)

## Net Sales



## Operating Income , Operating Income Ratio

(Billions of yen)

## Sales by Business Segment

(Millions of yen)

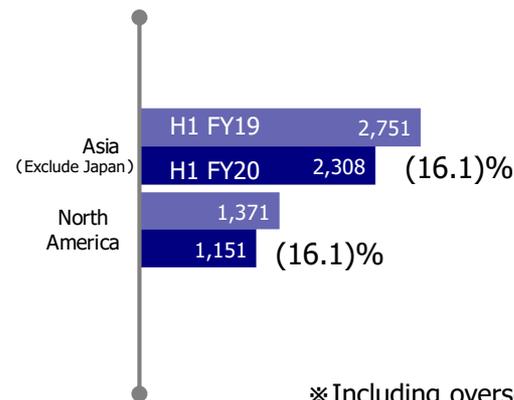
	H1 FY19	H1 FY20	YoY
Temporary Staffing	1,817	1,746	(3.9)%
Placement / Recruiting	990	633	(36.0)%
Contracting (Payroll, others)	911	641	(29.6)%
Others	319	319	+0.2%
<b>Total</b>	<b>4,038</b>	<b>3,341</b>	<b>(17.3)%</b>

## Business Conditions (H1 FY20 result)

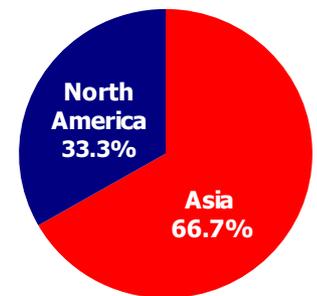
- Restriction on business activities continue, such as refraining from going out and to and from Japan.
- PT. Dutagriya Sarana in Indonesia is performing well, due to logistics dispatches with active demand.
- Promoting diversification of human resources services suitable for the region, such as online education and training, and expansion of BPO Services.

## Sales by Region

(Millions of yen)



## Sales composition

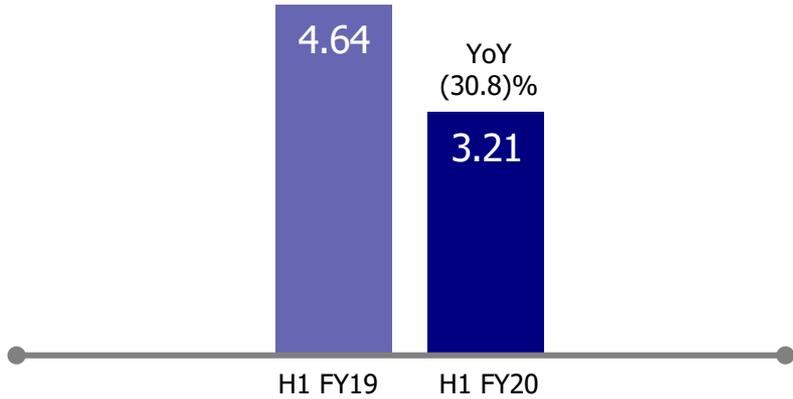


※ Including overseas outsourcing

# HR Consulting , etc. / Operating Income by Segments

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

(Billions of yen)

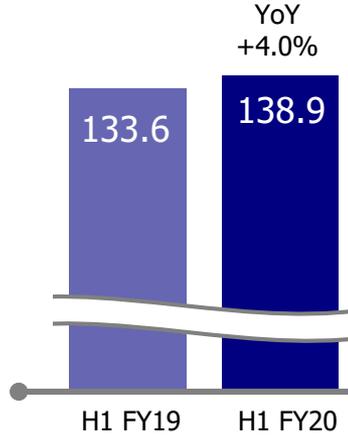


## Business Conditions (H1 FY20 result)

- Group-type training including for new employees has been canceled or postponed.
- Demand for professional human resources remains strong, and expanded services of "Komon Network".

## Net Sales(ES~GS)

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

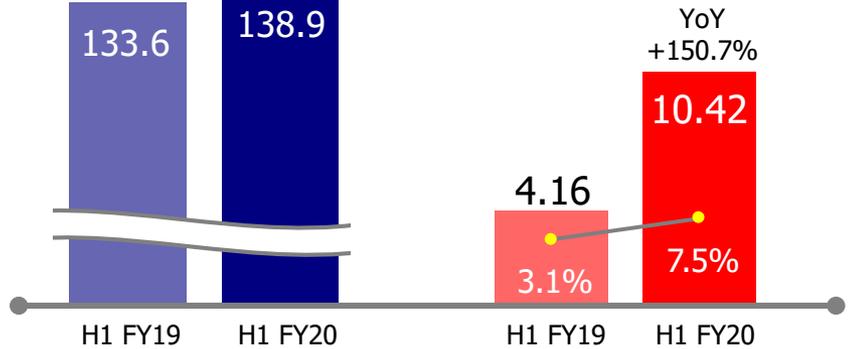


## Business Conditions (H1 FY20 result)

- BPO Services' profitability improved.
- Increased profits by improving operational efficiency and curbing SG&A expenses.

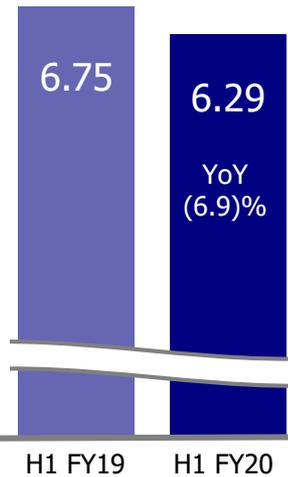
## Operating Income , Operating Income Ratio

(Billions of yen)



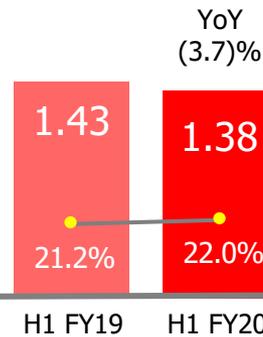
# Career Solutions (Placement/Recruiting , Outplacement )

## Net Sales



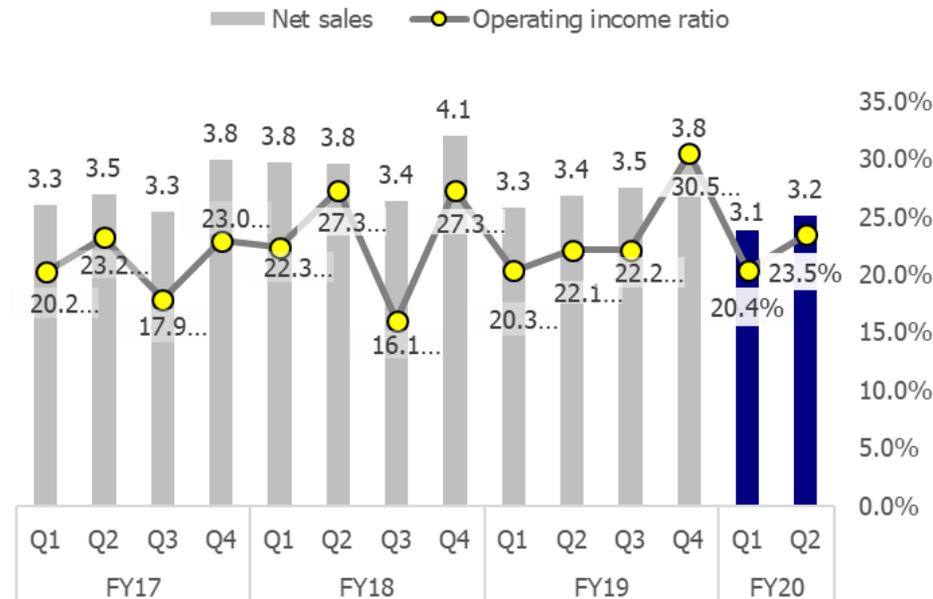
## Operating Income , Operating Income Ratio

(Billions of yen)



## Net Sales, Operating Income Ratio Trends

(Billions of yen)



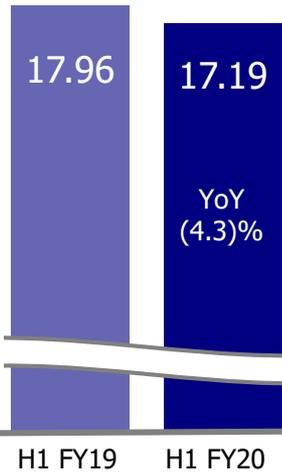
\* Graph figures are reclassified into new segment classifications after FY18.

## Business Conditions (H1 FY20 result)

- In Placement/Recruiting, companies' willingness to hire has recovered from the first quarter, but remains sluggish.
- Strengthen referrals for professionals with strong demand.
- The number of companies recruiting early and voluntary retirees is increasing, and the demand for outplacement assistance.
- Strengthen the service system of outplacement assistance by increasing the number of staff.

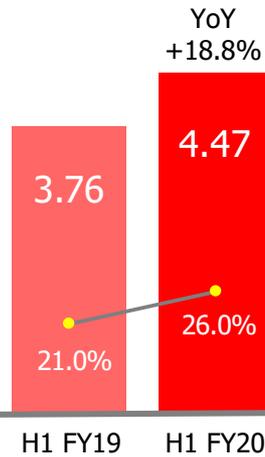
# Outsourcing (Benefit One Inc.)

## Net Sales



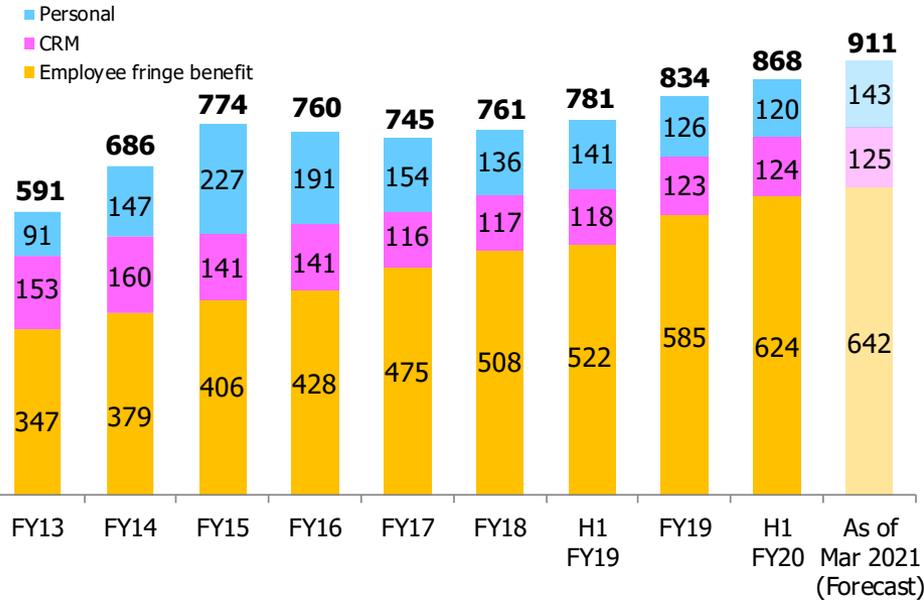
## Operating Income , Operating Income Ratio

(Billions of yen)



## Benefit One Membership Trends

(10Thousands people)

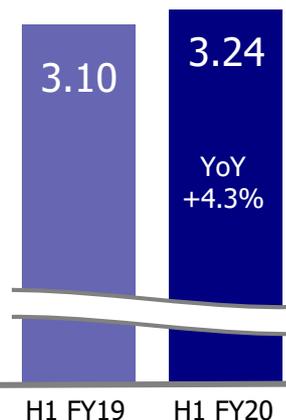


## Business Conditions (H1 FY20 result)

- In the welfare business, the number of members increased YoY, mainly for large medium-sized companies.
- Subsidy spending decreased due to reduced usage of accommodation and leisure menus.
- In the incentive business, new customer development is progressing, such as increasing needs as an alternative to travel and anniversary events in COVID-19.

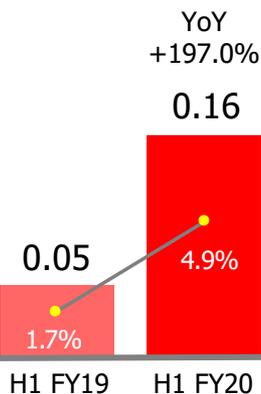
# Life Solutions (Childcare , Nursing care)

## Net Sales



## Operating Income , Operating Income Ratio

(Billions of yen)



## Facilities of Pasona Foster · Pasona Life Care

※As of Nov.30, 2020

Facilities		May 2018	May 2019	May 2020	Nov 2020	YoY
Pasona Foster	Daycare facilities	39	47	49	50	+1
	After-school children's clubs	38	40	39	40	+1
Pasona Life Care	Nursing care facilities	27	26	22	22	0

## Business Conditions (H1 FY20 result)

- In Nursing care, the number of facilities users also decreased in addition to the impact of closing some facilities in the previous fiscal year.
- Demand for disinfection services in life support businesses such as housekeeping is increasing due to COVID-19.
- In Childcare, the increase in outsourced childcare facilities at business sites and revision of fees contributed.

# Regional Revitalization Solutions

## Net Sales

## Operating Income

(Billions of yen)

## Awajishima

- "DRAGON QUEST ISLAND DAIMAOUZOMA TO HAJIMARI NO SHIMA " will open in "NIJIGENNOMORI". (Spring 2021)



1.64

1.36

YoY  
(17.0)%

H1 FY19

H1 FY20

H1 FY19

H1 FY20

(0.86)

(1.09)

## Business Conditions (H1 FY20 result)

- Some facilities closed in the first quarter under the state of emergency.
- The movement of people gradually eased and tourists begin to return from the second quarter onwards.
- Grand opening of the new attraction 『Godzilla Intercept Operation ~National Godzilla Awajishima Research Center~』 in October 2020.
- In addition to the closure, deficit widened due to the initial cost of the new facility.

# ***New initiatives related to Regional Revitalization***

## **Job Creation**

- Gap Year Program
- Awaji Chef Garden
- Music Island

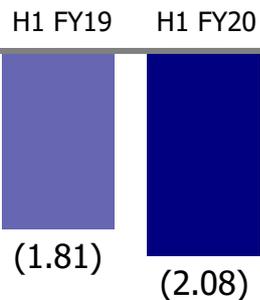
**Partial  
relocation of  
headquarters  
functions**

**BPO  
DX**



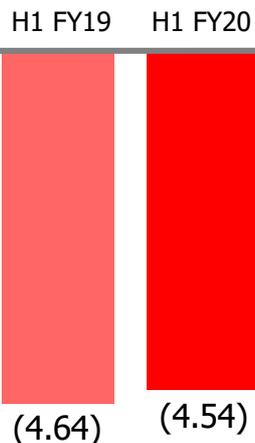
# Elimination/Corporate Segment Costs

## Net Sales

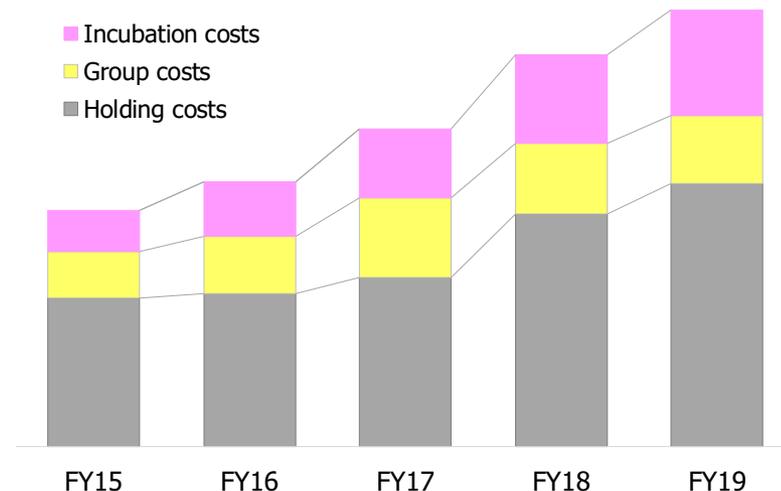


## Operating Income

(Billions of yen)



## Costs Trends



### Main Reasons for Cost Decrease Conditions (H1 FY20 result)

- Optimal staffing to group companies and reduction in advertising expenses related to the Tokyo Olympics and Paralympics.
- New business costs decreased due to various self-restraint in the expansion of COVID-19.

# Revision of Consolidated Financial Results Forecast for FY2020

---

# Revision of Consolidated Financial Results Forecast for FY2020

- Demand for BPO Services is larger than initially expected.
- Demand for temporary staffing and recruitment is expected to continue declining, but BPO Services are expected to remain firm.

(Millions of yen)

	Initial Forecast	Revised Forecast	VS Initial Forecast	Difference (%)	FY2019	Difference (%)
Net Sales	310,000	326,000	+16,000	+5.2%	324,984	+0.3%
Operating Income	10,000	15,000	+5,000	+50.0%	10,577	+41.8%
Ordinary Income	10,000	15,000	+5,000	+50.0%	10,236	+46.5%
Profit Attributable to Owners of Parent	2,500	4,700	+2,200	+88.0%	594	+690.1%

# FY2020 Consolidated Revised Forecasts

## Net Sales

## Operating Income

## Profit attributable to owners of parent

(Billions of yen)

YoY +0.3%

+41.8%

+690.1%

327.0 325.0 310.0 326.0

9.47 10.58 10.00 15.00

1.98 0.59 2.50 4.70

FY18

FY19

FY20

FY20

Initial Forecast Revised Forecast

FY18

FY19

FY20

FY20

Initial Forecast Revised Forecast

FY18

FY19

FY20

FY20

Initial Forecast Revised Forecast

(Millions of yen)	FY18	to net sales %	FY19	to net sales %	FY20 Initial Forecast	to net sales %	FY20 Revised Forecast	to net sales %	vs FY19 Increase/Decrease	YoY
Net sales	326,984	100.0	324,984	100.0	310,000	100.0	326,000	100.0	+1,015	+0.3%
Operating income	9,465	2.9	10,577	3.3	10,000	3.2	15,000	4.6	+4,422	+41.8%
Ordinary income	9,237	2.8	10,236	3.1	10,000	3.2	15,000	4.6	+4,763	+46.5%
Profit attributable to owners of parent	1,975	0.6	594	0.2	2,500	0.8	4,700	1.4	+4,105	+690.1%

# FY2020

## Progress of Group Priority strategy

---

# 1 *DX promotion*

**Transformation of services, organizations and business processes**



**enhanced DX  
service**

- ✓ intellectual property management platform introduction support of "ANAQUA"
- ✓ human resources Cloud BPO service "Money Forward, Inc." X "SmarterHR, Inc."
- ✓ Cloud recruitment management platform "Pasona Crossing"
- ✓ advanced organization analysis tool "Pasona Engagement"



**operation DX**

- ✓ Expansion of electronic contracts
- ✓ AI-OCR • RPA
- ✓ remote reception

## **2** *With/After Corona society work style*

**Work in rural area / Expanding health awareness**



**Diverse  
work style**

- ✓ Remote work premium
- ✓ art workation program  
Pasona JOBHUB Inc. x ANA holdings Inc.
- ✓ hybrid work-life association local governments, companies, etc  
collaboration with 53 supporting organizations nationwide ( as of January 19, 2021 )



**Health  
management**

- ✓ health management section outsourcing
- ✓ strengthening medical human resources
- ✓ health management consulting

# ***3 Looking to the age of 100 years***

**expanding market for seniors and freelance and professionals**



**professional human  
resources**

- ✓ Organizational integration of Pasona Komon Network Inc. and Pasona JOB HUB Inc.
- ✓ new business support services
- ✓ Sustainable management support services



**Amendment of the  
Elderly Employment  
Stability Law**

- ✓ employment support services for people aged 65 and over
- ✓ alumni & alumnae platform services

# Reference

---

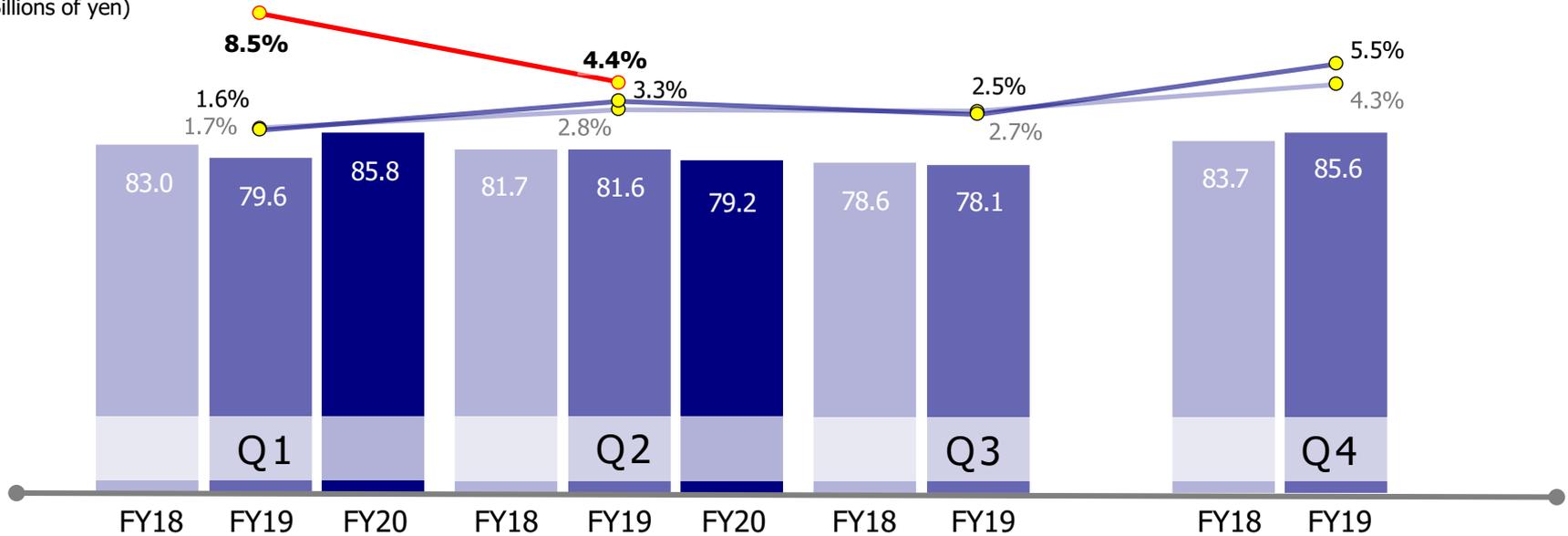
# Quarterly Sales and Income Trends

## 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	FY20	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)%	79,154	(3.0)%	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%	19,659	+2.8%	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%	16,144	(2.0)%	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%	3,515	+32.2%	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	24.8%	+1.4pt	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	20.4%	+0.2pt	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	4.4%	+1.1pt	2.7%	2.5%	(0.2)pt	4.3%	5.5%	+1.2pt	

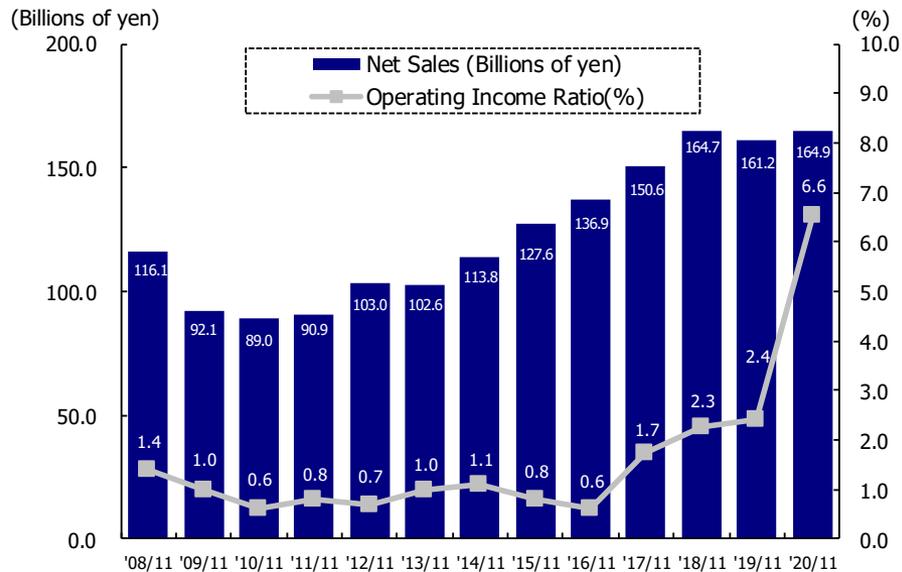
# Quarterly Sales and Income Trends by Segment

(Millions of yen)

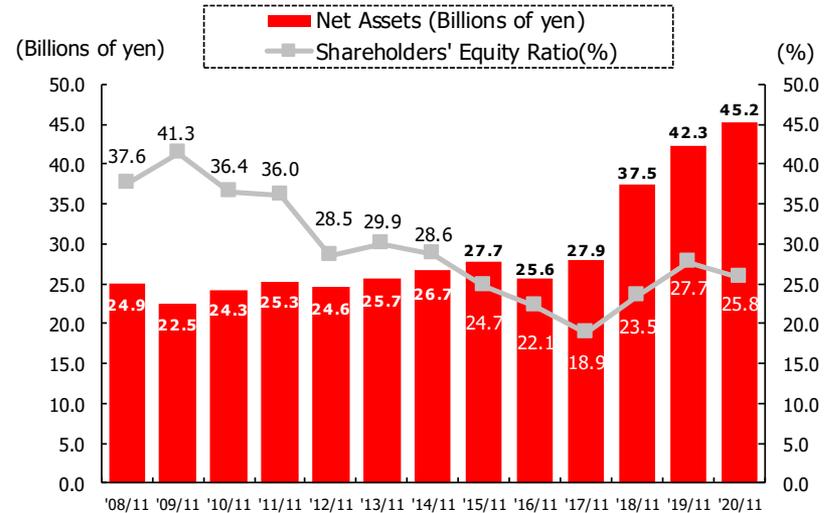
Segment		Sales							Operating income (loss)						
		Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	YoY	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	YoY
①	Expert Services (Temporary Staffing)	38,011	38,447	36,072	38,917	38,008	37,430	(2.6)%							
②	BPO Services (Contracting)	23,765	24,683	23,780	27,551	32,140	24,777	+0.4%	1,528	2,376	1,295	3,740	7,197	3,241	+36.4%
③	HR Consulting, Education & Training, Others.	2,339	2,298	1,580	1,795	1,504	1,706	(25.8)%							
④	Global Sourcing (Overseas)	2,060	1,977	1,878	1,879	1,658	1,682	(14.9)%	125	125	9	(62)	(83)	64	(48.9)%
Subtotal		66,177	67,407	63,312	70,145	73,312	65,596	(2.7)%	1,653	2,501	1,305	3,678	7,114	3,305	+32.1%
⑤	Career Solutions (Placement/Recruiting, Outplacement)	3,309	3,443	4,518	4,100	3,061	3,225	(6.3)%	673	761	905	1,208	625	756	(0.6)%
⑥	Outsourcing	8,679	9,278	9,104	10,209	8,248	8,941	(3.6)%	1,916	1,845	2,192	2,420	2,181	2,287	+24.0%
⑦	Life Solutions	1,527	1,577	1,587	1,558	1,563	1,674	+6.2%	(12)	65	95	75	41	117	+78.7%
⑧	Regional Revitalization Solutions	815	822	615	736	479	880	+7.1%	(517)	(343)	(440)	(574)	(575)	(511)	-
⑨	Eliminations and Corporate	(882)	(925)	(1,020)	(1,113)	(913)	(1,163)	-	(2,470)	(2,171)	(2,104)	(2,087)	(2,099)	(2,439)	-
Total		79,626	81,602	78,119	85,636	85,751	79,154	(3.0)%	1,243	2,658	1,954	4,721	7,287	3,515	+32.2%

# H1 Key Indicators

## Net Sales and Operating Income Ratio



## Net Assets and Shareholders' Equity Ratio



## First Half Results

Key Indicators	'07/11	'08/11	'09/11	'10/11	'11/11	'12/11	'13/11	'14/11	'15/11	'16/11	'17/11	'18/11	'19/11	'20/11
Net Sales	119,516	116,086	92,069	88,994	90,880	102,976	102,619	113,805	127,602	136,867	150,619	164,692	161,229	164,906
Gross Profit Margin	20.4%	20.0%	19.2%	18.2%	18.3%	18.5%	18.9%	19.7%	19.9%	19.7%	21.2%	22.0%	23.2%	25.5%
SG&A Expenses	21,274	21,598	16,784	15,640	15,922	18,355	18,372	21,265	24,362	26,205	29,313	32,425	33,496	31,189
SG&A Expense Ratio	17.8%	18.6%	18.2%	17.6%	17.5%	17.8%	17.9%	18.7%	19.1%	19.1%	19.5%	19.7%	20.8%	18.9%
Operating Income	3,071	1,598	905	533	724	714	1,038	1,195	1,072	794	2,618	3,732	3,901	10,802
Operating Income Ratio	2.6%	1.4%	1.0%	0.6%	0.8%	0.7%	1.0%	1.1%	0.8%	0.6%	1.7%	2.3%	2.4%	6.6%
Ordinary Income	3,145	1,803	933	580	744	692	961	1,118	977	759	2,634	3,538	3,606	10,854
Ordinary Income Ratio	2.6%	1.6%	1.0%	0.7%	0.8%	0.7%	0.9%	1.0%	0.8%	0.6%	1.7%	2.1%	2.2%	6.6%
Net Income (Loss) *3	1,063	203	(1,696)	(549)	75	(454)	(25)	(155)	(334)	(816)	470	631	392	4,278
Net Income Ratio	0.9%	0.2%	-	-	0.1%	-	-	-	-	-	0.3%	0.4%	0.2%	2.6%
Total Assets *4	55,216	52,670	42,866	55,084	57,480	68,768	68,524	72,357	80,164	80,517	100,881	114,914	116,930	137,757
Net Assets *1	27,736	24,939	22,497	24,260	25,295	24,619	25,743	26,744	27,702	25,591	27,886	37,529	42,341	45,200
Shareholders' Equity Ratio *2 *4	41.8%	37.6%	41.3%	36.4%	36.0%	28.5%	29.9%	28.6%	24.7%	22.1%	18.9%	23.5%	27.7%	25.8%

\*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.

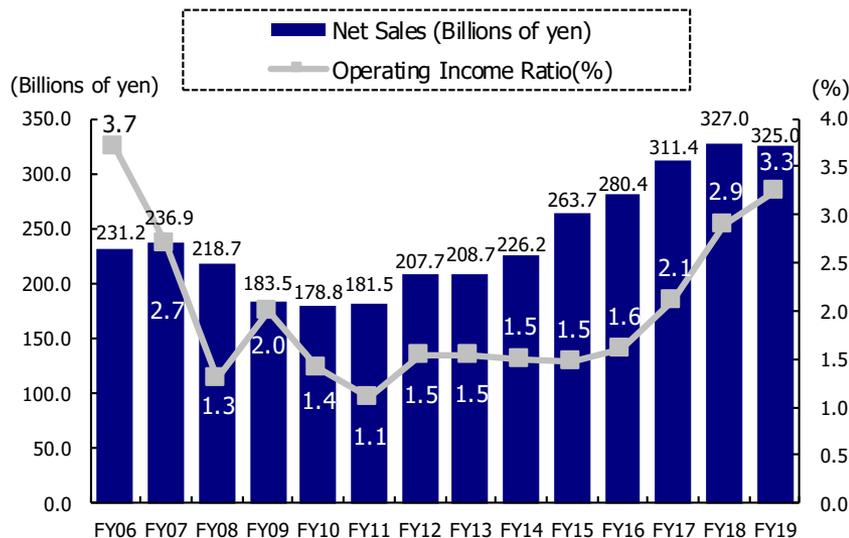
\*2. Despite changes in calculation methods for net assets following the introduction of changes to accounting standards and policies, the shareholders' equity ratio since the fiscal year ended May 31, 2007 is calculated utilizing an amount equivalent to net assets applicable to common shares.

\*3. Since the fiscal year ended on May 31, 2016, net income has been referred to profit attributable to owners of parent.

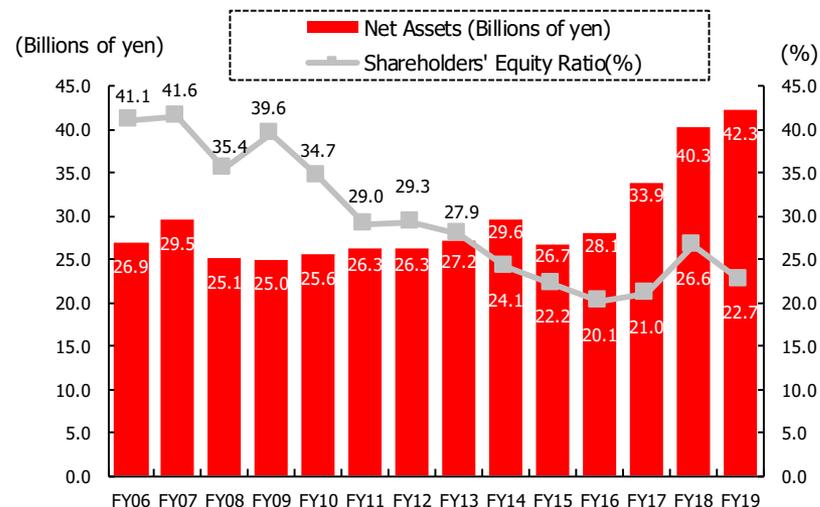
\*4. As the Company adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" from the beginning of the first quarter of FY2018. As for the financial position, the figures for the previous consolidated fiscal year were processed by the method.

# 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.

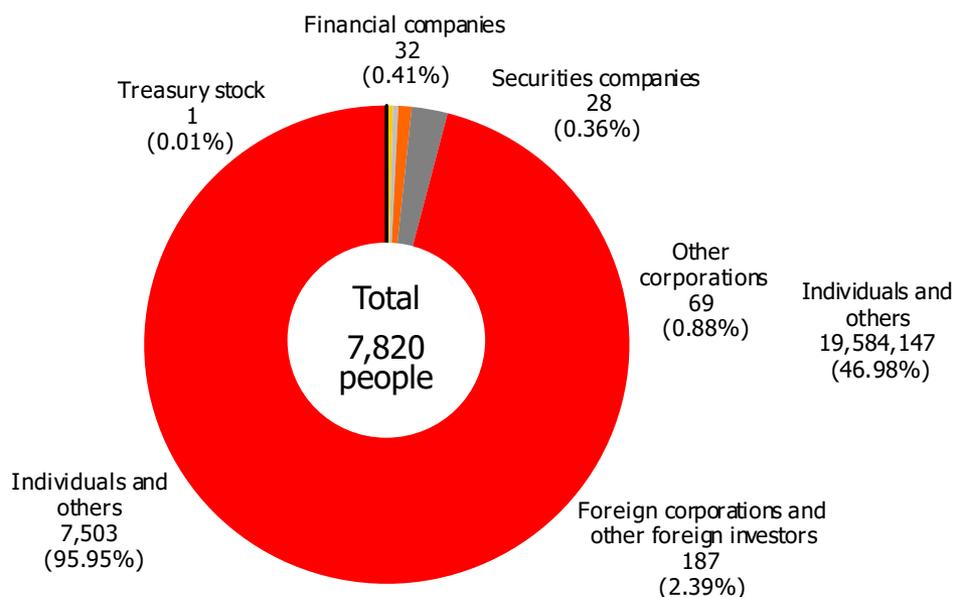
3. The data for the periods up to and including the fiscal year ended May 31, 2007 are consolidated data for Pasona Inc. The data for the periods commencing the fiscal year ended May 31, 2008 and beyond are consolidated data for Pasona Group Inc.

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

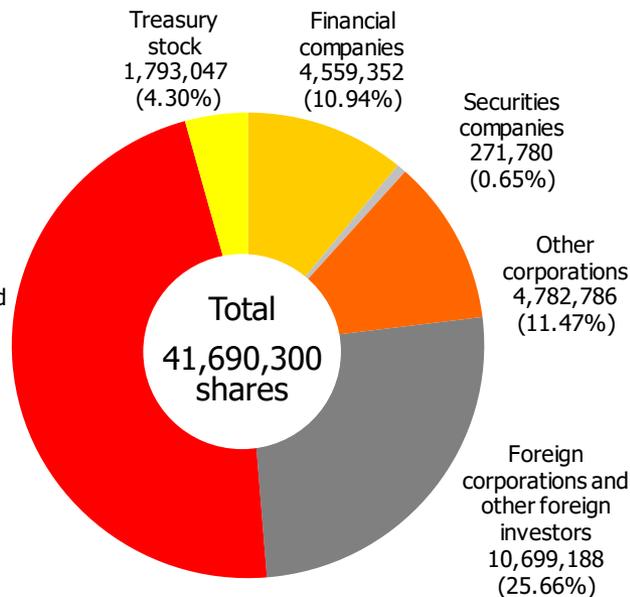
5. As the Company adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" from the beginning of the first quarter of FY2018. As for the financial position, the figures for the previous consolidated fiscal year were processed by the method.

# Stock Information (As of Nov. 30, 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%
The Master Trust Bank of Japan, Ltd (Trust Account)	1,318,600	3.16%
AVI GLOBAL TRUST PLC	1,129,100	2.71%
CREDIT SUISSE AG HONG KONG TRUST A/C CLIENT	782,800	1.88%
Custody Bank of Japan, Ltd.(Trust Account E)	757,852	1.82%
Pasona Group Employees' Shareholding Association	618,800	1.48%
BNYM TREATY DTT 15	607,400	1.46%

- 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.
- 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 30 Nov, 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.	Pasona HR Consulting Inc.	
Pasona Tech, Inc.	Bewith, Inc.	
Pasona Okayama Inc.	Asahi Beer Communications Co, Ltd.	
PASONA LOGICOM Inc.	Pasona art now Inc.	
Pasona Masters Inc.	Pasona Panasonic Business Service Co.,Ltd	
Gotop 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.*	
CAPLAN Corporation		
Pasona Yaskawa Business Staff 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 Nov. 30, 2020)

# Corporate Information

Tokyo Stock Exchange, 1st Section 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> Otemachi 2-6-2 Chiyoda-ku, Tokyo 100-8228 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>	19,588 (Consolidated, including contract workers)	(As of May. 31, 2020)
<b>Consolidated Group Companies</b>	Subsidiaries 63 , Affiliates 11	(As of Nov. 30, 2020)
<b>URL</b>	<a href="http://www.pasonagroup.co.jp/english/">www.pasonagroup.co.jp/english/</a>	