

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

H1 FY2022

(June 1, 2022 - November 30, 2022)



Pasona Group Inc.

Prime Market TSE (2168)

January 18, 2023

www.pasonagroup.co.jp/English

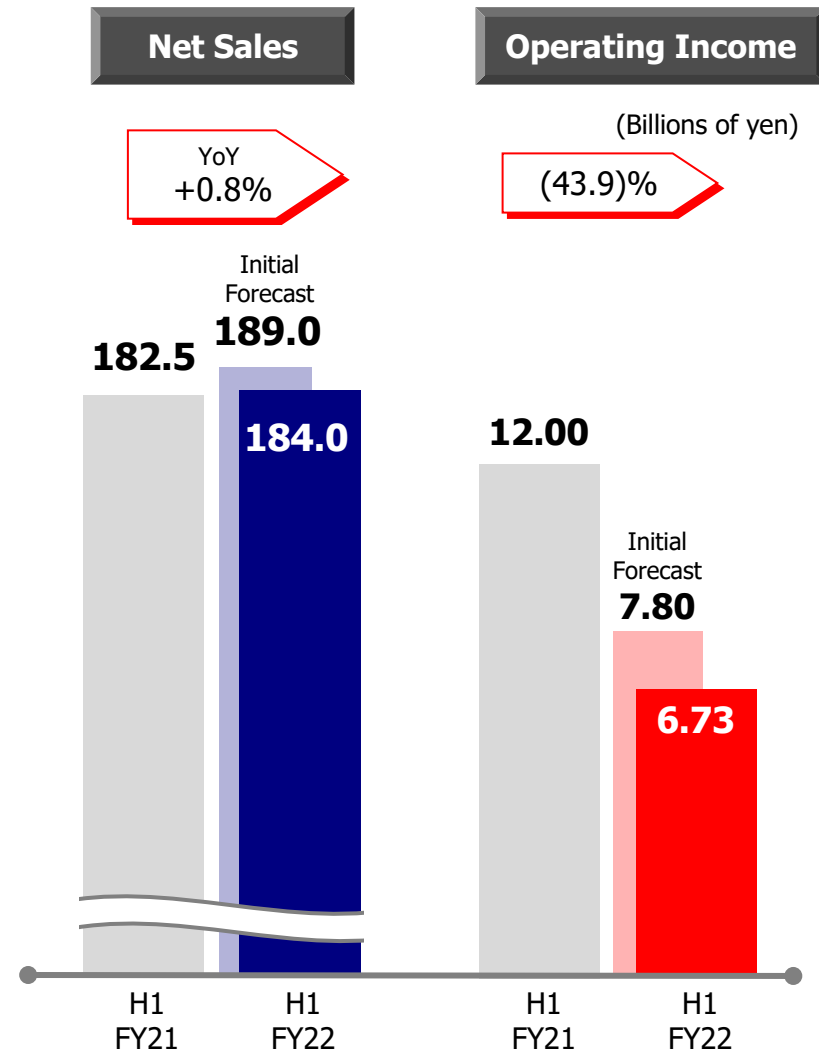
Pasona Heartful Inc. Artist MIYUKI SATAKE [ASAYAKE NO AWAJI]



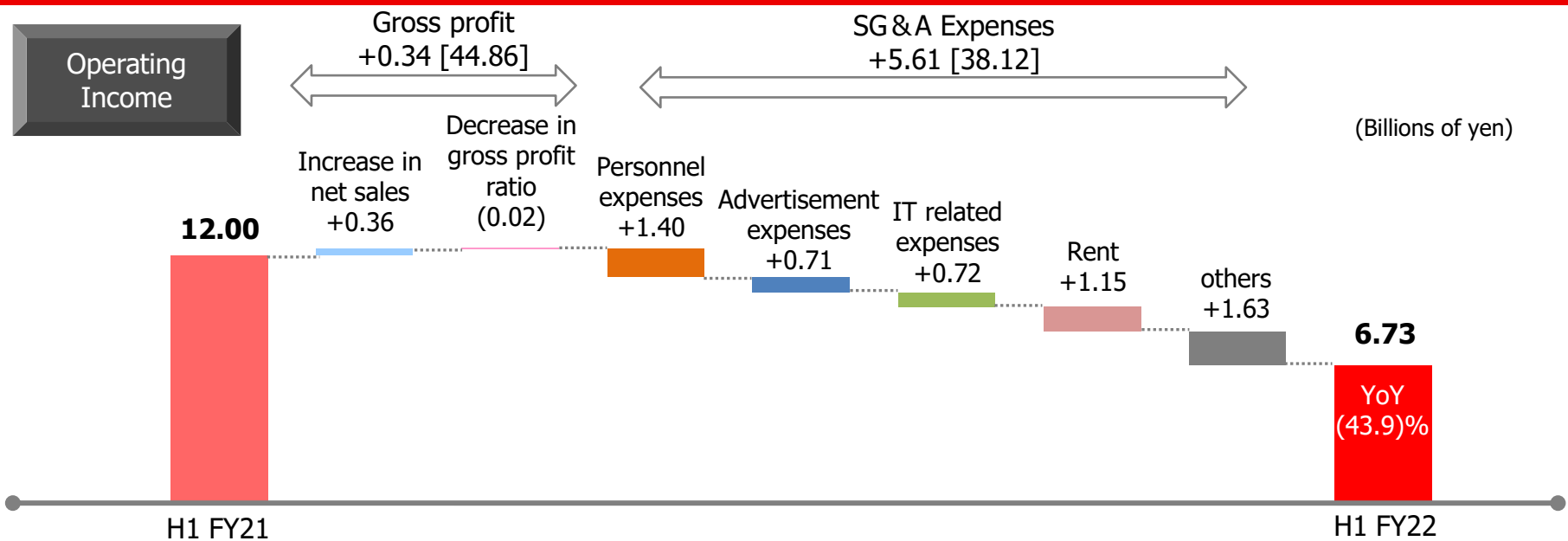
H1 FY2022 Results

Consolidated Results

(Millions of yen)	H1 FY21	H1 FY22	Increase /Decrease
	(%)	(%)	
Net sales	182,486 100.0	183,973 100.0	+1,487 +0.8%
Cost of sales	137,973 75.6	139,116 75.6	+1,143 +0.8%
Gross profit	44,512 24.4	44,856 24.4	+343 +0.8%
SG&A expenses	32,516 17.8	38,123 20.7	+5,606 +17.2%
Operating income	11,996 6.6	6,733 3.7	(5,262) (43.9)%
Ordinary income	12,149 6.7	7,431 4.0	(4,717) (38.8)%
Profit attributable to owners of parent	4,800 2.6	2,734 1.5	(2,065) (43.0)%
Gross profit ratio	24.4%	24.4%	(0.0)pt
Operating income ratio	6.6%	3.7%	(2.9)pt



Operating Income



	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	H1 FY21	H1 FY22
Gross Profit ratio	19.3%	20.3%	20.0%	20.2%	21.5%	22.8%	23.6%	24.8%	24.5%	24.4%	24.4%
SG&A ratio	17.7%	18.7%	18.6%	18.6%	19.4%	20.0%	20.3%	18.8%	18.5%	17.8%	20.7%
Operating Income ratio	1.5%	1.5%	1.5%	1.6%	2.1%	2.9%	3.3%	6.0%	6.0%	6.6%	3.7%

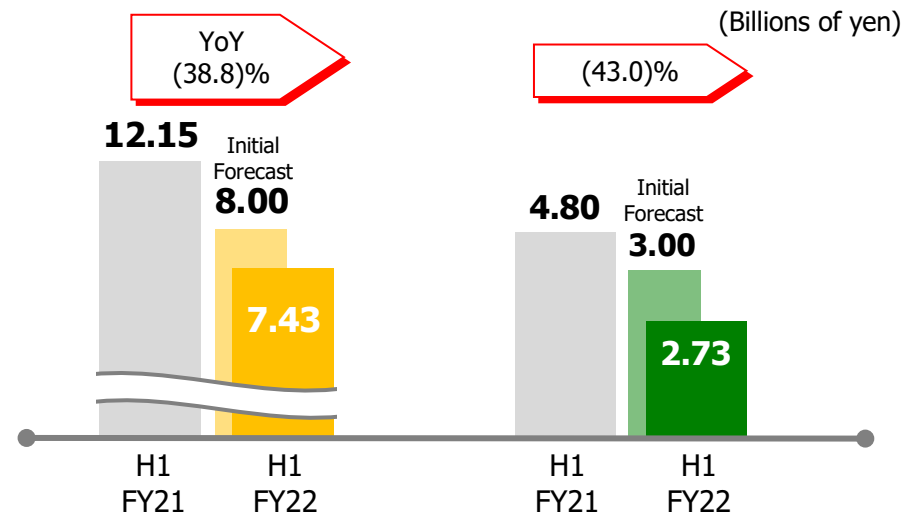
Major Item of Increase/Decrease

- Gross profit** : Gross profit ratio remained 24.4%, the same as in the same period of the previous fiscal year, as a result of sales expansion in segments with high gross profit ratio.
- SG&A expenses** : Increased costs due to the outsourcing business expansion (M&A) and advertisement expenses such as large-scale promotions.
 Double rent costs incurred due to the relocation to "PASONA SQUARE" in Minami Aoyama, Tokyo.

Non-operating/Extraordinary income (loss), Others

(Millions of yen)	H1 FY21	H1 FY22	Increase/ Decrease	YoY
Operating income	11,996	6,733	(5,262)	(43.9)%
Non-operating income	778	1,143	+364	+46.9%
Non-operating expenses	625	445	(180)	(28.8)%
Ordinary income	12,149	7,431	(4,717)	(38.8)%
Extraordinary income	27	872	+845	+3,097.7%
Extraordinary loss	48	81	+33	+68.9%
Income before income taxes	12,128	8,223	(3,905)	(32.2)%
Income taxes - current	4,905	3,855	(1,049)	(21.4)%
Income taxes - deferred	24	(405)	(430)	-
Income taxes	4,929	3,450	(1,479)	(30.0)%
Profit attributable to non-controlling interests	2,398	2,038	(359)	(15.0)%
Profit attributable to owners of parent	4,800	2,734	(2,065)	(43.0)%

Ordinary income



Major Item of Increase/Decrease

- **Non-operating income**
 - Share of profit of entities accounted for using equity method ¥ 33 million
(H1 FY21 : Share of loss of entities accounted for using equity method ¥ (26) million)
 - Subsidy ¥ 560 million (+ ¥ 345 million)
- **Extraordinary income**
 - Gain on change in equity ¥ 211 million
(Equity change due to listing of Circlace Inc)
 - Gain on sales of investment securities ¥ 627 million
(Benefit One Inc.)

Consolidated Results by Segment

(Millions of yen)

Segment		Net sales				Operating income (loss)				Operating income ratio		
		H1 FY21	H1 FY22	Increase/ Decrease	YoY	H1 FY21	H1 FY22	Increase/ Decrease	YoY	H1 FY21	H1 FY22	Increase/ Decrease
①	Expert Services (Temporary Staffing)	78,664	75,213	(3,451)	(4.4)%							
②	BPO Services (Contracting)	67,620	68,325	+704	+1.0%	9,244	7,361	(1,883)	(20.4)%	6.2%	5.0%	(1.2)pt
③	HR Consulting, Education & Training, Others.	3,837	4,256	+419	+10.9%							
④	Global Sourcing (Overseas)	4,061	4,921	+860	+21.2%	167	350	+182	+108.6%	4.1%	7.1%	+3.0pt
Subtotal		154,183	152,717	(1,466)	(1.0)%	9,412	7,711	(1,700)	(18.1)%	6.1%	5.0%	(1.1)pt
⑤	Career Solutions (Placement/ Recruiting, Outplacement)	7,492	6,909	(582)	(7.8)%	2,384	1,993	(391)	(16.4)%	31.8%	28.9%	(2.9)pt
⑥	Outsourcing	18,745	20,234	+1,488	+7.9%	6,887	4,825	(2,061)	(29.9)%	36.7%	23.8%	(12.9)pt
⑦	Life Solutions	3,475	3,998	+522	+15.0%	114	173	+58	+51.1%	3.3%	4.3%	+1.0pt
⑧	Regional Revitalization Solutions	2,050	3,423	+1,373	+67.0%	(1,250)	(1,117)	+132	-	-	-	-
⑨	Eliminations and Corporate	(3,461)	(3,310)	+150	-	(5,552)	(6,852)	(1,299)	-	-	-	-
Total		182,486	183,973	+1,487	+0.8%	11,996	6,733	(5,262)	(43.9)%	6.6%	3.7%	(2.9)pt

Balance Sheet

Major Item of Increase/Decrease	(Billions of yen)		
	May 31,2022	Nov 30,2022	Increase/ Decrease
Assets	203.7	261.3	+57.6
Current assets	131.1	187.8	+56.7
Cash and deposits	67.0	113.8	+46.9
Notes and accounts receivable-trade, and contract assets	51.0	59.2	+8.2
Non-current assets	72.5	73.4	+0.9
Property, plant and equipment	27.3	30.1	+2.8
Intangible assets	23.2	23.7	+0.5
Investments and other assets	21.9	19.6	(2.4)
Liabilities	136.6	195.9	+59.3
Current liabilities	83.6	145.6	+62.0
Accounts payable-trade	8.7	5.5	(3.2)
Short-term loans payable	9.6	9.3	(0.3)
Accrued expenses	16.0	17.0	+0.9
Deposits received	13.1	80.7	+67.6
Non-current liabilities	53.0	50.3	(2.7)
Bonds payable	3.8	3.5	(0.3)
Long-term loans payable	38.8	35.1	(3.7)
Net assets	67.1	65.4	(1.7)
Shareholders' equity	48.6	49.3	+0.6
Capital surplus	17.8	17.1	(0.7)
Retained earnings	28.2	29.6	+1.3
Treasury shares	(2.4)	(2.4)	+0.0
Total accumulated other comprehensive income	1.3	1.2	(0.1)
Share acquisition rights	0.0	0.0	(0.0)
Non-controlling interests	17.2	14.9	(2.3)
Equity ratio	24.5%	19.3%	(5.2)pt
Equity ratio (Excluding deposits received for contracted projects)	25.8%	27.6%	+1.8pt

Major Item of Increase/Decrease

[Cash and deposits]

Increased in temporary deposits related to contracted projects.
¥ 78.2 billion (+ ¥ 68.1 billion)

[Property, plant and equipment]

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

[Deposits received]

Increased in temporary deposits related to contracted projects.

[Non-controlling interests]

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

[Equity ratio]

27.6% after deducting "deposits received" related to contracted projects.

Cash Flows

Major Item of Increase/Decrease	(Billions of yen)		
	H1 FY21	H1 FY22	Increase/Decrease
Cash flows from operating activities	(9.1)	(6.4)	+2.7
Income before income taxes	12.1	8.2	(3.9)
Depreciation and amortization	2.0	2.5	+0.5
Amortization of goodwill	0.3	0.4	+0.0
Decrease (increase) in notes and accounts receivable-trade and contracts asset	(14.0)	(8.1)	+5.9
Increase (decrease) in operating debt	0.8	(2.1)	(2.9)
Income taxes paid	(4.2)	(6.2)	(1.9)
Cash flows from investment activities	(6.8)	(4.5)	+2.3
Purchase of property, plant and equipment	(3.8)	(4.3)	(0.5)
Purchase of intangible assets	(2.4)	(2.1)	+0.3
Purchase of investment securities	(0.6)	0.0	+0.6
Proceeds from sales of investment securities	0.1	0.7	+0.6
Proceeds from collection of lease and guarantee deposits	0.1	1.5	+1.4
Cash flows from financing activities	(3.4)	(10.6)	(7.3)
Proceeds from long-term loans payable	2.8	1.0	(1.8)
Repayment of long-term loans payable	(4.6)	(5.0)	(0.4)
Proceeds from issuance of bonds	2.5	0.0	(2.5)
Cash dividends paid	(3.6)	(4.6)	(1.0)
Purchase of treasury shares of subsidiaries	(0.0)	(1.5)	(1.5)
Net increase (decrease) in cash and cash equivalents	(19.3)	(21.2)	(1.9)
Cash and cash equivalents at beginning of the period	52.3	56.6	+4.3
Cash and cash equivalents at the end of the period	33.0	35.4	+2.4
Free cash flows	(16.0)	(10.9)	+5.0

Major Item of Increase/Decrease

[Profit before amortization]

¥ 11.1 billion (YoY ¥ (3.4) billion)

[Decrease (increase) in notes and accounts receivable-trade and contracts asset]

Increased due to resolution of prolonged collection period for large projects in the previous fiscal year.

[Increase (decrease) in operating debt]

Decreased in operating debt in Benefit One Inc.

[Purchase of property, plant and equipment]

New construction of commercial facilities and business facilities

[Proceeds from collection of lease and guarantee deposits]

Related to relocation of Tokyo office

[Cash dividends paid]

Increased dividends

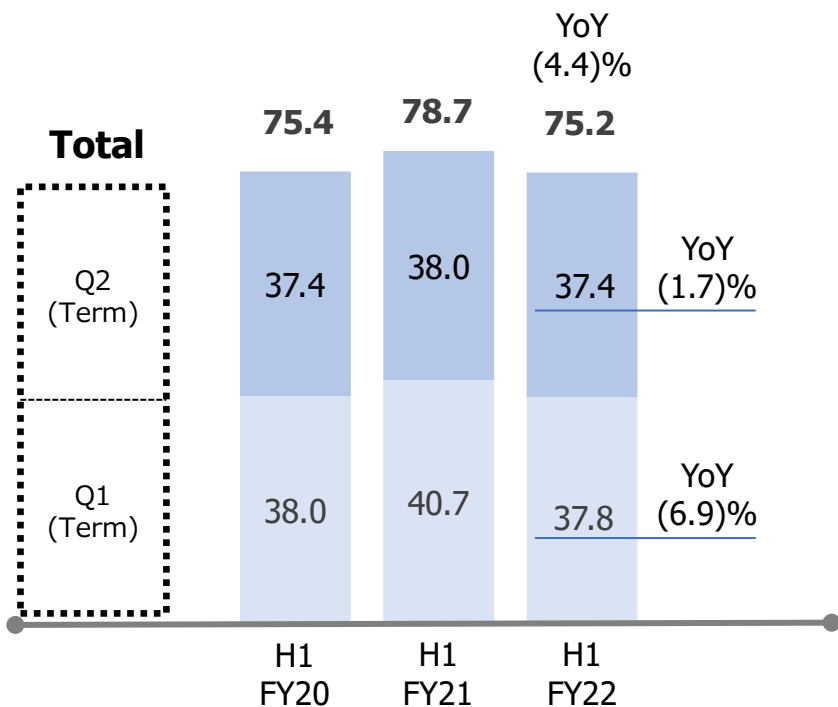
※ Cash flow does not include the cash balance and increase/decrease in cash corresponding to "deposits" from customers for projects entrusted to the Company.

Segment information

Expert Services (Temporary staffing)

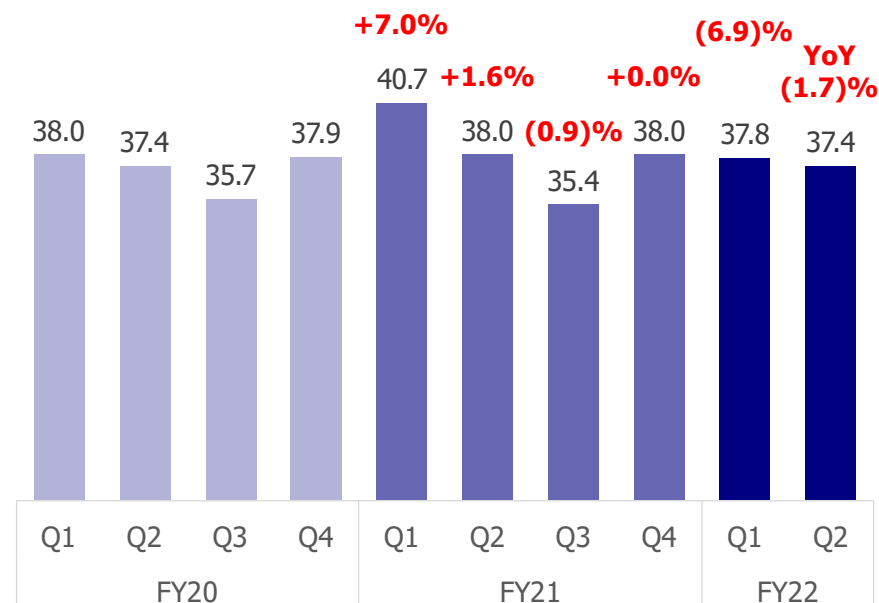
Net Sales

(Billions of yen)



Sales Trends

(Billions of yen)



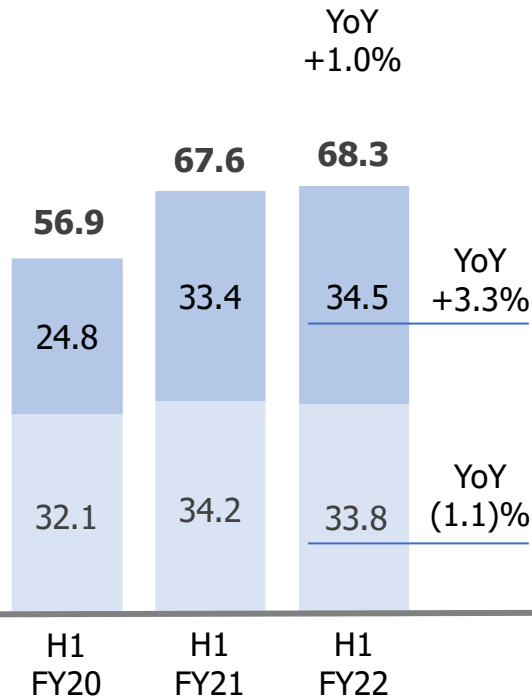
Business Conditions (H1 FY22 result)

- Temporary staffing demand continues to recover, and orders are increasing from a wide range of industries : Financial, IT and Service.
- Sales decreased year-on-year, unable to make up for the special demand in the first quarter of the previous fiscal year related to the Tokyo 2020 Olympic and Paralympic Games and measures to combat the COVID-19 infection.
- On January 5, 2023, the Company made KANDEN JOINUS CO., LTD. a subsidiary of the Kansai Electric Power Group. Expansion of our services in the Kansai area, where various new demands are expected in preparation for the Expo 2025 Osaka, Kansai, Japan.

BPO Services (Contracting)

Net Sales

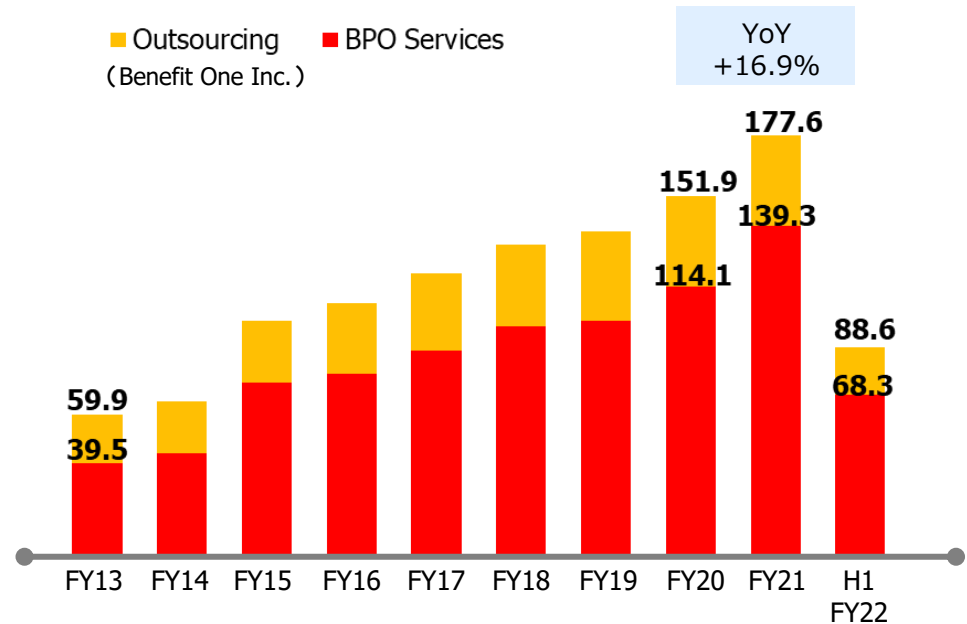
(Billions of yen)



BPO Services , Outsourcing Sales Trends

(Billions of yen)

■ Outsourcing ■ BPO Services
(Benefit One Inc.)

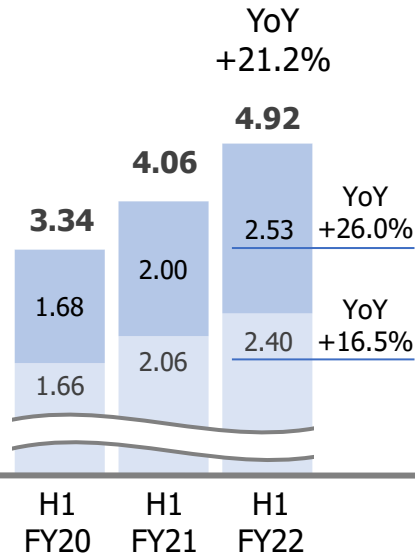


Business Conditions (H1 FY22 result)

- Although large projects from the previous year were completed, new projects were added, and net sales increased from the same period of the previous year.
- Acquired new business from the public sector associated with job placement assistance and human resource development.
- Continued demand from private companies related to organizational restructuring and DX promotion.

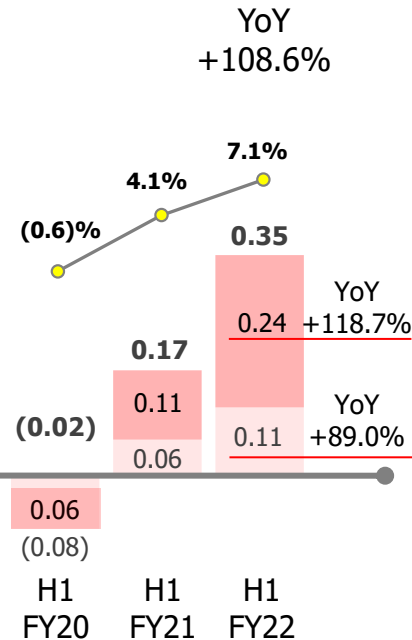
Global Sourcing (Overseas)

Net Sales



Operating Income , Operating Income Ratio

(Billions of yen)



Sales by Business Segment

(Millions of yen)

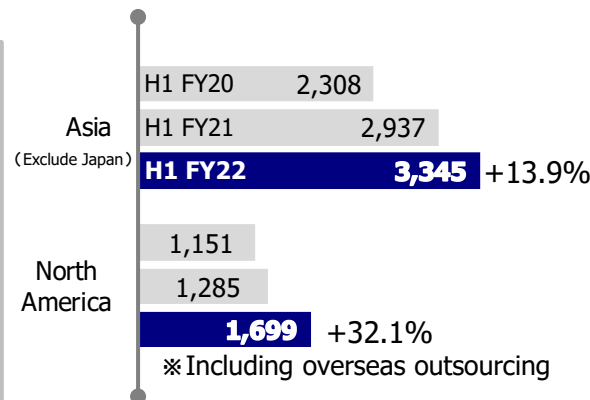
	H1 FY20	H1 FY21	H1 FY22	YoY
Temporary Staffing	1,746	2,156	2,366	+9.7%
Placement / Recruiting	633	810	1,253	+54.7%
Contracting (Payroll, others)	641	704	845	+20.0%
Others	319	389	455	+17.1%
Total	3,341	4,061	4,921	+21.2%

Business Conditions (H1 FY22 result)

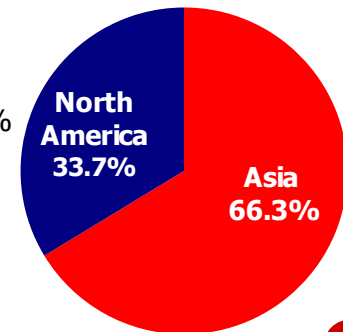
- Economic activity remains firm in North America.
- In Asia, demand for human resources increases in Taiwan, especially in the semiconductor manufacturing industry. Net sales recovered in India and Thailand as well.
- The company focuses on cross-border transactions and promotes business collaboration so that IT development work in Vietnam can be horizontally deployed in other countries.

Sales by Region

(Millions of yen)



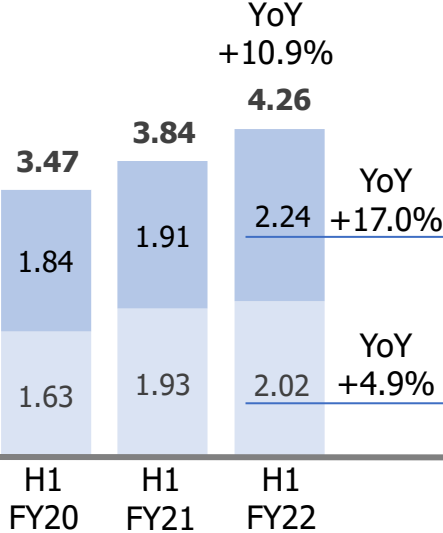
Sales composition



HR Consulting , etc. / Operating Income by Segments

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

(Billions of yen)



Business Conditions (H1 FY22 result)

- In the advisory consulting business, needs for personnel in specialized areas such as management support and risk management continued, and recruitment consulting also expanded.
- In the education and training business, training needs increased in such areas as hospitality training at companies and development of global leaders.

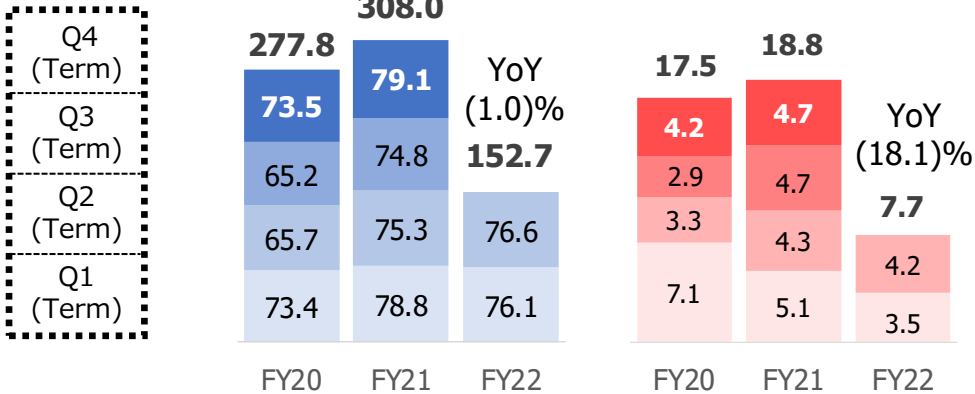
Net Sales(ES~GS)

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

Operating Income

(Billions of yen)

Total

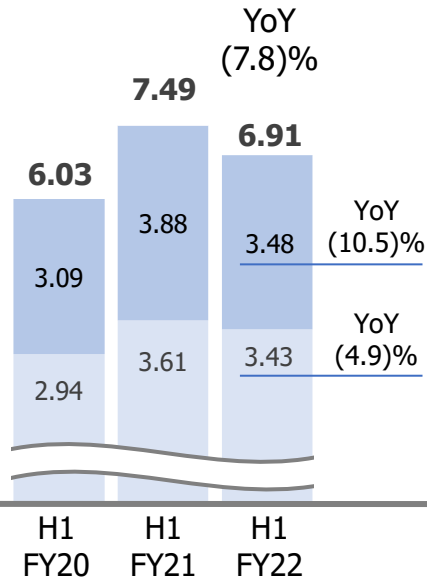


Business Conditions (H1 FY22 result)

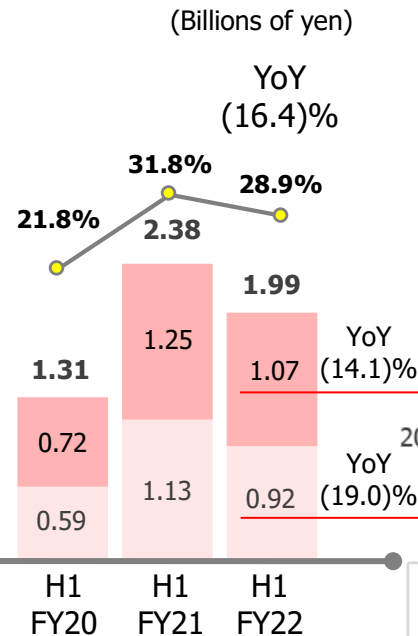
- Decreased in short-term staff in Expert Services, which had temporarily increased in the previous fiscal year. Gross profit ratio declined due to an increase in paid leave utilization and social insurance premiums.
- Labor costs were transferred from cost to SG&A expenses due to the completion of BPO projects, and SG&A labor costs increased.

Career Solutions (Placement/Recruiting , Outplacement)

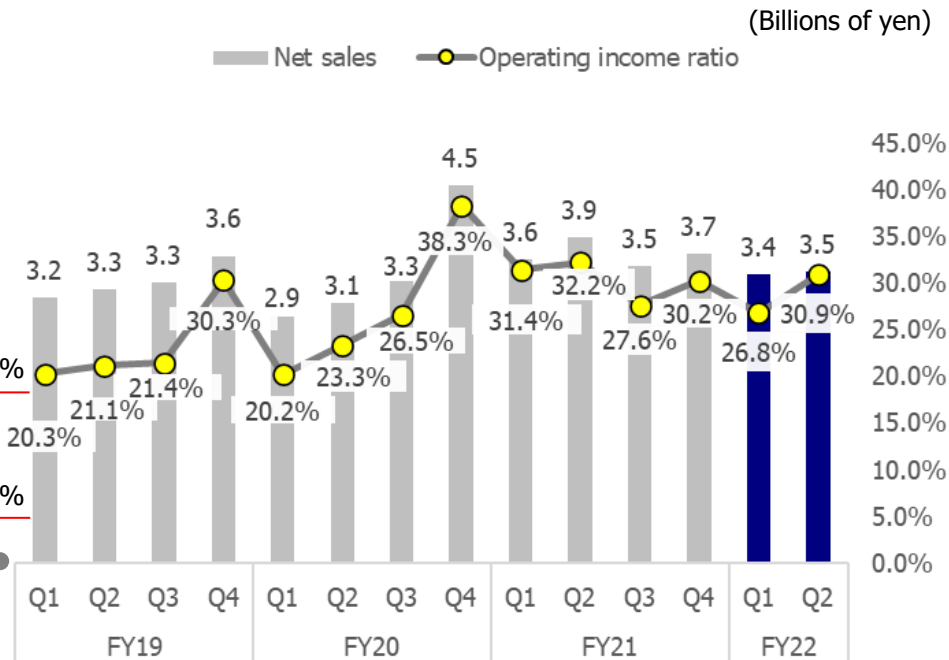
Net Sales



Operating Income , Operating Income Ratio



Net Sales, Operating Income Ratio Trends

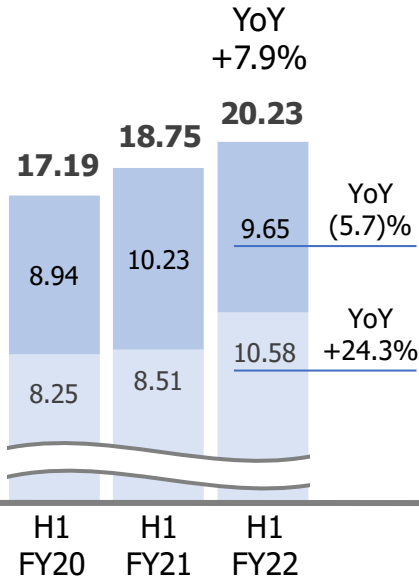


Business Conditions (H1 FY22 result)

- The Placement / Recruiting business: While companies' willingness to recruit remained strong, we focused on high-career and specialized job areas such as executive positions, which are relatively less susceptible to economic trends. As a result, internal operational efficiency improved and unit contract price increased.
- The Outplacement business: Large-scale 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.

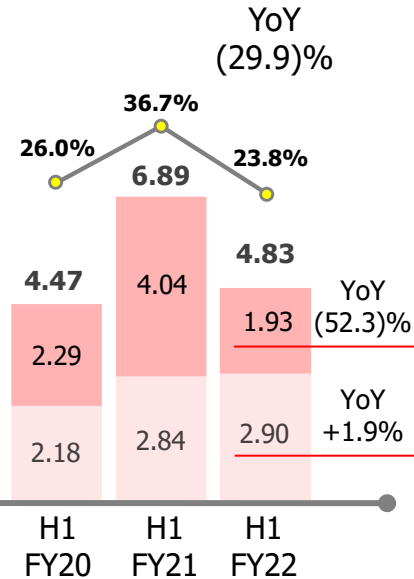
Outsourcing (Benefit One Inc.)

Net Sales



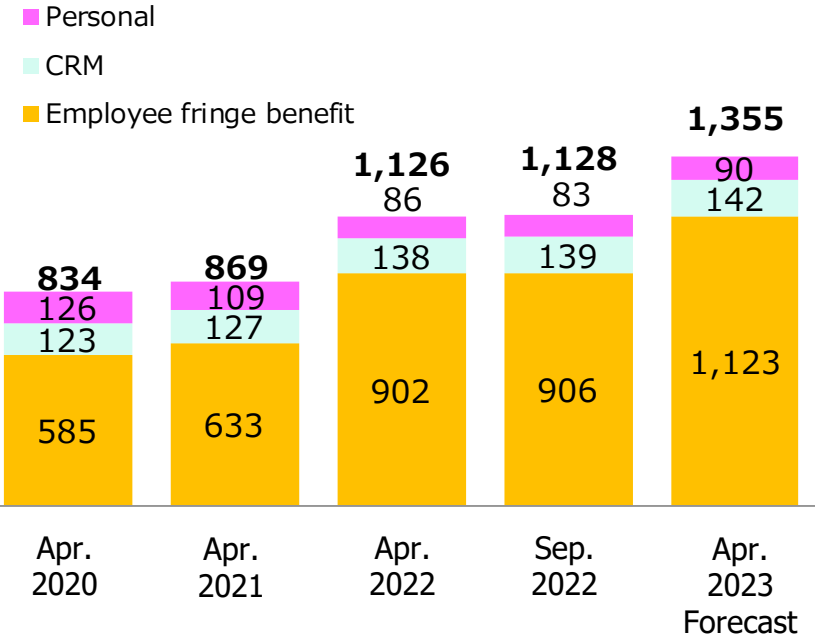
Operating Income , Operating Income Ratio

(Billions of yen)



Benefit One Membership Trends

(10Thousands people)



Business Conditions (H1 FY22 result)

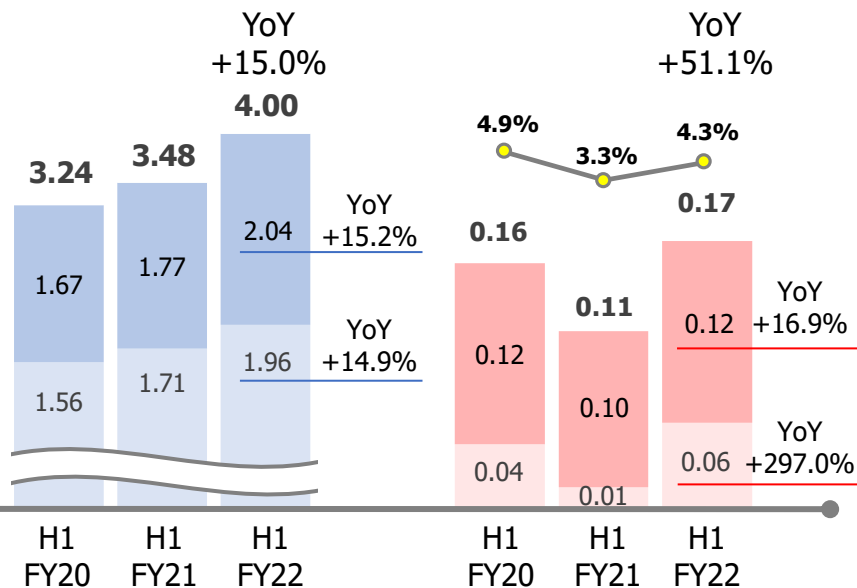
- In addition to internal growth, external growth through M&A boosts performance.
- Although usage was lower than expected due to the impact of the seventh wave of the COVID-19 infection, it has generally continued to recover compared to the previous fiscal year, and subsidy spending has increased accordingly.
- The COVID-19 Vaccination Assistance business is on a downward trend, while it remained strong as orders were received ahead of schedule.
- Large-scale promotional investment expense were recorded, 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 Nov.30, 2022

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



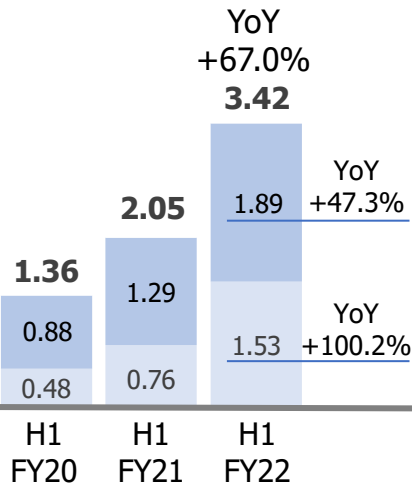
Re-learning English learning program for seniors, "Brain Active English". (January 2023)

Business Conditions (H1 FY22 result)

- The nursing care business, care dispatches to residential care facilities expanded due to the impact of the COVID-19 infection.
- 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.
- The childcare business, the number of children using in-house childcare facilities declined from the same period of the previous fiscal year due to a decrease in the number of employees attending work, but the number the opening of school-age children's clubs increased.

Regional Revitalization Solutions

Net Sales



Operating Income

(Billions of yen)

Period	H1 FY20	H1 FY21	H1 FY22
Operating Income	(0.58)	(0.70)	(0.67)
Operating Profit	(0.51)	(0.55)	(0.45)
Operating Loss	(1.09)	(1.25)	(1.12)

Initiatives for regional revitalization

- Started offering "Beer College" to train beer craftsmen and support the opening of microbreweries that serve as hubs for local communities. (December 2022)



2019 Pilsner JAPAN CREAT BEER AWARD - SILVER
 2019 Meister JAPAN CREAT BEER AWARD - BRONZE
 2018 Weizen AUSTRALIAN-INTERNATIONAL-BEER AWARD - BRONZE
 2013 Smoke INTERNATIONAL BEER COMPETITION - GOLD

- NIJIGEN NO MORI "Dragon Quest Island Ancient Demon God and Guided Adventurers" will be open. (Schedule for end of March 2023)

Business Conditions (H1 FY22 result)

- Restrictions on activities due to the COVID-19 infection eased and the flow of people to tourist destinations continued to recover.
- In Awaji Island, 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.
- An improvement from the loss in the same period of the previous year, despite upfront expenses from the opening of new facilities.



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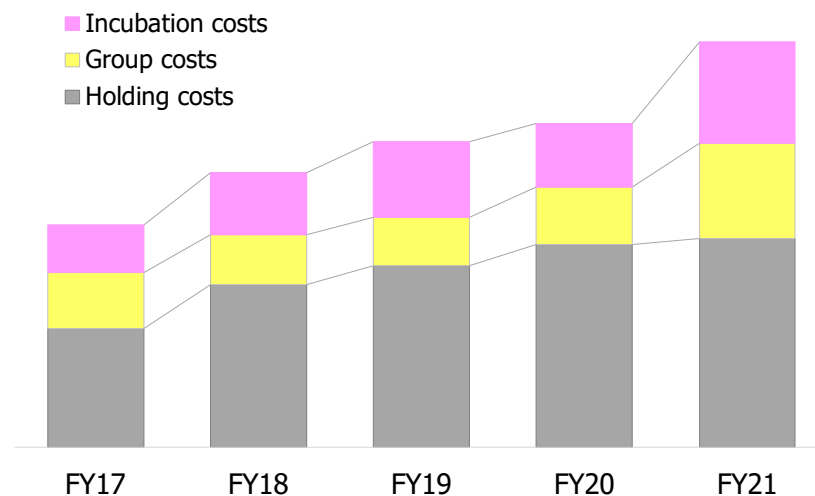
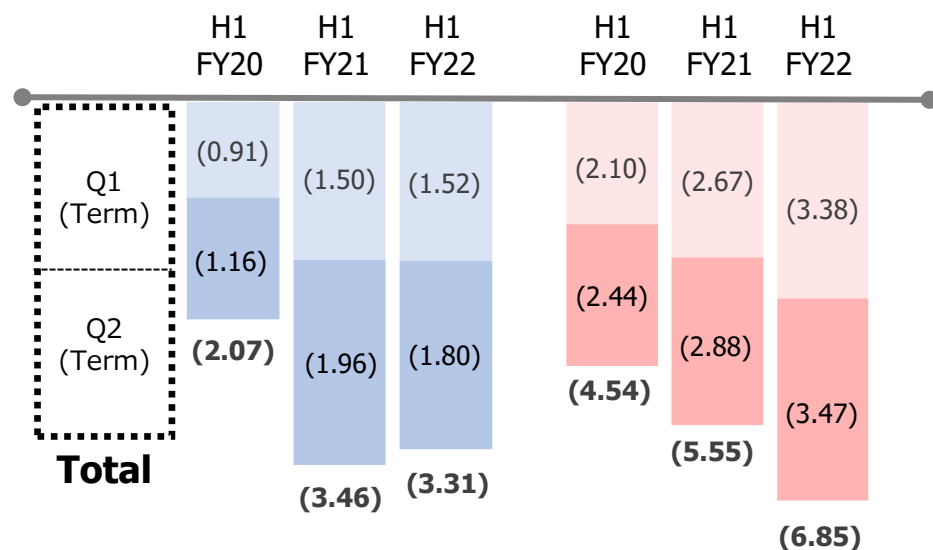
Elimination/Corporate Segment Costs

Net Sales

Operating Income

Costs Trends

(Billions of yen)



Main Factors for Cost Increase/Decrease (H1 FY22 result)

- Expenses related to the relocation to "Pasona Square" in Minami Aoyama, Tokyo in the first quarter, 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.

Revision of Consolidated Financial Results Forecast for FY2022

Revision of Consolidated Financial Results Forecast for FY2022

- In **the first half**, the Expert Services failed to make up for the temporary special demand that arose in the previous fiscal year, and the Regional Revitalization Solutions are growing in performance.

Consolidated financial results in the first half were lower than initial expectations due to the re-expansion of the COVID-19 infection.

- While net sales for **the second half** of the fiscal year are expected to be generally in line with the initial plan, operating income and below have been revised in consideration of the current situation.

Net income attributable to owners of the parent is unchanged, as the company is considering the recognition of deferred tax assets in accordance with the "Accounting Standard for Tax Effect Accounting" in light of the Q2 results.

(Millions of yen)

	(A) Initial Forecast	(B) Revised Forecast	(B)-(A) Increase/ Decrease	(B) / (A) (%)	(C) FY21	(B) / (C) (%)
Net Sales	385,000	385,000	0	0.0%	366,096	+5.2%
Operating Income	22,300	19,500	(2,800)	(12.6)%	22,083	(11.7)%
Ordinary Income	22,500	20,200	(2,300)	(10.2)%	22,496	(10.2)%
Profit Attributable to Owners of Parent	8,700	8,700	0	0.0%	8,621	+0.9%

FY2022 Consolidated Revised Forecasts

Net Sales

YoY +5.2%

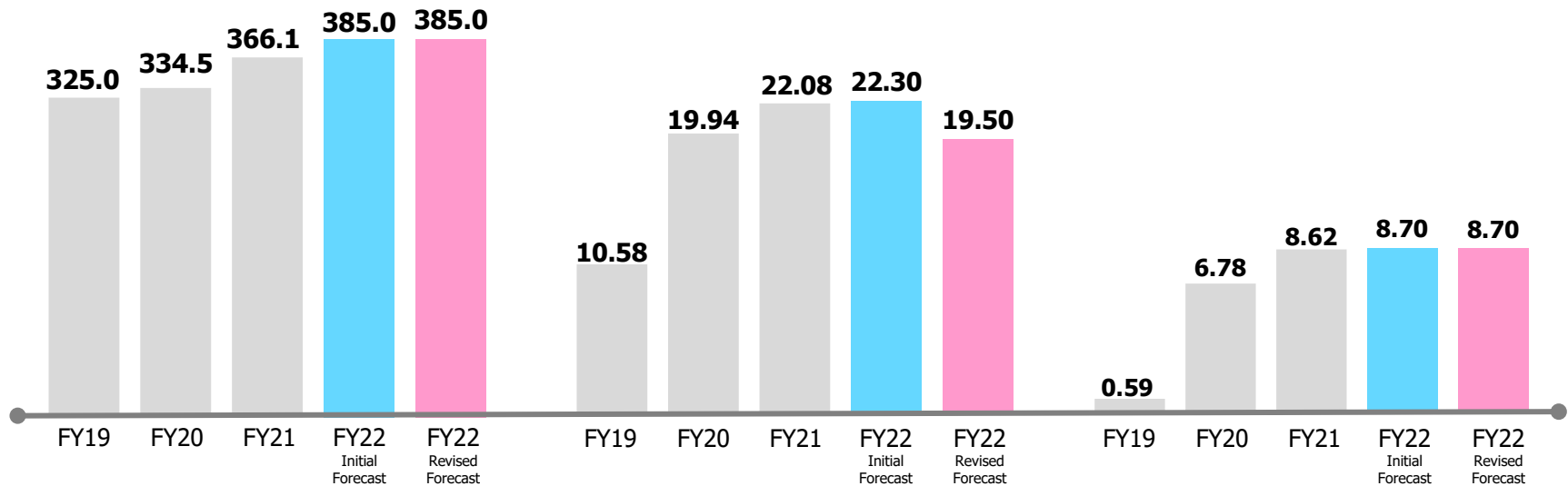
Operating Income

(11.7)%

Profit attributable to owners of parent

+0.9%

(Billions of yen)



(Millions of yen)	FY19	to net sales %	FY20	to net sales %	FY21	to net sales %	FY22 Initial Forecast	to net sales %	FY22 Revised 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	385,000	100.0	+18,903	+5.2%
Operating income	10,577	3.3	19,940	6.0	22,083	6.0	22,300	5.8	19,500	5.1	(2,583)	(11.7)%
Ordinary income	10,236	3.1	20,379	6.1	22,496	6.1	22,500	5.8	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	8,700	2.3	+78	+0.9%

FY2022 Revised Forecasts by Segment

(Millions of yen)

Segment		Sales							Operating income (loss)						
		(A) FY22 Initial Forecast	(B) FY22 Revised Forecast	(B)-(A) Increase/ Decrease	(B) / (A) %	(C) FY21	(B)-(C) Increase/ Decrease	(B) / (C) %	(A) FY22 Initial Forecast	(B) FY22 Revised Forecast	(B)-(A) Increase/ Decrease	(B) / (A) %	(C) FY21	(B)-(C) Increase/ Decrease	(B) / (C) %
①	Expert Services (Temporary Staffing)	155,000	154,000	(1,000)	(0.6)%	152,067	+1,932	+1.3%							
②	BPO Services (Contracting)	140,000	142,000	+2,000	+1.4%	139,272	+2,727	+2.0%	17,400	17,100	(300)	(1.7)%	18,345	(1,245)	(6.8)%
③	HR Consulting, Education, Training, etc.	9,300	9,500	+200	+2.2%	8,418	+1,081	+12.8%							
④	Global Sourcing (Overseas)	10,100	10,100	0	0.0%	8,335	+1,764	+21.2%	650	700	+50	+7.7%	447	+252	+56.3%
Subtotal		314,400	315,600	+1,200	+0.4%	308,093	+7,506	+2.4%	18,050	17,800	(250)	(1.4)%	18,793	(993)	(5.3)%
⑤	Career Solutions (Placement/Recruiting, Outplacement)	15,700	15,000	(700)	(4.5)%	14,700	+299	+2.0%	5,150	4,700	(450)	(8.7)%	4,470	+229	+5.1%
⑥	Outsourcing	46,100	46,100	0	0.0%	38,359	+7,740	+20.2%	10,800	10,800	0	0.0%	12,765	(1,965)	(15.4)%
⑦	Life Solutions	7,600	8,000	+400	+5.3%	7,158	+841	+11.8%	300	400	+100	+33.3%	232	+167	+72.3%
⑧	Regional Revitalization Solutions	8,000	7,200	(800)	(10.0)%	4,426	+2,773	+62.7%	(1,000)	(2,000)	(1,000)	-	(2,612)	+612	-
⑨	Elimination/Corporate	(6,800)	(6,900)	(100)	-	(6,642)	(257)	-	(11,000)	(12,200)	(1,200)	-	(11,566)	(633)	-
Consolidated		385,000	385,000	0	0.0%	366,096	+18,903	+5.2%	22,300	19,500	(2,800)	(12.6)%	22,083	(2,583)	(11.7)%

H1 FY2022 TOPICS

FY2022 Progress of Group Priority strategy

1 Further expansion of BPO services,
DX promotion

2 Strengthening support for career
development to the era of 100 years
of life

3 Promotion of regional revitalization
projects for a sustainable society

Further expansion of BPO services, DX promotion

BPO Service × GX^{Green} Transformation

Support for companies' efforts to expand TCFD information disclosure and achieve carbon neutrality



Further expansion of BPO services, DX promotion

BPO Service × DX Digital Transformation

Developing "X-Tech services" to solve increasingly sophisticated local "social issues" and expanding introduction to local governments

Case 1

Disaster Prevention Help Service

Matching people who have difficulty evacuating on their own (self-help) with people who can provide evacuation support in the event of a disaster.
"Mutual Aid System" for rapid rescue assistance.



Case 2

Civic Earth

Supporting the realization of smart cities by recreating the city in virtual space based on geospatial data of cities and regions, and formulating appropriate urban development plans in line with human flow, etc.

「Civic Earth」

×  **Re:Earth** (digital twin※ platform)



※ A technological concept that digitizes information in real space and reproduces it realistically in virtual space.

Further expansion of BPO services, DX promotion

X-TECH Solution Topics

Helping Small and Medium Enterprises Solve Management Issues through Digitization
Received contract for "Business Environment Change Support Project (Digitalization Diagnosis Project)"



Resolving issues related to balancing work with women's specific health challenges

Received contract for "Femtec-based women's activity support project".



One-stop service from assignment to return, including payroll and labor management for expatriates

Overseas expatriate management support service
Strategic alliance with Nippon Express Co.



Public solicitation and commercialization support for ideas to solve social issues using food tech

Received contract for "Create the Future! Food Tech Business Plan Contest"



Expanded HR/BPO services in Kansai area

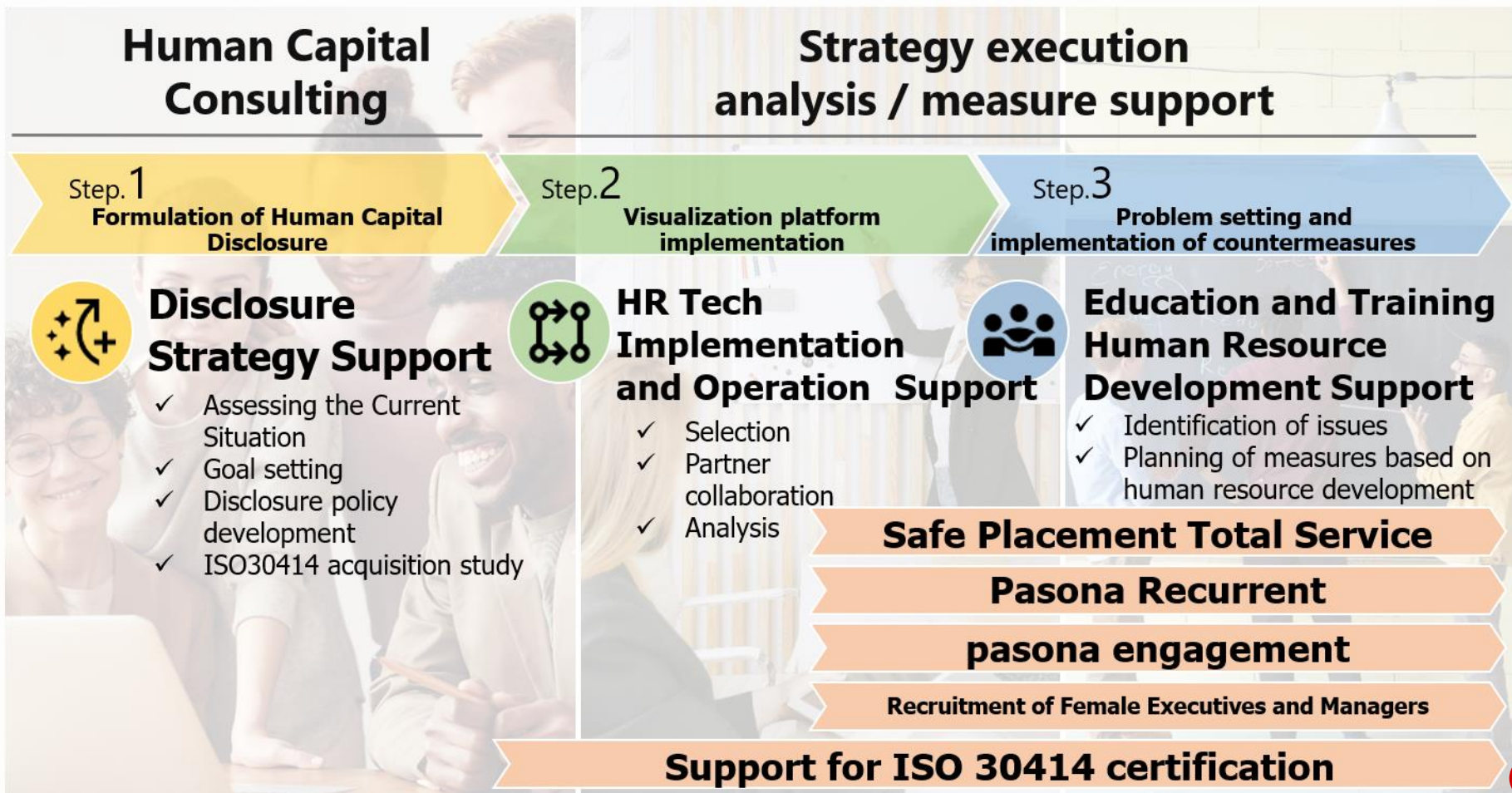
関西電力グループの総合人材サービス会社
株式会社 かんでん ジョイナス
Transferred from Kansai Electric Power Group



Strengthening support for career development to the era of 100 years of life

Human Capital Management Support Solutions

Supports information disclosure in securities reports



Strengthening support for career development to the era of 100 years of life

Reskilling × DX Digital Transformation

Reinforcement of reskilling to improve IT skills against a backdrop of an increase in the number of companies using low-code development tools.

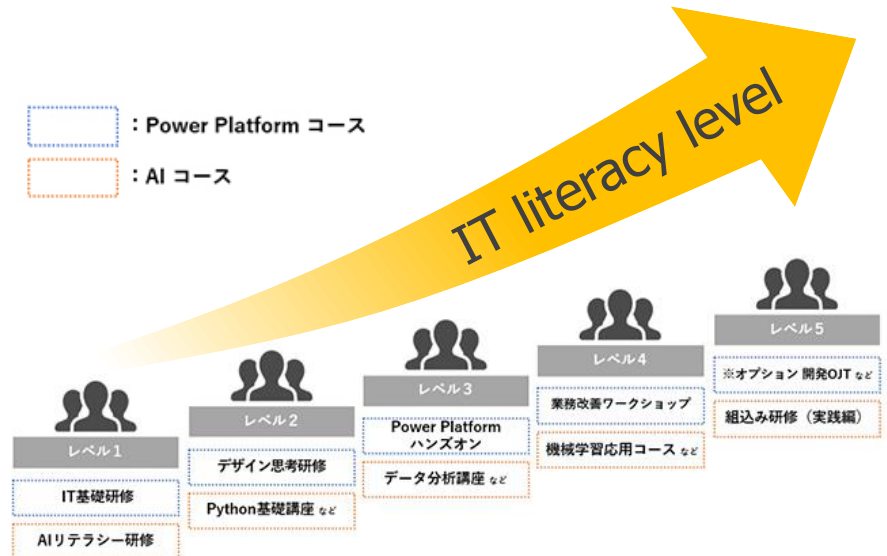
Kintone Certified Associate Course

Self-study through textbooks and videos, hands-on training to understand the product overview, and study follow-up training for approximately 3 months to obtain certification and employment support



DX internalization support service

Support for the introduction and development of low-code tools such as Microsoft Power Platform to improve productivity, as well as support for in-house production by employees.



Strengthening support for career development to the era of 100 years of life

Career Development in the Age of 100 Years of Life Topics

The system that facilitates knowledge management within the company and enables everyone in the company to effectively utilize internal knowledge

Started "Knowledge Management Infrastructure Operation Package"

Aiming to create a society where single-parent families can create a fulfilling life plan

Establishment of "Single Parent Career Support Association"



Avatar-based career counseling and job registration support

Launched "Avatar Career Concierge"



アバターキャリアコンシェルジュ

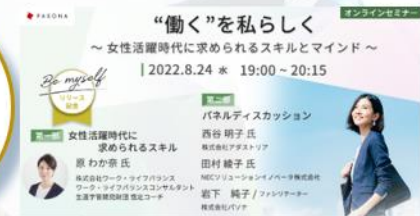
オンラインで
気軽に相談!

～あなたの「働く」を応援します～



Supports women's career building and career advancement by addressing their concerns and needs

Launched "Be Myself," a web media for working women



Career building support for players and coaches from all 53 teams

Concluded PASONA X V.LEAGUE "Partnership Agreement"



Promotion of regional revitalization projects for a sustainable society

Awaji island × Well-being

Creating innovation and industry on Awaji Island to realize a "well-being" society
Awaji island Well-being



Promotion of regional revitalization projects for a sustainable society

National Municipalities × Local Development

Alliance and co-creation of "sustainable local development" projects with local governments nationwide



● Regional co-creation project started

Creation of new industries and employment based in the region by promoting the attraction and exchange of human resources and companies that are engaged in solving social issues in the region. Project to create a town where people can realize a rich way of living and working.



Sakaide City, Kagawa Prefecture



Koshi City, Kumamoto Prefecture



Maniwa City, Okayama Prefecture

● **Matsuyama City, Ehime Prefecture**

Establishment of a new "Dan-Dan Community" in the "Dan-Dan Compounding Group" to be commissioned in FY2020.

● **Tokushima Prefecture**

Sustainable Dual Industry Project



● **Kadoma City and Moriguchi City, Osaka Prefecture**

Provided SDGs education using the STEAM Library

● **Kawauchi Village, Fukushima Prefecture**

Held Kawauchi Winery Tour

● **Yamanashi Prefecture**

Entrusted with the FY2022 Matching Project to Attract Companies with Two Sites of Residence



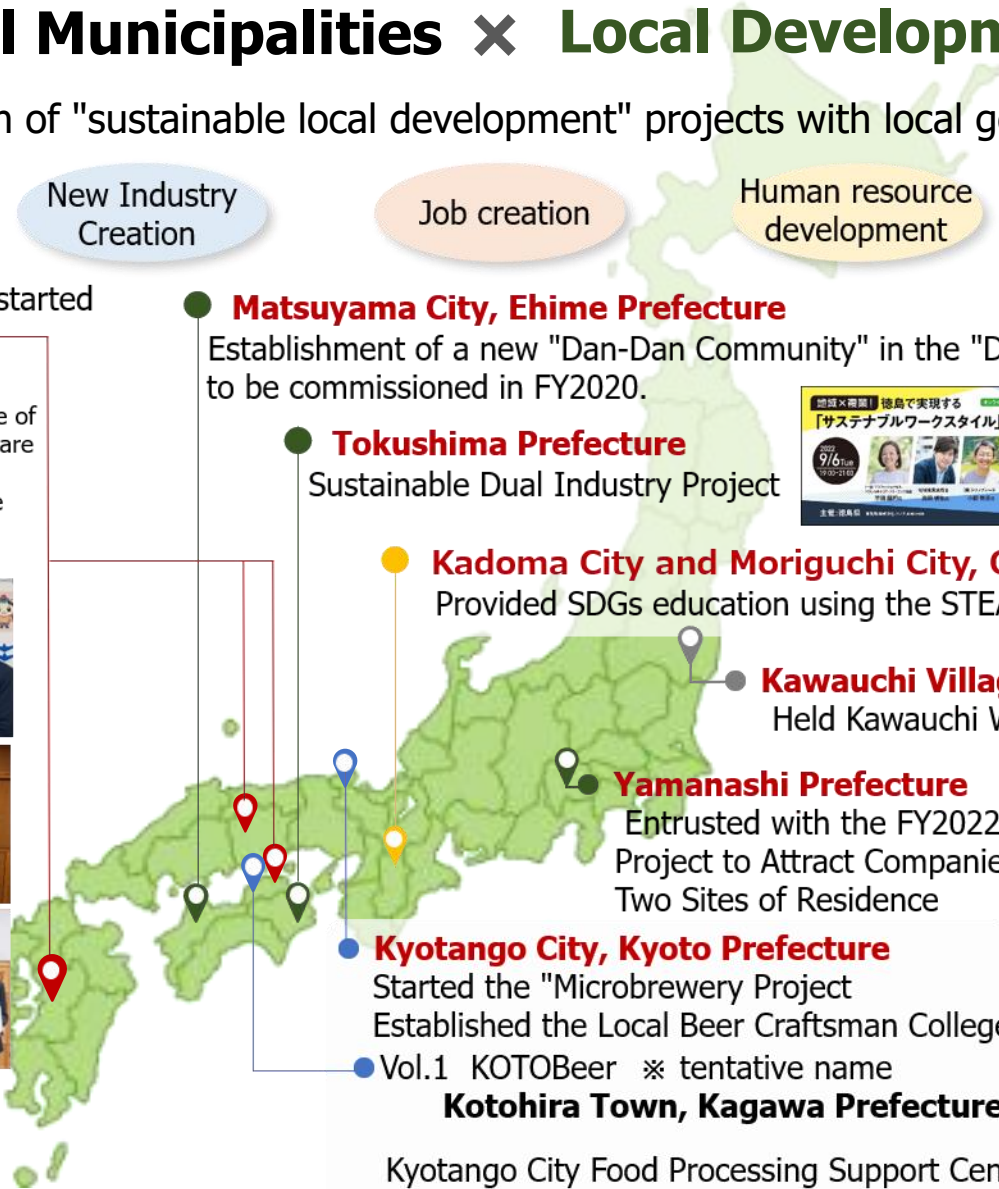
● **Kyotango City, Kyoto Prefecture**

Started the "Microbrewery Project" Established the Local Beer Craftsman College

● Vol.1 KOTOBeer ※ tentative name **Kotohira Town, Kagawa Prefecture**



Kyotango City Food Processing Support Center established



Reference

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

ESG · Sustainability

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".

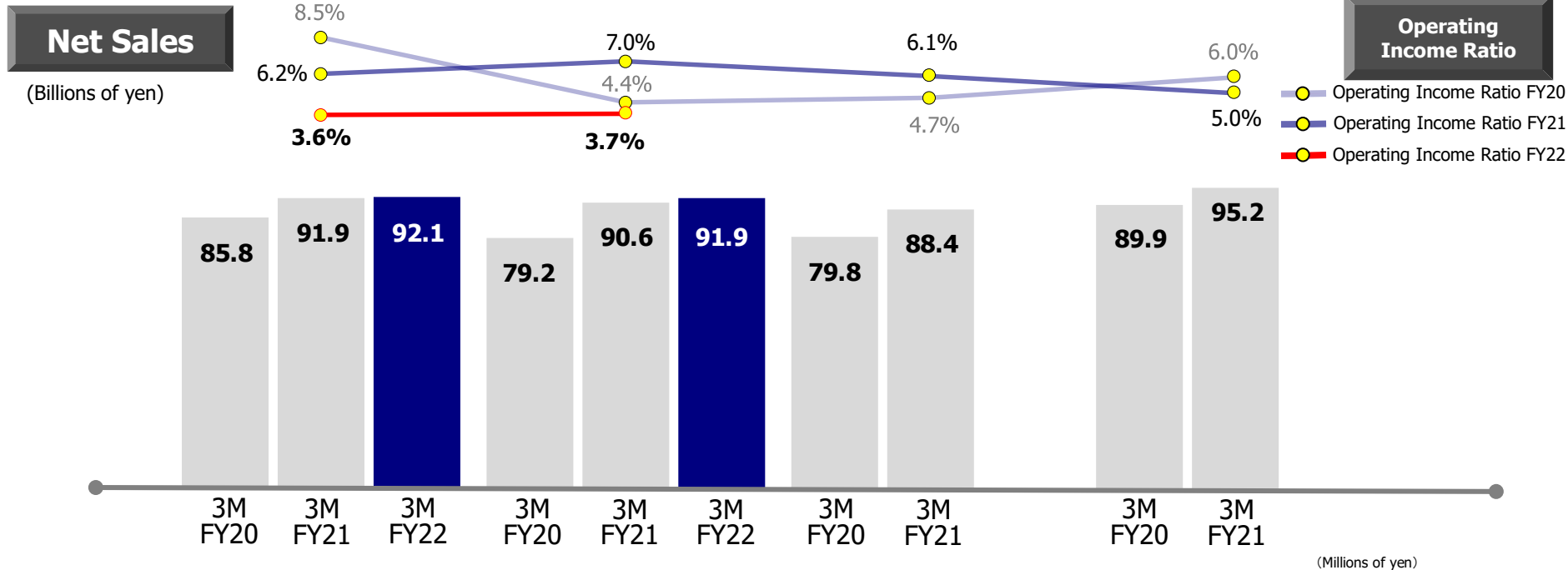


The farmer's restaurant "Haru-sansan"



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

Quarterly Sales and Income Trends



	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	FY20	FY21	YoY
Consolidated	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%	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%	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%	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%	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%	1,201	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	24.4%	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	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	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

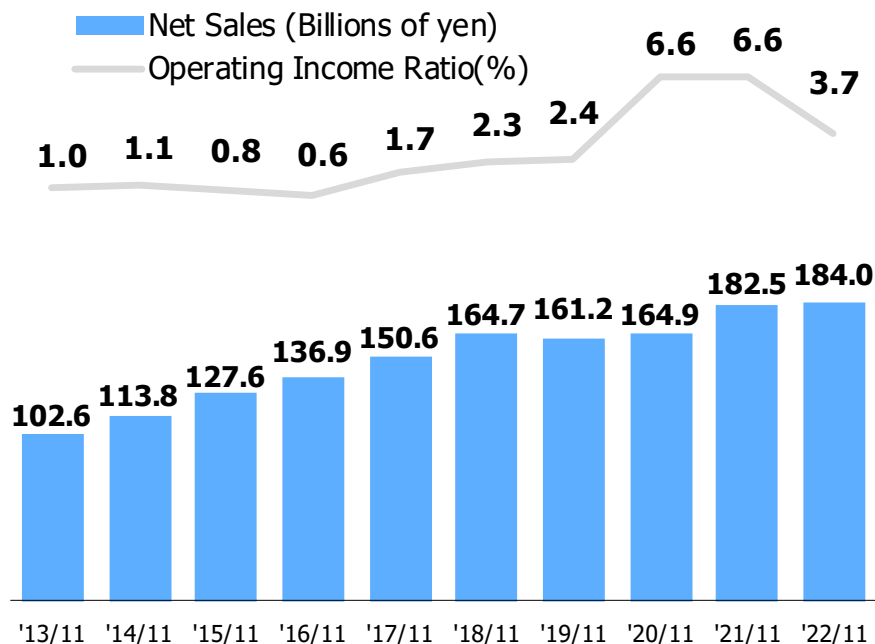
(Millions of yen)

Segment		Sales							Operating income (loss)						
		Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	YoY	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	YoY
①	Expert Services (Temporary Staffing)	40,650	38,014	35,438	37,964	37,837	37,375	(1.7)%							
②	BPO Services (Contracting)	34,202	33,417	34,898	36,753	33,817	34,507	+3.3%	5,021	4,222	4,574	4,527	3,398	3,963	(6.1)%
③	HR Consulting, Education & Training, Others.	1,926	1,911	2,418	2,162	2,021	2,235	+17.0%							
④	Global Sourcing (Overseas)	2,056	2,004	2,084	2,190	2,395	2,526	+26.0%	57	110	89	190	108	241	+118.7%
Subtotal		78,835	75,347	74,839	79,071	76,071	76,645	+1.7%	5,079	4,333	4,663	4,717	3,506	4,205	(3.0)%
⑤	Career Solutions (Placement/Recruiting, Outplacement)	3,610	3,881	3,529	3,679	3,434	3,475	(10.5)%	1,134	1,250	973	1,112	919	1,074	(14.1)%
⑥	Outsourcing	8,513	10,232	8,319	11,293	10,583	9,650	(5.7)%	2,843	4,043	2,645	3,232	2,897	1,927	(52.3)%
⑦	Life Solutions	1,708	1,767	1,786	1,896	1,963	2,035	+15.2%	14	100	62	54	55	117	+16.9%
⑧	Regional Revitalization Solutions	763	1,286	1,241	1,134	1,529	1,894	+47.3%	(702)	(547)	(451)	(910)	(667)	(450)	-
⑨	Eliminations and Corporate	(1,504)	(1,957)	(1,326)	(1,853)	(1,515)	(1,795)	-	(2,668)	(2,884)	(2,541)	(3,471)	(3,381)	(3,471)	-
Total		91,927	90,558	88,389	95,221	92,066	91,906	+1.5%	5,700	6,295	5,352	4,735	3,330	3,402	(46.0)%

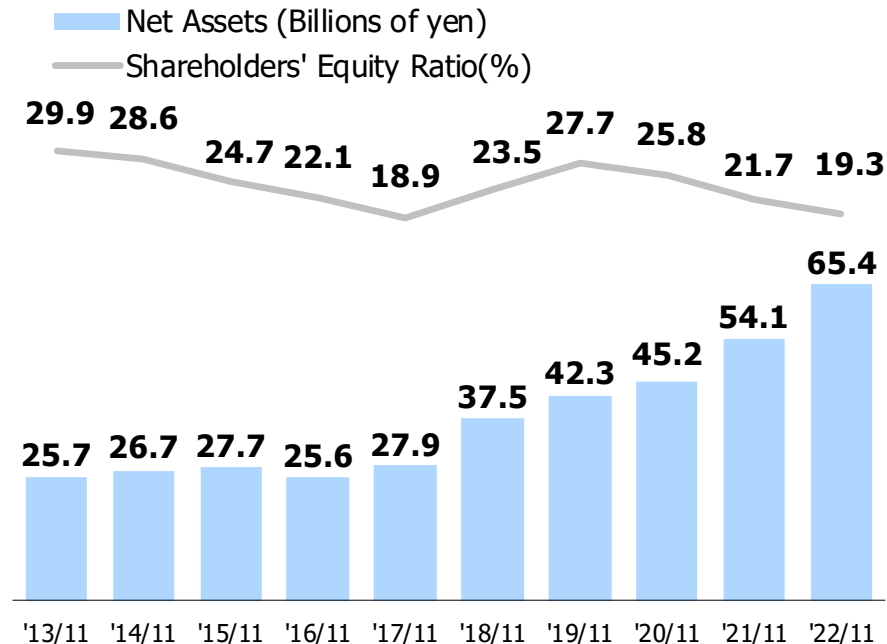
※ Please refer to the Investors Guide for the figures before the listed year.

H1 Key Indicators

Net Sales and Operating Income Ratio



Net Assets and Shareholders' Equity Ratio



First Half Results

Key Indicators	'13/11	'14/11	'15/11	'16/11	'17/11	'18/11	'19/11	'20/11	'21/11	'22/11
Net Sales	102,619	113,805	127,602	136,867	150,619	164,692	161,229	164,906	182,486	183,973
Gross Profit Margin	18.9%	19.7%	19.9%	19.7%	21.2%	22.0%	23.2%	25.5%	24.4%	24.4%
SG&A Expenses	18,372	21,265	24,362	26,205	29,313	32,425	33,496	31,189	32,516	38,123
SG&A Expense Ratio	17.9%	18.7%	19.1%	19.1%	19.5%	19.7%	20.8%	18.9%	17.8%	20.7%
Operating Income	1,038	1,195	1,072	794	2,618	3,732	3,901	10,802	11,996	6,733
Operating Income Ratio	1.0%	1.1%	0.8%	0.6%	1.7%	2.3%	2.4%	6.6%	6.6%	3.7%
Ordinary Income	961	1,118	977	759	2,634	3,538	3,606	10,854	12,149	7,431
Ordinary Income Ratio	0.9%	1.0%	0.8%	0.6%	1.7%	2.1%	2.2%	6.6%	6.7%	4.0%
Net Income (Loss) *3	(25)	(155)	(334)	(816)	470	631	392	4,278	4,800	2,734
Net Income Ratio	-	-	-	-	0.3%	0.4%	0.2%	2.6%	2.6%	1.5%
Total Assets *4	68,524	72,357	80,164	80,517	100,881	114,914	116,930	137,757	193,839	261,335
Net Assets *1	25,743	26,744	27,702	25,591	27,886	37,529	42,341	45,200	54,132	65,426
Shareholders' Equity Ratio *2 *4	29.9%	28.6%	24.7%	22.1%	18.9%	23.5%	27.7%	25.8%	21.7%	19.3%

*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.

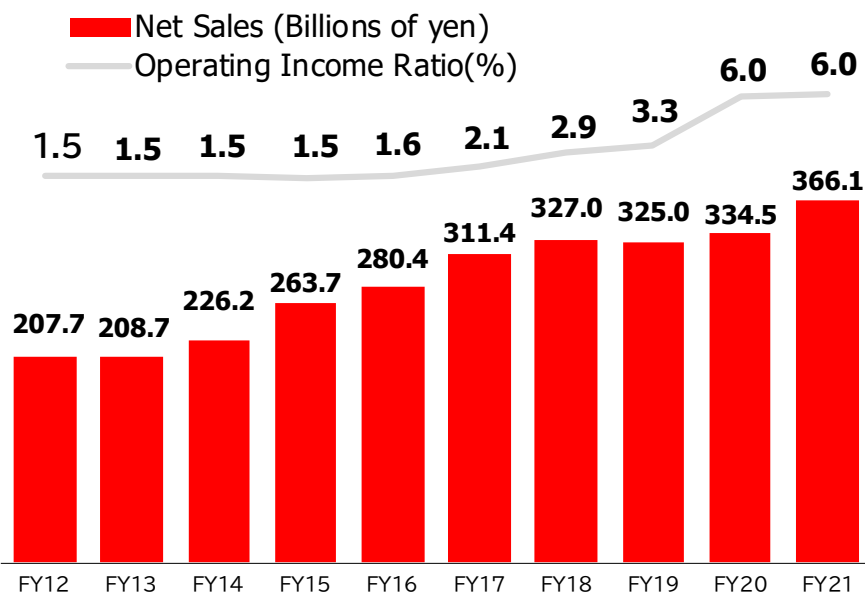
*2. Despite changes in calculation methods for net assets following the introduction of changes to accounting standards and policies, the shareholders' equity ratio since the fiscal year ended May 31, 2007 is calculated utilizing an amount equivalent to net assets applicable to common shares.

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

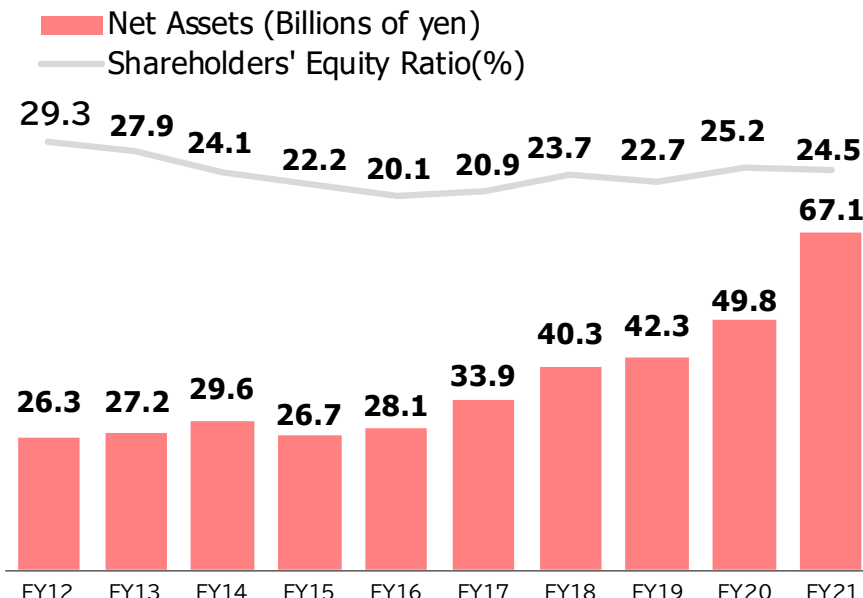
*4. As the Company adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" from the beginning of the first quarter of FY2018. As for the financial position, the figures for the previous consolidated fiscal year were processed by the method.

Full-Year Key Indicators

Net Sales and Operating Income Ratio



Net Assets and Shareholders' Equity Ratio



Results

Key Indicators	'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.

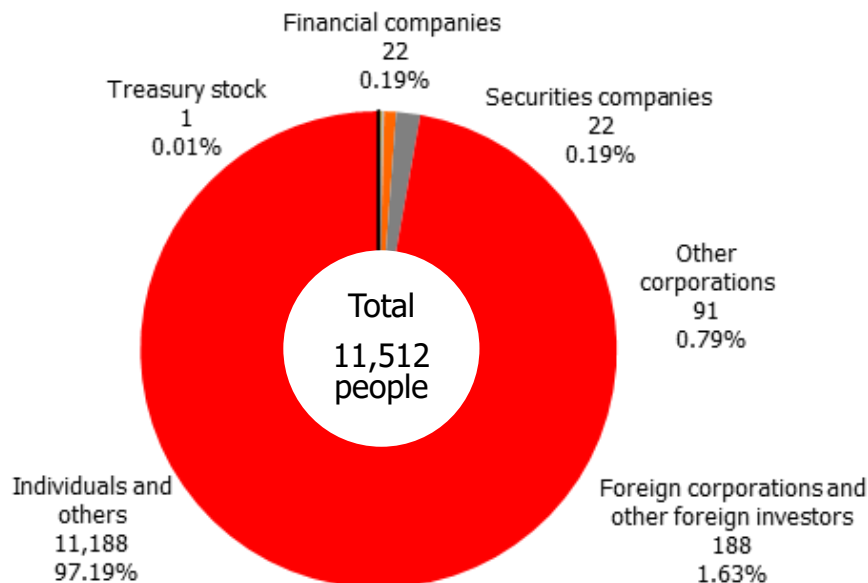
3. The data for the periods up to and including the fiscal year ended May 31, 2007 are consolidated data for Pasona Inc. The data for the periods commencing the fiscal year ended May 31, 2008 and beyond are consolidated data for Pasona Group Inc.

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

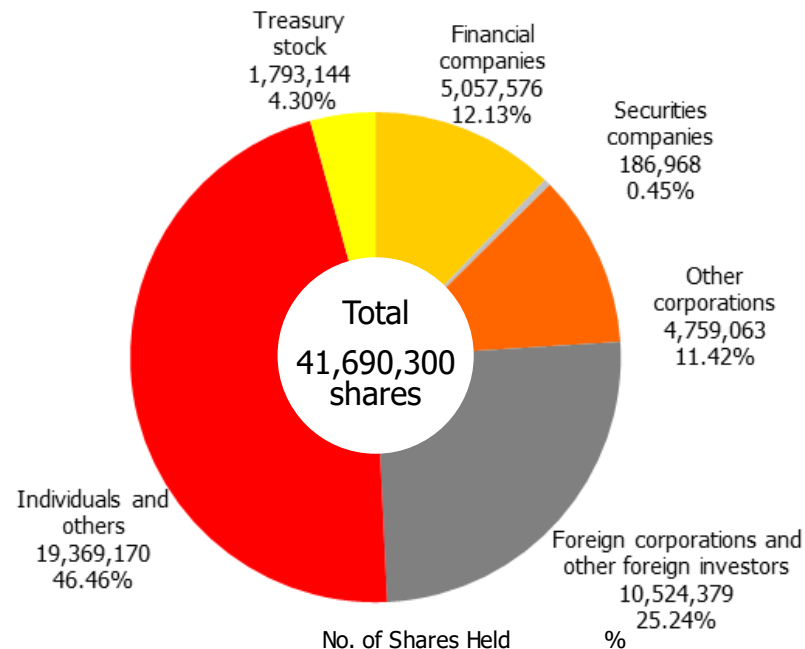
5. As the Company adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" from the beginning of the first quarter of FY2018. As for the financial position, the figures for the previous consolidated fiscal year were processed by the method.

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 JOB HUB Inc.
PASONA LOGICOM Inc.	Pasona Heartful Inc.
Pasona HS Inc.	Asahi Beer Communications Co, Ltd.
Nagasaki diamond staff	Pasona art now Inc.
Pasona Masters Inc.	Pasona Knowledge Partner Inc.
Pasona HR Solution Inc.	Pasona Intellectual Property Trust Inc.
Gotop Co., Ltd.	Profelier, Inc
Pasona Yaskawa Business Staffing 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 68

* Equity-method affiliates 8

(As of Nov. 30, 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 68 , Affiliates 8	(As of Nov. 30, 2022)
URL	www.pasonagroup.co.jp/English/	