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October 22, 2026

To whom it may concern,

Company name: Pasona Group Inc.
Representative: Hirotaka Wakamoto,
Representative Director, Chairperson and
CEO
(Security code:2168; TSE Prime Market)
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Notice Regarding Execution of a Tender Agreement in Connection with the Tender Offer for Shares of an Equity-Method Affiliate and the Expected Recording of Extraordinary Income

Pasona Group Inc. (the "Company") hereby announces that, in response to the tender offer (the "Tender Offer") to be conducted by HHH1 LLC (the "Tender Offeror") for the common shares of circlace Inc (the "Target Company"), the Company resolved at the meeting of its Board of Directors held on October 22, 2026 to enter into an agreement with the Tender Offeror (the "Tender Agreement") pursuant to which the Company will tender in the Tender Offer all 1,440,000 shares of the Target Company held by the Company (shareholding ratio: 32.31%).

If the Tender Offer is successfully completed, the Target Company will cease to be an equity-method affiliate of the Company.

1. Reasons for the Execution of the Tender Agreement

Since its founding, the Target Company has grown its business by providing one-stop consulting services covering from the implementation of Salesforce to its maintenance and operation, as well as by developing and selling its SaaS products.

Since the establishment of the Target Company in November 2012, the Company has maintained a long-standing relationship with the Target Company as a shareholder. The Company has also contributed to the expansion of the Target Company's business by leveraging synergies between the Company and the Target Company; for example, the Target Company has developed digital tools that expanded the Company's X-TECH BPO service within the Company's BPO solutions business.

Coincidentally, technological innovation, including the advance of generative AI, has in recent years further intensified the competitive environment surrounding the IT business. Against the backdrop of these significant changes in the business environment both in Japan and overseas, the Company has carefully considered the position of the Target Company within the Company's group.

As a result, taking into account that the Tender Offer is expected to enhance the medium- to long-term corporate value of the Target Company and that the proposed tender offer price is considered reasonable, the Company has decided to enter into the Tender Agreement.

2. Overview of the Target Company

(1)	Name	circlace Inc		
(2)	Location	2-1-3 Nihonbashi, Chuo-ku, Tokyo		
(3)	Title and Name of Representative	Tsukasa Sato, Representative Director and President		
(4)	Business Activities	Digital consulting services, SaaS services, ServiceNow-related businesses, and other businesses		
(5)	Capital	426,113 thousand yen		
(6)	Date of Establishment	November 1, 2012		
(7)	Major Shareholders and Shareholding Ratios (Note 1)	TQUILA LIMITED		34.87%
		Pasona Group Inc.		32.89%
		Tsukasa Sato		2.85%
(8)	Relationship between the Company and the Target Company			
	Capital Relationship	As of today, the Company holds 1,440,000 shares of the Target Company (shareholding ratio: 32.89%).		
	Personnel Relationship	Former members of the Company's group serve as officers of the Target Company. In addition, one director of one of the Company's subsidiaries concurrently serves as a director of the Target Company.		
	Business Relationship	The Target Company provides the Company's group with services such as support for the implementation and operation of cloud systems. In addition, the Company's group provides the Target Company with human resources services and various other services.		
	Status as a Related Party	As the Target Company is an equity-method affiliate of the Company, it constitutes a related party of the Company.		
(9)	Financial Position and Operating Results of the Target Company for the Past Three Fiscal Years			
	Fiscal Year-End	March 2024	March 2025	March 2026
	Net assets (millions of yen)	791	929	1,267
	Total assets (millions of yen)	1,543	1,822	1,868
	Net assets per share (yen)	183.55	228.48	291.52
	Sales (millions of yen)	2,900	3,804	4,540
	Operating income (millions of yen)	(85)	203	266
	Ordinary income (millions of yen)	(51)	204	264
	Net income attributable to owners of parent (millions of yen)	(39)	184	207
	Net income per share (yen)	(9.19)	42.60	47.63

(Notes) 1. As of March 31, 2026. Shareholding ratios are rounded down to two decimal places.

3. Schedule of the Tender Offer

- (1) Execution of the Tender Agreement: October 22, 2026
- (2) Tender Offer Period: From October 23, 2026 to December 7, 2026
- (3) Announcement of the Results of the Tender Offer: December 8, 2026
- (4) Settlement Start Date: December 14, 2026

4. Expected Recording of Extraordinary Income and Future Outlook

If the Tender Offer is successfully completed and the Company sells the 1,440,000 shares of the Target Company held by the Company, the Company expects to record a gain on sale of shares of affiliates of approximately ¥2,900 million as extraordinary income in its non-consolidated financial statements for the fiscal year ending May 31, 2027, and a gain on sale of shares of affiliates of approximately ¥2,600 million as extraordinary income in its consolidated financial statements for the same fiscal year.

The Company is currently examining its consolidated financial forecast for the fiscal year ending May 31, 2027 in light of this matter, together with other factors. If any revision to the financial forecast becomes necessary, the Company will promptly disclose it.