

Results for the First Quarter of the Fiscal Year Ending May 31, 2024

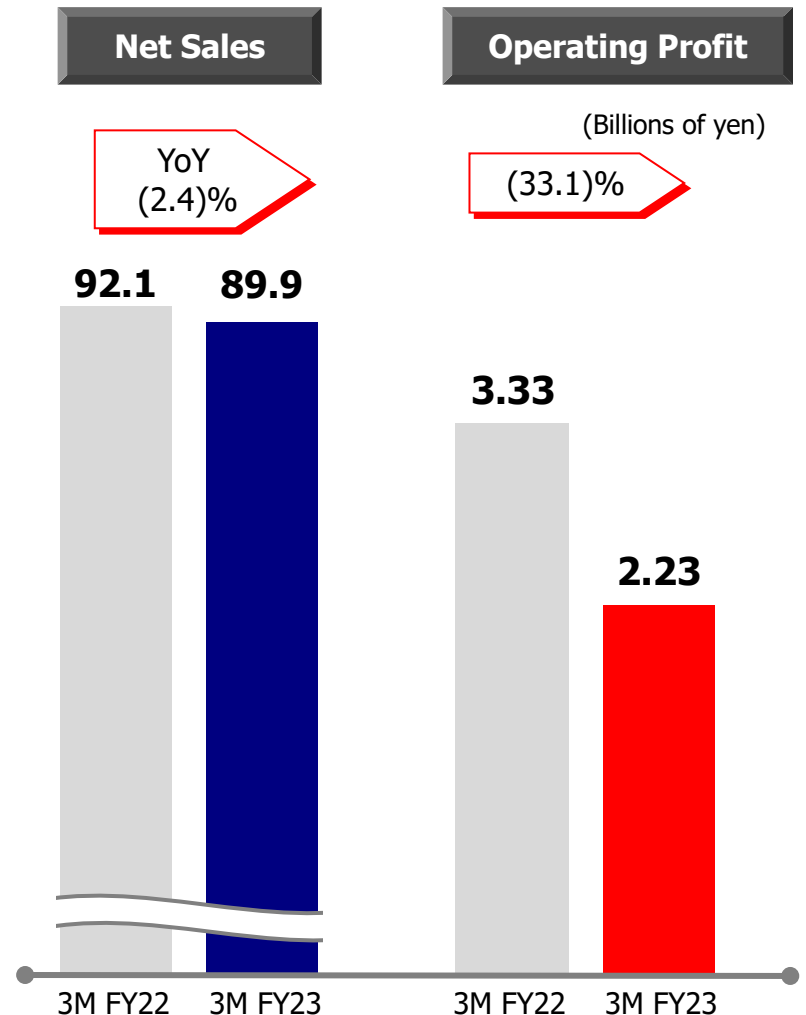
**FY2023 (June 1, 2023 - May 31, 2024)
Three months ended August 31, 2023**

Pasona Group Inc.
Prime Market TSE (2168)

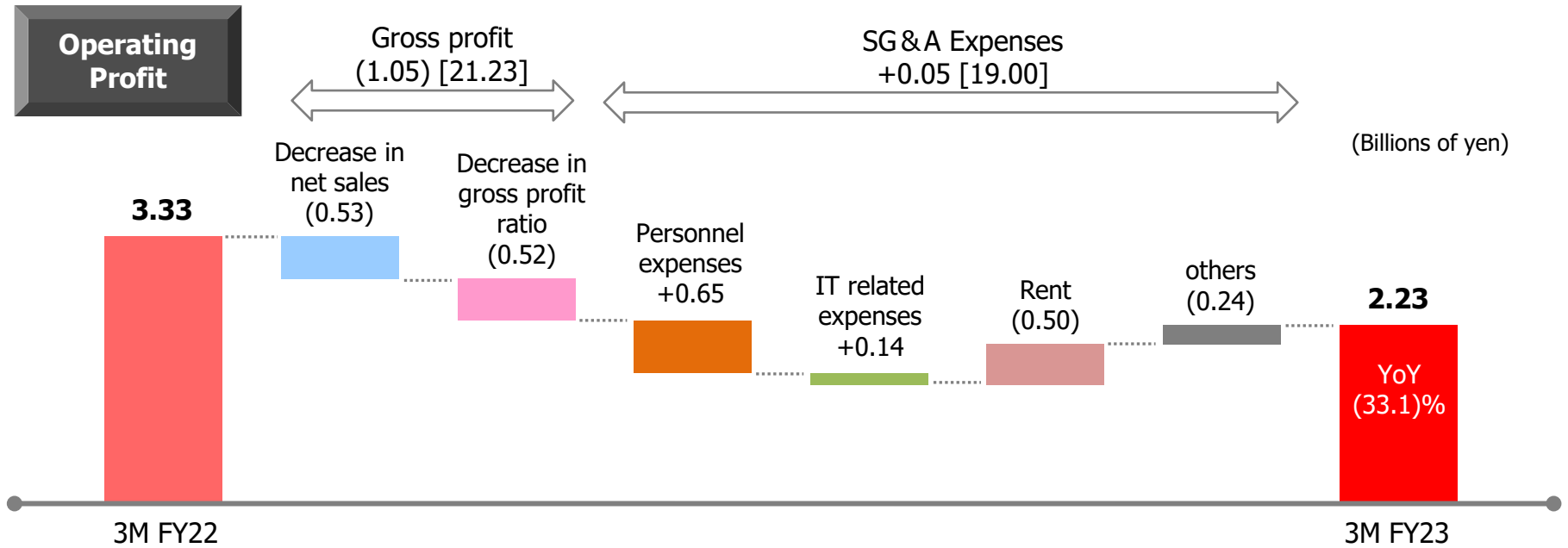
October 13, 2023
www.pasonagroup.co.jp/English

Consolidated Results

(Millions of yen)	3M FY22	3M FY23	Increase /Decrease
	(%)	(%)	
Net sales	92,066 100.0	89,881 100.0	(2,185) (2.4)%
Cost of sales	69,793 75.8	68,655 76.4	(1,137) (1.6)%
Gross profit	22,273 24.2	21,226 23.6	(1,047) (4.7)%
SG&A expenses	18,943 20.6	18,997 21.1	+54 +0.3%
Operating profit	3,330 3.6	2,228 2.5	(1,101) (33.1)%
Ordinary profit	3,610 3.9	2,197 2.4	(1,413) (39.2)%
Profit attributable to owners of parent	1,293 1.4	187 0.2	(1,106) (85.5)%
Gross profit ratio	24.2%	23.6%	(0.6)pt
Operating profit ratio	3.6%	2.5%	(1.1)pt



Operating Profit



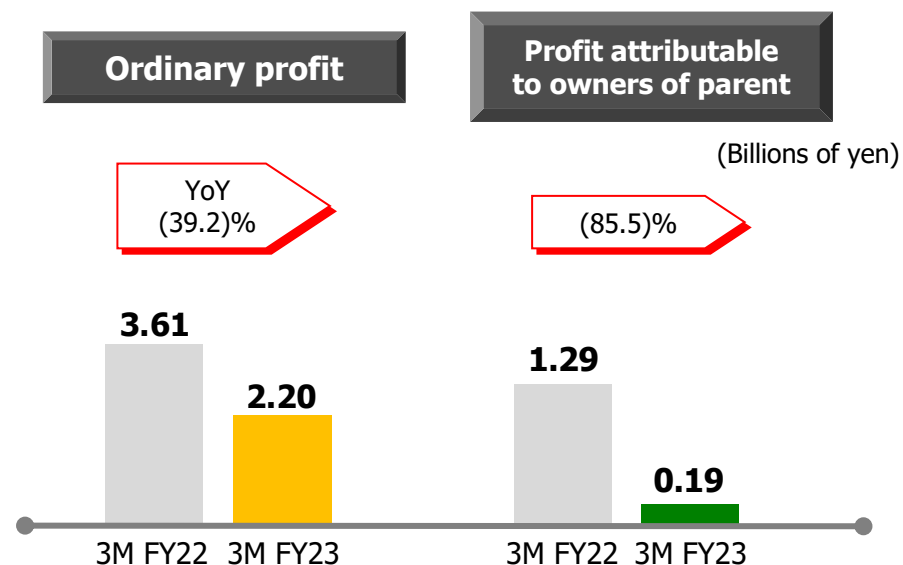
	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	3M FY22	3M FY23
Gross Profit ratio	20.3%	20.0%	20.2%	21.5%	22.8%	23.6%	24.8%	24.5%	24.6%	24.2%	23.6%
SG&A ratio	18.7%	18.6%	18.6%	19.4%	20.0%	20.3%	18.8%	18.5%	20.7%	20.6%	21.1%
Operating Profit ratio	1.5%	1.5%	1.6%	2.1%	2.9%	3.3%	6.0%	6.0%	3.9%	3.6%	2.5%

Major Item of Increase/Decrease

- Gross profit** : Decrease in the dispatch of medical professionals with high gross profit margins as a result of the convergence of the COVID-19 infection.
 Consolidated gross profit ¥(1.05) billion, gross profit margin ratio 23.6% ((0.6) pt year-on-year).
- SG&A expenses** : Increased costs of personnel expenses mainly due to business growth in BPO services, while the double rent associated with the office relocation to 「PASONA SQUARE」 at Minami Aoyama, Tokyo implemented in the same period of the previous fiscal year was eliminated.

Non-operating/Extraordinary profit (loss), Others

(Millions of yen)	3M FY22	3M FY23	Increase/ Decrease	YoY
Operating profit	3,330	2,228	(1,101)	(33.1)%
Non-operating profit	577	125	(451)	(78.2)%
Non-operating expenses	297	157	(139)	(47.0)%
Ordinary profit	3,610	2,197	(1,413)	(39.2)%
Extraordinary profit	217	3	(214)	(98.5)%
Extraordinary loss	9	40	+31	+347.1%
Profit before income taxes	3,819	2,159	(1,659)	(43.4)%
Income taxes - current	1,162	1,073	(89)	(7.7)%
Income taxes - deferred	360	58	(301)	(83.7)%
Income taxes	1,522	1,131	(390)	(25.7)%
Profit attributable to non-controlling interests	1,002	840	(161)	(16.2)%
Profit attributable to owners of parent	1,293	187	(1,106)	(85.5)%



Major Item of Increase/Decrease

• Non-operating profit / expenses

- FY22 (Previous fiscal year) Subsidy / ¥ 287 million
- FY22 (Previous fiscal year) Real estate rent / ¥ 146 million
- Rent expenses on real estates / ¥ 118 million
- (Decreased in sublease income and expenses mainly due to relocation from Nippon Building)

• Extraordinary profit

- FY22 (Previous fiscal year) Gain on change in equity / ¥ 211 million
- (listing of circlace Inc on April 12, 2022)

Consolidated Results by Segment

(Millions of yen)

Segment		Net sales				Operating profit (loss)				Operating profit ratio		
		3M FY22	3M FY23	Increase/ Decrease	YoY	3M FY22	3M FY23	Increase/ Decrease	YoY	3M FY22	3M FY23	Increase/ Decrease
①	Expert Services (Temporary Staffing)	37,837	34,551	(3,285)	(8.7)%							
②	BPO Services (Contracting)	33,817	35,840	+2,023	+6.0%	3,398	3,050	(347)	(10.2)%	4.6%	4.2%	(0.4)pt
③	HR Consulting , Education & Training , Others.	2,021	2,183	+162	+8.0%							
④	Global Sourcing (Overseas)	2,395	2,545	+150	+6.3%	108	49	(58)	(54.2)%	4.5%	2.0%	(2.5)pt
Subtotal		76,071	75,122	(949)	(1.2)%	3,506	3,100	(405)	(11.6)%	4.6%	4.1%	(0.5)pt
⑤	Career Solutions (Placement/ Recruiting, Outplacement)	3,434	3,341	(92)	(2.7)%	919	1,025	+105	+11.5%	26.8%	30.7%	+3.9pt
⑥	Outsourcing	10,583	9,571	(1,011)	(9.6)%	2,897	1,934	(963)	(33.2)%	27.4%	20.2%	(7.2)pt
⑦	Life Solutions	1,963	1,923	(39)	(2.0)%	55	(5)	(61)	-	2.8%	-	-
⑧	Regional Revitalization Solutions	1,529	1,526	(2)	(0.2)%	(667)	(648)	+18	-	-	-	-
⑨	Eliminations and Corporate	(1,515)	(1,604)	(88)	-	(3,381)	(3,177)	+203	-	-	-	-
Total		92,066	89,881	(2,185)	(2.4)%	3,330	2,228	(1,101)	(33.1)%	3.6%	2.5%	(1.1)pt

Balance Sheet

(Billions of yen)

Major Item of Increase/Decrease	May 31, 2023	Aug 31, 2023	Increase/ Decrease
Assets	275.5	258.1	(17.4)
Current assets	194.3	175.0	(19.3)
Cash and deposits	123.1	101.7	(21.4)
Notes and accounts receivable-trade, and contract assets	52.6	54.1	+1.4
Non-current assets	81.1	82.9	+1.8
Property, plant and equipment	33.7	35.2	+1.5
Intangible assets	26.6	26.8	+0.2
Investments and other assets	20.8	21.0	+0.2
Liabilities	203.9	189.8	(14.0)
Current liabilities	144.8	131.3	(13.4)
Accounts payable-trade	7.4	4.9	(2.6)
Income taxes payable	3.1	1.2	(1.8)
Deposits received	78.7	69.2	(9.5)
Non-current liabilities	59.1	58.5	(0.6)
Long-term loans payable	43.5	42.4	(1.1)
Net assets	71.6	68.2	(3.4)
Shareholders' equity	52.7	51.4	(1.2)
Capital surplus	17.1	17.4	+0.3
Retained earnings	32.9	31.7	(1.2)
Treasury shares	(2.4)	(2.7)	(0.3)
Total accumulated other comprehensive income	1.3	1.5	+0.2
Share acquisition rights	0.0	0.0	(0.0)
Non-controlling interests	17.6	15.3	(2.3)
Equity ratio	19.6%	20.5%	+0.9pt
Equity ratio (Excluding deposits received for contracted projects)	26.9%	27.5%	+0.6pt

Major Item of Increase/Decrease

[Cash and deposits]

- Decreased in payment of dividends and corporate taxes.
- Decreased in temporary deposits related to contracted projects.

As of Aug 31, 2023 (3M FY23) ¥ 65.3 billion
(As of May 31, 2023 (FY22) ¥ 74.9 billion)

[Deposits received]

Decreased in temporary deposits related to contracted projects.

[Capital surplus / Treasury shares]

Difference on disposal of treasury shares due to additional BBT/ESOP contribution.

[Non-controlling interests]

Decreased due to dividends from subsidiaries, etc.

[Equity ratio]

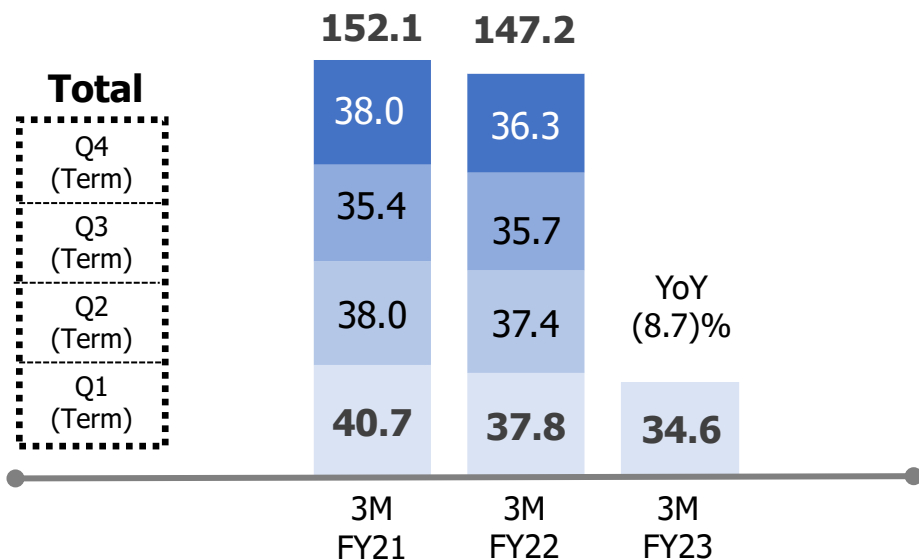
27.5% after deducting "deposits received" related to contracted projects.

Segment information

Expert Services (Temporary staffing)

Net Sales

(Billions of yen)



Business Conditions (3M FY23 result)

- Dispatches of medical specialists decreased as work related to the nationwide response to the COVID-19 infection, which had expanded in the previous fiscal year, was largely completed.

Staff Engagement 1Q TOPICS

PASONA SQUARE Summer Party 2023

"Summer Party 2023" held at Minami Aoyama "PASONA SQUARE".



AWAJI Birthday Tour

Lunch and theater tour on Awaji Island for people who work in the Kansai and Shikoku areas and celebrating their birthday.



Staff Fellow system

Selective certification program for long-term temporary staff.

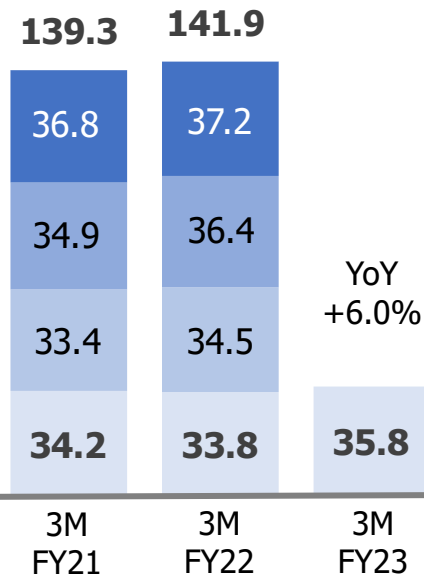
- ✓ Learning/skill development
- ✓ Providing experiences that enrich your life
- ✓ Building a community with friends
- ✓ Providing opportunities to give shape to ideas



BPO Services (Contracting)

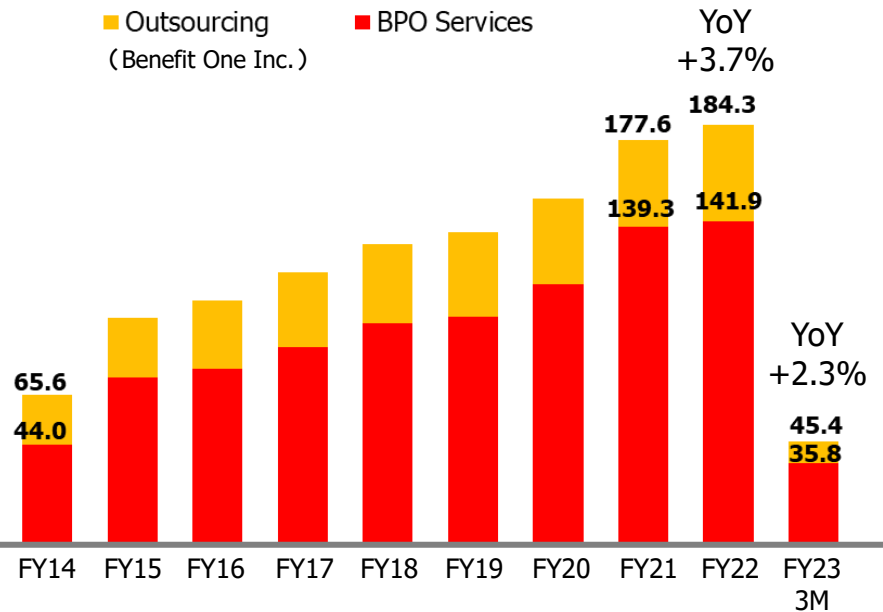
Net Sales

(Billions of yen)



BPO Services , Outsourcing Sales Trends

(Billions of yen)

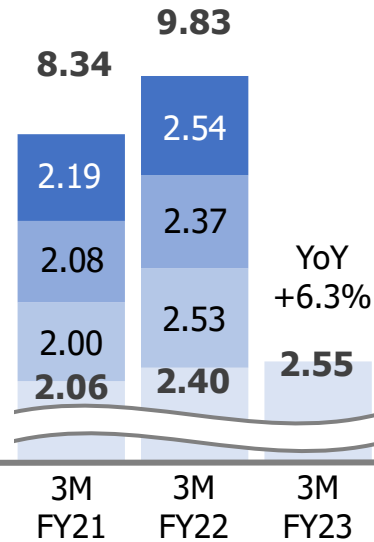


Business Conditions (3M FY23 result)

- Despite a decrease in the number of projects that had been in special demand until the previous year, new demand from private companies and the public sector was acquired.
- Private companies : Growing need for BPO to help employees focus on core business and improve productivity.
- Public Sector : Recurrent education and employment support businesses expanded.

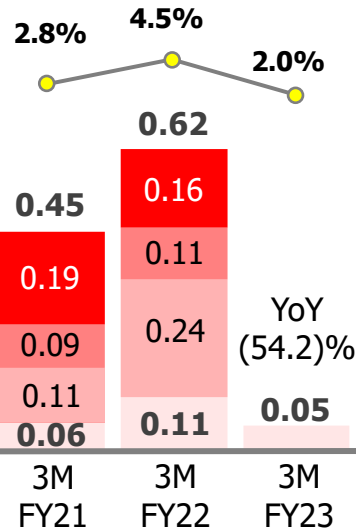
Global Sourcing (overseas)

Net Sales



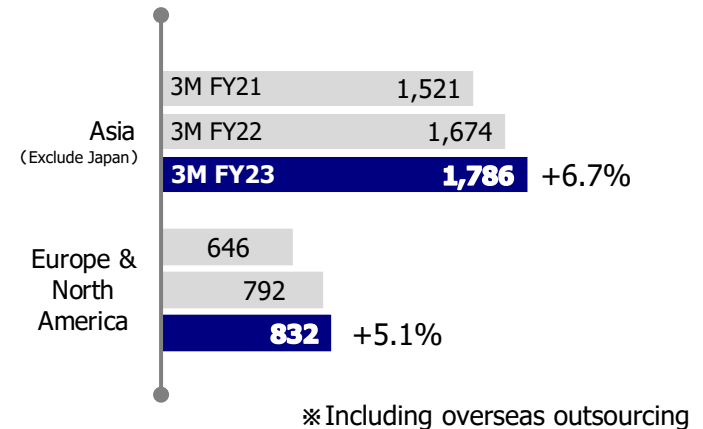
Operating Profit , Operating Profit Ratio

(Billions of yen)



Sales by Region

(Millions of yen)



Business Conditions (3M FY23 result)

- North America : Growth in Temporary staffing and Placement / Recruiting due to growing sense of labor market shortage.
- Asia : Business growth in Taiwan, Vietnam, Thailand, and Indonesia.
- Preliminary increase in SG&A expenses such as hiring and training due to business expansion.

Sales by Business Segment

(Millions of yen)

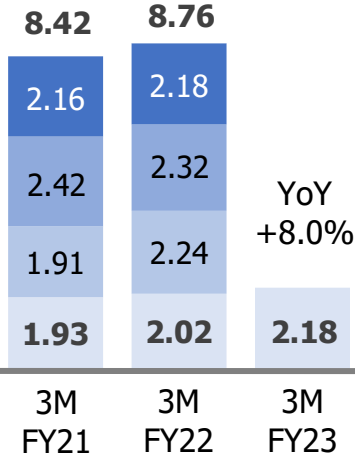
	3M FY21	3M FY22	3M FY23	YoY
Temporary Staffing	1,142	1,213	1,299	+7.0%
Placement / Recruiting	372	535	599	+12.1%
Contracting (Payroll, others)	363	430	451	+5.0%
Others	177	216	194	(10.0)%
Total	2,056	2,395	2,545	+6.3%

HR Consulting , etc. / Operating Income by Segments

Net Sales

(HR Consulting , Education & Training , Others.)

(Billions of yen)



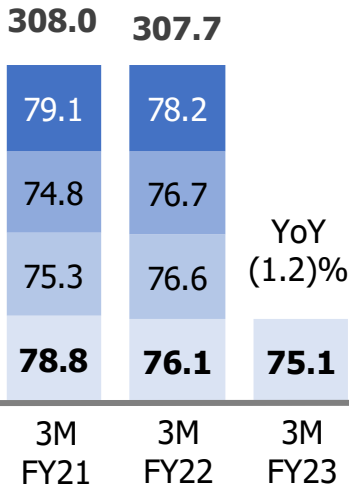
Business Conditions (3M FY23 result)

- Increased need for sales support personnel directly related to management strategies in the professional human resources advisory and consulting business.
- Education and training business : Increased demand for training in customer service operations, etc. due to increased human flow.

Net Sales(ES~GS)

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

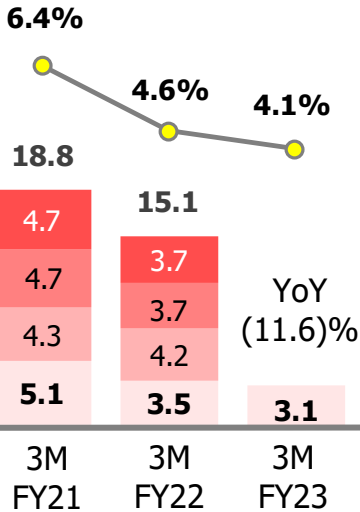
(Billions of yen)



Business Conditions (3M FY23 result)

- In Expert Services, gross profit margin declined because cost of sales increased due to social insurance revisions and decreased the number of dispatched medical professionals as a result of the end of the COVID-19 infection.
- SG&A expenses increased due to higher personnel costs associated with M&A and BPO service business growth.

Operating Profit , Operating Profit Ratio

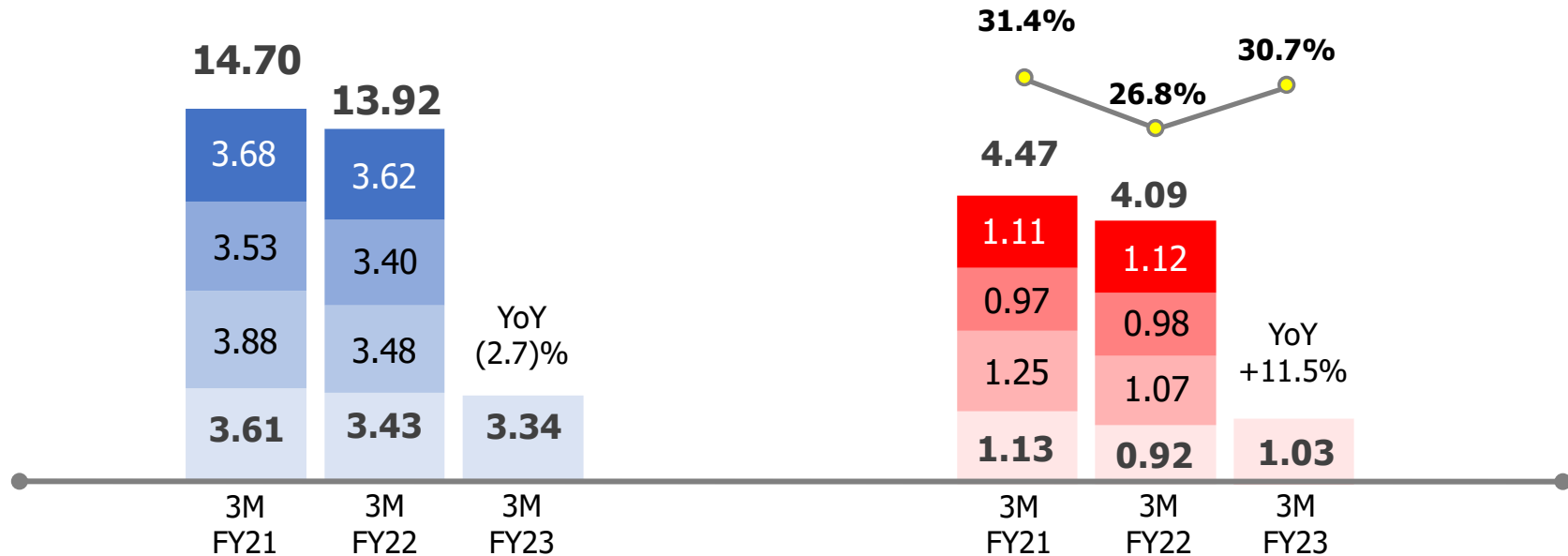


Career Solutions (Placement/Recruiting , Outplacement)

Net Sales

Operating Profit , Operating Profit Ratio

(Billions of yen)

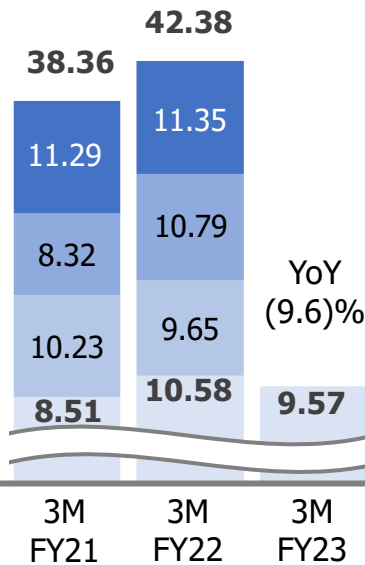


Business Conditions (3M FY23 result)

- The Placement / Recruiting business :
Business expanded mainly in the high career field, which is a strategic focus of the company. There is a growing need to hire female managers, and we are expanding our business in this field by leveraging the Group's track record and corporate brand.
- The Outplacement business :
Demand continues to decline as companies' business structure reviews remain as calm as in the previous year. "Safe Placement Total Service", which supports employees' future career development, expanded steadily.

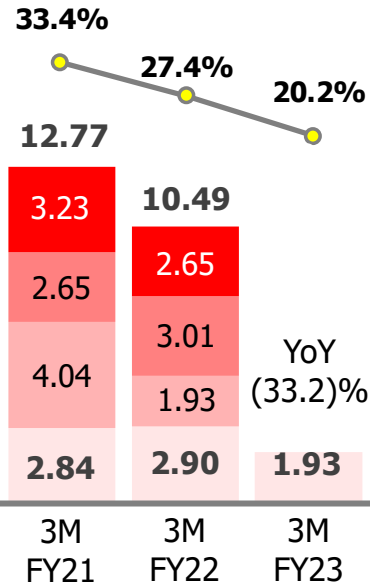
Outsourcing (Benefit One Inc.)

Net Sales



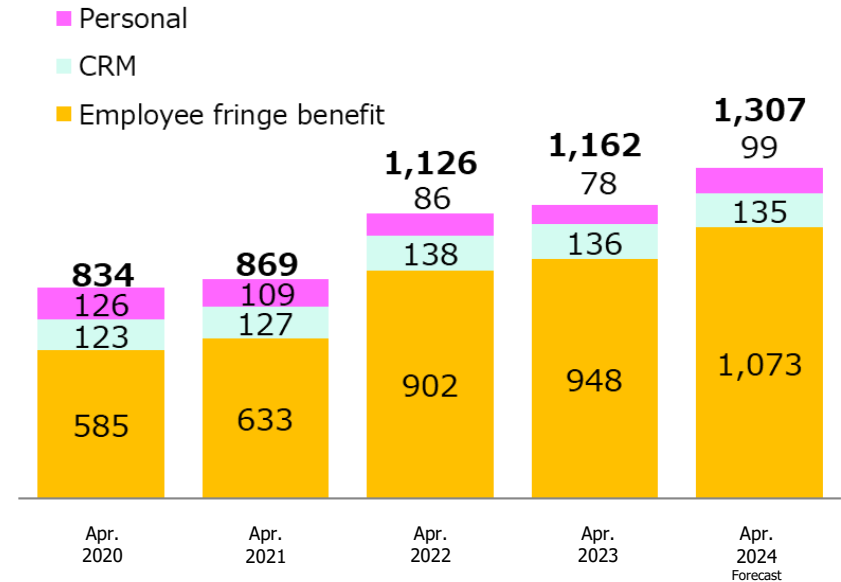
Operating Profit, Operating Profit Ratio

(Billions of yen)



Benefit One Membership Trends

(10Thousands people)



Business Conditions (3M FY23 result)

- Employee Benefits Services business :
Stock dues revenue increased year-on-year, while non-membership fee revenue decreased. In addition, subsidies booked for members' use of services increased year-on-year.
- Healthcare business :
Sales declined due to a reduction in transactions in the COVID-19 vaccination support business, which had been anticipated from the beginning.

Life Solutions (Nursing care , Life support , Childcare)

Net Sales

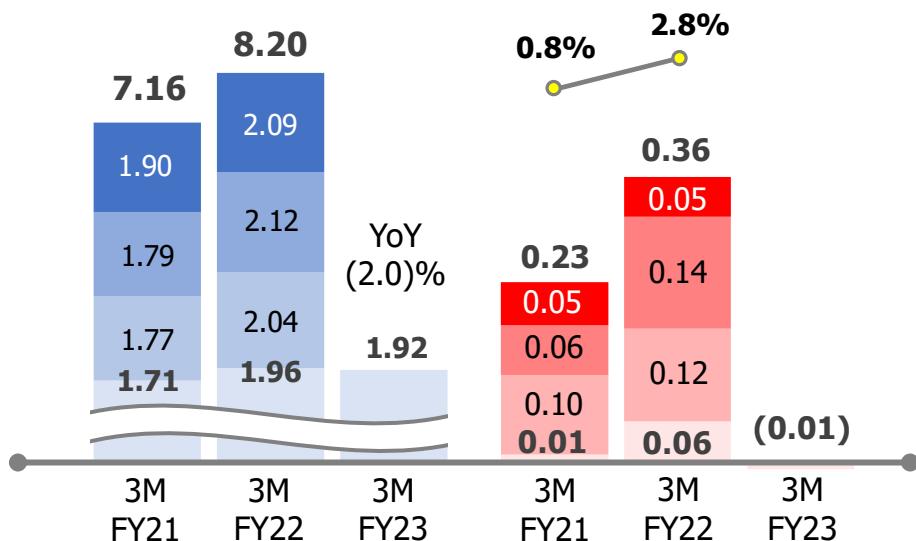
Operating Profit , Operating Profit Ratio

(Billions of yen)

Facilities of Pasona Foster · Pasona Life Care

※ As of Aug.31, 2023

※ We changed the counting method for facilities on Aug 2023, and some changes have been made retroactively.



Facilities	May 2020	May 2021	May 2022	May 2023	Aug 2022	Aug 2023	YoY
Pasona Foster							
Child-care facilities	49	49	49	49	49	49	0
After-school children's clubs	39	40	43	49	43	49	+6
Pasona Life Care							
Nursing care facilities	22	22	22	20	22	20	(2)

Business Conditions (3M FY23 result)

- The Life support business (housekeeping services) :
Demand for sterilization and disinfection services provided at hospitals and lodging facilities has decreased significantly. Housekeeping services for families raising children, which are commissioned by local governments, expanded, and new projects were acquired from new municipalities.
- The Childcare business :
The number of received children increased from the same period of the previous year due to the opening of new licensed nursery schools and school-age clubs.

Regional Revitalization Solutions

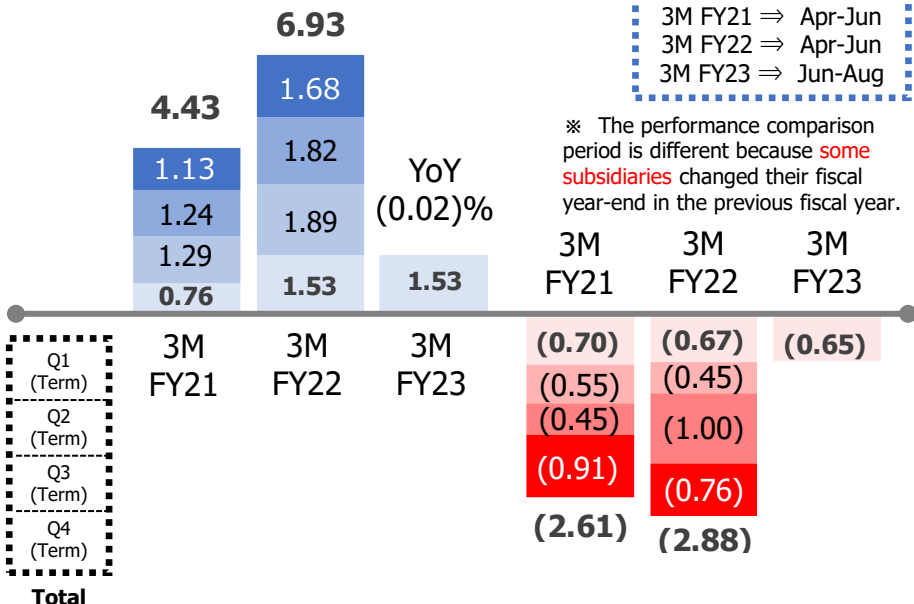
Net Sales

Operating Profit

(Billions of yen)

3M FY21 ⇒ Apr-Jun
3M FY22 ⇒ Apr-Jun
3M FY23 ⇒ Jun-Aug

※ The performance comparison period is different because some subsidiaries changed their fiscal year-end in the previous fiscal year.



Business Conditions (3M FY23 result)

- The easing of restrictions on domestic activities has led to a recovery in the flow of people to tourist destinations.
- In Awaji Island, Hyogo Prefecture, increased in inbound visitors, especially to the "NARUTO & BORUTO Shinobi-zato" attraction and "Godzilla Intercept Operation - National Awaji-island Institute of Godzilla Disaster" attraction, which are popular especially among Westerners.
- The period from June to August was marked by record-breaking heat waves and poor weather conditions, including typhoons, which resulted in closures.

Initiatives for regional revitalization

- "Nijigen no Mori" at Hyogo Prefectural Awaji Island Park Anime Park and "Demon Slayer" Collaboration Event (from July 2023 to January 2024)
- Chihou Sousei Inc. : Matching Kagawa Prefecture's small and medium enterprises with human resources from multiple industries. Small and Medium Enterprise Agency launches "Support Project for Securing Human Resources for Regional Small and Medium Enterprises" (September 2023)
- Tango Kingdom Brewery : New craft beer "Mulberry Beer" using seasonal "mulberry leaves" to be sold on a limited basis (October 2023)
- Tango Kingdom Brewery, Kyoto Bank, NTT Data and others collaborate to launch "Tango Pay," a local currency application for the Tango regions in Kyoto. (December 2023)

▼Nijigen-no-mori×『Demon Slayer』

「Hanafuru sato ni kieta hashiratachi」、 「Night Walk Katanakaji no sato」



▲ New Craft Beer 『Mulberry Beer』

Elimination/Corporate Segment Costs

Net Sales

Operating Profit

(Billions of yen)

3M FY21	3M FY22	3M FY23	3M FY21	3M FY22	3M FY23
(1.50)	(1.52)	(1.60)	(2.67)	(3.38)	(3.18)
(1.96)	(1.80)		(2.88)	(3.47)	
(1.33)	(1.56)		(2.54)	(2.90)	
(1.85)	(1.67)		(3.47)	(3.07)	
(6.64)	(6.54)		(11.57)	(12.82)	

Main Factors for Cost Increase/Decrease (3M FY23 result)

- Increased in personnel costs and IT-related costs associated with DX promotion.
- The double rent associated with the office relocation to 「PASONA SQUARE」 at Minami Aoyama, Tokyo implemented in the same period of the previous fiscal year was eliminated.

Pasona Group DX report 2023

Created a DX report that summarizes group strategies regarding DX strategy, human resource development, and service promotion.

3.社会的要請への対応

SX サステナビリティ経営の推進	GX 持続可能な地球環境へ	人的資本経営 「個人自立社会」への転換	地方創生 新産業と新たな雇用の創出
			
「社会の課題点を解決する」を企業理念に、サステナビリティ・経営指針を策定「Pasona Group Sustainability」	2021年6月「パナグループ環境イノベーション戦略」を策定。2021年7月「気候変動対策目標報告」を公表。2022年7月「SDGs」の達成を表明	総合人材サービス会社として、多様な働き方を支援するサービスや、企業のカラント職員の活躍を支援するサービスなどを拡充	多様な人材が活躍する人材環境による地方創生を目指した取り組みを継続。2022年度も、地方創生への貢献を推進し、新たな地方創生を推進
重点戦略としてのDX(デジタル・トランスフォーメーション) デジタルで「真に豊かな生き方・働き方」を実現する			

DX human resources development program

Approximately 300 people participated in basic training for young employees to acquire DX knowledge and Salesforce certified associate training.

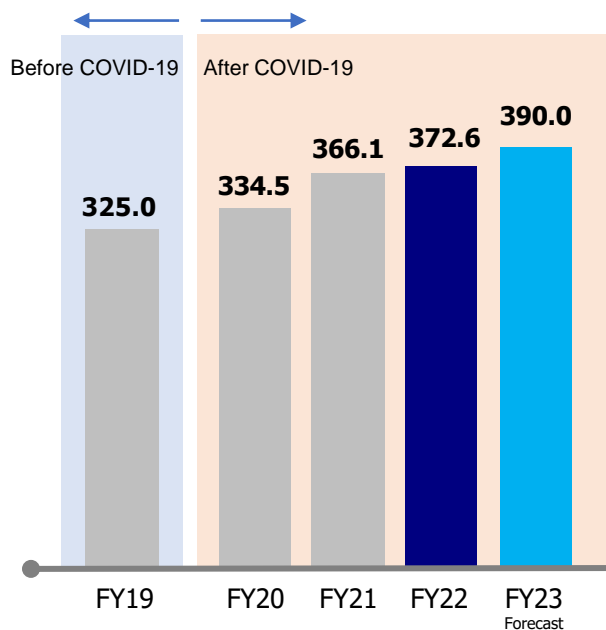


FY2023 Forecasts

FY2023 Consolidated Forecasts

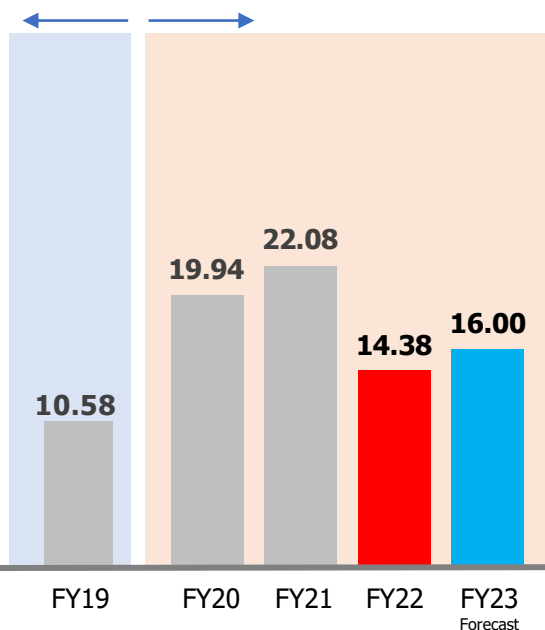
Net Sales

YoY +4.7%



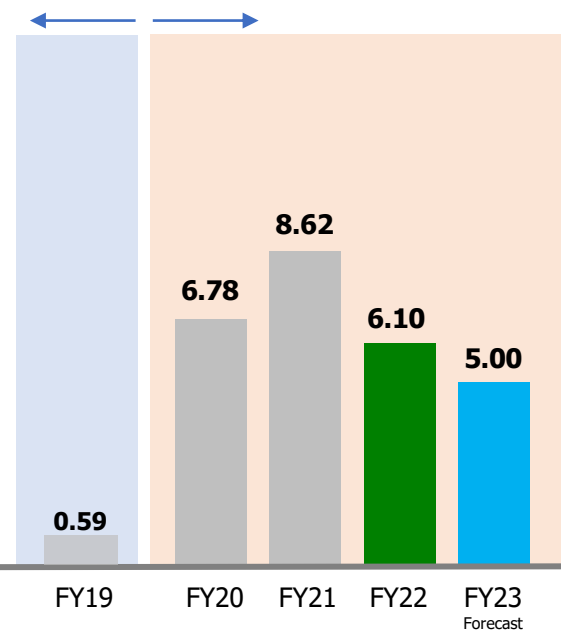
Operating Profit

+11.3%



Profit attributable to owners of parent

(18.0)%



(Billions of yen)

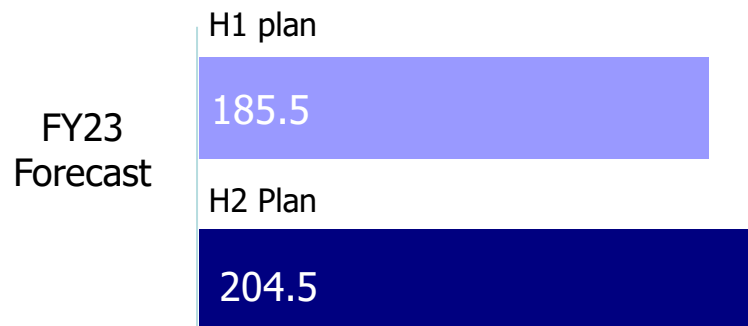
(Millions of yen)

	FY19	to net sales %	FY20	to net sales %	FY21	to net sales %	FY22	to net sales %	FY23 Forecast	to net sales %	vs FY22 Increase/Decrease	YoY
Net sales	324,984	100.0	334,540	100.0	366,096	100.0	372,579	100.0	390,000	100.0	+17,420	+4.7%
Operating profit	10,577	3.3	19,940	6.0	22,083	6.0	14,377	3.9	16,000	4.1	+1,622	+11.3%
Ordinary profit	10,236	3.1	20,379	6.1	22,496	6.1	15,366	4.1	15,700	4.0	+333	+2.2%
Profit attributable to owners of parent	594	0.2	6,784	2.0	8,621	2.4	6,099	1.6	5,000	1.3	(1,099)	(18.0)%

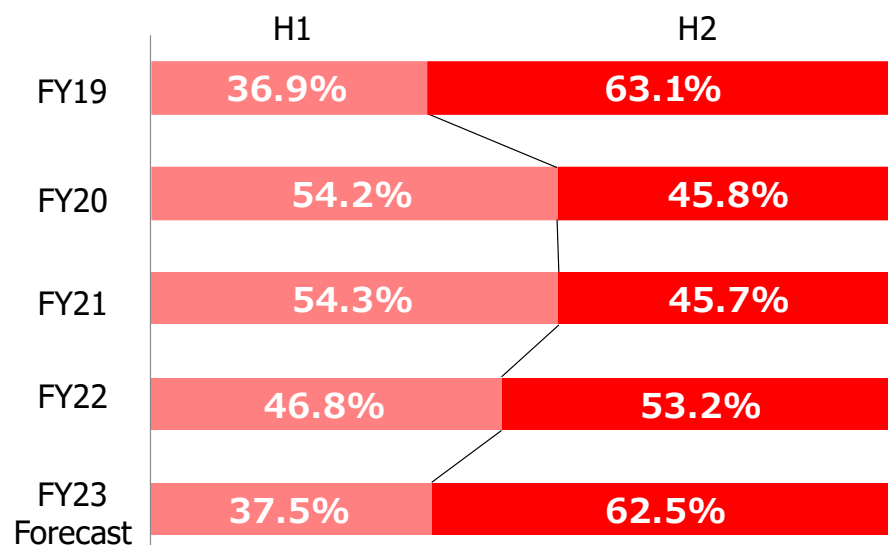
FY2023 Difference Between the First and Second Half

Net Sales

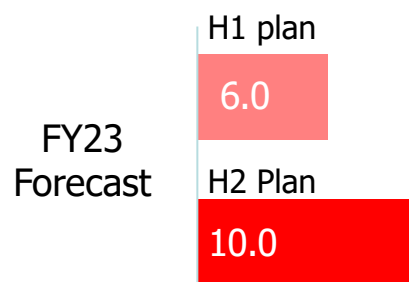
(Billions of yen)



Operating Profit Balance Between H1 and H2



Operating Profit



(Millions of yen)	FY22 H1	FY23 H1	to net sales	vsFY22 %	FY22 H2	FY23 H2	to net sales	vsFY22 %	FY22	FY23	to net sales	vsFY22 %
Net Sales	183,973	185,500	100.0	+0.8%	188,606	204,500	100.0	+8.4%	372,579	390,000	100.0	+4.7%
Operating profit	6,733	6,000	3.2	(10.9)%	7,643	10,000	4.9	+30.8%	14,377	16,000	4.1	+11.3%
Ordinary profit	7,431	5,800	3.1	(22.0)%	7,935	9,900	4.8	+24.8%	15,366	15,700	4.0	+2.2%
Profit attributable to owners of parent	2,734	1,800	1.0	(34.2)%	3,365	3,200	1.6	(4.9)%	6,099	5,000	1.3	(18.0)%

FY2023 Consolidated Forecasts by Segment

(Millions of yen)

Segment		Sales				Operating profit (loss)				Operating profit margin		
		FY22	FY23 Forecast	VS FY22 Increase/Decrease	VS FY22 %	FY22	FY23 Forecast	VS FY22 Increase/Decrease	VS FY22 %	FY22	FY23 Forecast	VS FY22 Increase/Decrease
①	Expert Services (Temporary Staffing)	147,188	148,500	+1,311	+0.9%							
②	BPO Services (Contracting)	141,906	150,000	+8,093	+5.7%	14,515	12,950	(1,565)	(10.8)%	4.9%	4.2%	(0.7)pt
③	HR Consulting, Education, Training, etc.	8,761	9,900	+1,138	+13.0%							
④	Global Sourcing (Overseas)	9,831	11,300	+1,468	+14.9%	617	780	+162	+26.3%	6.3%	6.9%	+0.6pt
Subtotal		307,687	319,700	+12,012	+3.9%	15,132	13,730	(1,402)	(9.3)%	4.9%	4.3%	(0.6)pt
⑤	Career Solutions (Placement/Recruiting, Outplacement)	13,923	15,000	+1,076	+7.7%	4,089	4,660	+570	+14.0%	29.4%	31.1%	+1.7pt
⑥	Outsourcing	42,376	45,450	+3,073	+7.3%	10,487	10,830	+342	+3.3%	24.7%	23.8%	(0.9)pt
⑦	Life Solutions	8,200	8,200	+0	+0.0%	364	370	+5	+1.5%	4.4%	4.5%	+0.1pt
⑧	Regional Revitalization Solutions	6,931	8,190	+1,258	+18.2%	(2,877)	(1,600)	+1,277	-	-	-	-
⑨	Elimination/Corporate	(6,539)	(6,540)	(0)	-	(12,819)	(11,990)	+829	-	-	-	-
Consolidated		372,579	390,000	+17,420	+4.7%	14,377	16,000	+1,622	+11.3%	3.9%	4.1%	+0.2pt

Reference

Sustainability promotion event 「HAPPY EARTH FESTA 2023」 was held



A sustainability promotion event "HAPPY EARTH FESTA 2023" was held with the theme of SDGs.

Period : September 19-21

Seminars/panel discussions, experiential programs, and environmental activities were held on the themes of "environment, food, and health."



Aoyama Street Night Cleanup



Seminar on key points of business development and organization building to realize GX/SX



Sale of fresh vegetables
Regional revitalization fair



Selected under the 2023 Health & Productivity Stock Selection

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



【Pasona Group Inc. Major Initiatives for Health Management】

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

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

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

Sustainability Activities and Local Development Projects

Started "Sustainability Training Program" for companies and organizations

1. Collaborating with Biomass Resin Holdings Co.,Ltd. on Awaji Island to realize decarbonized society.

Collaboration providing training programs for companies, organizations, and educational institutions to learn about the SDGs, including food safety and the natural environment.

- (1) Agricultural experience to learn about soil cultivation, food safety, and production processes.
 - (2) Classroom training to learn about issues related to abandoned farmland and materials that can be used to eliminate plastics by using rice.
2. Introduced and exhibited cutlery such as forks, spoons, and children's toys using Rice Resin, a biomass plastic developed and manufactured by the Biomass Resin Group, at the farmhouse restaurant "Haru·sansan".



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



The farmer's restaurant "Haru·sansan"

Recycling-oriented agriculture with "zero loss" realized on Awaji Island Composting and composting of bagasse containers

Containers made from sugarcane dregs (bagasse) used at the event are used for composting and converted to fertilizer. First potato harvest (June 2023) through "zero-loss" recycling-oriented agriculture.

1. Bagasse containers used in the "World Chef King Cooking Competition" held in November 2022 were collected. Employees certified as instructors composted them together with food scraps and leaf litter from facilities on the island to produce original compost.
2. Pasona Agri-partners Inc. will expand its composting business to compost all food waste, and through production activities using the compost, aims to realize nature- and health-friendly agriculture.



Bagasse containers are used for composting. The potatoes are used for cooking with fresh vegetables at the island's farmhouse restaurant, "Haru·sansan".

Awaji Island

2008 A support system for agricultural ventures aiming for independent farming

Pasona Challenge Farm

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

Nojima Scuola

2014 Training entrepreneurs to solve social problems

Entrepreneurship Program

A terrace with seaside view

Honey Cafe miele

2016 Seafront Market and Restaurant

CRAFT CIRCUS

2017 Aiming for regional revitalization through artistic activities

Began call for Entertainers to revitalize the region

Hyogo Prefectural Awaji Island Animation Park

NIJIGEN NO MORI

A grill restaurant with spectacular ocean views

Ocean Terrace

2018 Media art and restaurant by the sea

HELLO KITTY SMILE

A luxury hotel on a "starry hill"

GRAND CHARIOT

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

HELLO KITTY SHOW BOX

2020 A project aiming for regional revitalization through music

Music Island Project

Theater and social distance restaurant

SEIKAIHA

Aiming to create 10,000 jobs by 2025

General Headquarters for Emergency Job Creation

2021 Supporting the dreams of new graduates entering the workforce

Gap Year Program

Supporting job retention and career development for younger employees

Fresh Career Development Program

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

Awaji Chef's Garden

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

Single parent work support project

A residency-style French restaurant

Auberge La Forêt de la Cuisine Française

A restaurant featuring vegetables that you can enjoy in abundant nature

Farmer restaurant Haru·Sansan

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

The First Island

AMAN NO SHOKUTAKU

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

Zazen Yoga Retreatment & Restaurant Zenbo Seinei

World's largest apple-shaped observation theater

HELLO KITTY APPLE HOUSE

Ukraine Support Project

Awaji World Ballet

Renewal Opening of Seaside Restaurant & Market

CRAFT CIRCUS

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

miele the DINER

Awaji Island West Coast Seaside Mall with cafés, restaurants, marchés, miscellaneous goods stores, and more

Ladybird Road

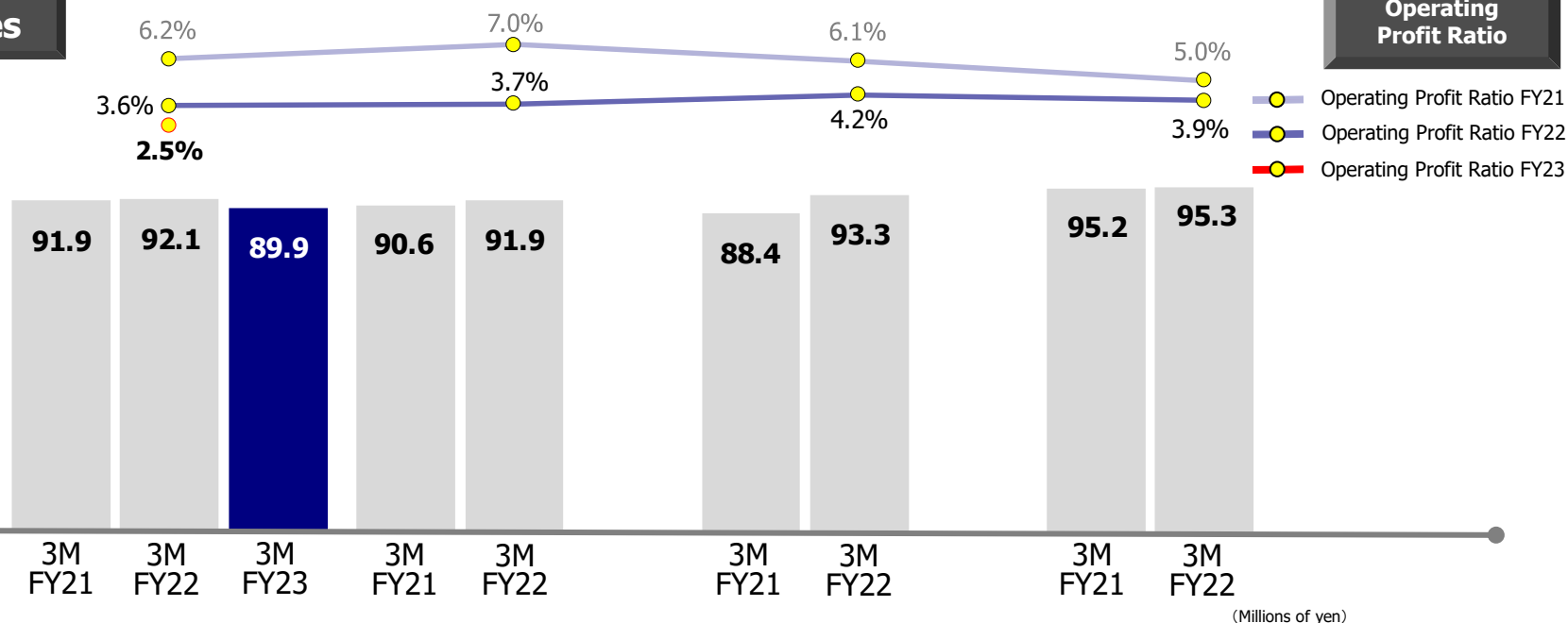
An outdoor resort restaurant with a view selected as one of Japan's 100 best sunsets

Awaji Chef's Garden

Quarterly Sales and Profit Trends

Net Sales

(Billions of yen)



(Millions of yen)

	Q1 (June to August)					Q2 (September to November)			Q3 (December to February)			Q4 (March to May)		
	FY21	FY22	YoY	FY23	YoY	FY21	FY22	YoY	FY21	FY22	YoY	FY21	FY22	YoY
	Consolidated													
Net sales	91,927	92,066	+0.2%	89,881	(2.4)%	90,558	91,906	+1.5%	88,389	93,307	+5.6%	95,221	95,299	+0.1%
Gross profit	21,720	22,273	+2.5%	21,226	(4.7)%	22,792	22,582	(0.9)%	21,525	22,956	+6.7%	23,633	23,712	+0.3%
SG&A expenses	16,020	18,943	+18.2%	18,997	+0.3%	16,496	19,180	+16.3%	16,173	19,025	+17.6%	18,898	19,999	+5.8%
Operating profit	5,700	3,330	(41.6)%	2,228	(33.1)%	6,295	3,402	(46.0)%	5,352	3,931	(26.5)%	4,735	3,712	(21.6)%
Profit (Loss) attributable to owners of parent	2,481	1,293	(47.9)%	187	(85.5)%	2,318	1,440	(37.9)%	2,514	1,213	(51.7)%	1,306	2,151	+64.6%
Gross profit ratio	23.6%	24.2%	+0.6pt	23.6%	(0.6)pt	25.2%	24.6%	(0.6)pt	24.4%	24.6%	+0.2pt	24.8%	24.9%	+0.1pt
SG&A expense ratio	17.4%	20.6%	+3.2pt	21.1%	+0.5pt	18.2%	20.9%	+2.7pt	18.3%	20.4%	+2.1pt	19.8%	21.0%	+1.2pt
Operating profit ratio	6.2%	3.6%	(2.6)pt	2.5%	(1.1)pt	7.0%	3.7%	(3.3)pt	6.1%	4.2%	(1.9)pt	5.0%	3.9%	(1.1)pt

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

Quarterly Sales and Profit Trends by Segment

(Millions of yen)

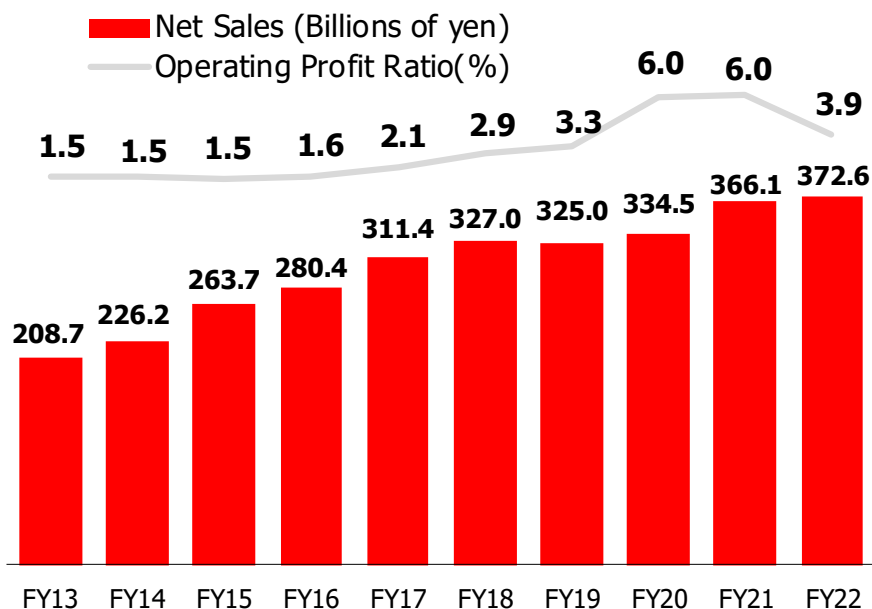
Segment		Sales					
		Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	YoY
①	Expert Services (Temporary Staffing)	37,837	37,375	35,663	36,311	34,551	(8.7)%
②	BPO Services (Contracting)	33,817	34,507	36,393	37,187	35,840	+6.0%
③	HR Consulting, Education & Training, Others.	2,021	2,235	2,323	2,180	2,183	+8.0%
④	Global Sourcing (Overseas)	2,395	2,526	2,366	2,543	2,545	+6.3%
Subtotal		76,071	76,645	76,746	78,223	75,122	(1.2)%
⑤	Career Solutions (Placement/Recruiting, Outplacement)	3,434	3,475	3,395	3,618	3,341	(2.7)%
⑥	Outsourcing	10,583	9,650	10,788	11,353	9,571	(9.6)%
⑦	Life Solutions	1,963	2,035	2,115	2,086	1,923	(2.0)%
⑧	Regional Revitalization Solutions	1,529	1,894	1,823	1,684	1,526	(0.2)%
⑨	Eliminations and Corporate	(1,515)	(1,795)	(1,561)	(1,666)	(1,604)	-
Total		92,066	91,906	93,307	95,299	89,881	(2.4)%

Segment		Operating profit (loss)					
		Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	YoY
①	Expert Services (Temporary Staffing)	3,398	3,963	3,591	3,561	3,050	(10.2)%
②	BPO Services (Contracting)						
③	HR Consulting, Education & Training, Others.						
④	Global Sourcing (Overseas)						
Subtotal		3,506	4,205	3,697	3,723	3,100	(11.6)%
⑤	Career Solutions (Placement/Recruiting, Outplacement)	919	1,074	976	1,119	1,025	+11.5%
⑥	Outsourcing	2,897	1,927	3,013	2,648	1,934	(33.2)%
⑦	Life Solutions	55	117	140	50	(5)	-
⑧	Regional Revitalization Solutions	(667)	(450)	(1,001)	(757)	(648)	-
⑨	Eliminations and Corporate	(3,381)	(3,471)	(2,895)	(3,071)	(3,177)	-
Total		3,330	3,402	3,931	3,712	2,228	(33.1)%

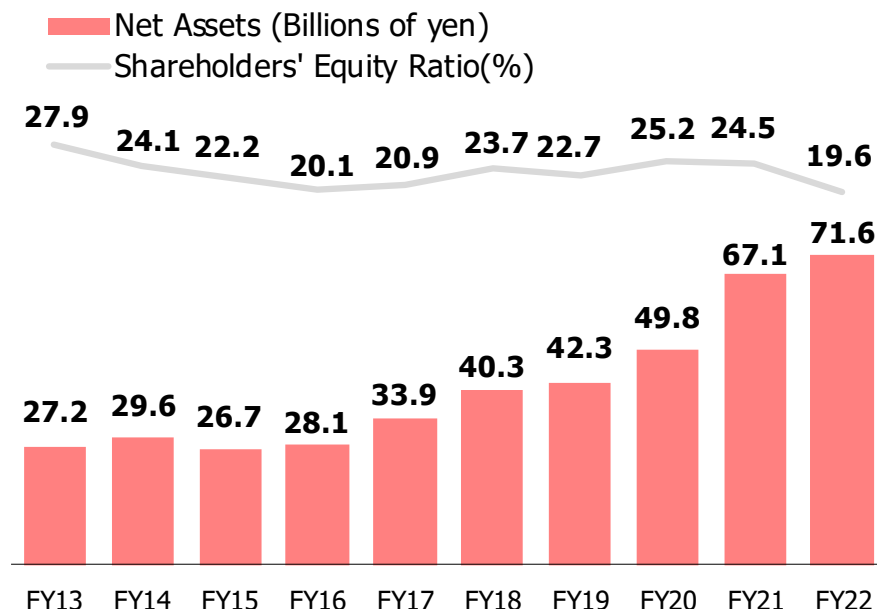
※ Please refer to the Investors Guide for the figures before the listed year.

Full-Year Key Indicators

Net Sales and Operating Profit Ratio



Net Assets and Shareholders' Equity Ratio



Results

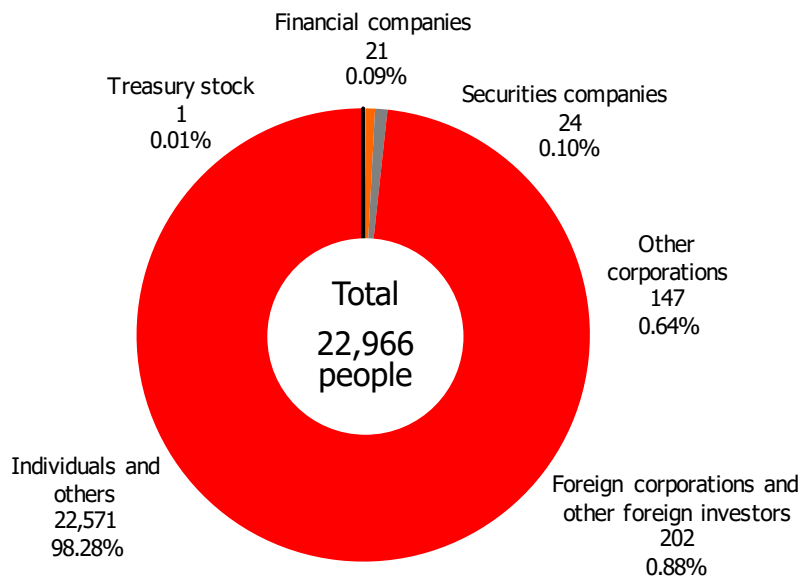
Key Indicators	'14/05	'15/05	'16/05	'17/05	'18/05	'19/05	'20/05	'21/05	'22/05	'23/05
Net Sales	208,660	226,227	263,728	280,395	311,410	326,984	324,986	334,540	366,096	372,579
Gross Profit Margin	19.3%	20.3%	20.0%	20.2%	21.5%	22.8%	23.6%	24.8%	24.5%	24.6%
SG&A Expenses	37,029	42,381	48,948	52,128	60,489	65,245	66,112	63,028	67,588	77,148
SG&A Expense Ratio	17.7%	18.7%	18.6%	18.6%	19.4%	20.0%	20.3%	18.8%	18.5%	20.7%
Operating Profit	3,210	3,490	3,860	4,488	6,539	9,465	10,577	19,940	22,083	14,377
Operating Profit Ratio	1.5%	1.5%	1.5%	1.6%	2.1%	2.9%	3.3%	6.0%	6.0%	3.9%
Ordinary Profit	3,135	3,343	3,855	4,319	6,631	9,237	10,236	20,379	22,496	15,366
Ordinary Profit Ratio	1.5%	1.5%	1.5%	1.5%	2.1%	2.8%	3.1%	6.1%	6.1%	4.1%
Net Profit *1	526	214	243	(129)	1,288	1,975	594	6,784	8,621	6,099
Net Profit Ratio	0.3%	0.1%	0.1%	—	0.4%	0.6%	0.2%	2.0%	2.4%	1.6%
Total Assets *2	75,615	88,641	85,356	94,584	112,477	119,459	140,441	151,641	203,746	275,504
Net Assets	27,181	29,620	26,735	28,062	33,889	40,253	42,316	49,779	67,146	71,624
Shareholders' Equity Ratio *2	27.9%	24.1%	22.2%	20.1%	20.9%	23.7%	22.7%	25.2%	24.5%	19.6%
Return on Equity	2.5%	1.0%	1.2%	(0.7)%	6.0%	7.6%	2.0%	19.4%	19.6%	11.7%
Number of Employees	6,316	7,908	8,550	8,682	9,074	9,317	19,538	21,789	23,488	24,918

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

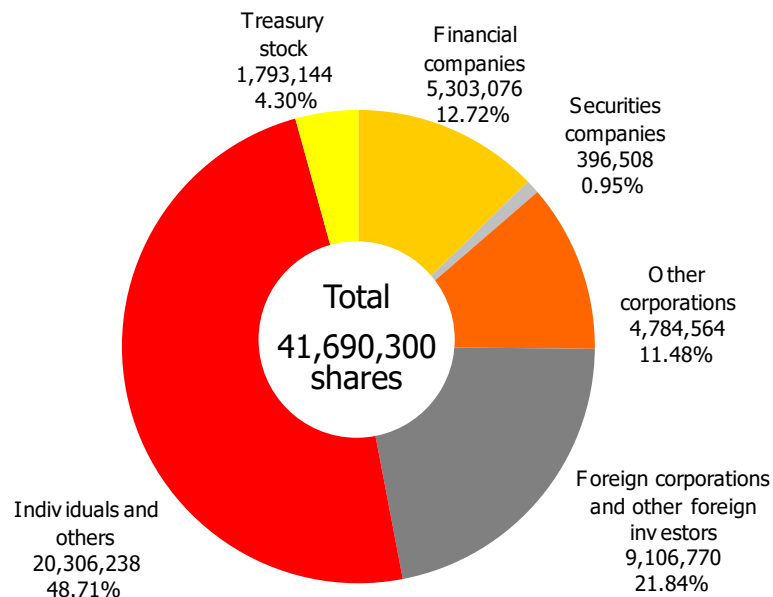
2. As the Company adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" from the beginning of the first quarter of FY2018. As for the financial position, the figures for the previous consolidated fiscal year were processed by the method.

Stock Information (As of May. 31, 2023)

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)	3,012,900	7.23%
THE BANK OF NEW YORK MELLON 140040	2,278,500	5.47%
Pasona Group Inc.	1,793,144	4.30%
Custody Bank of Japan, Ltd.(Trust Account)	876,500	2.10%
AVI GLOBAL TRUST PLC	837,700	2.01%
CREDIT SUISSE AG HONG KONG TRUST A/C CLIENT	782,800	1.88%
INDUS SELECT MASTER FUND, LTD.	737,100	1.77%
Custody Bank of Japan, Ltd.(Trust Account E)	722,376	1.73%
JP MORGAN CHASE BANK 385632	618,601	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 May 2023 cannot be confirmed, so it is not included in the status of the above major shareholders.

Group Companies (by segment)

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

Pasona Inc.	CAPLAN Corporation	
Bewith, Inc.	Pasona Heartful Inc.	
PASONA LOGICOM Inc.	Asahi Beer Communications Co, Ltd.	
Pasona HS Inc.	Pasona art now Inc.	
Nagasaki diamond staff	Pasona Knowledge Partner Inc.	
Pasona Masters Inc.	Pasona Intellectual Property Trust Inc.	
Pasona HR Solution Inc.	Profelier, Inc	
Gotop Co., Ltd.	circlace Inc.*	
Pasona JOB HUB Inc.		
Pasona YBS 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
REWARDZ 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 71

* Equity-method affiliates 6

(As of Aug. 31, 2023)

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	24,918 (Consolidated, including contract workers)	(As of May. 31, 2023)
Consolidated Group Companies	Subsidiaries 71 , Affiliates 6	(As of Aug. 31, 2023)
URL	www.pasonagroup.co.jp/English/	