

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

H1 FY2023

(June 1, 2023 - November 30, 2023)



Pasona Group Inc.
Prime Market TSE (2168)

January 18, 2024

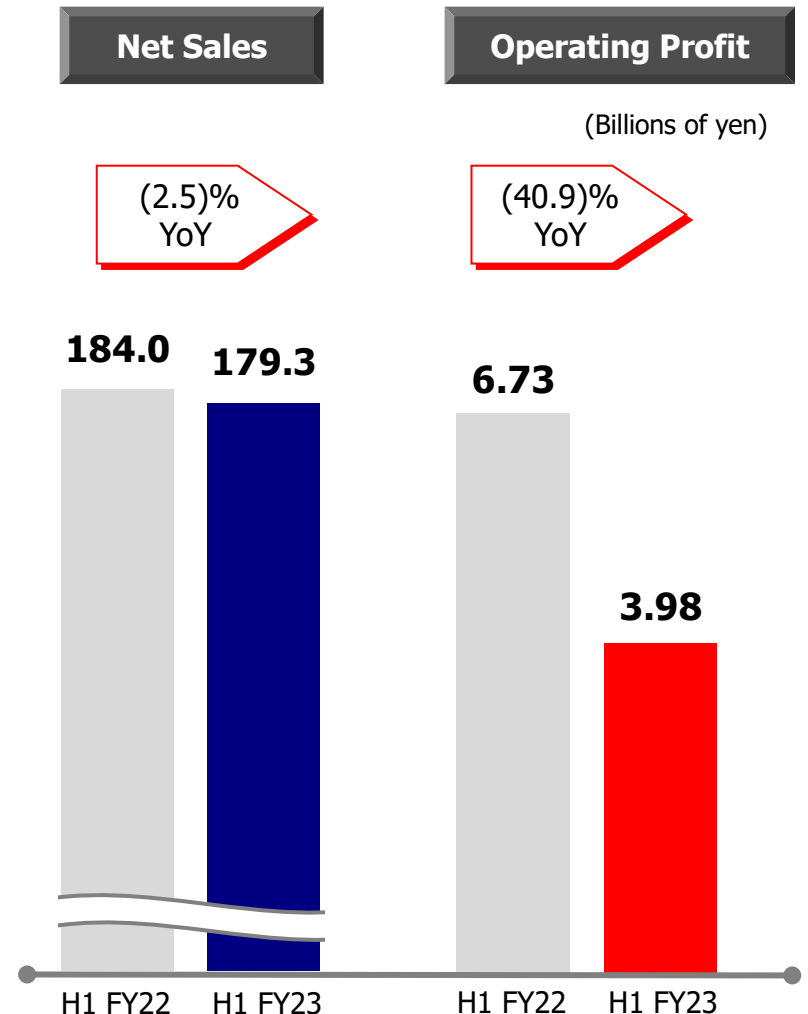
www.pasonagroup.co.jp/English

Pasona Heartful Inc. Artist Makoto Nakagaki [Ladybird Road]

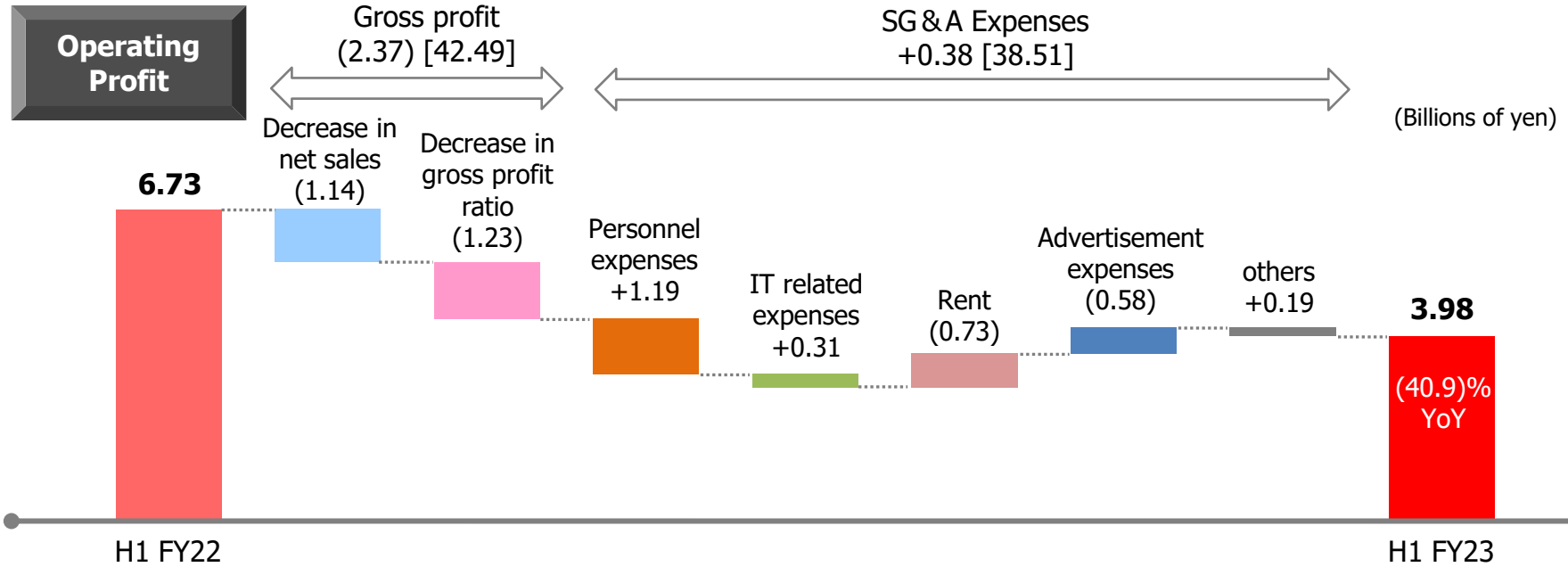
H1 FY2023 Results

Consolidated Results

(Millions of yen)	H1 FY22	H1 FY23	Increase /Decrease
	(%)	(%)	
Net sales	183,973 100.0	179,316 100.0	(4,656) (2.5)%
Cost of sales	139,116 75.6	136,830 76.3	(2,286) (1.6)%
Gross profit	44,856 24.4	42,485 23.7	(2,370) (5.3)%
SG&A expenses	38,123 20.7	38,505 21.5	+382 +1.0%
Operating profit	6,733 3.7	3,980 2.2	(2,753) (40.9)%
Ordinary profit	7,431 4.0	3,987 2.2	(3,444) (46.3)%
Profit attributable to owners of parent	2,734 1.5	145 0.1	(2,588) (94.7)%
Gross profit ratio	24.4%	23.7%	(0.7)pt
Operating profit ratio	3.7%	2.2%	(1.5)pt



Operating Profit



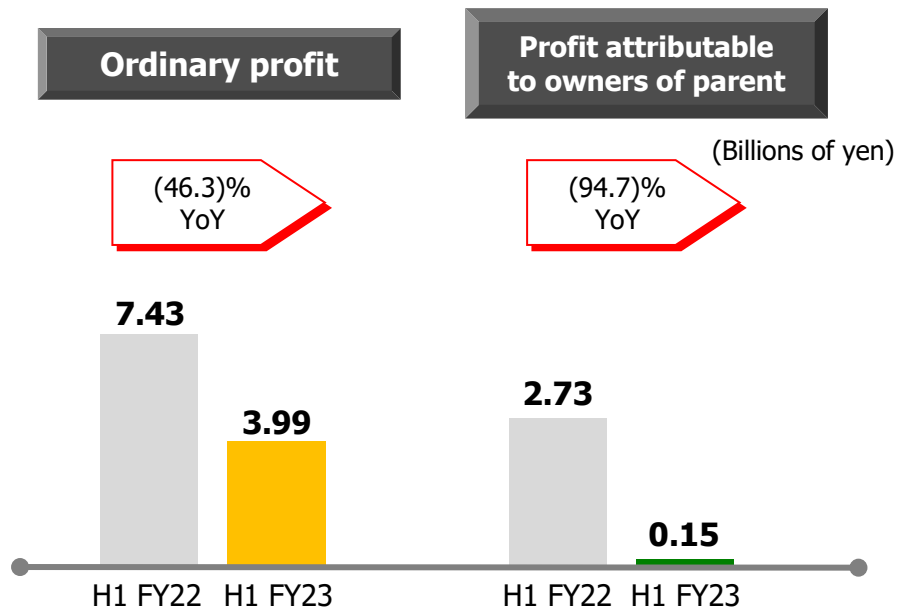
	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	H1 FY22	H1 FY23
Gross Profit ratio	20.3%	20.0%	20.2%	21.5%	22.8%	23.6%	24.8%	24.5%	24.6%	24.4%	23.7%
SG&A ratio	18.7%	18.6%	18.6%	19.4%	20.0%	20.3%	18.8%	18.5%	20.7%	20.7%	21.5%
Operating Profit ratio	1.5%	1.5%	1.6%	2.1%	2.9%	3.3%	6.0%	6.0%	3.9%	3.7%	2.2%

Major Item of Increase/Decrease

- Gross profit** : In the outsourcing business, the number of the COVID-19-related projects such as vaccinations declined as the new COVID-19 infection subsided.
 In the expert services business, the dispatch of medical specialists with high gross profit margins also declined.
 Consolidated gross profit ¥(2.37) billion, gross profit margin ratio 23.7% ((0.7) pt YoY).
- 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)	H1 FY22	H1 FY23	Increase/ Decrease	YoY
Operating profit	6,733	3,980	(2,753)	(40.9)%
Non-operating profit	1,143	411	(732)	(64.1)%
Non-operating expenses	445	403	(41)	(9.3)%
Ordinary profit	7,431	3,987	(3,444)	(46.3)%
Extraordinary profit	872	3	(869)	(99.6)%
Extraordinary loss	81	170	+89	+110.3%
Profit before income taxes	8,223	3,820	(4,402)	(53.5)%
Income taxes - current	3,855	2,449	(1,406)	(36.5)%
Income taxes - deferred	(405)	(380)	+24	-
Income taxes	3,450	2,068	(1,381)	(40.0)%
Profit attributable to non-controlling interests	2,038	1,606	(432)	(21.2)%
Profit attributable to owners of parent	2,734	145	(2,588)	(94.7)%



Major Item of Increase/Decrease

- **Non-operating profit**
 - Subsidy income FY22 ¥ 560 million / FY23 ¥ 53 million
(Decrease in subsidy income due to the end of accepting secondees)
- **Extraordinary profit**
 - FY22 (Previous fiscal year) :
Gain on change in equity (listing of circlace) ¥ 211 million
 - FY22 (Previous fiscal year) :
Gain on sales of investment securities ¥ 627 million

Consolidated Results by Segment

(Millions of yen)

Segment		Net sales				Operating profit (loss)				Operating profit ratio		
		H1 FY22	H1 FY23	Increase/ Decrease	YoY	H1 FY22	H1 FY23	Increase/ Decrease	YoY	H1 FY22	H1 FY23	Increase/ Decrease
①	Expert Services (Temporary Staffing)	75,213	68,685	(6,527)	(8.7)%							
②	BPO Services (Contracting)	68,325	71,784	+3,459	+5.1%	7,361	5,916	(1,445)	(19.6)%	5.0%	4.1%	(0.9)pt
③	HR Consulting , Education & Training , Others.	4,256	4,418	+161	+3.8%							
④	Global Sourcing (Overseas)	4,921	5,234	+312	+6.3%	350	134	(215)	(61.6)%	7.1%	2.6%	(4.5)pt
Subtotal		152,717	150,122	(2,594)	(1.7)%	7,711	6,050	(1,661)	(21.5)%	5.0%	4.0%	(1.0)pt
⑤	Career Solutions (Placement/ Recruiting, Outplacement)	6,909	6,810	(99)	(1.4)%	1,993	2,126	+132	+6.7%	28.9%	31.2%	+2.3pt
⑥	Outsourcing	20,234	18,727	(1,506)	(7.4)%	4,825	3,540	(1,285)	(26.6)%	23.8%	18.9%	(4.9)pt
⑦	Life Solutions	3,998	3,797	(201)	(5.0)%	173	23	(149)	(86.4)%	4.3%	0.6%	(3.7)pt
⑧	Regional Revitalization Solutions	3,423	3,099	(324)	(9.5)%	(1,117)	(1,216)	(98)	-	-	-	-
⑨	Eliminations and Corporate	(3,310)	(3,240)	+70	-	(6,852)	(6,543)	+309	-	-	-	-
Total		183,973	179,316	(4,656)	(2.5)%	6,733	3,980	(2,753)	(40.9)%	3.7%	2.2%	(1.5)pt

Balance Sheet

Major Item of Increase/Decrease	(Billions of yen)		
	May 31, 2023	Nov 30, 2023	Increase/Decrease
Assets	275.5	246.9	(28.6)
Current assets	194.3	160.6	(33.6)
Cash and deposits	123.1	85.0	(38.1)
Notes and accounts receivable-trade, and contract assets	52.6	58.2	+5.6
Non-current assets	81.1	86.1	+5.0
Property, plant and equipment	33.7	37.9	+4.1
Intangible assets	26.6	26.9	+0.4
Investments and other assets	20.8	21.3	+0.5
Liabilities	203.9	178.2	(25.7)
Current liabilities	144.8	123.6	(21.2)
Accounts payable-trade	7.4	4.9	(2.5)
Short-term loans payable	10.3	11.8	+1.5
Deposits received	78.7	59.9	(18.8)
Non-current liabilities	59.1	54.6	(4.5)
Long-term loans payable	43.5	38.8	(4.7)
Net assets	71.6	68.7	(2.9)
Shareholders' equity	52.7	51.4	(1.3)
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	1.4	+0.1
Share acquisition rights	0.0	0.0	(0.0)
Non-controlling interests	17.6	16.0	(1.7)
Equity ratio	19.6%	21.4%	+1.8pt
Equity ratio (Excluding deposits received for contracted projects)	26.9%	27.8%	+0.9pt

Major Item of Increase/Decrease

[Cash and deposits]

- Decrease due to acquisition of fixed assets and repayment of loans, etc.
- Decreased in temporary deposits related to contracted projects.
¥ (17.5) billion YoY
As of Nov 30, 2023 (H1 FY23) ¥ 57.4 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. ¥ 0.32 billion

[Non-controlling interests]

- Decreased due to dividends from subsidiaries, etc.

[Equity ratio]

- 27.8% (+0.9pt) after deducting "deposits received" related to contracted projects.

Cash Flows

(Billions of yen)

Major Item of Increase/Decrease	H1 FY22	H1 FY23	Increase/Decrease
Cash flows from operating activities	(6.4)	(3.9)	+2.5
Income before income taxes	8.2	3.8	(4.4)
Depreciation and amortization	2.5	2.6	+0.1
Amortization of goodwill	0.4	0.4	+0.0
Decrease (increase) in notes and accounts receivable-trade and contracts asset	(8.1)	(5.5)	+2.6
Increase (decrease) in operating debt	(2.1)	(2.9)	(0.7)
Income taxes paid	(6.2)	(0.8)	+5.4
Cash flows from investment activities	(4.5)	(8.5)	(4.0)
Purchase of property, plant and equipment	(4.3)	(5.5)	(1.2)
Purchase of intangible assets	(2.1)	(2.4)	(0.3)
Purchase of investment securities	0.0	(0.2)	(0.2)
Proceeds from sales of investment securities	0.7	0.0	(0.7)
Proceeds from collection of lease and guarantee deposits	1.5	0.4	(1.1)
Cash flows from financing activities	(10.6)	(8.5)	+2.1
Increase (decrease) in short-term loans payable	(0.0)	2.0	+2.0
Proceeds from long-term loans payable	1.0	0.0	(1.0)
Repayment of long-term loans payable	(5.0)	(5.4)	(0.4)
Cash dividends paid	(4.6)	(4.6)	(0.0)
Purchase of treasury shares of subsidiaries	(1.5)	0.0	+1.5
Net increase (decrease) in cash and cash equivalents	(21.2)	(20.6)	+0.6
Cash and cash equivalents at beginning of the period	56.6	47.9	(8.7)
Cash and cash equivalents at the end of the period	35.4	27.3	(8.0)
Free cash flows	(10.9)	(12.4)	(1.5)

Major Item of Increase/Decrease

[Profit before amortization]

¥ 6.8 billion (¥ (4.3) billion YoY)

[Purchase of property, plant and equipment]

New construction of commercial facilities and business facilities in Regional Revitalizations segment

[Proceeds from collection of lease and guarantee deposits]

(FY22) Security deposit collection due to Tokyo office relocation

[Purchase of treasury shares of subsidiaries]

(FY22) Benefit One acquires own treasury stock

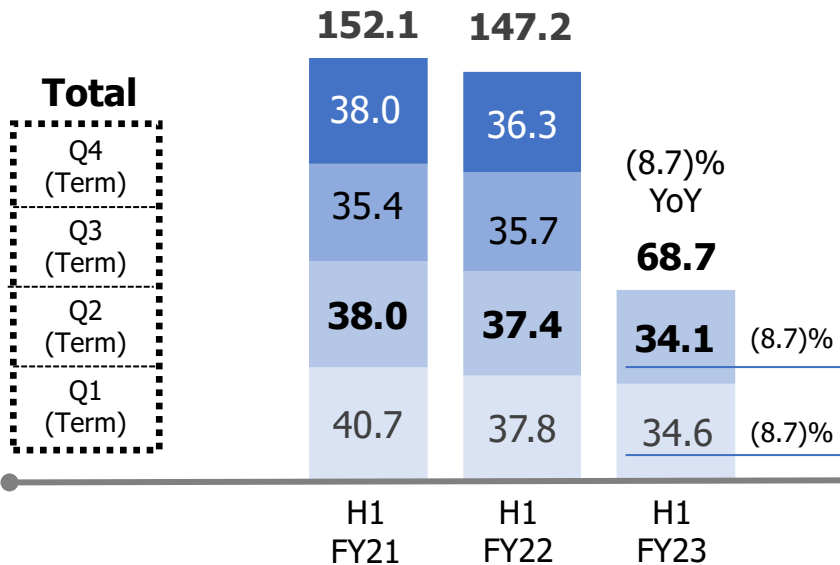
※ Cash flow does not include the cash balance and increase/decrease in cash corresponding to "deposits" from customers for projects entrusted to the Company.

Segment information

Expert Services (Temporary staffing)

Net Sales

(Billions of yen)



Business Conditions (H1 FY23 result)

- Dispatches of medical specialists related to the nationwide response to the COVID-19 infection decreased.
- Work to increase orders for high-level clerical work and focus on supporting skill development of temporary staff.

Staff Engagement



Pink Ribbon Campaign

Promoting breast cancer screening to support the health of working women since 2007. Holding various events including breast cancer seminars.



Group Activities



PASONA MASTERS

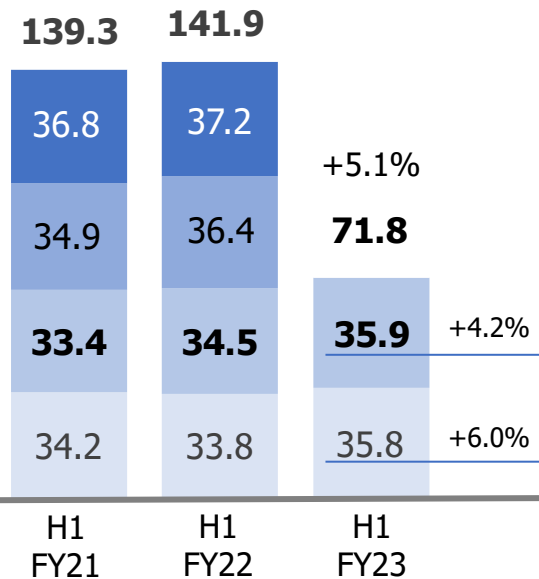
- Increase in the number of projects for senior staffing and industry OB/OG staffing, resulting in an increase in the number of employees.
- Price revision negotiations proceeded and dispatch unit price rose.



BPO Services (Contracting)

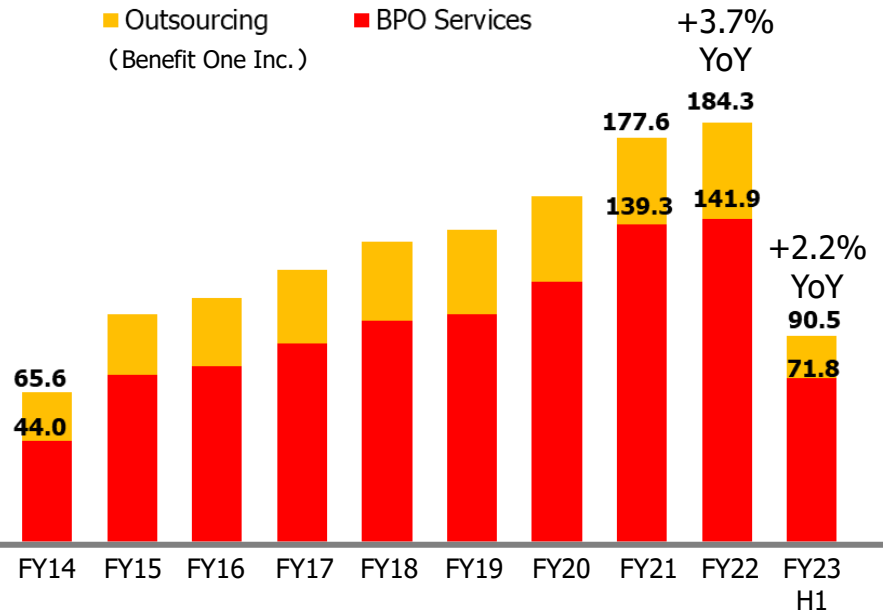
Net Sales

(Billions of yen)



BPO Services , Outsourcing Sales Trends

(Billions of yen)

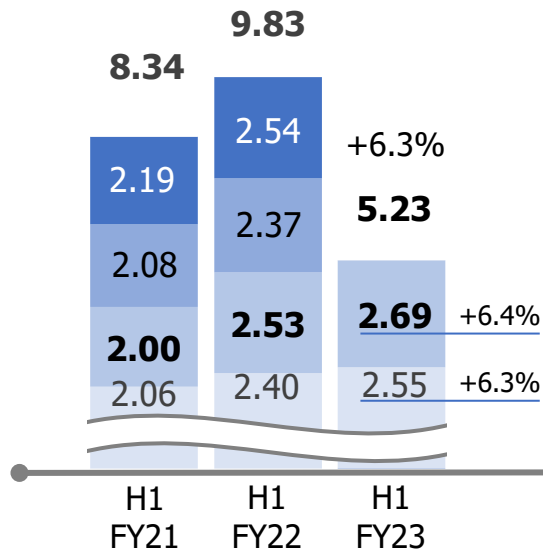


Business Conditions (H1 FY23 result)

- 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 needs for work related to helping employees focus on core tasks, improving productivity, and supporting employee health and wellness.
- Bewith, Inc. : Growing new projects from the financial industry, lifeline industry, public projects, etc.
- Pasona Panasonic Business Service Co.,Ltd : Office relocation and other general affairs BPO projects increased.

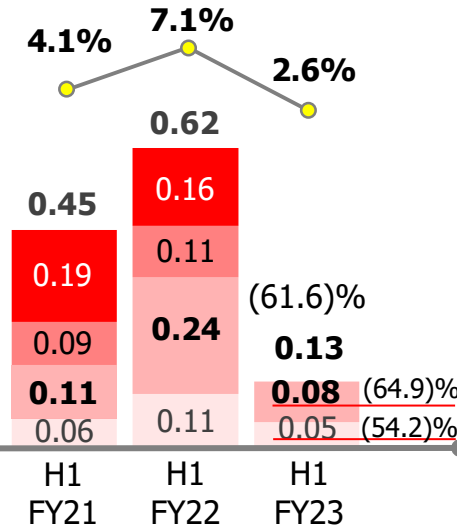
Global Sourcing (Overseas)

Net Sales



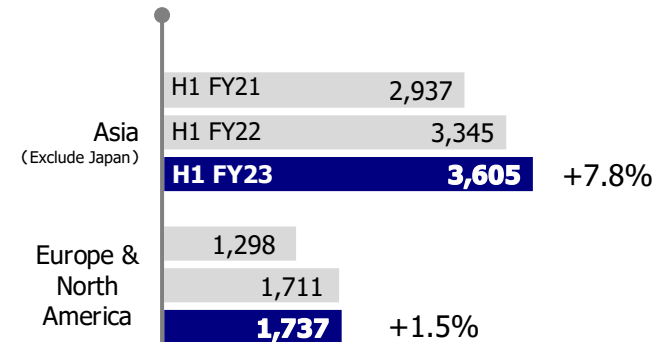
Operating Profit , Operating Profit Ratio

(Billions of yen)



Sales by Region

(Millions of yen)



※ Including overseas outsourcing

Business Conditions (H1 FY23 result)

- North America : Increased hiring mainly in the non-manufacturing sector.
- Asia : Business growth in Taiwan and countries in Southeast Asia region.
- Increased in SG&A expenses such as hiring, compensation improvements, training, business travel, etc. due to business expansion.

Sales by Business Segment

(Millions of yen)

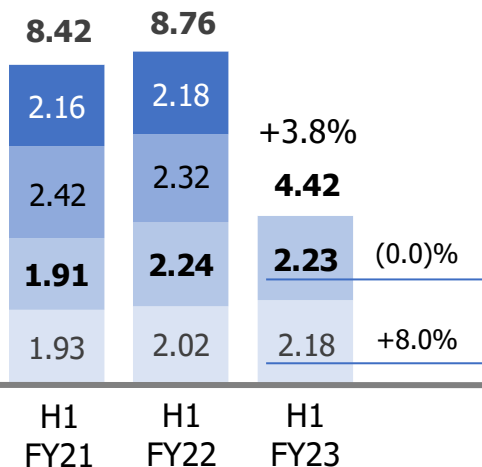
	H1 FY21	H1 FY22	H1 FY23	YoY
Temporary Staffing	2,156	2,366	2,632	+11.2%
Placement / Recruiting	810	1,253	1,262	+0.7%
Contracting (Payroll, others)	704	845	917	+8.5%
Others	389	455	421	(7.5)%
Total	4,061	4,921	5,234	+6.3%

HR Consulting , etc. / Operating Income by Segments

Net Sales

(HR Consulting , Education & Training , Others.)

(Billions of yen)



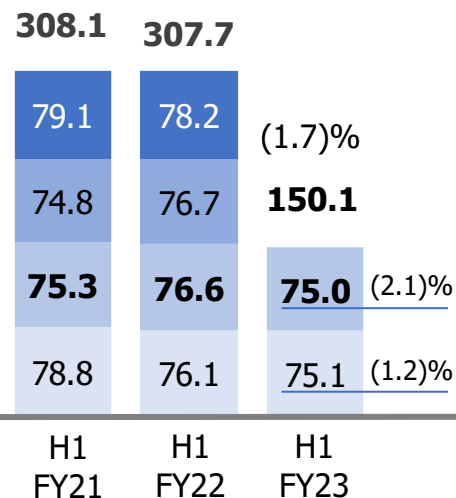
Business Conditions (H1 FY23 result)

- In addition to introductions of outside directors and outside corporate auditors, advisory projects related to personnel system revisions and recruitment enhancements increased.
- Recruiting business (recruiting agency) : Orders steadily increased.
- Education and training business : Increased demand for inbound customer service and leadership training.

Net Sales(ES~GS)

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

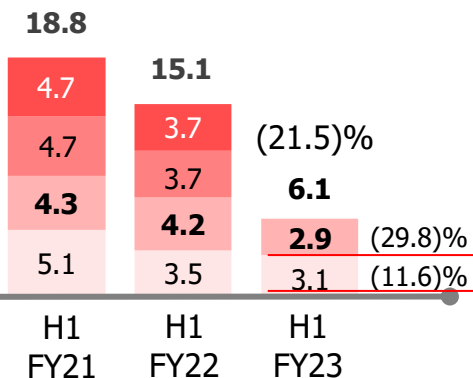
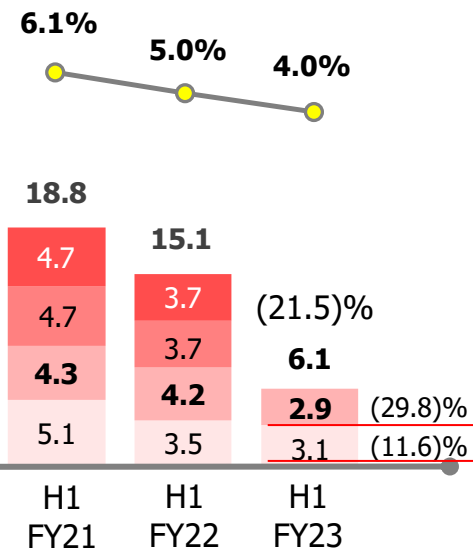
(Billions of yen)



Business Conditions (H1 FY23 result)

- Expert Services : Insurance premium burden increased due to the revision of social insurance, and gross profit margin declined due to a decrease in the number of dispatches of medical specialists.
- BPO Services : Gross profit margin improved as sales expanded. As a result, segment gross profit margin increased by 0.2pt from the previous period.
- SG&A expenses increased due to higher personnel costs associated with M&A and BPO service business growth.

Operating Profit , Operating Profit Ratio

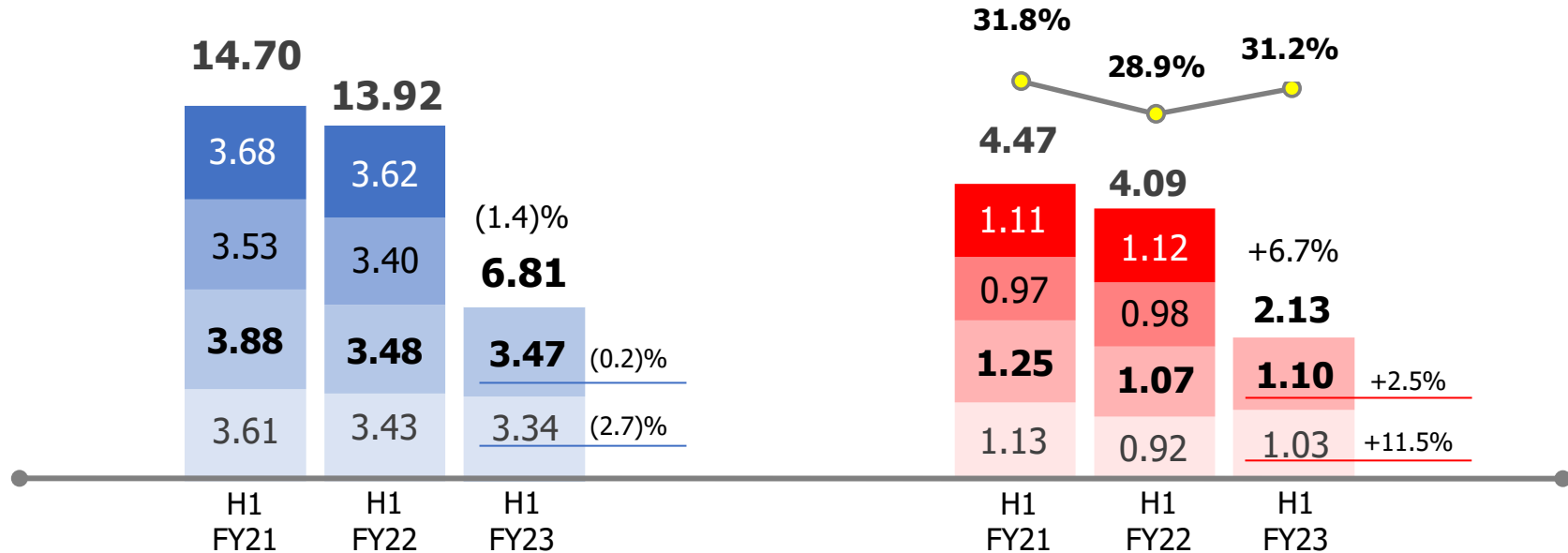


Career Solutions (Placement/Recruiting , Outplacement)

Net Sales

Operating Profit , Operating Profit Ratio

(Billions of yen)

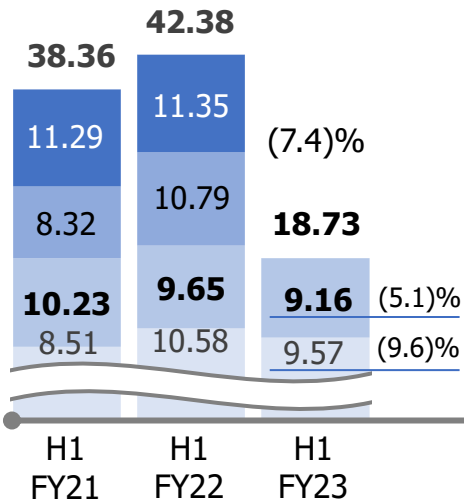


Business Conditions (H1 FY23 result)

- Placement / Recruiting business :
Stable demand in the high-carrier area of focus.
Growing need to hire female managers and expand business by leveraging the Group's track record and corporate brand.
- Outplacement business :
Demand continues to decline.
Steady growth in demand for "Safe Placement Total Service", which supports employees' autonomous career development.

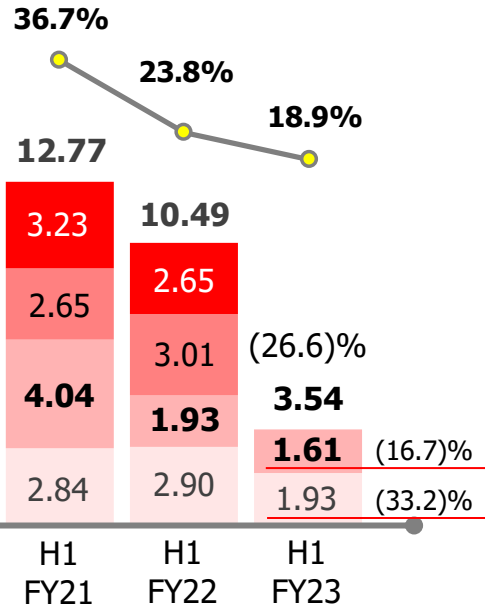
Outsourcing (Benefit One Inc.)

Net Sales

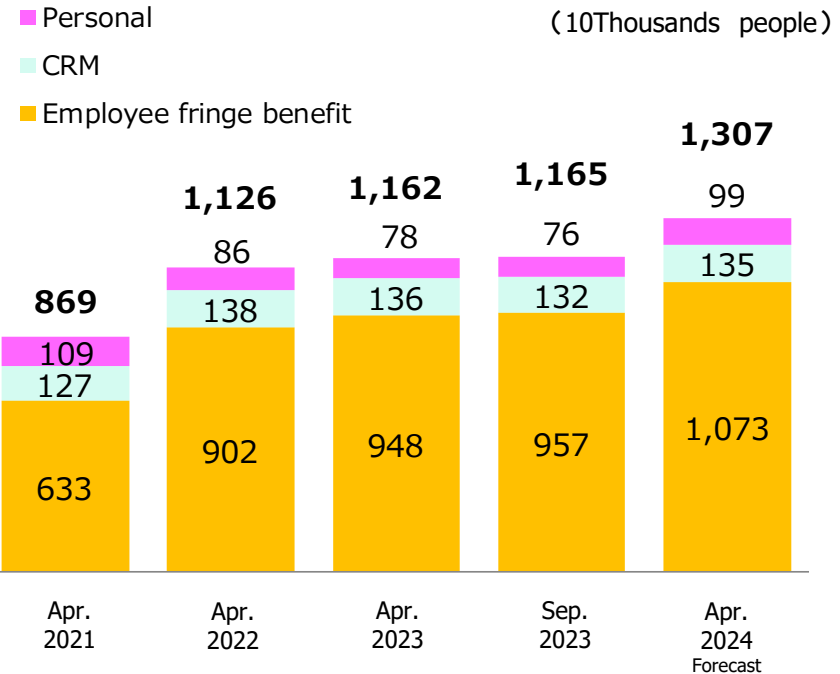


Operating Profit, Operating Profit Ratio

(Billions of yen)



Benefit One Membership Trends

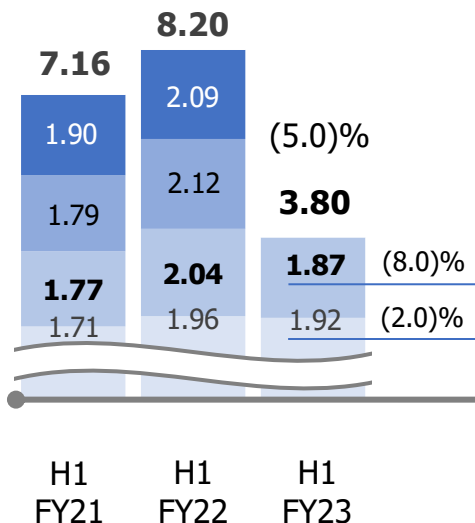


Business Conditions (H1 FY23 result)

- Employee Benefits Services business :
Membership fee revenue increased YoY, while transactions specific to the former JTB Benefit Inc. declined.
Unit price of membership fee was lower than expected due to the fact that newly acquired members were mainly from major clients, and that both revenues and expenses were affected by reductions due to the revision of some contracts.
- Healthcare business :
Decreased in revenue due to downsizing of corona vaccination support program.

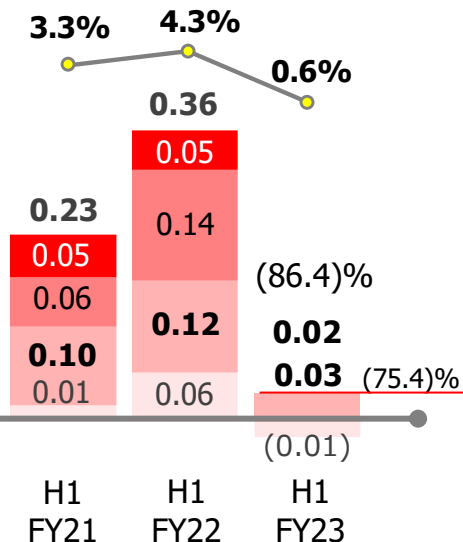
Life Solutions (Nursing care , Life support , Childcare)

Net Sales



Operating Profit , Operating Profit Ratio

(Billions of yen)



Facilities of Pasona Foster · Pasona Life Care

※As of Nov.30, 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	Nov 2022	Nov 2023	YoY
Pasona Foster							
Child-care facilities	49	49	49	49	49	48	(1)
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 (H1 FY23 result)

- Life support business (housekeeping services etc.) : Significant decrease in demand for sanitization and disinfection services provided by hospitals and lodging facilities. Housekeeping services for child-rearing families commissioned by local governments are expanding, and new projects are being acquired from new municipalities.
- 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.
- Subsidy income from improvement of compensation for childcare workers, etc. was pushed back. Increased in cost of sales, such as personnel costs and operating costs associated with the opening of new childcare facilities.

Regional Revitalization Solutions

Net Sales

Operating Profit

Initiatives for regional revitalization

(Billions of yen)

H1 FY21 ⇒ Apr-Sep
H1 FY22 ⇒ Apr-Sep
H1 FY23 ⇒ Jun-Nov

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

	H1 FY21	H1 FY22	H1 FY23		H1 FY21	H1 FY22	H1 FY23
Total	4.43	6.93	3.10	(9.5)%	(0.70)	(0.67)	(0.65)
Q1 (Term)	1.13	1.68	1.57	(17.0)%	(0.55)	(0.45)	(0.57)
Q2 (Term)	1.24	1.82	1.53	(0.2)%	(0.45)	(1.00)	(1.22)
Q3 (Term)	1.29	1.89	1.53		(0.91)	(0.76)	
Q4 (Term)	0.76	1.53	1.53		(2.61)	(2.88)	

- Tango Kingdom Brewery Inc.'s homemade sausages, bacon, and ham won the gold medal at the "German Agricultural Association (DLG) Contest". (December 2023)
- Long-aged sake "Inishie no Bishu" won the grand prize in the aged category at the Japanese sake competition "Japan Women's SAKE Award ~Beautiful Sake Contest~". (October 2023)
- Established Japan's first joint storage area specializing in aged sake. Launch of the "Inishie no Bishu Old Sake Brewery Project" to promote old sake culture to the world. Release of old sake blended across breweries to pray for the start of the project. (November 2023)

Business Conditions (H1 FY23 result)

- Recovery of people flow including inbound.
- Negative impact compared to the previous fiscal year due to the fact that limited-time attractions, which were implemented from the beginning of the fiscal year in the previous fiscal year, were implemented from the beginning of the fiscal year in the current fiscal year.
- Sales fell short of the plan at the beginning of the period due to record summer heat wave, typhoons, and other bad weather conditions.



▲ Old Sake Brewery Project 10 participating sake breweries



▲ Delicious sake from ancient times, Old Sake Brewery Project, press conference



▲ Blended old sake that transcends sake breweries

Elimination/Corporate Segment Costs

Net Sales

Operating Profit

(Billions of yen)

H1 FY21	H1 FY22	H1 FY23	H1 FY21	H1 FY22	H1 FY23
(1.50)	(1.52)	(1.60)	(2.67)	(3.38)	(3.18)
(1.96)	(1.80)	(1.64)	(2.88)	(3.47)	(3.37)
(1.33)	(1.56)	(3.24)	(2.54)	(3.47)	(3.37)
(1.85)	(1.67)		(2.54)	(2.90)	(6.54)
(6.64)	(6.54)		(3.47)	(3.07)	
			(11.57)	(12.82)	

Main Factors for Cost Increase/Decrease (H1 FY23 result)

- Increase 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 decreased.

Pasona Group DX report 2023

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

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方針を策定【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、2022年10月「気候変動対策推進計画」を策定【Pasona Group Sustainability】	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、企業の人材育成、人材開発支援を支援するサービスメニューを拡充	多様な人材が活躍する人材誘致による地方創生を目指した取り組みを推進、2022年10月、地方創生「PASONA」を創出し、更なる地方創生を加速
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			

In-house development of DX promotion human resources

Promoting internal digital human resource development programs

Number of participants : 1,014
(As of Sep, 2023)



Consolidated Financial Results Forecast for FY2023

Consolidated Financial Results Forecast for FY2023

Currently, Pasona Group Inc. has entered into a tender offer agreement with M3, Inc. which provides, among others, that Pasona Group Inc. will tender all of its shares of common stock in Benefit One Inc. The TOB period by M3, Inc. has now been extended until February 15.

Benefit One Inc. has also received a tender offer proposal from Dai-ichi Life Holdings, Inc. so Pasona Group Inc. is carefully reviewing the proposal received from Dai-ichi Life Holdings, Inc.

For the reasons stated above, Pasona Group Inc. will not disclose its consolidated earnings forecast for the full fiscal year Ending May 31, 2024, as there are many undetermined factors that will affect earnings, and it is difficult to calculate a reasonable earnings forecast at this time.

The Company will announce the full-year consolidated earnings forecast for the fiscal year ending May 31, 2024 when it becomes reasonably possible to make a forecast.

(January 12, 2024) [Notice on Difference between Forecast and Actual Consolidated Business Results for the First Half of the Fiscal Year Ending May 31,2024 and Revision of Consolidated Business Forecast for the FULL Year](#)

【Reference Regarding the TOB】

(November 14, 2023) [Notice Concerning the Execution of Share Tender Agreement Relating to the Tender Offer for Subsidiary Shares and the Expected Recording of Extraordinary Profits](#)

(December 7, 2023) [Notice of Scheduled Commencement of Tender Offer by Dai-ichi Life Holdings, Inc. for Shares of Benefit One Inc.](#)

(December 12, 2023) [Notice Concerning Extension of Tender Offer for Subsidiary Shares](#)

(January 16, 2024) [Notice Concerning Extension of Tender Offer for Subsidiary Shares](#)

FY2023 Progress of Group Priority strategy

FY2023 Progress of Group Priority strategy

1

Evolution to X-TECH BPO

2

Expansion of versatile work styles and career development support

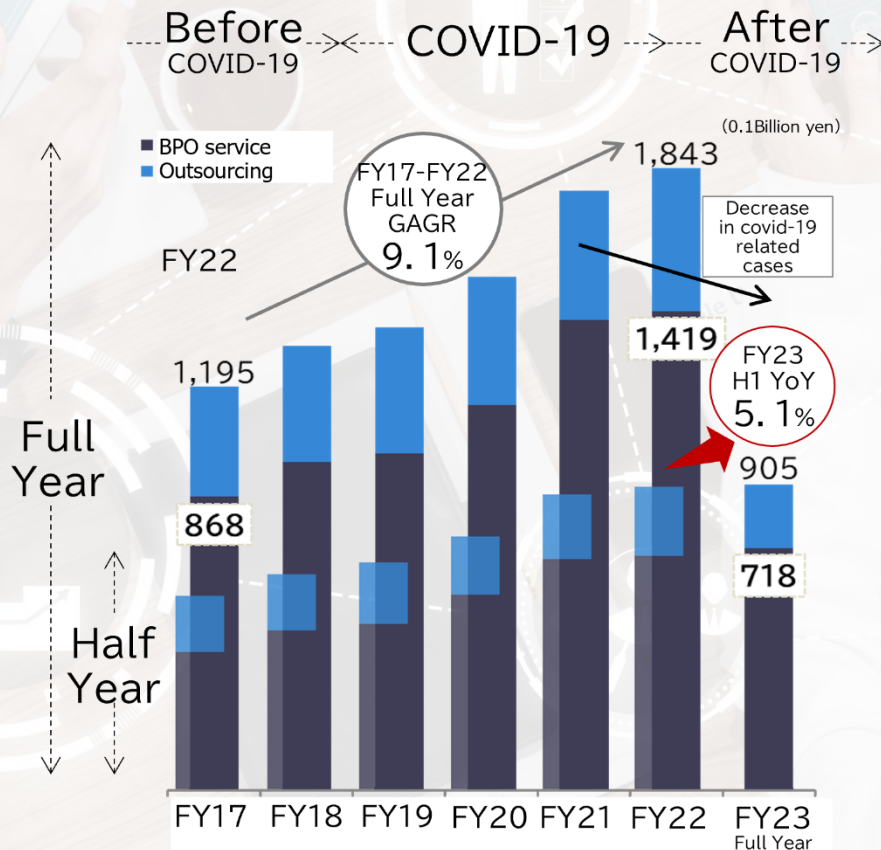
3

Expansion of earnings from local development projects centered on Awaji Island

1. Evolution to X-TECH BPO

BPO service are steadily expanding

BPO service + Outsourcing Performance Trends



Business growth highlights

Professional BPO solution



Well-being

- ✓ Corporate health management support
 - Online women's health support
 - Health Live Seminar etc.
- ✓ Recurrent education/employment support



DX

- ✓ Support for in-house production of RPA etc.
- ✓ Call center equipped with voice recognition system Omnia Link external sales



Focus on core operations improve productivity

- ✓ Support in accounting, general affairs, human resources, etc.
- ✓ Customer support in finance, lifeline industries, etc.

1. Evolution to X-TECH BPO

X-TECH Expansion of in-house developed products

Cloud

Low code

AI

RPA

Avatar

DX tools

PASONA X-TECH

PASONA BPO

One-stop solution

design development

integration

In-house production support

customer success

expert service

PASONA DX HUB



Disaster prevention help service

Indoor/outdoor location information service

Digital twin utilization support Civic Earth



1. Evolution to X-TECH BPO

X-TECH BPO New service

For Client

Also manages human resources operations

kintone HR

Powered by P A S O N A



For Staff

1

Utilize metaverse space to promote reskilling and communication among employees and staff

『PASONA・Family town』



- “Connect” community
- “Working” community
- “Learn” community

2

Distribute information useful for health promotion and feel free to consult with nurses and other industrial nursing professionals via LINE

『ONLINE Health Promotion Office』

▶ Health consultation



▶ Health contents



1. Evolution to X-TECH BPO

X-TECH BPO topics

Signed a Memorandum of Understanding on IT Human Resource Development and Employment Support with Duy Tan University and Da Nang National University of Technology in Da Nang, Vietnam



Cooperating with UNITAR (United Nations Institute for Training and Research) “Digital reskilling training program” started to support displaced women in Ukraine



“Pasona Group DX White Paper 2023” disclosed

Overall picture of DX strategy



PASONA
HR Solution

All-in-one support for realizing “human capital management”
Business integration of Pasona HR Solutions and Caplan to strengthen the “HR Tech Business”

PASONA
JOBHUB

Registered as a partner company for the Cabinet Secretariat’s digital specialist staffing system “Recruitment Type”
Launched the “Regional Co-Creation Project through Empathy and Collaboration with Digital Specialist Human Resources”, which matches local governments with DX issues

Integrated management from customer information management to marketing measures
Launch of email marketing package service “Kubaru-ton”

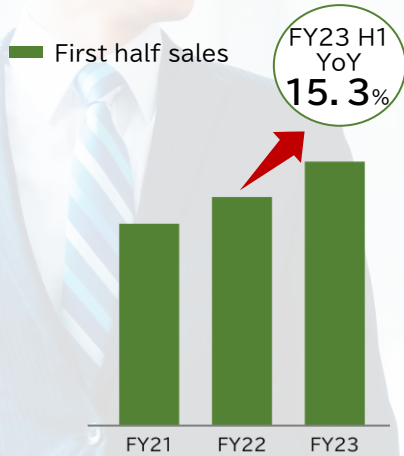
Started providing DX start app pack “Starton” for small and medium-sized businesses working on DX promotion



2. Expansion of versatile work styles and career development support

New areas of work style are steadily expanding

Masters (OB/OG dispatch)



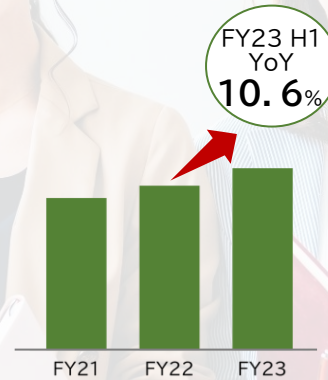
Steady demand for highly specialized occupations such as technical positions and patent/legal affairs



As an OB/OG, the needs are expanding not only from the group of the company you graduated from, but also from the same industry and other industries

advisory consulting (professional human resources)

■ First half sales



Expansion of human resources field (system design, etc.) based on human capital management

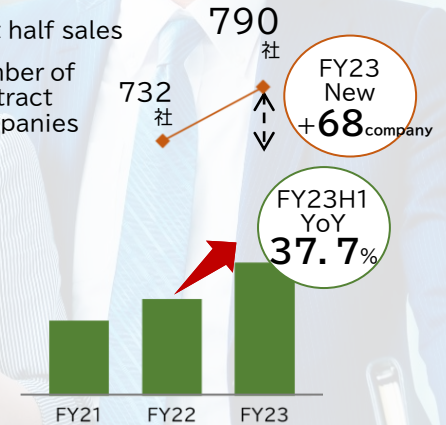


Increased recruitment of solid outside directors and outside auditors to strengthen corporate governance

safe placement (Enrolled career support)

■ First half sales

◆ Number of contract companies



Career consulting by specialized consultants is expanding to help individuals realize autonomous careers



Expanding training aimed at improving the career interview skills of managers

2. Expansion of versatile work styles and career development support

Support for diverse work styles continues to expand



Consultation

career development

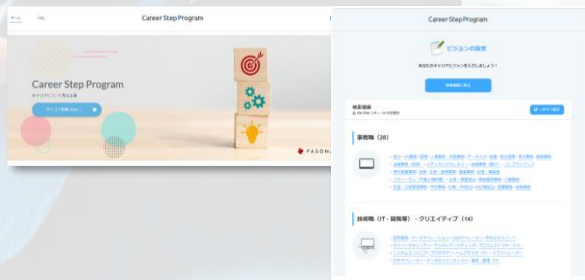
career consulting 215,000 people

Responding to various consultations related to “career” and “life”

Developing work-life facilitators and expanding their career opportunities



Career Step Program



- ✓ Career design course learned through videos
- ✓ Easy-to-try aptitude test
- ✓ New self-discovery content
- ✓ Career vision building support using AI



Learning

PASONA career college

PASONA recurrent

Providing diverse learning opportunities
From a focus on B to B to C to a style where various training and services can be used individually

▶ **8,800** Course!



Further success

Double or Concurrent Jobs



Company/private entrepreneur

Japan Incubation Base

Mutual Aid/Skill Sharing

PASONA ファミリー・タウン FamilyTown



- ▶ Realize improved performance of management, employees, and companies
Biz Concierge, a concierge service for corporations, launched

3. Expansion of earnings from local development projects centered on Awaji Island



Awaji Well-being Week 23.10.27~11.13 Held

More than
90,000 people visited



UNDOKAI WORLD CUP

An athletic festival that anyone from all over the world can participate in



Innovation Forum 2023

Future Health Forum where you can experience the world's most advanced health tech



Bussiness Contest 2023

A business contest aiming to create a new industry with the theme of "well-being"



World Chef King Summit

A food festival that considers people, health, and global environmental issues through food



3. Expansion of earnings from local development projects centered on Awaji Island

Collaborate and co-create regional revitalization projects with local governments across the country

OHyogo Prefecture Kakogawa City

(Hyogo/Chiba/Okinawa/Iwate/Toyama/Ehime/Gifu/Fukushima)

- ✓ Established “Japanese Old Sake Brewery Co., Ltd.” in collaboration with 10 sake breweries nationwide
Obtained permission to establish a liquor storage facility and opened a joint storage facility specializing in aged sake



OKagawa Prefecture

- ✓ Matching of small and medium-sized businesses in Kagawa Prefecture with multi-tasking personnel Small and Medium Enterprise Agency “Regional Small and Medium Enterprises Human Resources Recruitment Support Project” entrusted with operation
- ✓ A microbrewery that serves as a hub for the local community “DONZO Brewing” opens
- ✓ Launch of the “Regional Entire Hotel Project” to redevelop vacant stores in the “Shinmachi Shopping Street” connected to Kotohira Shrine Omotesando into guest houses, etc

OEntire area of Shikoku

- ✓ Entrusted management of the “Regional multi-business” practical program in the Shikoku region “FY2020 Shikoku Bureau of Economy, Trade and Industry’s project to support local small and medium-sized enterprises and micro-enterprises in securing human resources”

OKumamoto Prefecture

- ✓ Commissioned management of the “Agricultural Foreign Human Resources Development Project Connected to Kumamoto” with the aim of developing foreign national human resources who will play an active role as future agricultural managers

OKyotango City, Kyoto Prefecture

- ✓ Tango Kingdom Brewery’s homemade sausages, bacon, and ham won the German Agricultural Association (DLG) Contest Gold Prize



- ✓ The “Michi-1 Grand Prix 2023 Easter Festival”, one of the largest “Roadside Station Gourmet” festivals in Japan, was held.



- ✓ Local currency app “Tango Pay” launched in Kyoto/Tango area



OMinistry of Agriculture, Forestry and Fisheries

- ✓ The “2020 INACOME Business Contest” is scheduled to be held in January, a business contest aimed at solving social issues in rural areas by utilizing local resources
- ✓ Contract management of the “Food Tech Business Demonstration Support Project,” which provides demonstration support for the commercialization of technologies using Food Tech, etc., and horizontally deploys the verified results
- ✓ Commissioned management of the “Project to Promote Innovation from Rural Areas”, which is implemented by the Ministry of Agriculture, Forestry and Fisheries, and aims to solve social issues in rural areas

OYamanashi Prefecture

- ✓ Commissioned management of the “Yamanashi Creative Talent Attraction Project” which aims to promote migration and living in two locations, as well as create a population that will continue to be involved in the area



Reference

Sustainability Management

Awaji Island's dining and tourist facilities

『 Use of 100% renewable energy electricity 』 Will Realize this spring

100% renewable energy electricity
Already Converted

CRAFT CIRCUS



miele the GARDEN



miele the DINER



Ocean Terrace



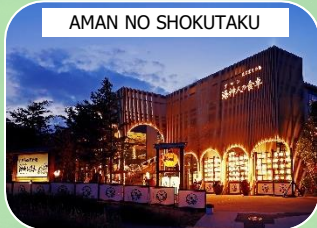
Nojima Scuola



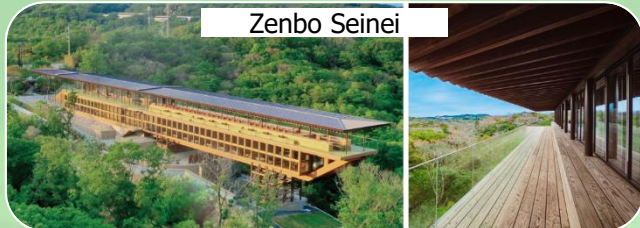
Auberge La Forêt
de la Cuisine Française



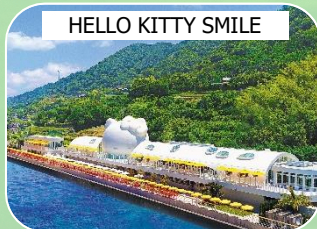
AMAN NO SHOKUTAKU



Zenbo Seinei



HELLO KITTY SMILE



HELLO KITTY SHOW BOX



HELLO KITTY APPLE HOUSE



By End of May 2024
Plans for Conversion

SEIKAIHA



miele



NIJIGEN NO MORI



GRAND CHARIOT



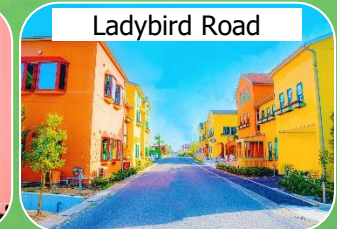
Haru・Sansan



Awaji Chef's Garden
by PASONA



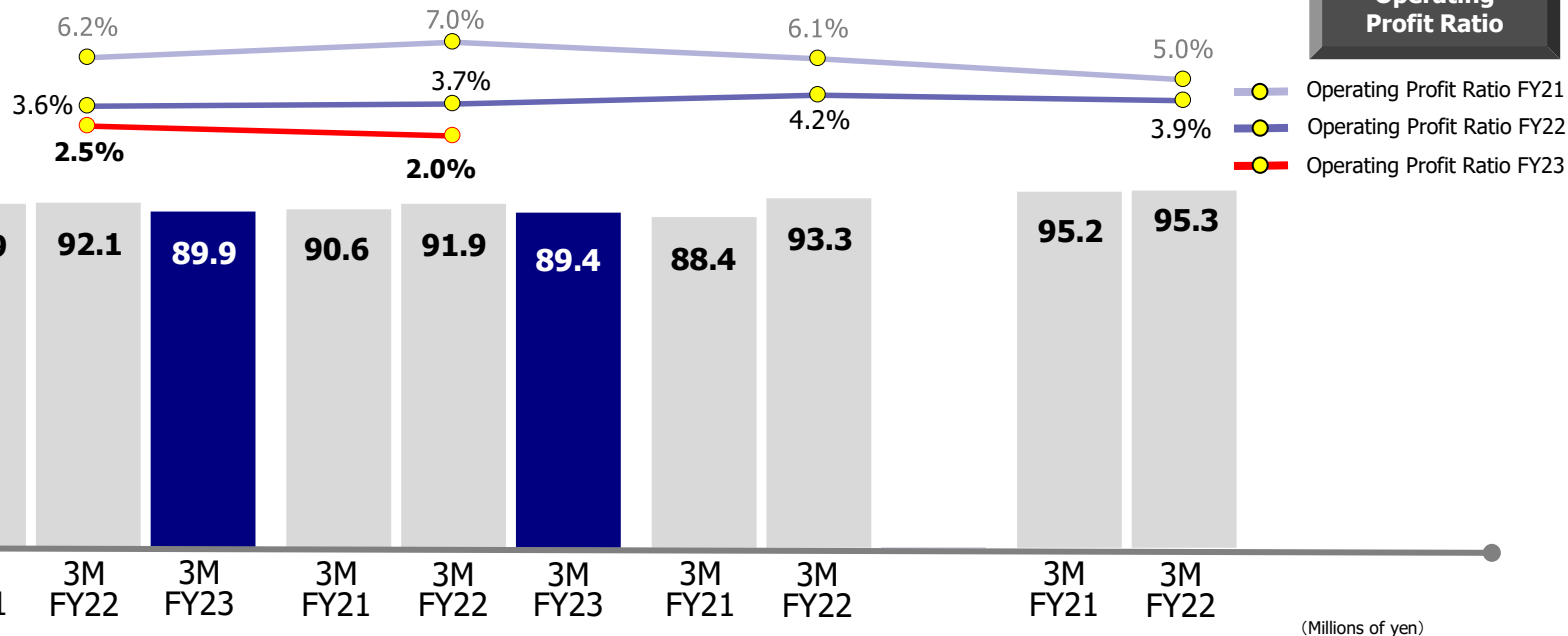
Ladybird Road



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	FY23	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%	89,434	(2.7)%	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)%	21,259	(5.9)%	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%	19,508	+1.7%	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)%	1,751	(48.5)%	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)%	(41)	-	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	23.8%	(0.8)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	21.8%	+0.9pt	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	2.0%	(1.7)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

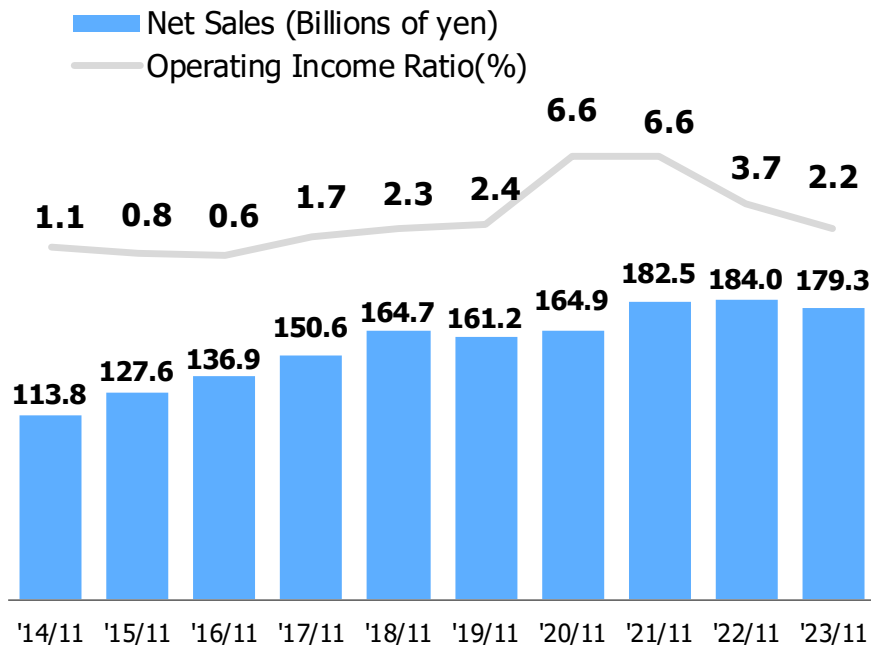
(Millions of yen)

Segment		Sales							Operating profit (loss)								
		Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	YoY	YoY	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	YoY	YoY
①	Expert Services (Temporary Staffing)	37,837	37,375	35,663	36,311	34,551	34,133	(8.7)%	(8.7)%	3,398	3,963	3,591	3,561	3,050	2,865	(10.2)%	(27.7)%
②	BPO Services (Contracting)	33,817	34,507	36,393	37,187	35,840	35,943	+6.0%	+4.2%								
③	HR Consulting , Education & Training , Others.	2,021	2,235	2,323	2,180	2,183	2,234	+8.0%	(0.0)%								
④	Global Sourcing (Overseas)	2,395	2,526	2,366	2,543	2,545	2,688	+6.3%	+6.4%								
Subtotal		76,071	76,645	76,746	78,223	75,122	75,000	(1.2)%	(2.1)%	3,506	4,205	3,697	3,723	3,100	2,949	(11.6)%	(29.8)%
⑤	Career Solutions (Placement/Recruiting, Outplacement)	3,434	3,475	3,395	3,618	3,341	3,468	(2.7)%	(0.2)%	919	1,074	976	1,119	1,025	1,100	+11.5%	+2.5%
⑥	Outsourcing	10,583	9,650	10,788	11,353	9,571	9,156	(9.6)%	(5.1)%	2,897	1,927	3,013	2,648	1,934	1,605	(33.2)%	(16.7)%
⑦	Life Solutions	1,963	2,035	2,115	2,086	1,923	1,873	(2.0)%	(8.0)%	55	117	140	50	(5)	28	-	(75.4)%
⑧	Regional Revitalization Solutions	1,529	1,894	1,823	1,684	1,526	1,572	(0.2)%	(17.0)%	(667)	(450)	(1,001)	(757)	(648)	(568)	-	-
⑨	Eliminations and Corporate	(1,515)	(1,795)	(1,561)	(1,666)	(1,604)	(1,636)	-	-	(3,381)	(3,471)	(2,895)	(3,071)	(3,177)	(3,365)	-	-
Total		92,066	91,906	93,307	95,299	89,881	89,434	(2.4)%	(2.7)%	3,330	3,402	3,931	3,712	2,228	1,751	(33.1)%	(48.5)%

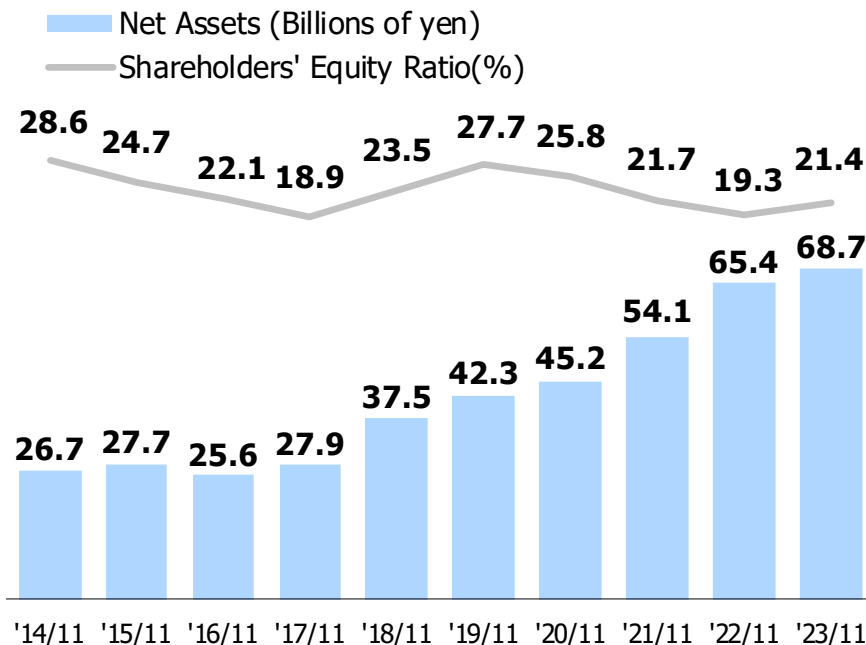
※ Please refer to the Investors Guide for the figures before the listed year.

H1 Key Indicators

Net Sales and Operating Income Ratio



Net Assets and Shareholders' Equity Ratio



First Half Results

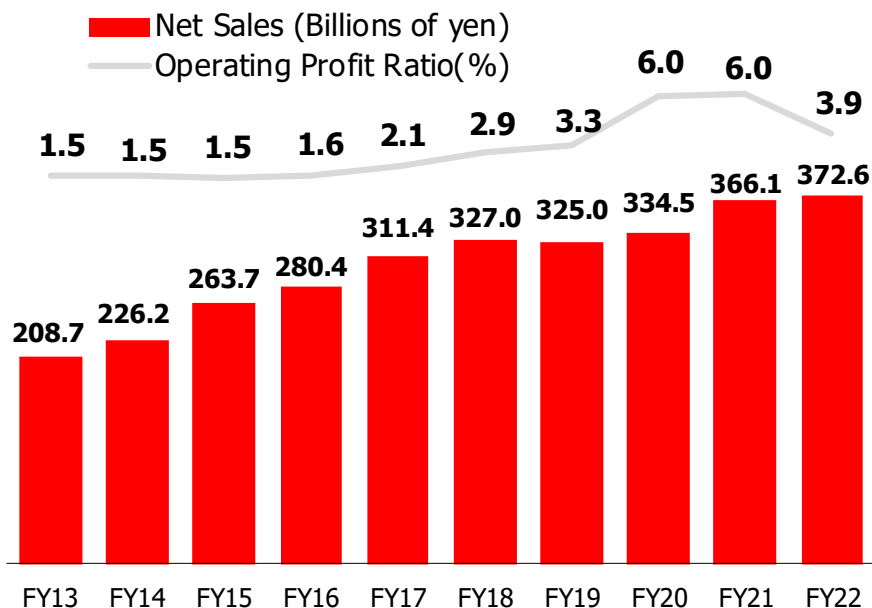
Key Indicators	'14/11	'15/11	'16/11	'17/11	'18/11	'19/11	'20/11	'21/11	'22/11	'23/11
Net Sales	113,805	127,602	136,867	150,619	164,692	161,229	164,906	182,486	183,973	179,316
Gross Profit Margin	19.7%	19.9%	19.7%	21.2%	22.0%	23.2%	25.5%	24.4%	24.4%	23.7%
SG&A Expenses	21,265	24,362	26,205	29,313	32,425	33,496	31,189	32,516	38,123	38,505
SG&A Expense Ratio	18.7%	19.1%	19.1%	19.5%	19.7%	20.8%	18.9%	17.8%	20.7%	21.5%
Operating Income	1,195	1,072	794	2,618	3,732	3,901	10,802	11,996	6,733	3,980
Operating Income Ratio	1.1%	0.8%	0.6%	1.7%	2.3%	2.4%	6.6%	6.6%	3.7%	2.2%
Ordinary Income	1,118	977	759	2,634	3,538	3,606	10,854	12,149	7,431	3,987
Ordinary Income Ratio	1.0%	0.8%	0.6%	1.7%	2.1%	2.2%	6.6%	6.7%	4.0%	2.2%
Net Income (Loss) *1	(155)	(334)	(816)	470	631	392	4,278	4,800	2,734	145
Net Income Ratio	-	-	-	0.3%	0.4%	0.2%	2.6%	2.6%	1.5%	0.1%
Total Assets *2	72,357	80,164	80,517	100,881	114,914	116,930	137,757	193,839	261,335	246,907
Net Assets	26,744	27,702	25,591	27,886	37,529	42,341	45,200	54,132	65,426	68,738
Shareholders' Equity Ratio *2	28.6%	24.7%	22.1%	18.9%	23.5%	27.7%	25.8%	21.7%	19.3%	21.4%

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

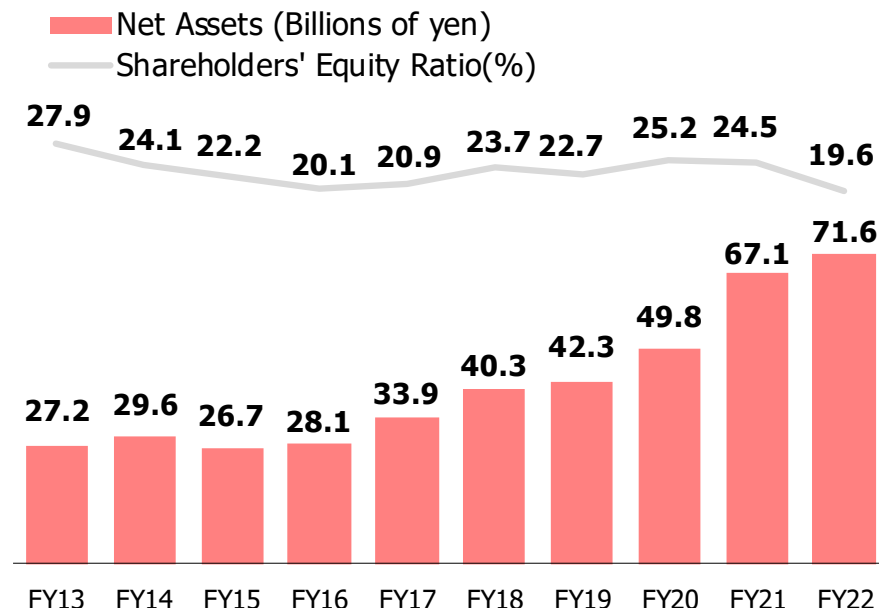
*2. As the Company adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" from the beginning of the first quarter of FY2018. As for the financial position, the figures for the previous consolidated fiscal year were processed by the method.

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.

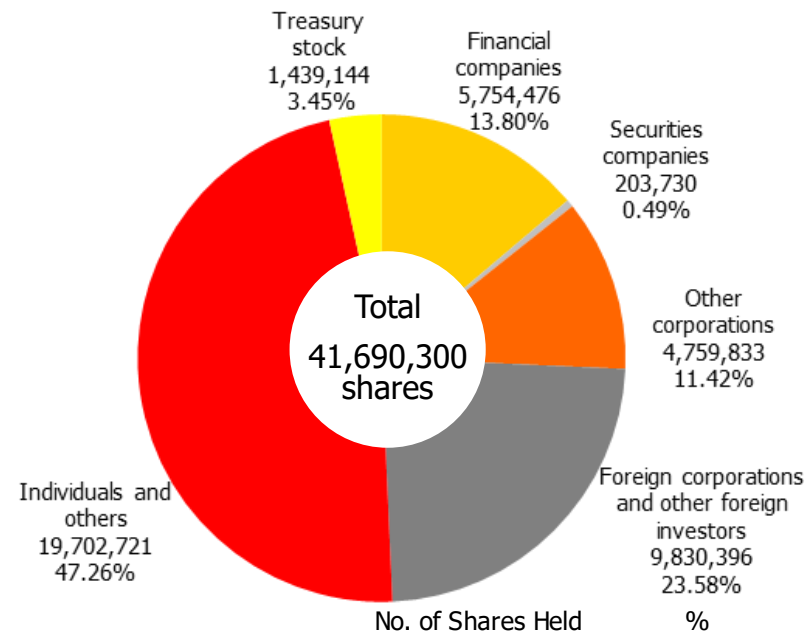
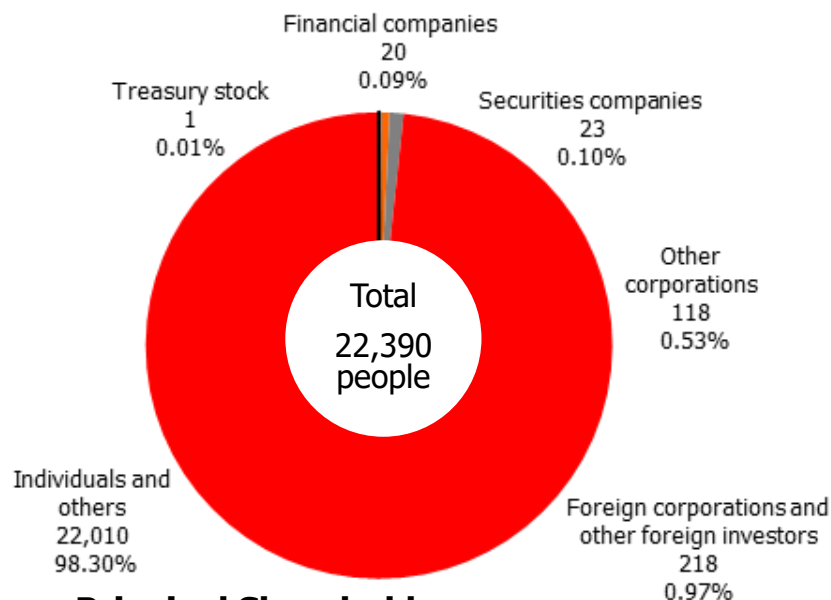
2. As the Company adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" from the beginning of the first quarter of FY2018. As for the financial position, the figures for the previous consolidated fiscal year were processed by the method.

Stock Information (Including treasury stock)

(As of Nov. 30, 2023)

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)	3,255,600	7.81%
THE BANK OF NEW YORK MELLON 140040	1,954,000	4.69%
Pasona Group Inc.	1,439,144	3.45%
Custody Bank of Japan, Ltd.(Trust Account E)	1,074,376	2.58%
Custody Bank of Japan, Ltd.(Trust Account)	824,800	1.98%
CEPLUX- THE INDEPENDENT UCITS PLATFORM 2	795,500	1.91%
CREDIT SUISSE AG HONG KONG TRUST A/C CLIENT	782,800	1.88%
JP MORGAN CHASE BANK 385632	617,288	1.48%

1. The Company's treasury stock (1,439,144 shares, 3.45% 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.

2. 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 November 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.	Pasona Heartful Inc.
Bewith, Inc.	Asahi Beer Communications Co, Ltd.
PASONA LOGICOM Inc.	Pasona art now Inc.
Pasona HS Inc.	Pasona Knowledge Partner Inc.
Nagasaki diamond staff	Pasona Intellectual Property Trust Inc.
Pasona Masters Inc.	Profelier, Inc
Pasona HR Solution Inc.	circlace Inc.*
Gotop Co., Ltd.	
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 Nov. 30, 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 Nov. 30, 2023)
URL	www.pasonagroup.co.jp/English/	