

Results for the Fiscal Year Ending May 31, 2022

FY2021
(June 1, 2021 - May 31, 2022)

Pasona Group Inc.
Prime Market TSE (2168)

July 21, 2022
www.pasonagroup.co.jp/English



FY2021 Results

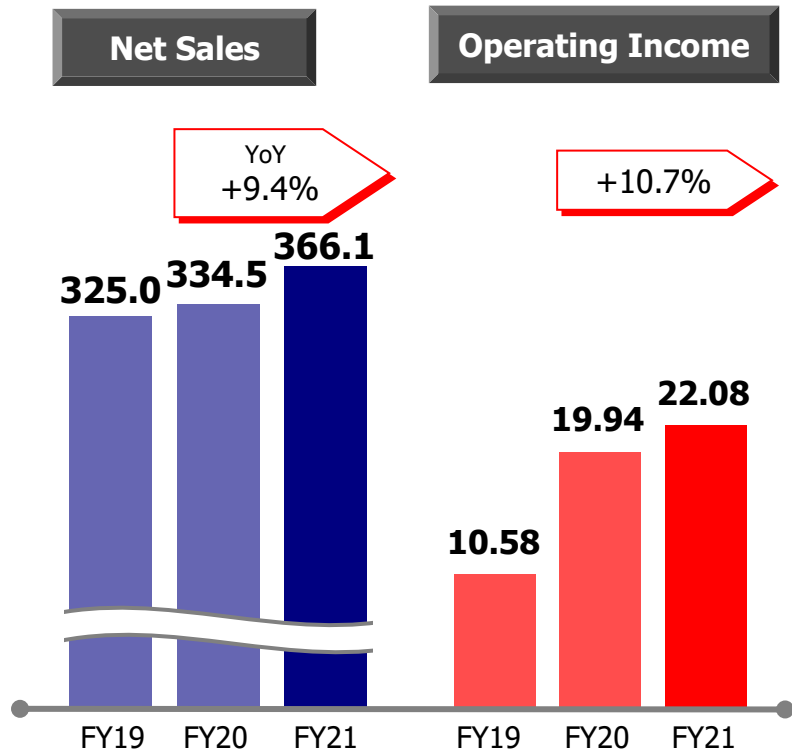
※ From the beginning of the first quarter in FY2021, “Accounting Standard for Revenue Recognition” is applied.
Percentage figures are calculated based on the results before reclassification in FY2020 Full Fiscal Year.

※ Units in billions of yen have been rounded to the nearest first decimal place. Units in millions of yen have been rounded down.

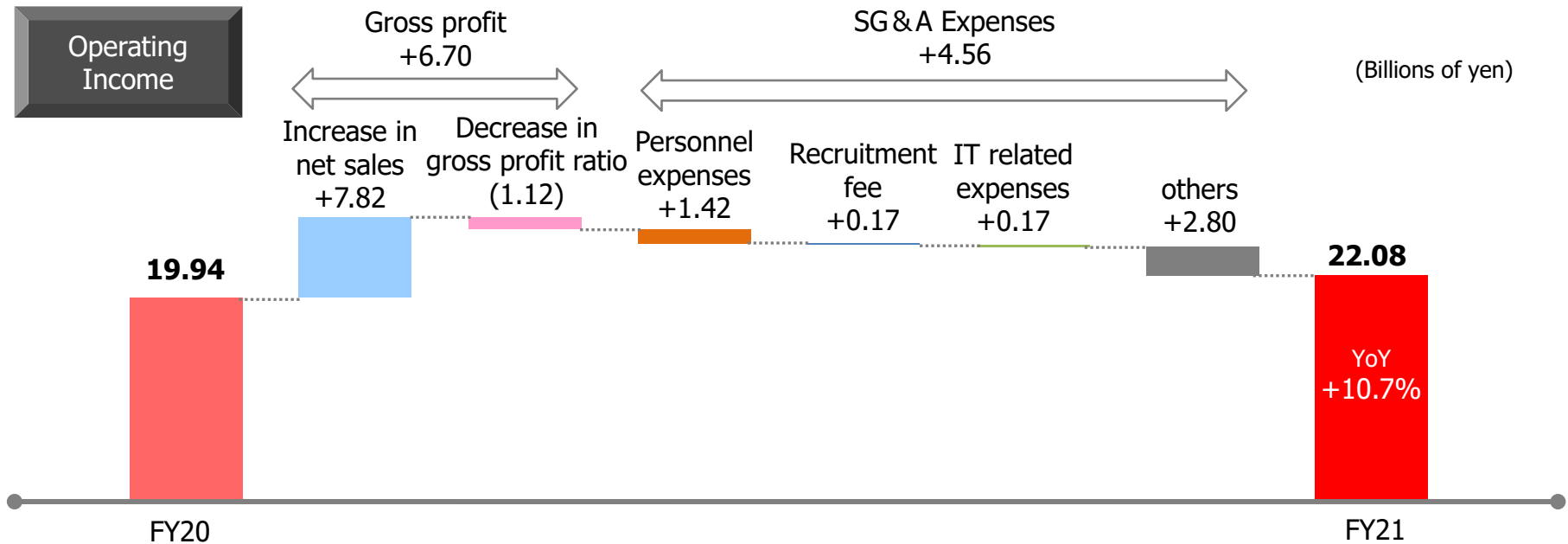
Consolidated Results

(Millions of yen)	FY19	(%)	FY20	(%)	FY21	(%)	Increase /Decrease
Net sales	324,984	100.0	334,540	100.0	366,096	100.0	+31,556 +9.4%
Cost of sales	248,295	76.4	251,570	75.2	276,424	75.5	+24,854 +9.9%
Gross profit	76,689	23.6	82,969	24.8	89,671	24.5	+6,702 +8.1%
SG&A expenses	66,111	20.3	63,028	18.8	67,588	18.5	+4,559 +7.2%
Operating income	10,577	3.3	19,940	6.0	22,083	6.0	+2,142 +10.7%
Ordinary income	10,236	3.1	20,379	6.1	22,496	6.1	+2,116 +10.4%
Profit attributable to owners of parent	594	0.2	6,784	2.0	8,621	2.4	+1,837 +27.1%
Gross profit ratio	23.6%		24.8%		24.5%		(0.3)pt
Operating income ratio	3.3%		6.0%		6.0%		0.0pt
ROE	2.0%		19.4%		19.6%		+0.2pt

(Billions of yen)



Operating Income



	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Gross Profit ratio	19.3%	19.3%	20.3%	20.0%	20.2%	21.5%	22.8%	23.6%	24.8%	24.5%
SG&A ratio	17.8%	17.7%	18.7%	18.6%	18.6%	19.4%	20.0%	20.3%	18.8%	18.5%
Operating Income ratio	1.5%	1.5%	1.5%	1.5%	1.6%	2.1%	2.9%	3.3%	6.0%	6.0%

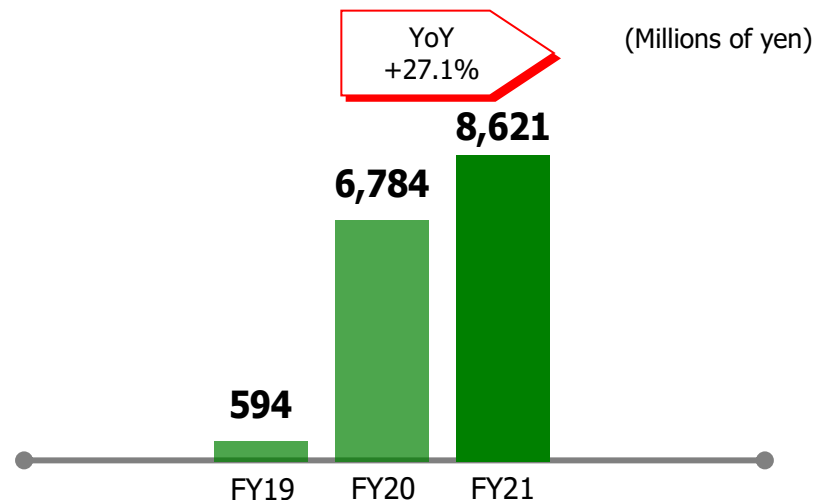
Major Item of Increase/Decrease

- **Gross profit** : increased as a result of sales growth in businesses such as BPO services.
- **SG&A expenses** : rose due to an increase in personnel expenses in line with business expansion, while efforts to curb costs by improving operational efficiency.

Non-operating/Extraordinary income (loss), Others

(Millions of yen)	FY19	FY20	FY21	Increase/ Decrease	YoY
Operating income	10,577	19,940	22,083	+2,142	+10.7%
Non-operating income	1,187	1,704	1,991	+286	+16.8%
Non-operating expenses	1,529	1,265	1,578	+312	+24.7%
Ordinary income	10,236	20,379	22,496	+2,116	+10.4%
Extraordinary income	52	5	28	+23	+455.6%
Extraordinary loss	2,705	3,678	234	(3,443)	(93.6)%
Income before income taxes	7,583	16,706	22,290	+5,584	+33.4%
Income taxes - current	3,647	7,939	8,826	+887	+11.2%
Income taxes - deferred	612	(915)	69	+984	-
Income taxes	4,260	7,024	8,895	+1,871	+26.6%
Profit attributable to non-controlling interests	2,728	2,898	4,773	+1,875	+64.7%
Profit attributable to owners of parent	594	6,784	8,621	+1,837	+27.1%
ROE	2.0%	19.4%	19.6%	+0.2pt	-

Profit attributable to owners of parent



Major Item of Increase/Decrease

- Non-operating income**
 - Share of profit of entities accounted for using equity method ¥ 0.14 billion
- Non-operating expenses**
 - Syndicated loan arrangement fee ¥ 0.4 billion
 - (FY20) Share of loss of entities accounted for using equity method ¥ 0.11 billion
- Extraordinary loss**
 - (FY20) Impairment loss ¥ 3.2 billion
- Profit attributable to non-controlling interests**
 - Recovery of subsidiaries performance
 - Sold some of the listed stocks of Bewith (FY21 Q4)

Consolidated Results by Segment

(Millions of yen)

Segment		Net sales					Operating income (loss)					Operating income ratio			
		FY19	FY20	FY21	Increase/ Decrease	YoY	FY19	FY20	FY21	Increase/ Decrease	YoY	FY19	FY20	FY21	Increase/ Decrease
①	Expert Services (Temporary Staffing)	151,448	149,133	152,067	+2,933	+2.0%									
②	BPO Services (Contracting)	99,756	114,055	139,272	+25,217	+22.1%	9,346	17,427	18,345	+918	+5.3%	3.6%	6.4%	6.1%	(0.3)pt
③	HR Consulting, Education & Training, Others.	9,984	7,613	8,418	+804	+10.6%									
④	Global Sourcing (Overseas)	7,796	7,061	8,335	+1,273	+18.0%	197	116	447	+331	+285.6%	2.5%	1.6%	5.4%	+3.8pt
Subtotal		268,986	277,864	308,093	+30,229	+10.9%	9,543	17,543	18,793	+1,250	+7.1%	3.5%	6.3%	6.1%	(0.2)pt
⑤	Career Solutions (Placement/ Recruiting, Outplacement)	13,401	13,863	14,700	+837	+6.0%	3,147	3,919	4,470	+551	+14.1%	23.5%	28.3%	30.4%	+2.1pt
⑥	Outsourcing	37,271	37,844	38,359	+515	+1.4%	8,375	9,794	12,765	+2,971	+30.3%	22.5%	25.9%	33.3%	+7.4pt
⑦	Life Solutions	6,250	6,570	7,158	+588	+9.0%	224	203	232	+28	+14.2%	3.6%	3.1%	3.2%	+0.1pt
⑧	Regional Revitalization Solutions	2,990	3,244	4,426	+1,181	+36.4%	(1,876)	(2,327)	(2,612)	(285)	-	-	-	-	-
⑨	Eliminations and Corporate	(3,916)	(4,846)	(6,642)	(1,795)	-	(8,837)	(9,191)	(11,566)	(2,375)	-	-	-	-	-
Total		324,984	334,540	366,096	+31,556	+9.4%	10,577	19,940	22,083	+2,142	+10.7%	3.3%	6.0%	6.0%	0.0pt

Balance Sheet

(Billions of yen)

Major Item of Increase/Decrease	May 31,2020	May 31,2021	May 31,2022	Increase/ Decrease
Assets	140.4	151.6	203.7	+52.1
Current assets	101.0	108.9	131.1	+22.3
Cash and deposits	49.1	54.5	67.0	+12.4
Notes and accounts receivable-trade, and contract assets*	42.7	44.3	51.0	+6.7
Non-current assets	39.3	42.6	72.5	+29.9
Property, plant and equipment	16.6	18.6	27.3	+8.8
Intangible assets	7.2	6.4	23.2	+16.8
Investments and other assets	15.5	17.7	21.9	+4.3
Liabilities	98.1	101.9	136.6	+34.7
Current liabilities	64.5	70.8	83.6	+12.8
Short-term loans payable	8.6	9.4	9.6	+0.2
Deposits received	4.5	5.5	13.1	+7.5
Non-current liabilities	33.6	31.1	53.0	+22.0
Bonds payable	2.5	2.2	3.8	+1.6
Long-term loans payable	23.2	21.0	38.8	+17.8
Net assets	42.3	49.8	67.1	+17.4
Shareholders' equity	31.4	37.4	48.6	+11.2
Capital surplus	14.0	14.0	17.8	+3.8
Retained earnings	14.8	20.8	28.2	+7.4
Treasury shares	(2.4)	(2.4)	(2.4)	+0.0
Total accumulated other comprehensive income	0.5	0.7	1.3	+0.6
Share acquisition rights	—	0.0	0.0	±0.0
Non-controlling interests	10.5	11.6	17.2	+5.5
Equity ratio	22.7%	25.2%	24.5%	(0.7)pt
Equity ratio (Excluding deposits received for contracted projects)	—	25.5%	25.8%	+0.3pt

Major Item of Increase/Decrease

[Cash and deposits]

Temporary deposits related to contracted projects increased

[Property, plant and equipment]

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

[Intangible assets]

Goodwill and customer relationship assets increased due to Benefit One's acquisition of JTB Benefit ¥ +13.3 billion
Software increased mainly due to Benefit One system investment ¥ +3.5 billion

[Deposits received]

Temporary deposits related to contracted projects increased

[Long-term loans payable]

Increase due to syndicated loans at Pasona Group and Benefit One, etc. ¥ +17.8 billion

[Capital surplus] · [Non-controlling interests]

Increased due to sell some of the listed stocks of Bewith

[Retained earnings]

Profit attributable to owners of parent ¥ +8.6 billion
Cash dividends paid ¥ (1.2) billion

[Equity ratio]

25.8% when deposits received related to contracted projects are deducted

* Account name changed due to application of "Accounting Standard for Revenue Recognition", etc. from the current fiscal year

Cash Flows

Major Item of Increase/Decrease

	(Billions of yen)			
Major Item of Increase/Decrease	FY19	FY20	FY21	Increase/Decrease
Cash flows from operating activities	11.4	18.9	10.1	(8.8)
Income before income taxes	7.6	16.7	22.3	+5.6
Depreciation and amortization	4.0	3.8	4.4	+0.6
Impairment loss	2.2	3.2	0.1	(3.1)
Amortization of goodwill	0.8	0.7	0.7	+0.0
Decrease (increase) in accounts receivables, and contract assets-trade*	(3.5)	(1.4)	(6.1)	(4.7)
Increase (decrease) in operating debt	1.2	(0.8)	2.8	+3.7
Increase (decrease) in accrued consumption taxes	2.8	0.5	(0.9)	(1.4)
Cash flows from investment activities	(7.0)	(9.7)	(29.6)	(20.0)
Purchase of property, plant and equipment	(4.8)	(7.0)	(11.6)	(4.6)
Purchase of intangible assets	(1.9)	(1.7)	(4.7)	(3.0)
Payment of purchase of shares of subsidiaries	0.0	(0.2)	(10.5)	(10.3)
Cash flows from financing activities	12.1	(5.1)	23.5	+28.7
Proceeds from long-term loans payable	19.0	7.5	29.1	+21.6
Repayment of long-term loans payable	(6.4)	(8.9)	(11.1)	(2.2)
Proceeds from issuance of bonds	2.3	0.0	2.5	+2.5
Cash dividends paid	(2.8)	(2.8)	(3.6)	(0.8)
Purchase of treasury shares of subsidiaries	(5.2)	(0.0)	(0.0)	(0.0)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	8.7	0.0	6.5	+6.5
Net increase (decrease) in cash and cash equivalents	16.5	4.2	4.3	+0.1
Cash and cash equivalents at beginning of the period	31.8	48.1	52.3	+4.2
Cash and cash equivalents at the end of the period	48.1	52.3	56.6	+4.3
Free cash flows	4.5	9.2	(19.5)	(28.7)

[Profit before amortization]

¥ 27.6 billion (YoY ¥ +3.2 billion)

[Decrease (increase) in accounts receivables, and contract assets-trade]

[Increase (decrease) in operating debt]

Increased due to expansion of contracted projects

[Purchase of property, plant and equipment]

Expenses for new facilities, mainly for regional revitalization projects

[Purchase of intangible assets]

Mainly investment in system equipment by Benefit One

[Purchase of shares of subsidiaries resulting in charge in scope of consolidation]

Benefit One Acquired JTB Benefit ¥ (10.5) billion

[Proceeds from long-term loans payable]

Increased due to syndicated loans at Pasona Group and Benefit One, etc. ¥ +21.6 billion

[Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation]

Increased due to sell some of the listed stocks of Bewith

¥ +6.5 billion

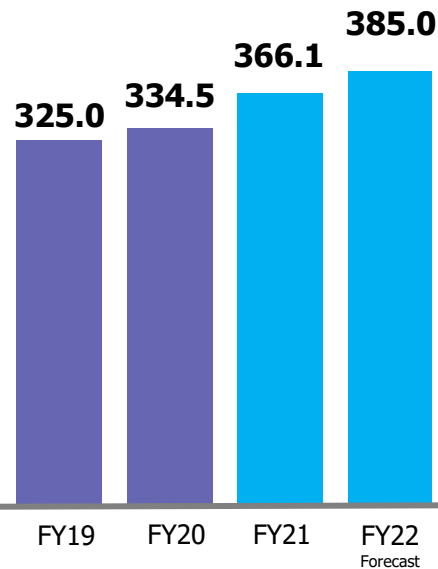
* Account name changed due to application of "Accounting Standard for Revenue Recognition", etc. from the current fiscal year

FY2022 Forecasts

FY2022 Consolidated Forecasts

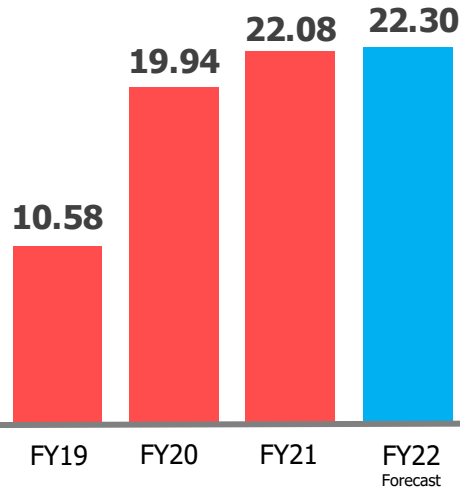
Net Sales

YoY +5.2%



Operating Income

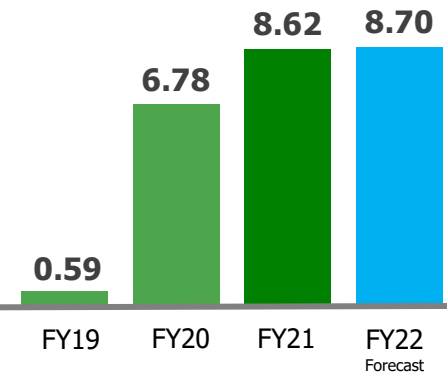
+1.0%



Profit attributable to owners of parent

(Billions of yen)

+0.9%

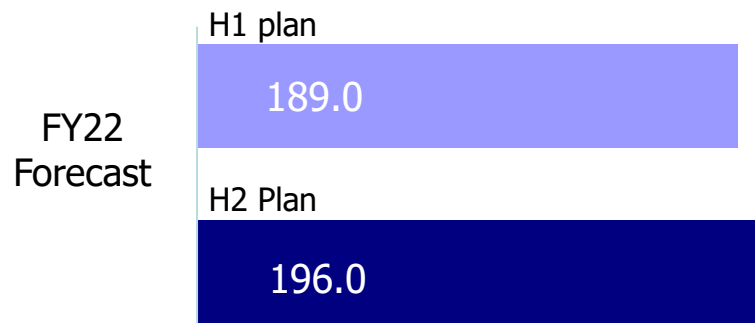


(Millions of yen)	FY19	to net sales %	FY20	to net sales %	FY21	to net sales %	FY22 Forecast	to net sales %
Net sales	324,984	100.0	334,540	100.0	366,096	100.0	385,000	100.0
Operating income	10,577	3.3	19,940	6.0	22,083	6.0	22,300	5.8
Ordinary income	10,236	3.1	20,379	6.1	22,496	6.1	22,500	5.8
Profit attributable to owners of parent	594	0.2	6,784	2.0	8,621	2.4	8,700	2.3

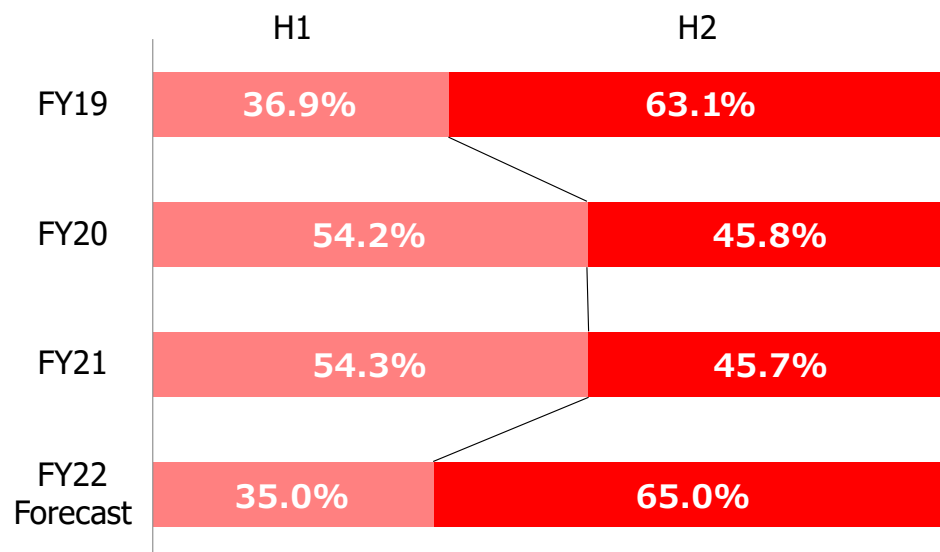
FY2022 Difference Between the First and Second Half

Net Sales

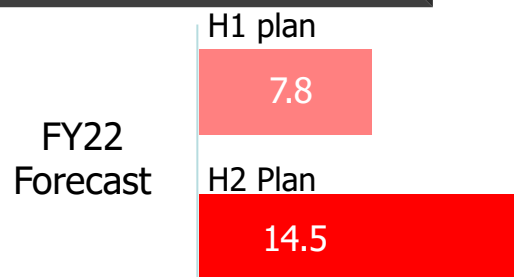
(Billions of yen)



Operating Income Balance Between H1 and H2



Operating Income



(Millions of yen)	FY21				FY22			
	H1	H1	to net sales	vsFY21 %	H2	H2	to net sales	vsFY21 %
Net Sales	182,486	189,000	100.0	+3.6%	183,610	196,000	100.0	+6.8%
Operating income	11,996	7,800	4.1	(35.0)%	10,087	14,500	7.4	+43.7%
Ordinary income	12,149	8,000	4.2	(34.2)%	10,347	14,500	7.4	+40.1%
Profit attributable to owners of parent	4,800	3,000	1.6	(37.5)%	3,821	5,700	2.9	+49.2%

FY2022 Consolidated Forecasts by Segment

(Millions of yen)

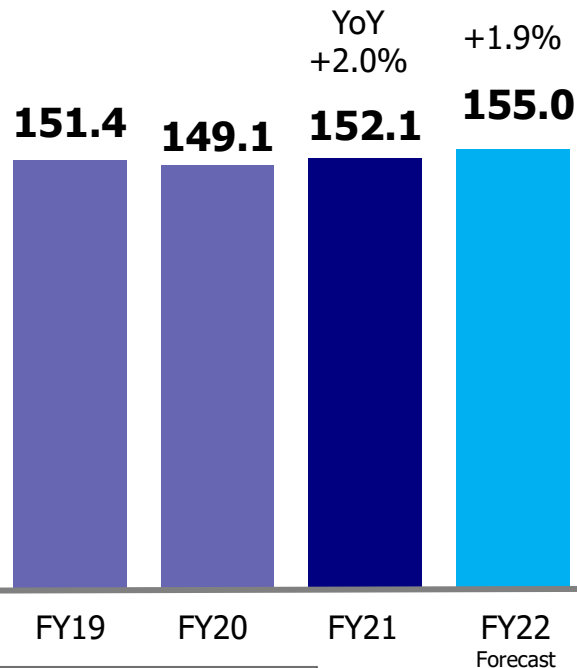
Segment	Sales				Operating income (loss)				Operating income margin		
	FY21	FY22 Forecast	VS FY21 Increase/Decrease	VS FY21 %	FY21	FY22 Forecast	VS FY21 Increase/Decrease	VS FY21 %	FY21	FY22 Forecast	VS FY21 Increase/Decrease
Expert Services (Temporary Staffing)	152,067	155,000	+2,932	+1.9%	18,345	17,400	(945)	(5.2)%	6.1%	5.7%	(0.4)pt
BPO Services (Contracting)	139,272	140,000	+727	+0.5%							
HR Consulting, Education, Training, etc.	8,418	9,300	+881	+10.5%							
Global Sourcing (Overseas)	8,335	10,100	+1,764	+21.2%	447	650	+202	+45.2%	5.4%	6.4%	+1.0pt
Subtotal	308,093	314,400	+6,306	+2.0%	18,793	18,050	(743)	(4.0)%	6.1%	5.7%	(0.4)pt
Career Solutions (Placement/Recruiting, Outplacement)	14,700	15,700	+999	+6.8%	4,470	5,150	+679	+15.2%	30.4%	32.8%	+2.4pt
Outsourcing	38,359	46,100	+7,740	+20.2%	12,765	10,800	(1,965)	(15.4)%	33.3%	23.4%	(9.9)pt
Life Solutions	7,158	7,600	+441	+6.2%	232	300	+67	+29.2%	3.2%	3.9%	+0.7pt
Regional Revitalization Solutions	4,426	8,000	+3,573	+80.7%	(2,612)	(1,000)	+1,612	-	-	-	-
Elimination/Corporate	(6,642)	(6,800)	(157)	-	(11,566)	(11,000)	+566	-	-	-	-
Consolidated	366,096	385,000	+18,903	+5.2%	22,083	22,300	+216	+1.0%	6.0%	5.8%	(0.2)pt

Segment information

Expert Services (Temporary staffing)

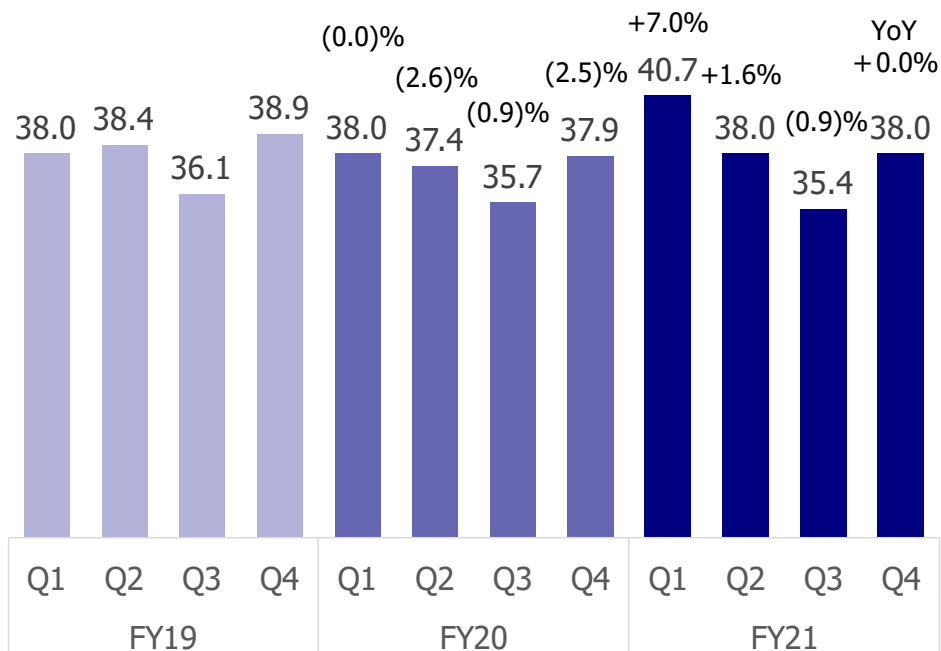
Net Sales

(Billions of yen)



Sales Trends

(Billions of yen)



Business Conditions

● FY21

- Although some industries and occupations affected by COVID-19 continue to decline, a wide range of industries gradually recovered from the end of the previous fiscal year.
- By applying the "Accounting Standard for Revenue Recognition" from the beginning of the current fiscal year, the amount equivalent to commuting and transportation expenses paid to temporary staff received from customers is recorded as sales.

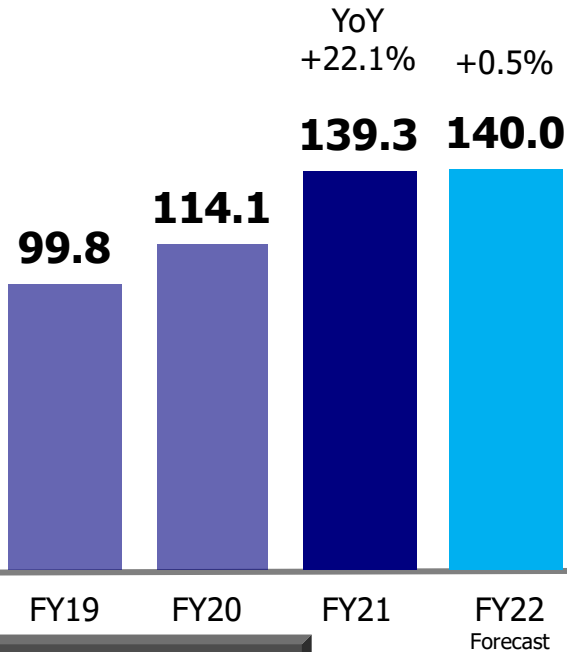
● FY22 Forecast

- Expected to remain strong.

BPO Services (Contracting)

Net Sales

(Billions of yen)

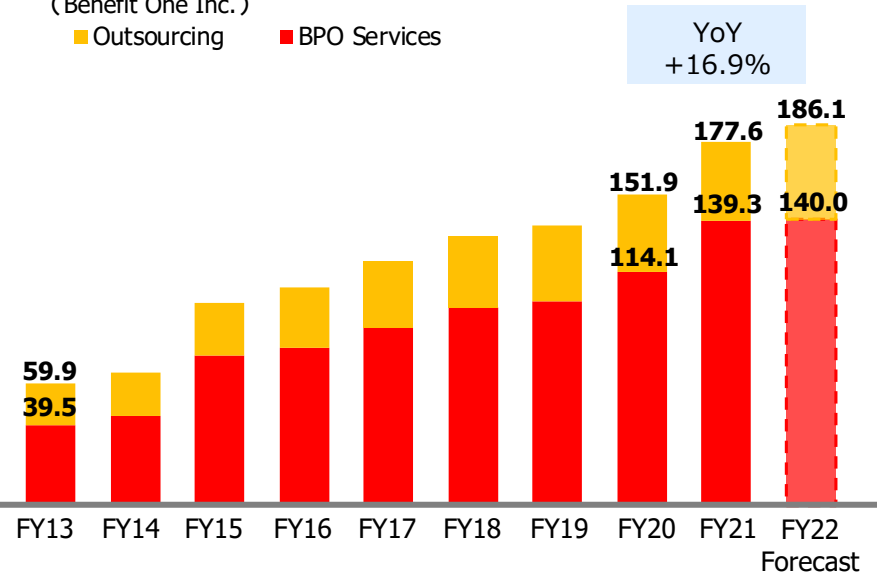


BPO Services , Outsourcing Sales Trends

(Billions of yen)

(Benefit One Inc.)

■ Outsourcing ■ BPO Services



Business Conditions

- **FY21**
 - Demand from the public sector is increasing due to promotion of diverse workstyles, support for securing and finding human resources. etc.
 - In the private sector, demand continued to increase in line with organizational restructuring and DX promotion.
 - Entrusted with work related to the hosting of the Tokyo 2020 Olympic and Paralympic Games.
 - The operation of the health management office and health promotion services expanded as in the previous fiscal year.
- **FY22 Forecast**
 - Although the time-limited work will be completed, sales are expected to remain firm.

Global Sourcing (Overseas)

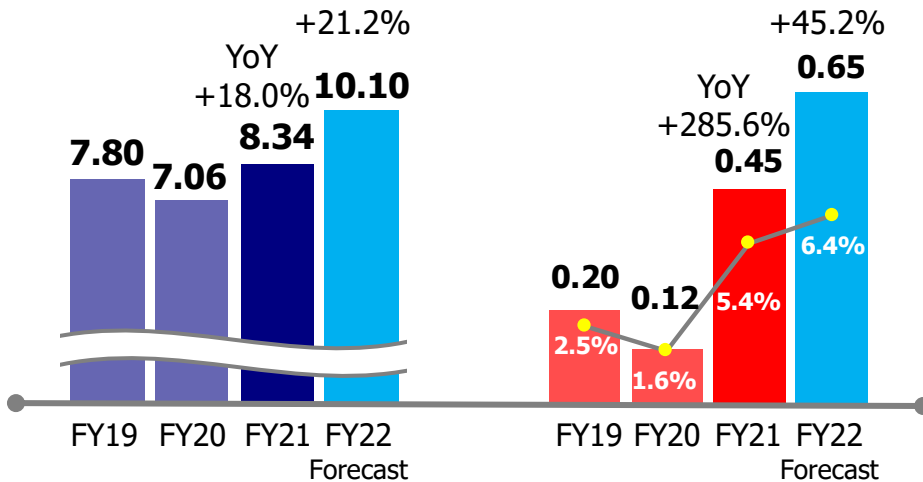
Net Sales

Operating Income , Operating Income Ratio

(Billions of yen)

Sales by Business Segment

(Millions of yen)



	FY19	FY20	FY21	YoY
Temporary Staffing	3,671	3,691	4,221	+14.3%
Placement / Recruiting	1,755	1,256	1,809	+44.1%
Contracting (Payroll, others)	1,746	1,340	1,470	+9.7%
Others	622	774	834	+7.8%
Total	7,796	7,061	8,335	+18.0%

Business Conditions

● FY21

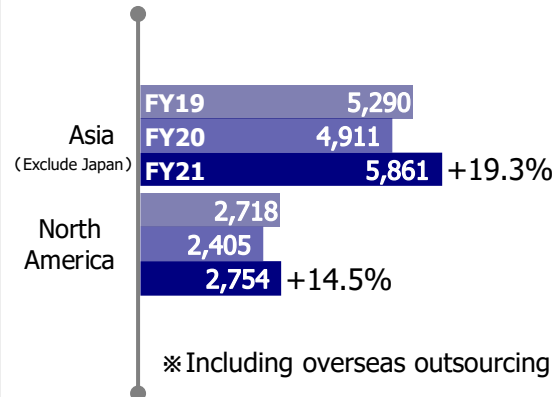
- In North America region, economic activity has been increasing.
- In the Asian region, the COVID-19 regulations will be gradually relaxed depending on the country.
- As business activities are returning to normalcy, expenses will increase accordingly.

● FY22 Forecast

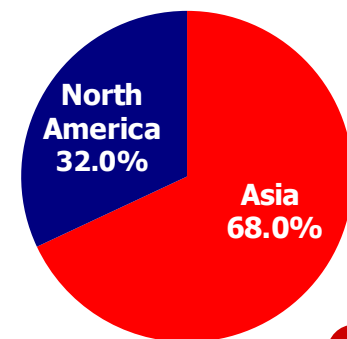
- Aim to expand beyond the pre-COVID-19 level.

Sales by Region

(Millions of yen)



Sales composition

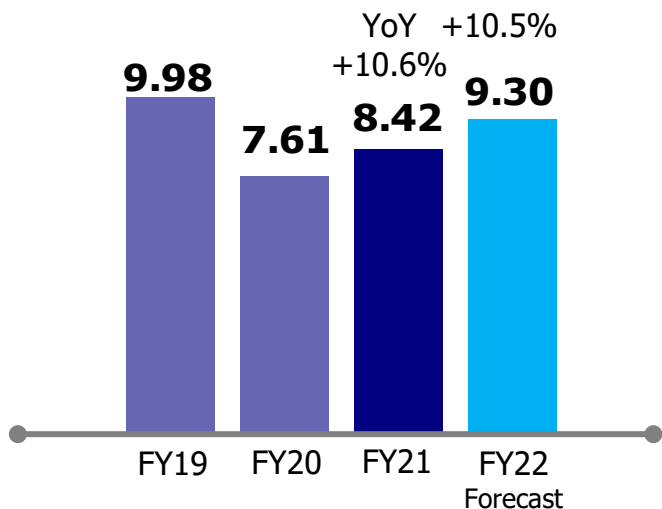


HR Consulting , etc. / Operating Income by Segments

Net Sales

(HR Consulting , Education & Training , Others.)

(Billions of yen)



Business Conditions

● FY21

- Demand for professional and advisory personnel such as sales support and Outside Directors increased.
- Increased management training such as promoting women's activities by strengthening human capital management.

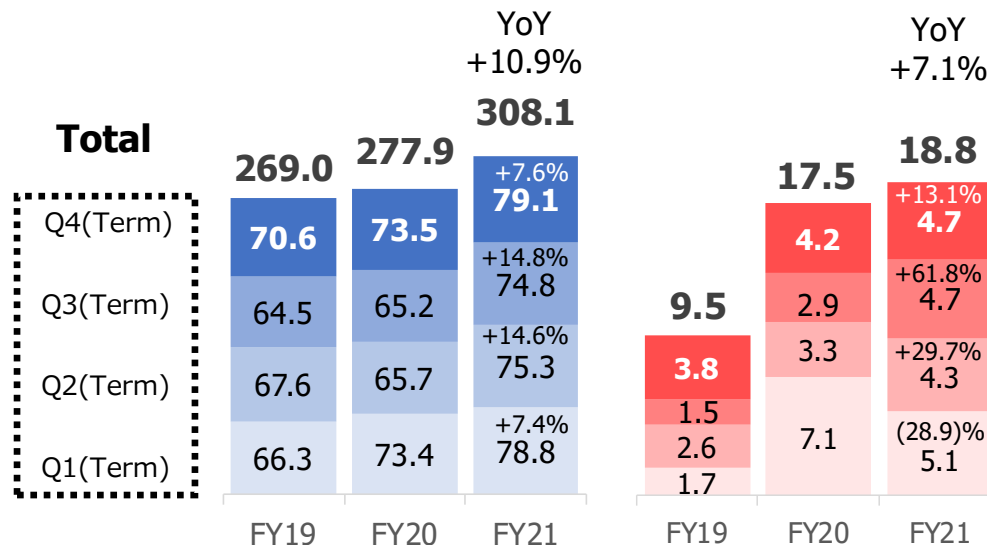
● FY22 Forecast

- Strengthen matching services for multiple jobs, freelancers and professional human resources.

Net Sales(ES~GS)

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

(Billions of yen)



Business Conditions

● FY21

- Sales increased in all segments despite being affected by the covid-19.
- Business expansion in BPO services contributed to profits.

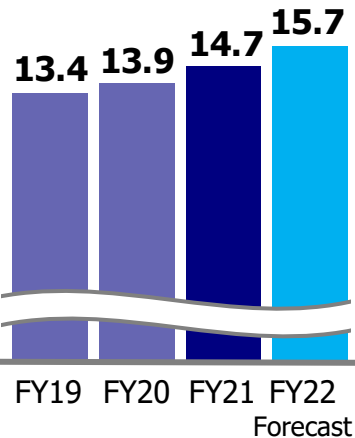
● FY22 Forecast

- Demand for human resources from companies and BPO services are expected to grow steadily, although temporary demand for the covid-19 measures expanded from the year before last will be shrinking.

Career Solutions (Placement/Recruiting , Outplacement)

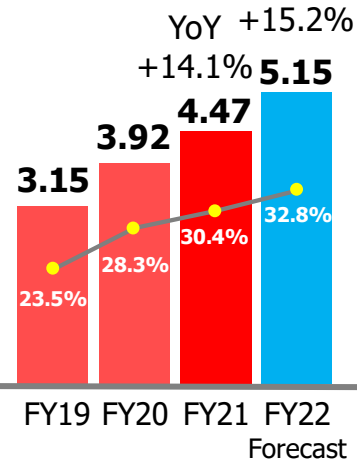
Net Sales

YoY +6.8%
+6.0%



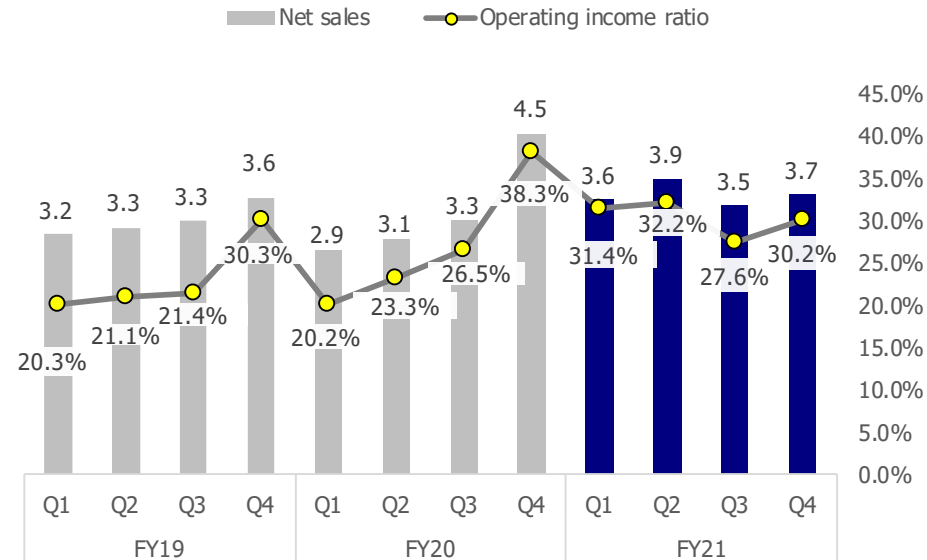
Operating Income , Operating Income Ratio

(Billions of yen)



Net Sales, Operating Income Ratio Trends

(Billions of yen)



Business Conditions

● FY21

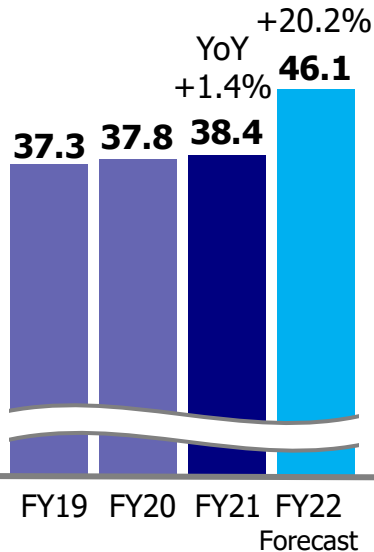
- In the Placement/Recruiting, the willingness of companies to hire has recovered to the level before the spread of the COVID-19.
- In the Outplacement, demand increased significantly in the previous year is settling down.
- Interest in "safe placement total services" that support employee career development continues to grow strongly.

● FY22 Forecast

- The Placement/Recruiting is performing steadily, whereas the Outplacements' large-scale demand is expected to decrease.

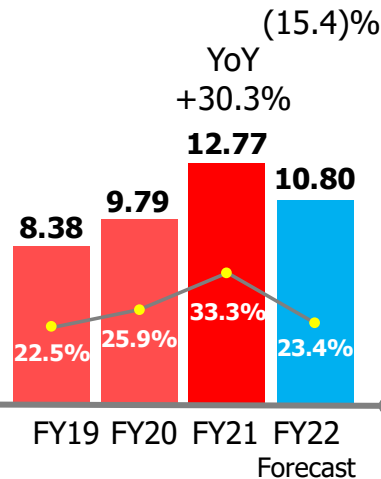
Outsourcing (Benefit One Inc.)

Net Sales



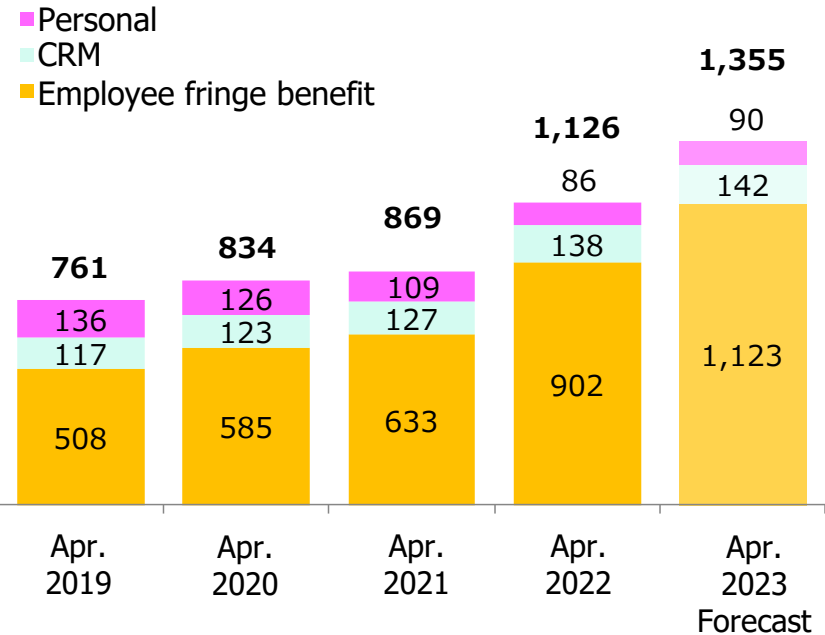
Operating Income , Operating Income Ratio

(Billions of yen)



Benefit One Membership Trends

(10Thousands people)



Business Conditions

FY21

- The number of members of the welfare and benefit services business has remained in a flat range. Service usage and subsidy spending increased.
- In the healthcare business, the corona vaccination support business is expanding.
- "Accounting Standard for Revenue Recognition" is applied from the beginning of the current fiscal year. Impact of -7.7 billion yen on cumulative sales for the current fiscal year.
- JTB Benefit Service, Inc. (merged on April 1, 2022), which acquired shares during the period and made it a subsidiary, will contribute to business results from the fourth quarter of the current fiscal year.

FY22 Forecast

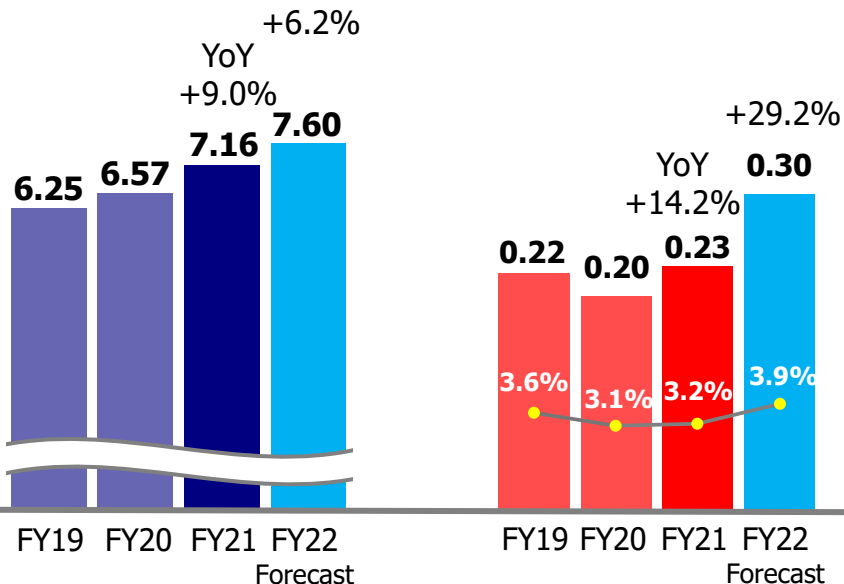
- The use of services by members sluggish due to the COVID-19 will expect to recover, and increase subsidy spending accordingly.
- Expenses are temporarily ahead due to aggressive investment in IT and other promotions aiming at accelerating medium- to long-term growth.

Life Solutions (Childcare, Nursing care)

Net Sales

Operating Income, Operating Income Ratio

(Billions of yen)



Facilities of Pasona Foster · Pasona Life Care

※ As of May.31, 2022

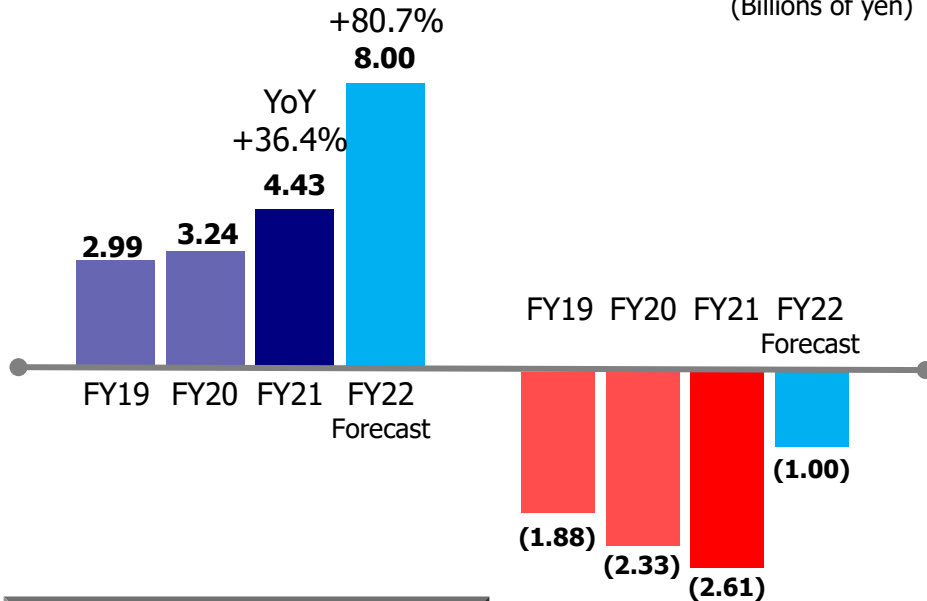
		May 2020	May 2021	May 2022	YoY
Pasona Foster	Daycare facilities	49	49	49	+2 (2)
	After-school children's clubs	39	40	43	+3
Pasona Life Care	Nursing care facilities	22	22	22	0

Business Conditions

- **FY21**
 - In the nursing care field, the number of new facility users decreased due to the impact of the spread of COVID-19.
 - In the life support business such as housekeeping services, demand for "sterilization and disinfection services" continued to grow from the previous fiscal year.
 - In the childcare business, childcare and family support services for local governments, such as the operation of children's clubs, were growing.
- **FY22 Forecast**
 - A new childcare facility (1 location) is planning, and the business environment is expected to remain firm.

Regional Revitalization Solutions

Net Sales



Operating Income

(Billions of yen)

Initiatives for regional revitalization



- Seaside market & restaurant "CRAFT CIRCUS" reopened. (April 2022)
- Long-term aged sake, handled by Takumi Sosei Co., Ltd., won a prize at the following competitions.
 - ✓ "16th Feminaries World Wine Competition 2022" (France): Gold Award and Silver one (April 2022)
 - ✓ "IWC 2022" (UK): Gold medal, tournament recommended liquor (May 2022)
 - ✓ "Kura Master 2022" (France): Gold Award x 2 (June 2022)
- "HELLO KITTY SHOW BOX" and "HELLO KITTY APPLE HOUSE" were approved as "the world's largest character-shaped roof" and "the world's largest apple-shaped building" in the Guinness World Records. (July 2022)
- Concluded a "Comprehensive Collaboration Agreement" with local governments nationwide and started the "Regional Co-creation Project" to provide practical solutions for regional revitalization such as matching of multi-employed human resources and city promotion. (July 2022)

Business Conditions

● FY21

- Despite repeated outbreaks of the COVID-19, the flow of people to tourist destinations gradually began to return.
- The number of visitors on Awaji Island has been steadily increasing, due to open at new facilities and the effects of aggressive promotional activities in the Kansai region.

● FY22 Forecast

- Further growth is expected due to ease restrictions on human resources flow.
- Expand the related population with new themes such as regional revitalization and health.



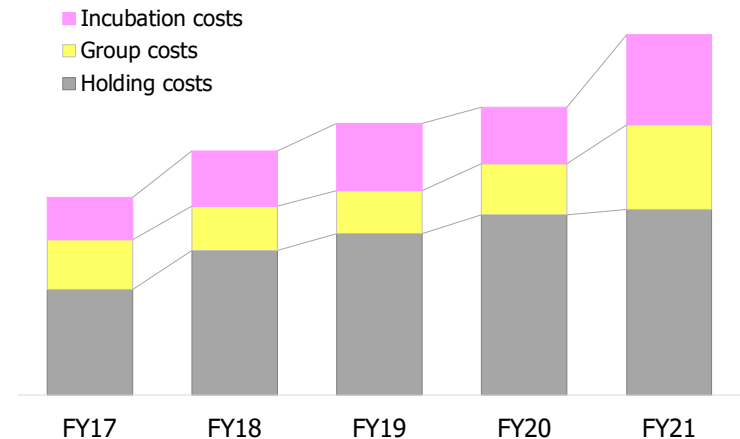
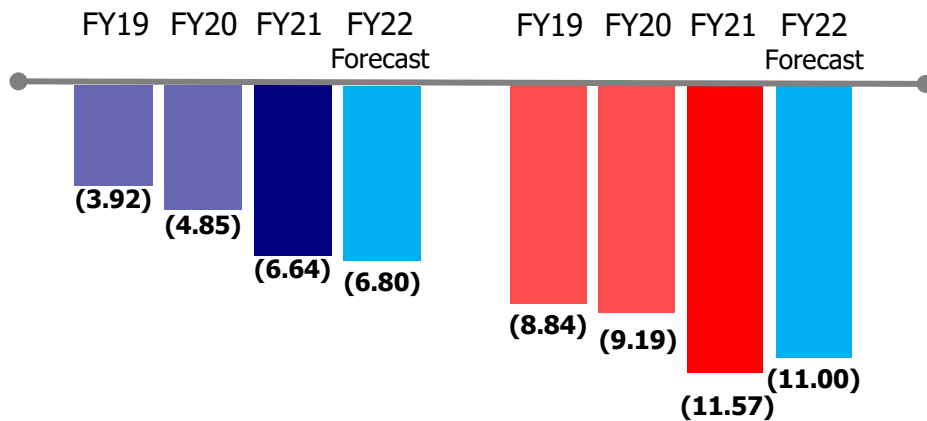
Elimination/Corporate Segment Costs

Net Sales

Operating Income

Costs Trends

(Billions of yen)



Main Factors for Cost Increase/Decrease (FY21 result)

- **FY21**
 - Operates "Awaji Chef Garden" in Awajishima, which recruited chefs influenced by the COVID-19.
 - Increased IT-related expenses to promote DX of group businesses. Increased relocation-related expenses: partial relocation of the head office function to Awajishima.
- **FY22 Forecast**
 - Increasing the Group costs due to relocation of head office functions to Awajishima.
 - Temporary expenses such as double rent and moving are increasing due to relocation of Tokyo head office.
 - Decreasing in sponsorship funds for the Tokyo 2020 Olympic and Paralympic Games and temporary facility-related expenses on Awajishima.

Returns to Shareholders

Returns to Shareholders

- FY21 dividend is **35 yen per share** (ordinary dividend:¥30 、 special dividend:¥5) to express its gratitude to its shareholders for their continued support. In addition to the current business performance and a new listing consolidated subsidiary of the company, Bewith.
- FY22 dividend forecast will be **35 yen per share**.

Dividend Policy

- In order to play a sufficient role on a company that can grow sustainably, Pasona Group will secure funds for growth, such as new business investment and capital investment, while striving to strengthen its management base and earning power, aiming to increase shareholder returns by improving corporate value.
- Pasona Group, as per its basic policy to provide shareholder returns commensurate with earnings, aims for a consolidated payout ratio of 30%, and to maintain a continued and stable dividend.

Dividend

- FY2021 Dividend per share **¥35**
- FY2022 Dividend forecast per share **¥35**

	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22 (Forecast)
Dividend per share	¥12	¥12	¥13	¥18	¥19	¥30	¥35 ordinary dividend:¥30 special dividend:¥5	¥35
Dividend payout ratio (consolidated)	181.3%	-	37.2%	35.6%	124.9%	17.3%	15.9%	15.8%

FY2022

Progress of Group Priority strategy

【Group Priority strategy】 Issues to be addressed

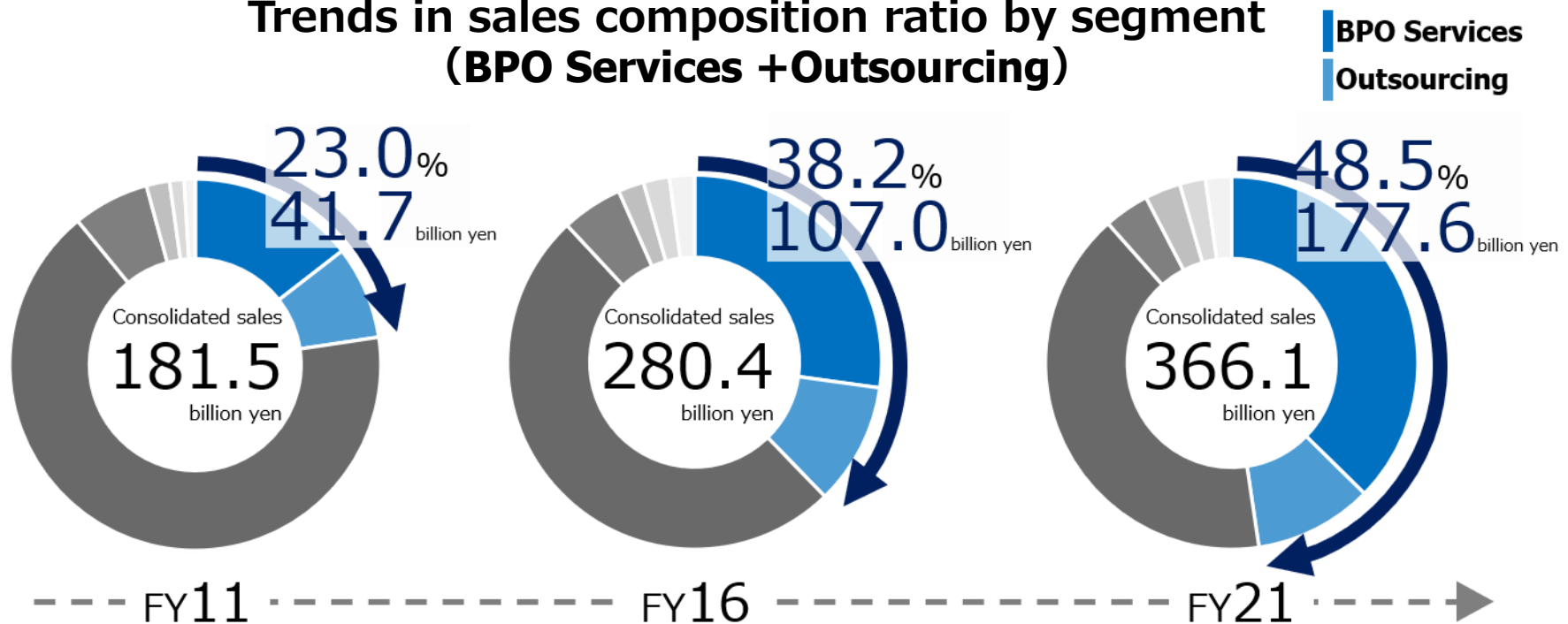
1 Further expansion of BPO Services,
DX promotion

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

Trends in sales composition ratio by segment
(BPO Services + Outsourcing)



BPO Services has grown steadily due to the expansion of remote BPO Services under the COVID-19 infections and incorporated mainly by major companies accompanying DX, organizational reforms, and acquisition of many vertical launch projects of large BPO Services in the public field.

Focus on the following in FY22

- **Promote XTech (HRTech, HealthTech, Publitech...)**
- **Cross-selling with abundant achievements in the public field**
- **Strengthening acquisition of large-scale projects through group collaboration**
- **Development of growing field BPO Services such as DX and GX**

Further expansion of BPO Services, DX promotion

expansion of HealthTech services

Kira+sup (September 2021 Started)
(Women's Health Support Program)

in use
62 Health insurance
About 500,000 people.



Online Health Promotion Office (October 2022 start)

Eliminate disparities with large companies and small and medium-sized enterprises and regional disparities, and improve health for everyone.

Close to personal worries and preferences for **employees**



Health consultation

Health information Content distribution

Health promotion as an organization for promotion **staff**



expansion in the future

GX (Green transformation)
×

BPO service started Environmental management support service (March 2022 Started)

Support for companies aiming for GX, such as disclosure of climate risks and reduction of CO2 emissions



CO2 emission visualization support (SCOPE1~3)

- ✓ CO2 visualization consulting
- ✓ GHG emission calculation
Visualization cloud system introduction support
- ✓ CO2 reduction management
Integrated KPI management with financial statement data etc.



Environmental training for corporations

- ✓ Current status, causes, and future forecasts of climate change
- ✓ Current state of energy consumption
- ✓ Environmental policy in Japan and the world etc.

expansion in the future

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

FY21 related business Year-on-year rate of sales

safe placement total services

(In-service career support)

YoY

+ **57** %



Advisor consulting

(Professional human resources)

YoY

+ **26** %



Masters

(Senior dispatch)

YoY

+ **23** %



Senior temporary staffing business and professionals and advisors matching services, experienced-people introduce as corporate advisors and outside officers, are performing well.

Focus on the following in FY22

- **Strengthening the introduction of “safe placement total services”**
- **Strengthening nationwide expansion of employment support for seniors and expanding to support for senior women**
- **Development of services for enhancing human capital management**

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

Human capital management support



Lifelong Career Support Association

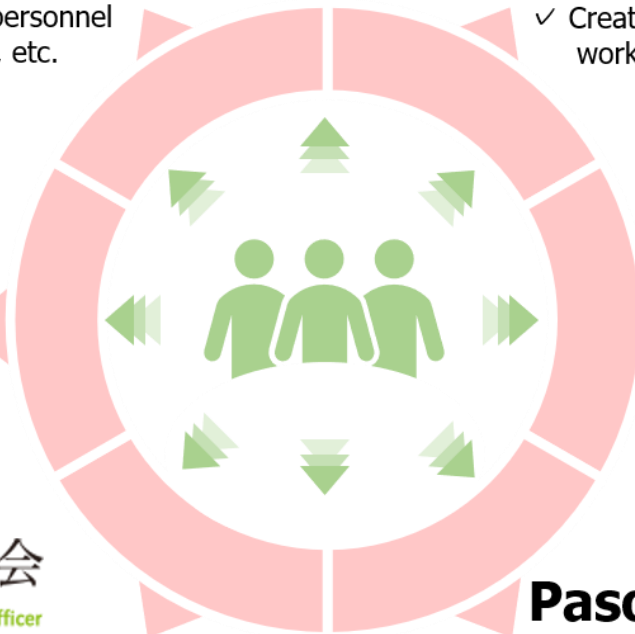
Implementation of "100-year career course (career consultant training / renewal course)" to develop human resources of national qualification "career consultant" who is strong in organizational personnel measures, diversity, social work, etc.

Hybrid Career Association (November 2021 Started)

- ✓ Providing new community formation and matching opportunities for individuals, companies, groups, etc. who are interested in "hybrid careers"
- ✓ Creating an environment where individuals can work independently



A cloud-based employee awareness survey that enables you to grasp the current status of the three issues of engagement, synergy, and energy within an organization that are difficult to quantify due to the continuous growth of the organization.



Work Life Facilitator Association (April 2022 Started)

Fostering professional human resources who support the autonomous career building and life plan design of workers for national qualification career consultant holders, etc.



From a strategic and management perspective, we will accumulate various knowledge and information that will be needed by the chief executive officer in the future, and develop CHO and CHO candidates. Providing useful latest information, exchanging useful information among colleagues in the same position as personnel, and forming a network to learn from each other.

Pasona Recurrent (June 2022 Started)

A membership-based recurrent program that provides a place for learning that suits an individual's career and life plan so that they can continue to play an active role in a society where lifestyles and work styles are diversifying.

Promotion of regional revitalization projects for a sustainable society

Awaji Diversity & Inclusion



Awaji Athlete Island Project started



Ukraine support

Supporting artists such as ballet dancers and IT engineers etc. to evacuate to Japan, living a new life on Awaji Island, and build a new career.



**4th term
Awaji Youth
Federation**

Promotion of regional revitalization projects for a sustainable society

Awaji Venture Island

Sustainable training program

Collaborate with Biomass Resin Group to realize a carbon-free society on Awaji Island. Under the theme of "SDGs" such as food safety and the natural environment, we provide training on food safety through the soil preparation process.



HYOGO Flying Car Laboratory

Hyogo prefecture × Kanematsu Corporation × CHUO FUKKEN CONSULTANTS CO.,LTD. × Pasona Group Inc. × BUZZPORT Inc.

Concluded an agreement on cooperation and cooperation aimed at fostering human resources who will be responsible for regional revitalization and tourism development and revitalizing the region through the promotion of flying cars, which are attracting attention as next-generation mobility among the five parties. This laboratory is the first one.



Awaji Startup Queen Award

In 2014, she started "Ladies Be Ambitious", a total program to support female entrepreneurs. This award supports commercialization in fields such as "food, health care, tourism, and SDGs" on Awaji Island.



1st Regional Revitalization Promotion Forum

NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION × Pasona Group Inc. × The Graduate School of Project Design × NTT R&D × Co-Designing Institute for Polyphonic Society

A forum will be held to introduce each person's efforts so far and to talk about "the future of regional revitalization", what is necessary to put it into practice in the region with the keywords of tourism, smart cities, decarbonization, job creation, etc.

All Japan Tourism Alliance Inc.

Leveraging the strengths of both the Pasona Group and the Nippon Travel Agency, we will collaborate on Awaji Island with the aim of creating employment through the creation of new industries in the tourism field, interacting through tourism promotion, and creating a further population.



南あわじ寮
Minami Awaji Dorm

Expo 2025 Osaka, Kansai, Japan Exhibitor "PASONA Natureverse"



OSAKA, KANSAI, JAPAN
EXP 025



パビリオンのコンセプト

いのち、ありがとう。

PASONA
Natureverse



OSAKA, KANSAI, JAPAN
EXPO2025

The job of the Pasona Group is to "make the most of people.

"We aim to realize a society where everyone can play an active role in a healthy and lively manner.

"Thank you for life- ."

A world where everyone in the world respects life and is surrounded by gratitude for life through the experience at the pavilion.

A world where many people's "thank you" resonate. We want you to be a creator who creates

"Natureverse (Nature x Universe)" together.

Reference

Awajishima

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 Awajishima Anime Park

NIJIGEN NO MORI

2017 A grill restaurant with spectacular ocean views

Ocean Terrace

Media art and restaurant by the sea

HELLO KITTY SMILE

2018 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 Pirates Cuisine Restaurant, cooking freshly harvested ingredients from Awajishima

HAJIMARINOSHIMA 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

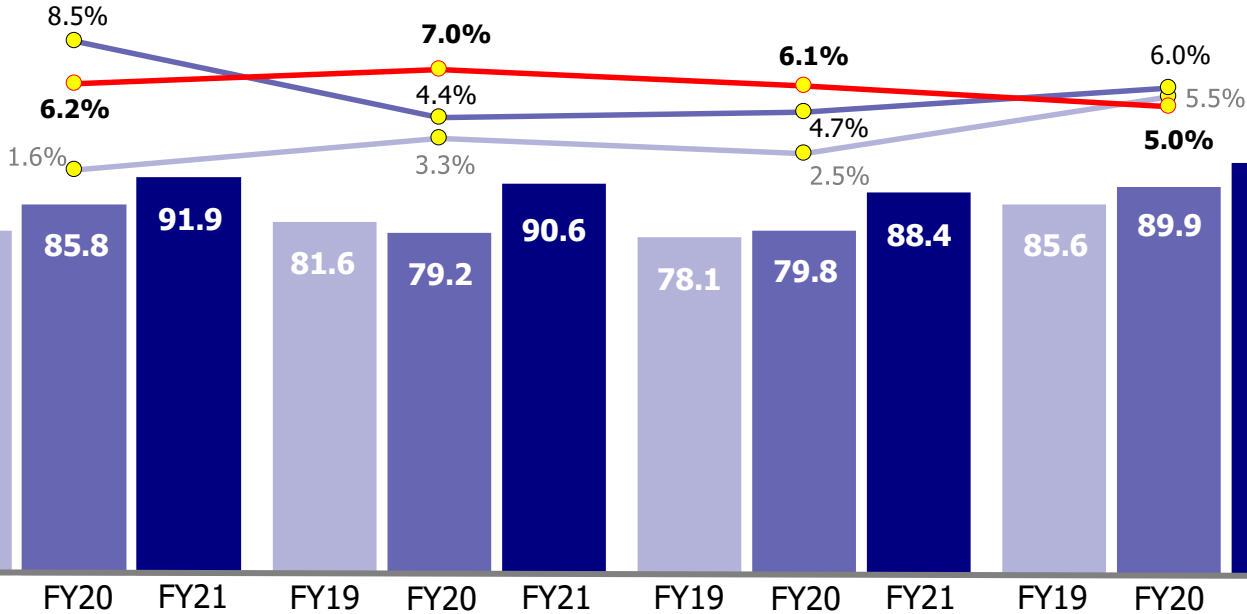
Quarterly Sales and Income Trends

Net Sales

(Billions of yen)

- Operating Income Ratio FY19
- Operating Income Ratio FY20
- Operating Income Ratio FY21

Operating Income Ratio



(Millions of yen)

Q1 (June to August)

Q2 (September to November)

Q3 (December to February)

Q4 (March to May)

	Q1 (June to August)					Q2 (September to November)					Q3 (December to February)					Q4 (March to May)				
	FY19	FY20	YoY	FY21	YoY	FY19	FY20	YoY	FY21	YoY	FY19	FY20	YoY	FY21	YoY	FY19	FY20	YoY	FY21	YoY
Net sales	79,626	85,751	+7.7%	91,927	+7.2%	81,602	79,154	(3.0)%	90,558	+14.4%	78,119	79,763	+2.1%	88,389	+10.8%	85,636	89,869	+4.9%	95,221	+6.0%
Gross profit	18,270	22,332	+22.2%	21,720	(2.7)%	19,127	19,659	+2.8%	22,792	+15.9%	18,233	19,038	+4.4%	21,525	+13.1%	21,058	21,939	+4.2%	23,633	+7.7%
SG&A expenses	17,026	15,044	(11.6)%	16,020	+6.5%	16,469	16,144	(2.0)%	16,496	+2.2%	16,278	15,327	(5.8)%	16,173	+5.5%	16,336	16,511	+1.1%	18,898	+14.5%
Operating income	1,243	7,287	+486.1%	5,700	(21.8)%	2,658	3,515	+32.2%	6,295	+79.1%	1,954	3,710	+89.8%	5,352	+44.2%	4,721	5,428	+15.0%	4,735	(12.8)%
Profit (Loss) attributable to owners of parent	46	4,064	+8,650.2%	2,481	(38.9)%	346	213	(38.2)%	2,318	+983.5%	175	1,304	+644.6%	2,514	+92.8%	26	1,201	+4,374.8%	1,306	+8.8%
Gross profit ratio	22.9%	26.0%	+3.1pt	23.6%	(2.4)pt	23.4%	24.8%	+1.4pt	25.2%	+0.4pt	23.3%	23.9%	+0.6pt	24.4%	+0.5pt	24.6%	24.4%	(0.2)pt	24.8%	+0.4pt
SG&A expense ratio	21.4%	17.5%	(3.9)pt	17.4%	(0.1)pt	20.2%	20.4%	+0.2pt	18.2%	(2.2)pt	20.8%	19.2%	(1.6)pt	18.3%	(0.9)pt	19.1%	18.4%	(0.7)pt	19.8%	+1.4pt
Operating income ratio	1.6%	8.5%	+6.9pt	6.2%	(2.3)pt	3.3%	4.4%	+1.1pt	7.0%	+2.6pt	2.5%	4.7%	+2.2pt	6.1%	+1.4pt	5.5%	6.0%	+0.5pt	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)

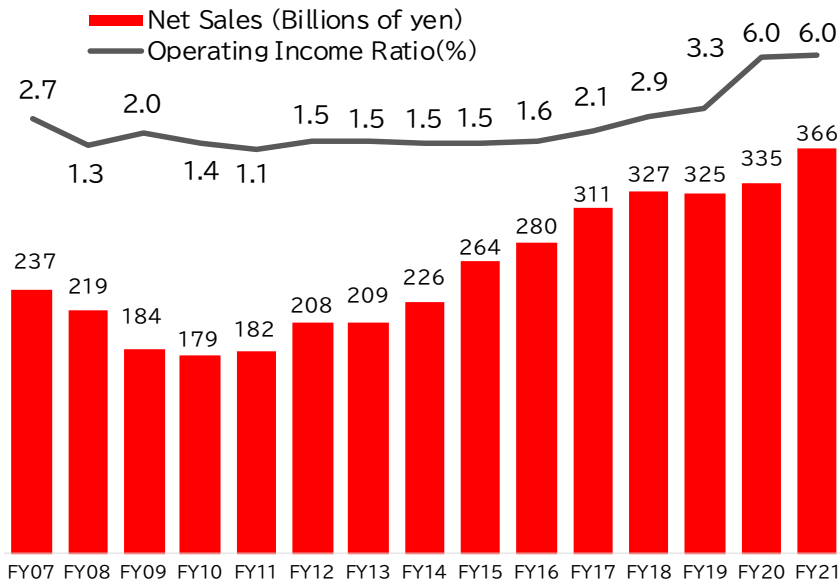
Segment		Sales									Operating income (loss)									
		Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	YoY	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	YoY	
①	Expert Services (Temporary Staffing)	38,008	37,429	35,747	37,948	40,650	38,014	35,438	37,964	+0.0%										
②	BPO Services (Contracting)	32,139	24,776	25,485	31,652	34,202	33,417	34,898	36,753	+16.1%	7,230	3,277	2,830	4,089	5,021	4,222	4,574	4,527	+10.7%	
③	HR Consulting, Education & Training, Others.	1,628	1,842	2,260	1,882	1,926	1,911	2,418	2,162	+14.9%										
④	Global Sourcing (Overseas)	1,658	1,682	1,721	1,999	2,056	2,004	2,084	2,190	+9.6%	(83)	64	51	83	57	110	89	190	+128.9%	
Subtotal		73,435	65,731	65,215	73,482	78,835	75,347	74,839	79,071	+7.6%	7,147	3,341	2,882	4,172	5,079	4,333	4,663	4,717	+13.1%	
⑤	Career Solutions (Placement/Recruiting, Outplacement)	2,938	3,087	3,347	4,490	3,610	3,881	3,529	3,679	(18.1)%	592	720	888	1,718	1,134	1,250	973	1,112	(35.2)%	
⑥	Outsourcing	8,248	8,941	9,886	10,767	8,513	10,232	8,319	11,293	+4.9%	2,181	2,287	2,450	2,875	2,843	4,043	2,645	3,232	+12.4%	
⑦	Life Solutions	1,563	1,674	1,644	1,687	1,708	1,767	1,786	1,896	+12.4%	41	117	65	(21)	14	100	62	54	-	
⑧	Regional Revitalization Solutions	479	880	813	1,070	763	1,286	1,241	1,134	+5.9%	(575)	(511)	(468)	(771)	(702)	(547)	(451)	(910)	-	
⑨	Eliminations and Corporate	(913)	(1,160)	(1,143)	(1,628)	(1,504)	(1,957)	(1,326)	(1,853)	-	(2,099)	(2,439)	(2,108)	(2,544)	(2,668)	(2,884)	(2,541)	(3,471)	-	
Total		85,751	79,154	79,763	89,869	91,927	90,558	88,389	95,221	+6.0%	7,287	3,515	3,710	5,428	5,700	6,295	5,352	4,735	(12.8)%	

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

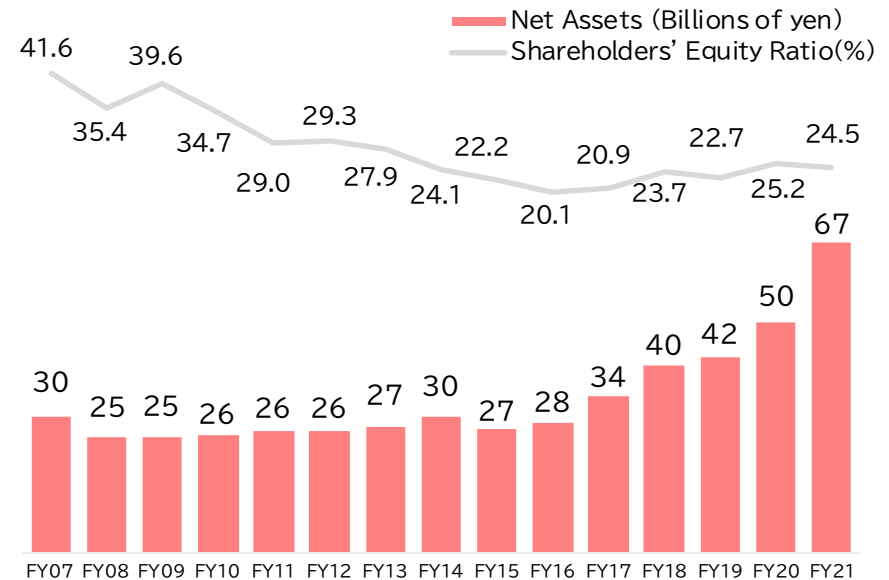
※ Since the end of FY2020, the segment of some subsidiaries has been changed with the reorganization of subsidiaries. YoY percentages show the values compared with the figures reclassified into the new segment classification.

Full-Year Key Indicators

Net Sales and Operating Income Ratio



Net Assets and Shareholders' Equity Ratio



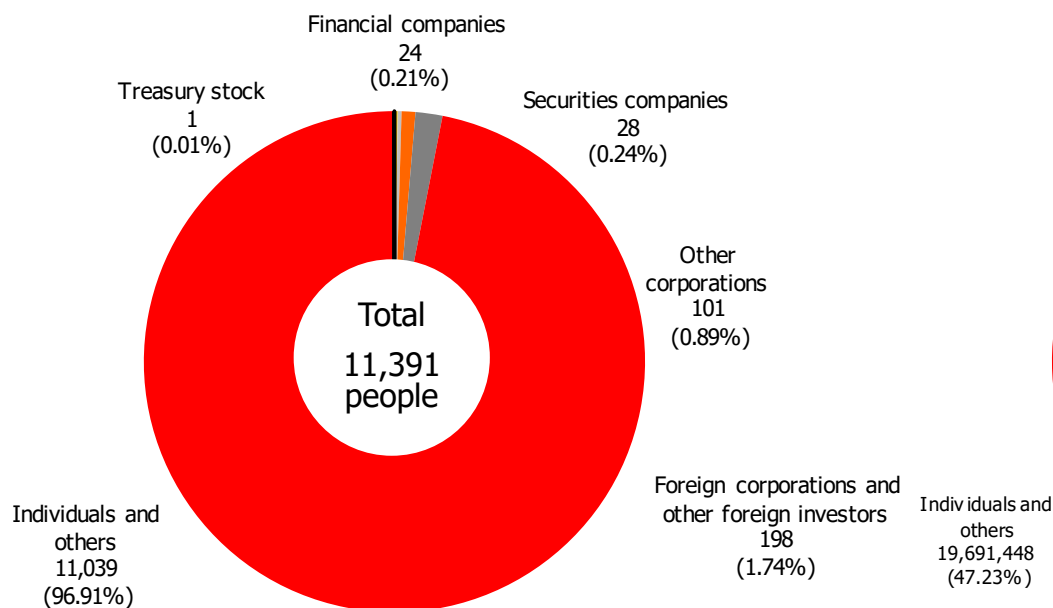
Results

Key Indicators	'08/05	'09/05	'10/05	'11/05	'12/05	'13/05	'14/05	'15/05	'16/05	'17/05	'18/05	'19/05	'20/05	'21/05	'22/05
Net Sales	236,945	218,699	183,515	178,806	181,498	207,685	208,660	226,227	263,728	280,395	311,410	326,984	324,986	334,540	366,096
Gross Profit Margin	20.8%	19.9%	20.0%	18.8%	18.6%	19.3%	19.3%	20.3%	20.0%	20.2%	21.5%	22.8%	23.6%	24.8%	24.5%
SG&A Expenses	42,925	40,735	33,070	31,125	31,840	36,898	37,029	42,381	48,948	52,128	60,489	65,245	66,112	63,028	67,588
SG&A Expense Ratio	18.1%	18.6%	18.0%	17.4%	17.5%	17.8%	17.7%	18.7%	18.6%	18.6%	19.4%	20.0%	20.3%	18.8%	18.5%
Operating Income	6,444	2,850	3,660	2,432	1,964	3,176	3,210	3,490	3,860	4,488	6,539	9,465	10,577	19,940	22,083
Operating Income Ratio	2.7%	1.3%	2.0%	1.4%	1.1%	1.5%	1.5%	1.5%	1.5%	1.6%	2.1%	2.9%	3.3%	6.0%	6.0%
Ordinary Income	6,637	3,361	4,044	2,571	2,091	3,187	3,135	3,343	3,855	4,319	6,631	9,237	10,236	20,379	22,496
Ordinary Income Ratio	2.8%	1.5%	2.2%	1.4%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%	2.1%	2.8%	3.1%	6.1%	6.1%
Net Income *4	2,962	312	204	412	29	610	526	214	243	(129)	1,288	1,975	594	6,784	8,621
Net Income Ratio	1.3%	0.1%	0.1%	0.2%	0.0%	0.3%	0.3%	0.1%	0.1%	-	0.4%	0.6%	0.2%	2.0%	2.4%
Total Assets *5	58,513	55,468	52,269	60,564	70,889	71,276	75,615	88,641	85,356	94,584	112,477	119,459	140,441	151,641	203,746
Net Assets *1	29,468	25,148	24,979	25,642	26,295	26,253	27,181	29,620	26,735	28,062	33,889	40,253	42,316	49,779	67,146
Shareholders' Equity Ratio *2 *5	41.6%	35.4%	39.6%	34.7%	29.0%	29.3%	27.9%	24.1%	22.2%	20.1%	20.9%	23.7%	22.7%	25.2%	24.5%
Return on Equity *3	12.7%	1.4%	1.0%	2.0%	0.1%	2.9%	2.5%	1.0%	1.2%	(0.7)%	6.0%	7.6%	2.0%	19.4%	19.6%
Number of Employees (exclude contract workers)	3,647	3,671	3,643	3,956	4,452	4,778	5,022	6,584	7,144	7,238	7,716	7,855	9,607	9,498	10,364

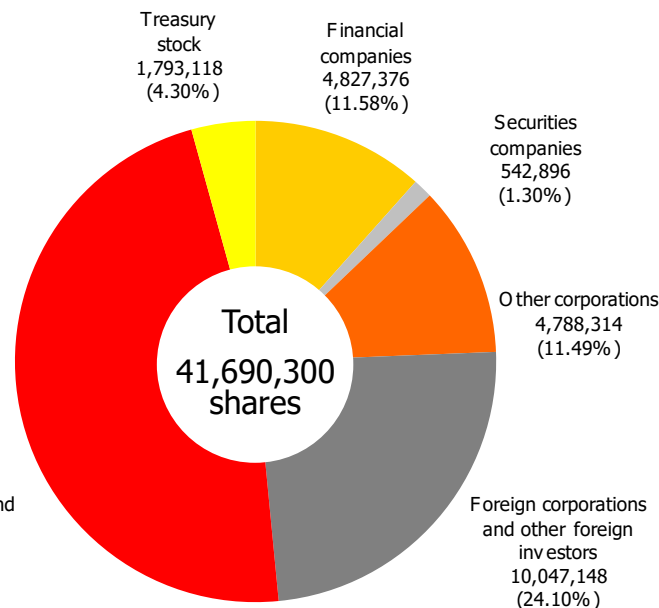
- Notes: 1. Presentation of shareholders' equity amended to a net assets basis in line with changes to accounting standards and policies. Non-controlling interests included in presentation of net assets since the fiscal year ended May 31, 2007. 2. Despite changes in calculation methods for net assets following the introduction of changes to accounting standards and policies, the shareholders' equity ratio since the fiscal year ended May 31, 2007 is calculated utilizing an amount equivalent to net assets applicable to common shares. 3. The data for the periods up to and including the fiscal year ended May 31, 2007 are consolidated data for Pasona Inc. The data for the periods commencing the fiscal year ended May 31, 2008 and beyond are consolidated data for Pasona Group Inc. 4. Since the fiscal year ended on May 31, 2016, net income has been referred to profit attributable to owners of parent. 5. As the Company adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" from the beginning of the first quarter of FY2018. As for the financial position, the figures for the previous consolidated fiscal year were processed by the method.

Stock Information (As of May. 31, 2022)

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)	2,867,800	6.88%
THE BANK OF NEW YORK MELLON 140040	2,332,200	5.59%
Pasona Group Inc.	1,793,118	4.30%
INDUS SELECT MASTER FUND, LTD.	1,123,200	2.69%
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 E)	722,976	1.73%
Custody Bank of Japan, Ltd.(Trust Account)	619,100	1.48%
JP MORGAN CHASE BANK 385632	608,288	1.46%

- The Company's treasury stock (1,793,118 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 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 Tech, 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 Yaskawa Business Staff 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 66

* Equity-method affiliates 9

(As of May. 31, 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> Otemachi 2-6-2 Chiyoda-ku, Tokyo 100-8228 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	23,505 (Consolidated, including contract workers)	
Consolidated Group Companies	Subsidiaries 66 , Affiliates 9	
URL	www.pasonagroup.co.jp/English/	