

# **Results for the First Half of the Fiscal Year Ending May 31, 2022**

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**H1 FY2021 (June 1, 2021 - November 30, 2021)**

**Pasona Group Inc.**

**First Section TSE (2168)**

**January 20, 2022**

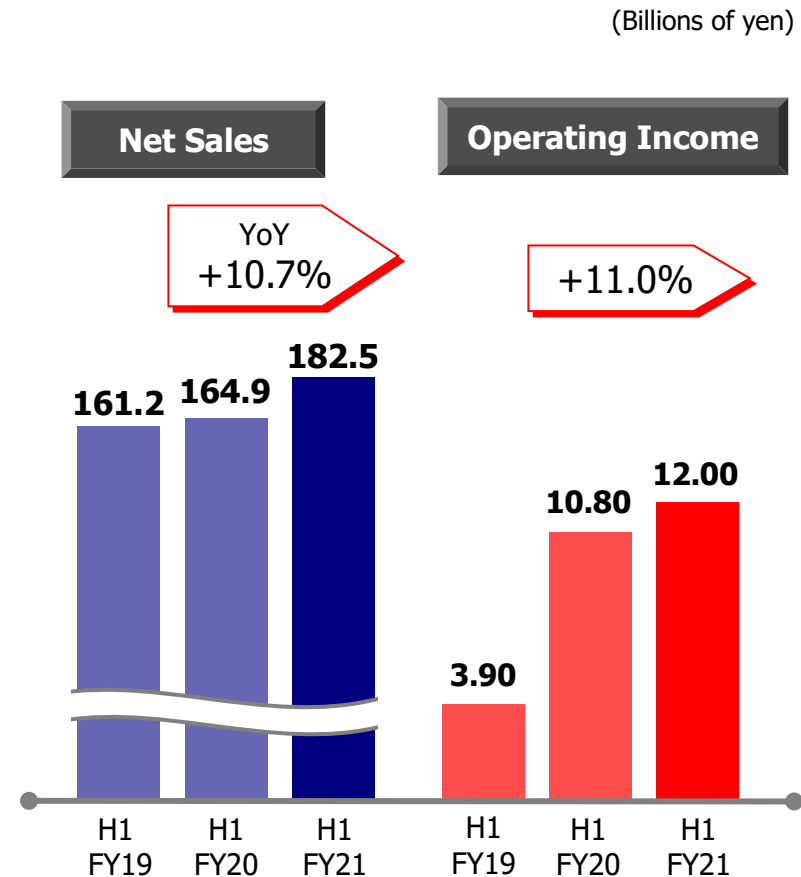
**[www.pasonagroup.co.jp/english](http://www.pasonagroup.co.jp/english)**

※ 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.

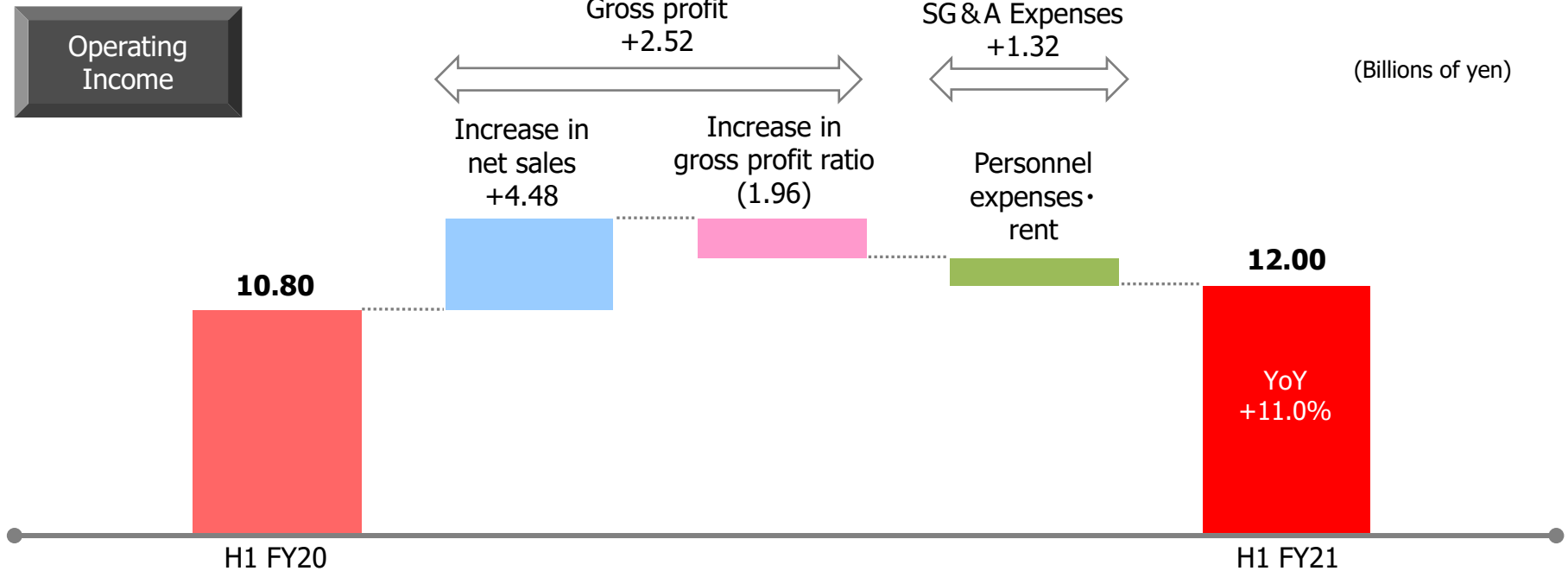
※ Units in billions of yen have been rounded to the nearest first decimal place. Units in millions of yen have been rounded down.

# Consolidated Results

(Millions of yen)	H1 FY19	(%)	H1 FY20	(%)	H1 FY21	(%)	Increase /Decrease
Net sales	161,229	100.0	164,906	100.0	182,486	100.0	+17,579 +10.7%
Cost of sales	123,831	76.8	122,915	74.5	137,973	75.6	+15,058 +12.3%
Gross profit	37,397	23.2	41,991	25.5	44,512	24.4	+2,521 +6.0%
SG&A expenses	33,496	20.8	31,189	18.9	32,516	17.8	+1,327 +4.3%
Operating income	3,901	2.4	10,802	6.6	11,996	6.6	+1,193 +11.0%
Ordinary income	3,606	2.2	10,854	6.6	12,149	6.7	+1,294 +11.9%
Profit attributable to owners of parent	392	0.2	4,278	2.6	4,800	2.6	+521 +12.2%
Gross profit ratio	23.2%		25.5%		24.4%		(1.1)pt
Operating income ratio	2.4%		6.6%		6.6%		0.0pt



# Operating Income



	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	H1 FY19	H1 FY20	H1 FY21
Gross Profit ratio	19.3%	19.3%	20.3%	20.0%	20.2%	21.5%	22.8%	23.6%	24.8%	23.2%	25.5%	24.4%
SG&A ratio	17.8%	17.7%	18.7%	18.6%	18.6%	19.4%	20.0%	20.3%	18.8%	20.8%	18.9%	17.8%
Operating Income ratio	1.5%	1.5%	1.5%	1.5%	1.6%	2.1%	2.9%	3.3%	6.0%	2.4%	6.6%	6.6%

## Major Item of Increase/Decrease

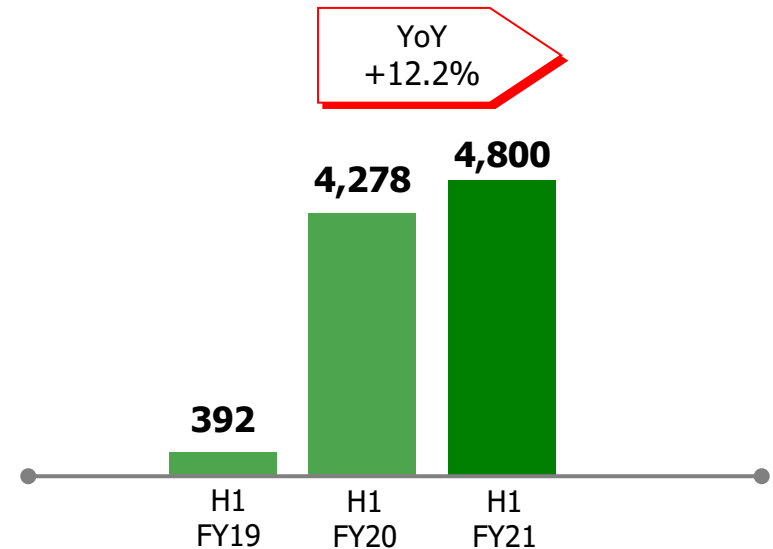
- Gross profit** : Continue to acquire demand for BPO services from companies and public sectors. Increased sales cover the decline in gross profit margin due to the end of temporary demand in the previous fiscal year.
- SG&A expenses** : Increased costs associated with business expansion and the partial transfer of head office functions to Awajishima.

# Non-operating/Extraordinary income (loss), Others

(Millions of yen)	H1 FY19	H1 FY20	H1 FY21	Increase/ Decrease	YoY
Operating income	3,901	10,802	11,996	+1,193	+11.0%
Non-operating income	629	877	778	(98)	(11.2)%
Non-operating expenses	925	825	625	(199)	(24.2)%
Ordinary income	3,606	10,854	12,149	+1,294	+11.9%
Extraordinary income	4	-	27	+27	-
Extraordinary loss	450	1,214	48	(1,166)	(96.0)%
Income before income taxes	3,160	9,639	12,128	+2,488	+25.8%
Income taxes - current	1,548	4,830	4,905	+75	+1.6%
Income taxes - deferred	(30)	(504)	24	+529	-
Income taxes	1,518	4,325	4,929	+604	+14.0%
Profit attributable to non-controlling interests	1,249	1,035	2,398	+1,362	+131.6%
Profit attributable to owners of parent	392	4,278	4,800	+521	+12.2%

## Profit attributable to owners of parent

(Millions of yen)



## Major Item of Increase/Decrease

- **Non-operating expenses**
  - Share of loss of entities accounted for using equity method ( ¥ 26 million)  
(FY20 : ¥ 229 million)
- **Extraordinary loss**
  - (FY20) Impairment loss ¥ 1,092 million

# Consolidated Results by Segment

(Millions of yen)

Segment		Net sales					Operating income (loss)					Operating income ratio			
		H1 FY19	H1 FY20	H1 FY21	Increase/ Decrease	YoY	H1 FY19	H1 FY20	H1 FY21	Increase/ Decrease	YoY	H1 FY19	H1 FY20	H1 FY21	Increase/ Decrease
①	Expert Services (Temporary Staffing)	76,458	75,438	78,664	+3,226	+4.3%									
②	BPO Services (Contracting)	48,448	56,916	67,620	+10,703	+18.8%	4,011	10,507	9,244	(1,262)	(12.0)%	3.1%	7.7%	6.2%	(1.5)pt
③	HR Consulting, Education & Training, Others.	4,980	3,470	3,837	+366	+10.6%									
④	Global Sourcing (Overseas)	4,038	3,341	4,061	+719	+21.5%	251	(19)	167	+186	-	6.2%	-	4.1%	-
Subtotal		133,925	139,166	154,183	+15,016	+10.8%	4,262	10,488	9,412	(1,075)	(10.3)%	3.2%	7.5%	6.1%	(1.4)pt
⑤	Career Solutions (Placement/ Recruiting, Outplacement)	6,411	6,026	7,492	+1,466	+24.3%	1,327	1,312	2,384	+1,072	+81.7%	20.7%	21.8%	31.8%	+10.0pt
⑥	Outsourcing	17,957	17,190	18,745	+1,555	+9.0%	3,762	4,469	6,887	+2,418	+54.1%	21.0%	26.0%	36.7%	+10.7pt
⑦	Life Solutions	3,104	3,238	3,475	+237	+7.3%	53	158	114	(43)	(27.7)%	1.7%	4.9%	3.3%	(1.6)pt
⑧	Regional Revitalization Solutions	1,638	1,360	2,050	+690	+50.8%	(861)	(1,087)	(1,250)	(163)	-	-	-	-	-
⑨	Eliminations and Corporate	(1,808)	(2,074)	(3,461)	(1,386)	-	(4,642)	(4,539)	(5,552)	(1,013)	-	-	-	-	-
Total		161,229	164,906	182,486	+17,579	+10.7%	3,901	10,802	11,996	+1,193	+11.0%	2.4%	6.6%	6.6%	0.0pt

※ 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.

# Balance Sheet

(Billions of yen)

Major Item of Increase/Decrease	May 31,2020	May 31,2021	Nov 30,2021	Increase/Decrease
<b>Assets</b>	140.4	151.6	193.8	+42.2
<b>Current assets</b>	101.0	108.9	146.5	+37.6
Cash and deposits	49.1	54.5	75.1	+20.6
Notes and accounts receivable-trade, and contract assets*	42.7	44.3	58.3	+14.0
Inventories	2.3	2.7	3.0	+0.2
<b>Non-current assets</b>	39.3	42.6	47.2	+4.6
Property, plant and equipment	16.6	18.6	20.6	+2.1
Intangible assets	7.2	6.4	7.8	+1.4
Investments and other assets	15.5	17.7	18.8	+1.2
<b>Liabilities</b>	98.1	101.9	139.7	+37.8
<b>Current liabilities</b>	64.5	70.8	108.3	+37.5
Accounts payable-trade	5.7	6.4	5.7	(0.7)
Accrued expenses	17.3	15.2	16.5	+1.3
Deposits received	4.5	5.5	44.2	+38.7
<b>Non-current liabilities</b>	33.6	31.1	31.4	+0.3
Bonds payable	2.5	2.2	4.1	+1.9
Long-term loans payable	23.2	21.0	19.5	(1.5)
<b>Net assets</b>	42.3	49.8	54.1	+4.4
Shareholders' equity	31.4	37.4	41.0	+3.6
Total accumulated other comprehensive income	0.5	0.7	1.1	+0.4
Share acquisition rights	—	0.0	0.0	±0.0
Non-controlling interests	10.5	11.6	12.0	+0.4
<b>Equity ratio</b>	22.7%	25.2%	21.7%	(3.5)pt
<b>Equity ratio</b> (Excluding deposits received for contracted projects)	—	25.5%	27.7%	+2.2pt

## Major Item of Increase/Decrease

### 【 Cash and deposits 】

Increased due to temporary deposits received related to contracted projects

### 【 Notes and accounts receivable-trade, and contract assets 】

Increased due to expansion of contracted projects

### 【 Property, plant and equipment 】

New construction of commercial and business facilities

### 【 Intangible assets 】

Mainly investment in System equipment by Benefit One

### 【 Deposits received 】

Deposits received related to contracted projects  
¥ 41.9 billion (¥ +39.9 billion)

### 【 Retained earnings 】

Profit attributable to owners of parent      ¥ +4.8 billion  
Cash dividends paid                              ¥ (1.2) billion

### 【 Equity ratio 】

27.7% 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

(Billions of yen)

## Major Item of Increase/Decrease

Major Item of Increase/Decrease	H1 FY19	H1 FY20	H1 FY21	Increase/ Decrease
Cash flows from operating activities	1.5	4.9	(9.1)	(14.0)
Income before income taxes	3.2	9.6	12.1	+2.5
Depreciation and amortization	2.0	1.8	2.0	+0.2
Impairment loss	0.4	1.1	—	(1.1)
Amortization of goodwill	0.4	0.3	0.3	(0.0)
Decrease (increase) in trade receivables, and contract assets*	(1.5)	2.6	(14.0)	(16.7)
Income taxes paid	(3.0)	(4.1)	(4.2)	(0.1)
Cash flows from investment activities	(3.0)	(2.8)	(6.8)	(4.0)
Purchase of property, plant and equipment	(2.0)	(2.6)	(3.8)	(1.3)
Purchase of intangible assets	(0.9)	(0.7)	(2.4)	(1.7)
Purchase of investment securities	(0.2)	(0.0)	(0.6)	(0.6)
Cash flows from financing activities	(4.1)	(3.2)	(3.4)	(0.2)
Proceeds from long-term loans payable	—	4.5	2.8	(1.7)
Repayment of long-term loans payable	(3.2)	(4.4)	(4.6)	(0.2)
Proceeds from issuance of bonds	—	—	2.5	+2.5
Cash dividends paid	(2.8)	(2.8)	(3.6)	(0.8)
Net increase (decrease) in cash and cash equivalents	(5.7)	(1.1)	(19.3)	(18.2)
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	26.0	47.0	33.0	(14.0)
Free cash flows	(1.5)	2.1	(16.0)	(18.0)

**[ Profit before amortization ]**  
¥ 14.5 billion (YoY ¥ +1.6 billion)

**[ Decrease (increase) in trade receivables, and contract assets ]**  
Increased due to expansion of contracted projects

**[ Purchase of property, plant and equipment ]**  
New construction of commercial and business facilities

**[ Purchase of intangible assets ]**  
Mainly investment in system equipment by Benefit One

**[ Cash dividends paid ]**  
Increase in dividends due to dividend increase

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

# Segment information

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



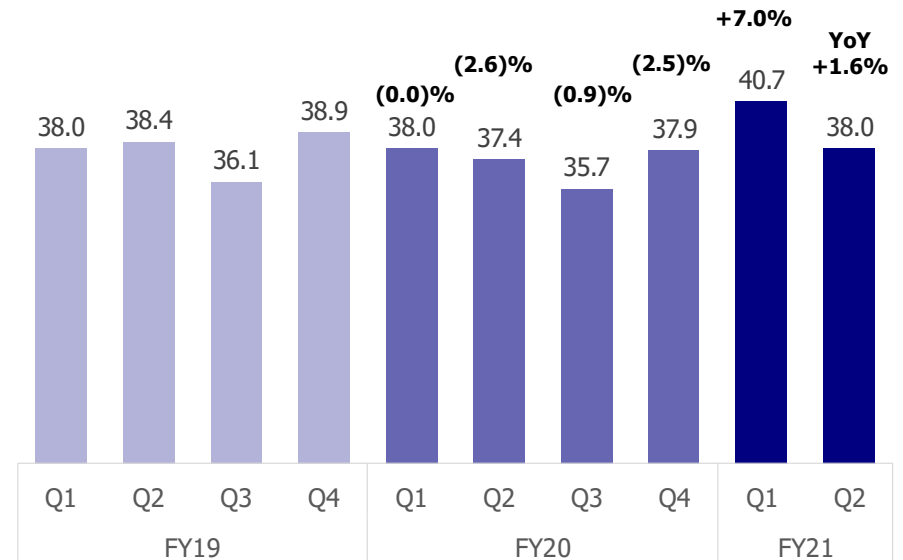
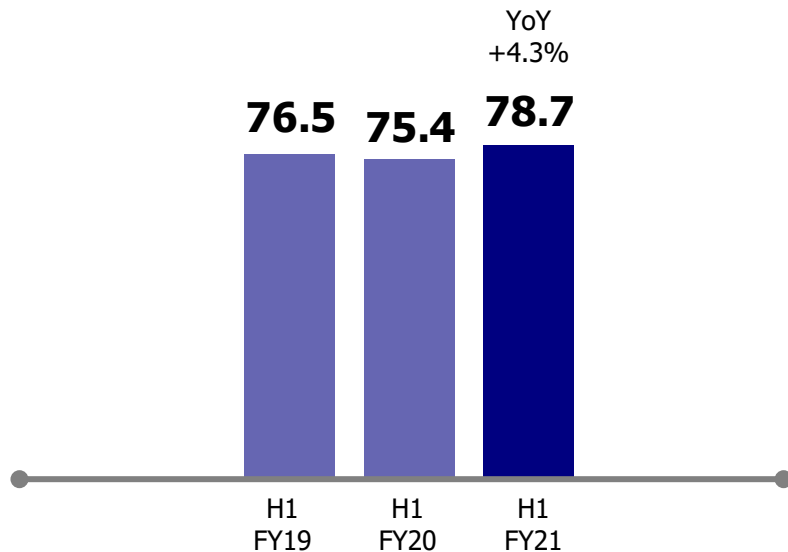
# Expert Services (Temporary staffing)

## Net Sales

(Billions of yen)

## Sales Trends

(Billions of yen)



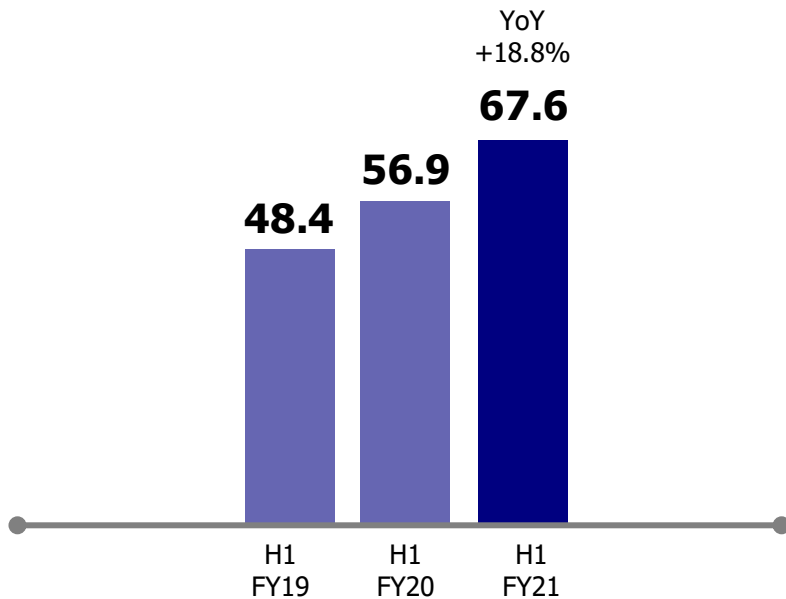
### Business Conditions (H1 FY21 result)

- Demand for new human resources gradually recovered from the end of the previous fiscal year, and limited-time operations expanded.
- Demand for human resources in the medical field is expanding in both companies and public sectors.
- By applying the "Accounting Standard for Revenue Recognition" from the beginning of the current fiscal year, the amount of commuting transportation expenses for temporary staffs received from customers is recorded as sales.

# BPO Services (Contracting)

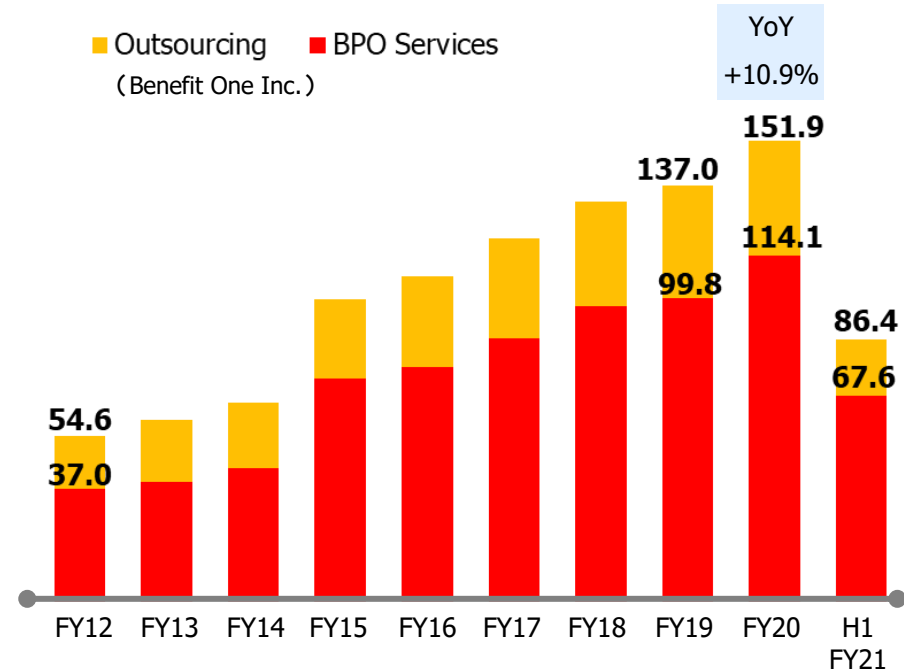
## Net Sales

(Billions of yen)



## BPO Services , Outsourcing Sales Trends

(Billions of yen)

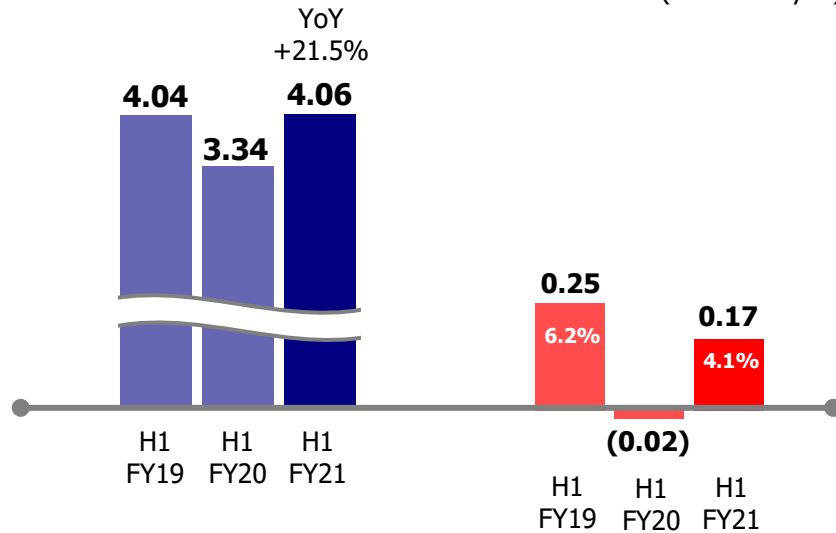


### Business Conditions (H1 FY21 result)

- Business expansion has been realized by actively carrying out group collaboration, taking advantage of the strength of being able to outsource operations as a group to meet diverse demand from companies and the public sector.
- Demand for companies is increasing due to organizational structural reforms and promotion of DX.
- The COVID-19 infection has increased employee interest in health management, and the operation of health management offices and the provision of health promotion services have also increased.

# Global Sourcing (Overseas)

## Net Sales



## Sales by Business Segment

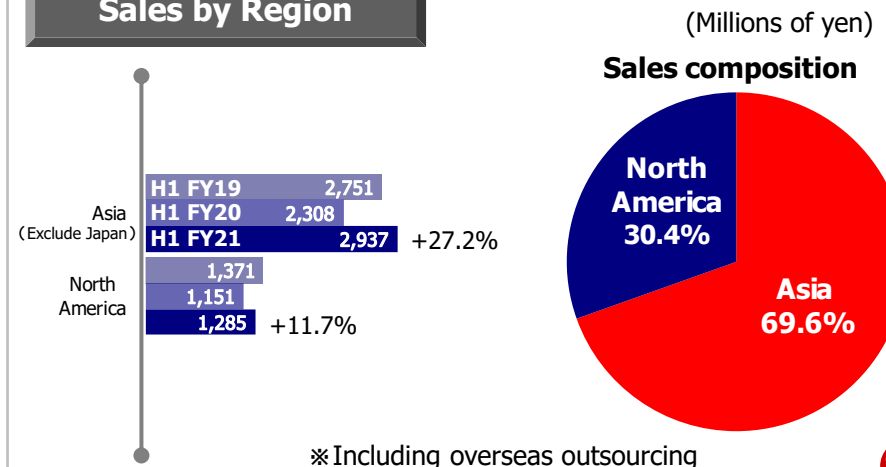
(Millions of yen)

	H1 FY19	H1 FY20	H1 FY21	YoY
Temporary Staffing	1,817	1,746	2,156	+23.5%
Placement / Recruiting	990	633	810	+27.9%
Contracting (Payroll, others)	911	641	704	+9.8%
Others	319	319	389	+21.7%
<b>Total</b>	<b>4,038</b>	<b>3,341</b>	<b>4,061</b>	<b>+21.5%</b>

## Business Conditions (H1 FY21 result)

- In addition to the United States, economic activity is gradually returning in proportion to the gradual decrease in the number of infected people in the Asian region, and demand for human resources is on a recovery trend.
- In Taiwan, semiconductor production has become active, and the temporary staffing and placement / recruiting business has exceeded the same period of the previous year.
- Recruitment and system-related investment increase in the United States as economic activity recovers.

## Sales by Region

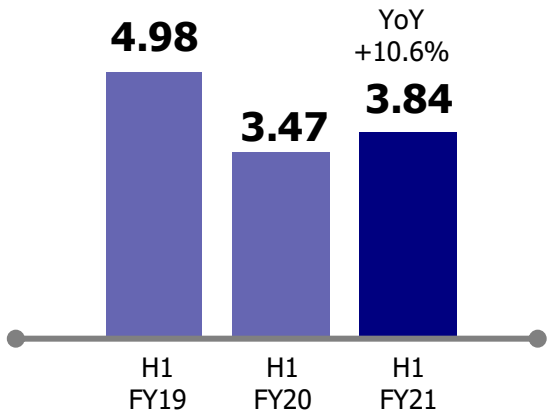


# HR Consulting , etc. / Operating Income by Segments

## Net Sales

(HR Consulting , Education & Training , Others.)

(Billions of yen)

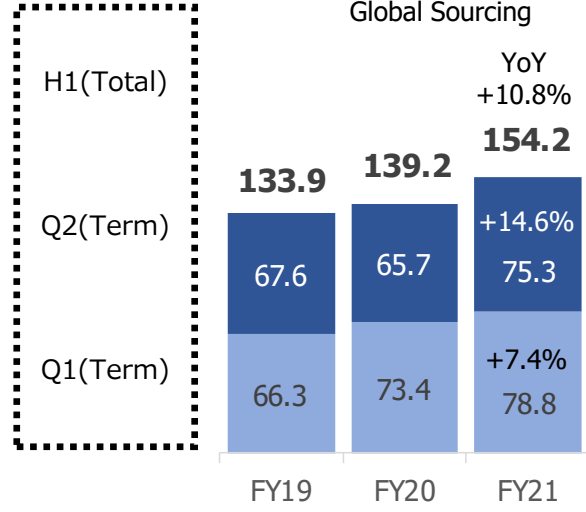


### Business Conditions (H1 FY21 result)

- Professional / advisor human resources matching services continue to grow due to an increase in companies seeking DX human resources and outside directors.
- Education and training implementation that combines collective type and online also recovered from the same period of the previous year.

## Net Sales(ES~GS)

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

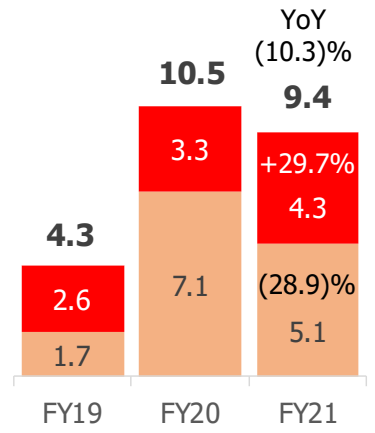


### Business Conditions (H1 FY21 result)

- Sales increased in all business segments, despite being affected by The COVID-19 infection.
- Temporary demand for BPO services has finished, and segment gross margin declines.
- Profit declined due to increased labor costs due to business expansion.

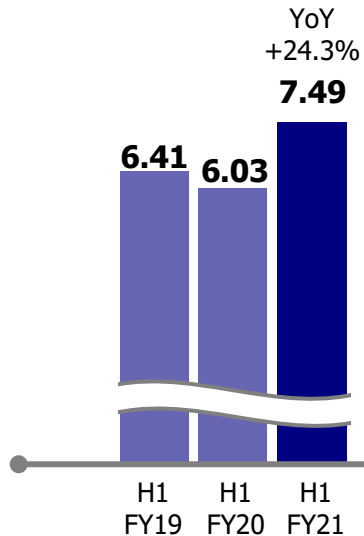
## Operating Income

(Billions of yen)



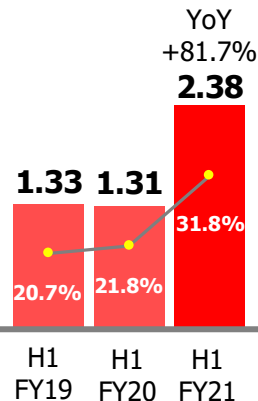
# Career Solutions (Placement/Recruiting , Outplacement )

## Net Sales



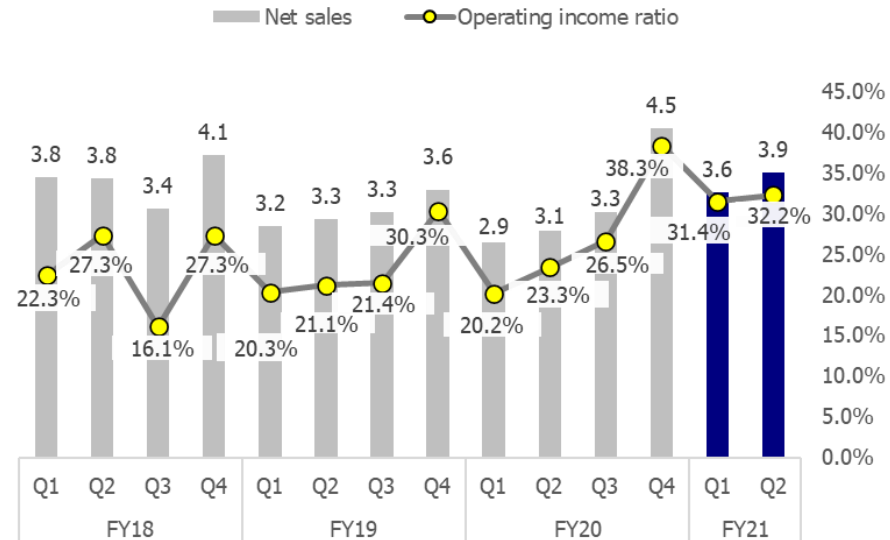
## Operating Income , Operating Income Ratio

(Billions of yen)



## Net Sales, Operating Income Ratio Trends

(Billions of yen)



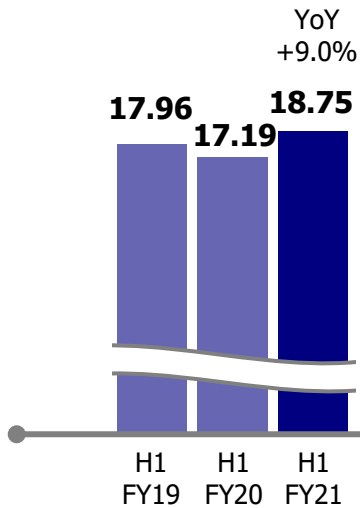
\* Graph figures are reclassified into new segment classifications after FY18.

## Business Conditions (H1 FY21 result)

- In the Placement/Recruiting, the motivation to hire companies is returning, and the number of job offers has recovered to the level before the spread of the COVID-19 infection.
- As we focused on introducing management departments and specialized occupations, the unit price of contracts continued to rise, and productivity per person continued to improve.
- In the outplacement, demand that increased significantly in the previous year is on a downward trend.
- Interest in "safe placement total services" that support the career development of incumbent employees has expanded from the previous fiscal year.

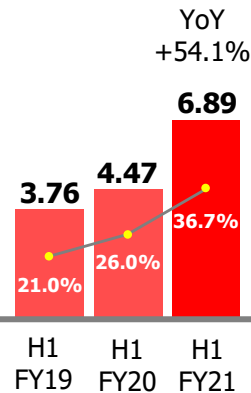
# Outsourcing (Benefit One Inc.)

## Net Sales



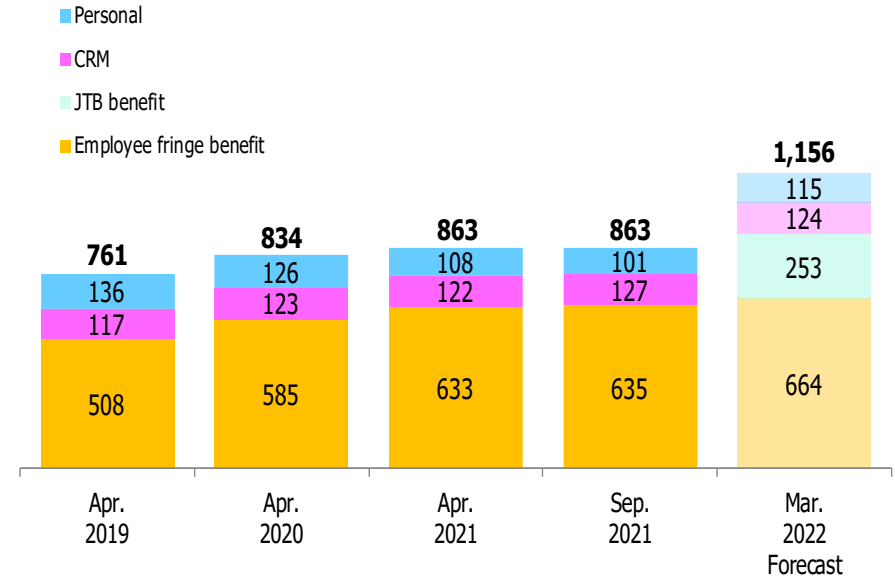
## Operating Income , Operating Income Ratio

(Billions of yen)



## Benefit One Membership Trends

(10Thousands people)

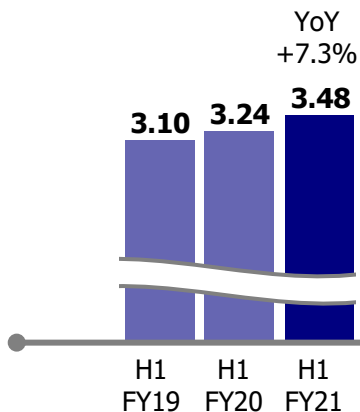


## Business Conditions (H1 FY21 result)

- In the welfare business, there is no increase or decrease in the number of members, and although under The COVID-19 infection, the recovery of menu usage that accompanies going out such as lodging is only a gradual increase than expected.
- In the healthcare business, start new COVID-19 vaccination support business in response to socio-economic demand.
- Sales increased due to the negative impact of the application of "Accounting Standards for Revenue Recognition" from the beginning of the current fiscal year.

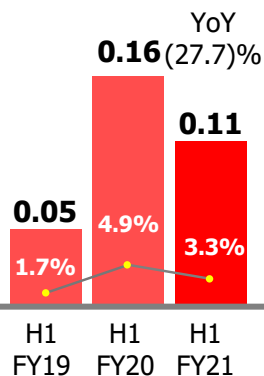
# Life Solutions (Childcare , Nursing care)

## Net Sales



## Operating Income , Operating Income Ratio

(Billions of yen)



## Facilities of Pasona Foster · Pasona Life Care

※ As of Nov.30, 2021

Facilities		May 2020	May 2021	Nov 2020	Nov 2021	YoY
Pasona Foster	Daycare facilities	49	49	50	49	+1 (2)
	After-school children's clubs	39	40	40	40	0
Pasona Life Care	Nursing care facilities	22	22	22	22	0

## Business Conditions (H1 FY21 result)

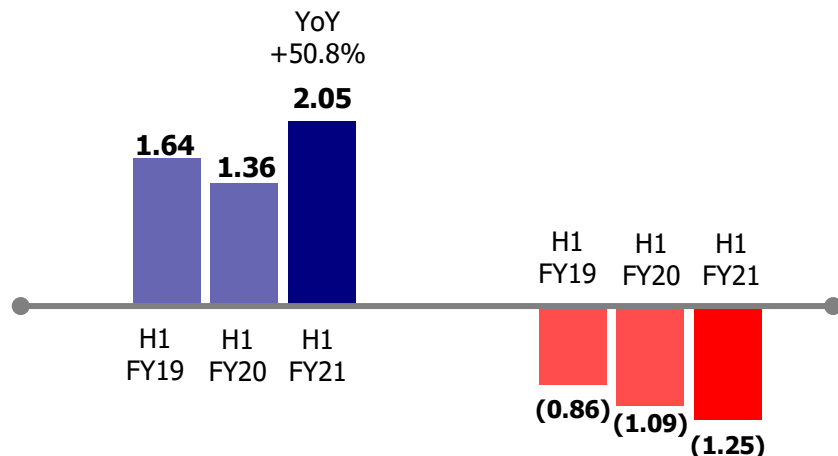
- In Nursing care, the number of facility users decreased from the same period of the previous year due to continued concerns about COVID-19 infection.
- Demand for "sterilization and disinfection service" in the life support business remains strong.
- In the childcare field, although the number of children using the service decreased slightly from the same period of the previous year, it is currently on a recovery trend due to the opening of new facilities and the increase in floor space.
- Increased initial costs due to the increase in new facilities and labor costs due to improved treatment.

# Regional Revitalization Solutions

## Net Sales

## Operating Income

(Billions of yen)



## Business Conditions (H1 FY21 result)

- Due to the reissue of the state of emergency, some facilities were affected by business suspensions and shortened business hours.

※ From late April to late June, From mid July to end of September 2021

- Although affected by COVID-19 infection, many customers visited the venue, mainly in the Kansai region, due to the opening of new facilities and attractions.

## Awajishima

- Opened "Haru·sansan", a sustainable farmer's restaurant that offers locally produced and consumed dishes such as homemade vegetables and ingredients from Awajishima.

( October, 2021)



- Opened a 『DRAGON QUEST』 attraction in NIJIGEN NO MORI. A collaborative accommodation room is also open.

( May & November ,2021 )



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- Opened a new bus route from Sannomiya. Improved convenience of access to our facilities.

(December,2021)



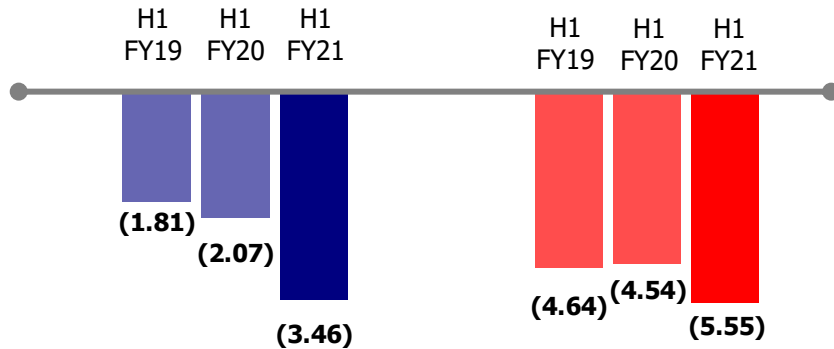


# Elimination/Corporate Segment Costs

## Net Sales

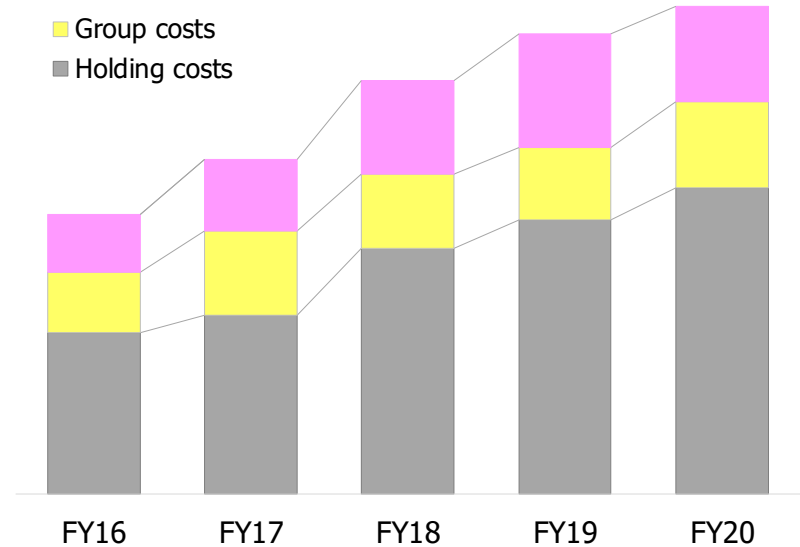
## Operating Income

(Billions of yen)



## Costs Trends

■ Incubation costs  
■ Group costs  
■ Holding costs



## Main Reasons for Cost Decrease Conditions (H1 FY21 result)

- Opened "Awaji Chef's Garden" to support chefs who are affected by COVID-19 infection. (July, 2021)
- Opened offices, etc. due to partial relocation of head office functions to Awajishima.

January, 2021 ..... PASONA Workation Hub Uzaki

August, 2021 ..... PASONA Workation Hub Shizuki

November, 2021 ..... PASONA Workation Hub Higashiura



# Revision of Consolidated Financial Results Forecast for FY2021

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# Revision of Consolidated Financial Results Forecast for FY2021

- Concerns about the sixth wave of the spread of coronavirus infection are rapidly increasing at the moment, and uncertainty about the future is increasing.
- Demand for BPO services from companies and public sectors is expected to continue to grow steadily, including improvements in business productivity, work style reforms, and promotion of business outsourcing.

(Millions of yen)

	(A) Initial Forecast	(B) Revised Forecast	(B)-(A) Increase/ Decrease	(B) / (A) (%)	(C) FY20	(B) / (C) (%)
Net Sales	350,000	368,000	+18,000	+5.1%	334,540	+10.0%
Operating Income	20,000	22,000	+2,000	+10.0%	19,940	+10.3%
Ordinary Income	20,000	22,000	+2,000	+10.0%	20,379	+7.9%
Profit Attributable to Owners of Parent	7,500	8,500	+1,000	+13.3%	6,784	+25.3%

# FY2021 Consolidated Revised Forecasts

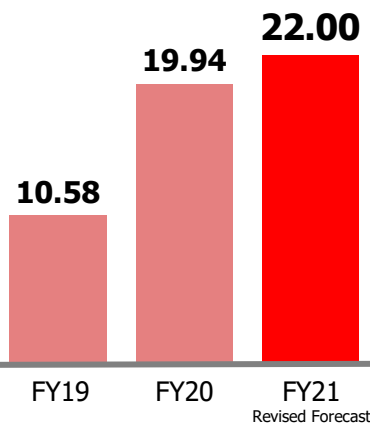
## Net Sales

YoY +10.0%



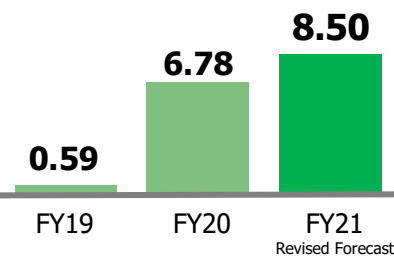
## Operating Income

+10.3%



## Profit attributable to owners of parent

+25.3%



(Billions of yen)

(Millions of yen)	FY19	to net sales %	FY20	to net sales %	FY21 Revised Forecast	to net sales %	vs FY20 Increase/Decrease	YoY
Net sales	324,984	100.0	334,540	100.0	368,000	100.0	+33,459	+10.0%
Operating income	10,577	3.3	19,940	6.0	22,000	6.0	+2,059	+10.3%
Ordinary income	10,236	3.1	20,379	6.1	22,000	6.0	+1,620	+7.9%
Profit attributable to owners of parent	594	0.2	6,784	2.0	8,500	2.3	+1,715	+25.3%

# FY2021 Revised Forecasts by Segment

(Millions of yen)

Segment		Sales						Operating income (loss)							
		(A) FY21 Initial Forecast	(B) FY21 Revised Forecast	(B)-(A) Increase/ Decrease	(B) / (A) %	(C) FY20	(B)-(C) Increase/ Decrease	(B) / (C) %	(A) FY21 Initial Forecast	(B) FY21 Revised Forecast	(B)-(A) Increase/ Decrease	(B) / (A) %	(C) FY20	(B)-(C) Increase/ Decrease	(B) / (C) %
①	Expert Services (Temporary Staffing)	153,000	<b>153,000</b>	0	-	149,133	+3,866	+2.6%							
②	BPO Services (Contracting)	122,000	<b>138,500</b>	+16,500	+13.5%	114,055	+24,444	+21.4%	14,500	<b>17,500</b>	+3,000	+20.7%	17,427	+72	+0.4%
③	HR Consulting, Education, Training, etc.	8,500	<b>8,500</b>	0	-	7,613	+886	+11.6%							
④	Global Sourcing (Overseas)	8,000	<b>8,500</b>	+500	+6.3%	7,061	+1,438	+20.4%	300	<b>400</b>	+100	+33.3%	116	+283	+244.6%
Subtotal		291,500	<b>308,500</b>	+17,000	+5.8%	277,864	+30,635	+11.0%	14,800	<b>17,900</b>	+3,100	+20.9%	17,543	+356	+2.0%
⑤	Career Solutions (Placement/Recruiting, Outplacement)	15,000	<b>15,000</b>	0	-	13,863	+1,136	+8.2%	5,000	<b>5,000</b>	0	-	3,919	+1,080	+27.6%
⑥	Outsourcing	37,310	<b>37,310</b>	0	-	37,844	(534)	(1.4)%	11,750	<b>11,750</b>	0	-	9,794	+1,955	+20.0%
⑦	Life Solutions	7,000	<b>7,000</b>	0	-	6,570	+429	+6.5%	200	<b>200</b>	0	-	203	(3)	(1.6)%
⑧	Regional Revitalization Solutions	4,500	<b>5,500</b>	+1,000	+22.2%	3,244	+2,255	+69.5%	(1,800)	<b>(1,800)</b>	0	-	(2,327)	+527	-
⑨	Elimination/Corporate	(5,310)	<b>(5,310)</b>	0	-	(4,846)	(463)	-	(9,950)	<b>(11,050)</b>	(1,100)	-	(9,191)	(1,858)	-
Consolidated		350,000	<b>368,000</b>	+18,000	+5.1%	334,540	+33,459	+10.0%	20,000	<b>22,000</b>	+2,000	+10.0%	19,940	+2,059	+10.3%

# **Results for the First Half of the Fiscal Year Ending May 31, 2022**

## **TOPICS**

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# **【Group Priority strategy】 Issues to be addressed**

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**1 Further expansion of BPO services,  
DX promotion**

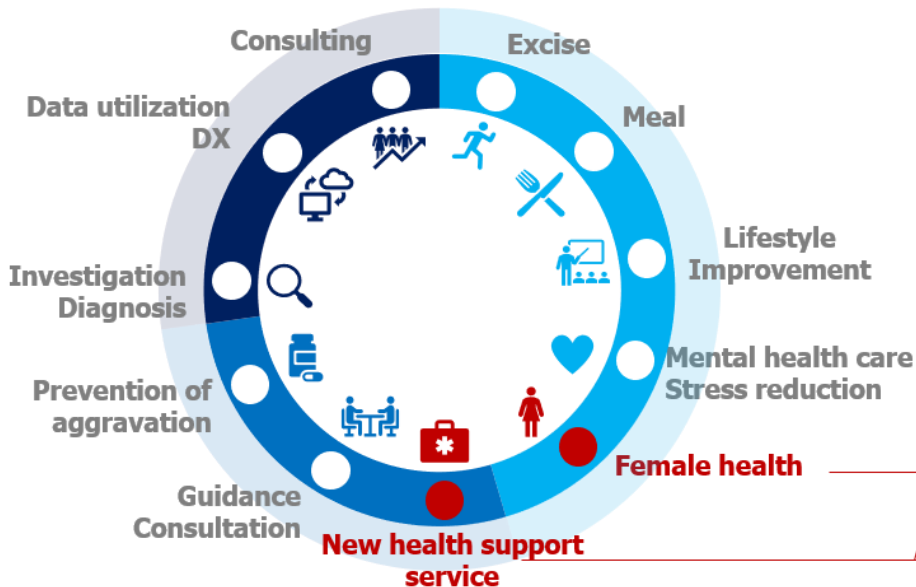
**2 Strengthening support for career  
development to the era of 100 years  
of life**

**3 Promotion of regional revitalization  
projects for a sustainable society**

# Further expansion of BPO services, DX promotion

## Strengthening support for occupational health activities and medical institutions

- ☑ **Medical institution support project**
- ☑ **Expansion of occupational health services and nationwide expansion**



## Kira+sup (Women's health support program)

Supporting women's success from the aspect of health

"A total program that fosters a common understanding of the workplace and encourages practice"

<p><b>Women's health course</b></p> <p>Training video by Dr. Takao, an obstetrician and gynecologist &amp; industrial physician</p> <p>Video for employees &amp; managers</p> <p>30 minutes x 4 pieces set</p>  <p>産婦人科医 高尾美穂先生監修</p>	<p>Women's health issues and worries about childcare and childbirth are always available 24 hours a day</p> <p><b>Online consultation desk</b> ( Obstetrics and gynecology Pediatrics )</p> 
+	
<p>Exercise / diet practice course by trainers and registered dietitians</p> 	

## Group inoculation, occupational inoculation business support



- Inoculation management on the Benefit One Platform
- Vaccination reservation information
- Sharing of inoculation venue
- Request for prior response to the medical examination
- Inoculation frequency management
- Reminders for reservations for uninoculated people

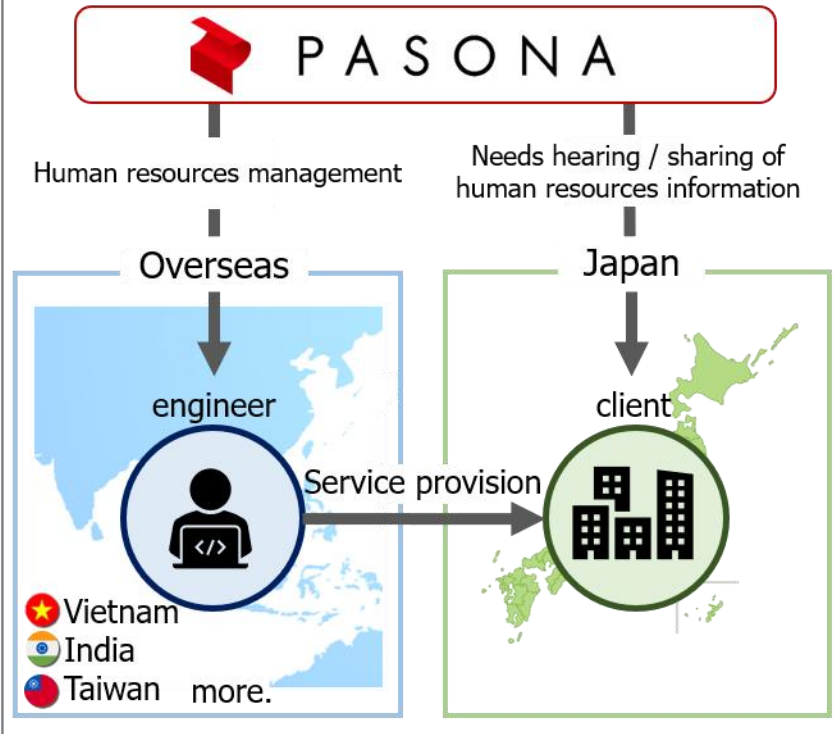


# Further expansion of BPO services, DX promotion

- Promote diverse work styles regardless of location, such as country or region, and create a place where people can gather and play an active role.

## Cross-border remote human resources service

BPO mainly by engineers living overseas, mainly in the IT field



## Project for the Metaverse era

Creating new jobs without disparity in an equal space



Awaji Avatar Center



Awaji Concierge Avatar



Regional revitalization project

more.

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

- Expanding interest in "safe placement and total services" to promote independence and independent career development.
- By May 2024, train inexperienced people and employees with high IT literacy to about 3,000 DX human resources.

## PASONA Digital Academy

Multiple digital human resource development programs aiming for 3,000 DX human resources

e.g.

### Reskilling Initiative Program



#### Main cooperation

- Existing Apps & lecture
- +
- Lecture for those who start learning DX
- App creation experience meeting for inexperienced people
- Production support office hour held
- Awaji Island Hackathon Training Camp
- Achievement result presentation in Awaji Island



## Established Hybrid Career Association

A platform that supports "working styles in which individuals play a leading role"

- Promotion and enlightenment activities of hybrid carriers
- Job matching, Community formation
- Providing welfare programs and various services for members



# Promotion of regional revitalization projects for a sustainable society

- Regional revitalization by side business, multiple business, and promotion of attracting companies

## Awajishima Workcation Facilities

Workcation Hub Uzaki



Workcation Hub Shizuki



Workcation Hub Higashiura



## All over Japan

### Cabinet Office "Regional Revitalization Telework Promotion Project"

- Online consultation desk
- Regional Revitalization Telework Promotion Movement Action Declaration
- Regional Revitalization Telework Award

✦ Kanto Bureau of Economy, Trade and Industry  
" # Fukukatsu Project " (1 metropolitan area and 10 prefectures)

✦ Yamanashi Prefecture  
"Two-base resident company attraction matching business "

✦ Aichi prefecture  
"Aichi Telework Model Office "

✦ Tottori prefecture  
" Tottori kakeru fukujyo "

✦ Tokushima Prefecture  
" Side business human resources utilization promotion business "

✦ Matsuyama City, Ehime Prefecture  
" Urban human resources dual work support business "

✦ Kotohira Town, Kagawa Prefecture  
" Learning tourism business "



# Promotion of regional revitalization projects for a sustainable society

## Awaji × SDGs

Oct. 2

### Awaji Nature Lab & Resort



Dec. 5

### TEDx Awaji

x = independently organized TED event



Dec. 19



### YUNGA

### Ambassador Program 2021



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1st : Oct. ~ Dec.

### Women's Advanced Program



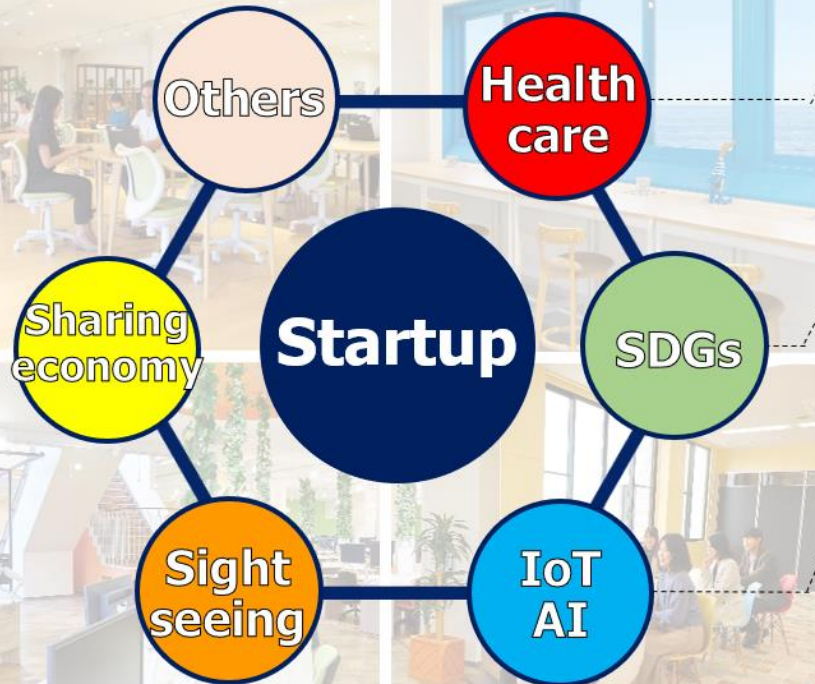
## Awaji × Startup Awaji Venture Island Concept

### ● Industry attraction & collaboration & CSV

- **T-ICU**
  - Remote ICU support service, medical consulting
  - Correcting regional medical disparities and raising the level of regional medical care
- **Biomass Resin**  
HOLDINGS
  - Development and sale of highly sustainable resin products made from unused resources and waste of non-edible rice
  - Development of businesses that promote local production for local consumption of resources and contribute to regional revitalization
- **TRADFIT**
  - Construction and operation of a voice data platform utilizing cloud AI.
  - Cooperation with regional revitalization projects (sightseeing, inbound).

### ● Collaborative & co-creation type venture development

- **キカガク**  
KIKAGAKU
  - Started "fwywd in Awaji", a collaborative and co-creative venture development program that lives in Awaji Island, Hyogo Prefecture and aims to start a business while working. Emigration support, investment support by "Awaji Startup Fund".



# Reference

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# Awajishima



**2008** A support system for agricultural ventures aiming for independent farming  
**Pasona Challenge Farm OPEN**

**2012** Renovation of a closed-down elementary school Marche and Restaurant  
**Nojima Scuola OPEN**

**2014** Training entrepreneurs to solve social problems  
**Entrepreneurship Program Launch**

A terrace with seaside view  
**Honey Cafe miele OPEN**

**2016** Seafront Market and Restaurant  
**CRAFT CIRCUS OPEN**

**2017** Aiming for regional revitalization through artistic activities  
**Began call for Entertainers to revitalize the region**

**2017** Hyogo Prefectural Awajishima Anime Park  
**NIJIGEN NO MORI OPEN**

A grill restaurant with spectacular ocean views  
**Ocean Terrace OPEN**

**2018** Media art and restaurant by the sea  
**HELLO KITTY SMILE OPEN**

A luxury hotel on a "starry hill"  
**GRAND CHARIOT OPEN**

**2019** A new theater restaurant where you can enjoy a Hello Kitty show and dining  
**HELLO KITTY SHOW BOX OPEN**

**2020** A project aiming for regional revitalization through music  
**Music Island Project Launch**

Theater and social distance restaurant  
**SEIKAIHA OPEN**

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 Launch**

Supporting job retention and career development for younger employees  
**Fresh Career Development Program Launch**

An outdoor food court amidst nature aiming to support chefs affected by COVID-19 infection  
**Awaji Chef's Garden OPEN**

For those seeking full-time employment while raising children on their own  
**Single parent work support project Launch**

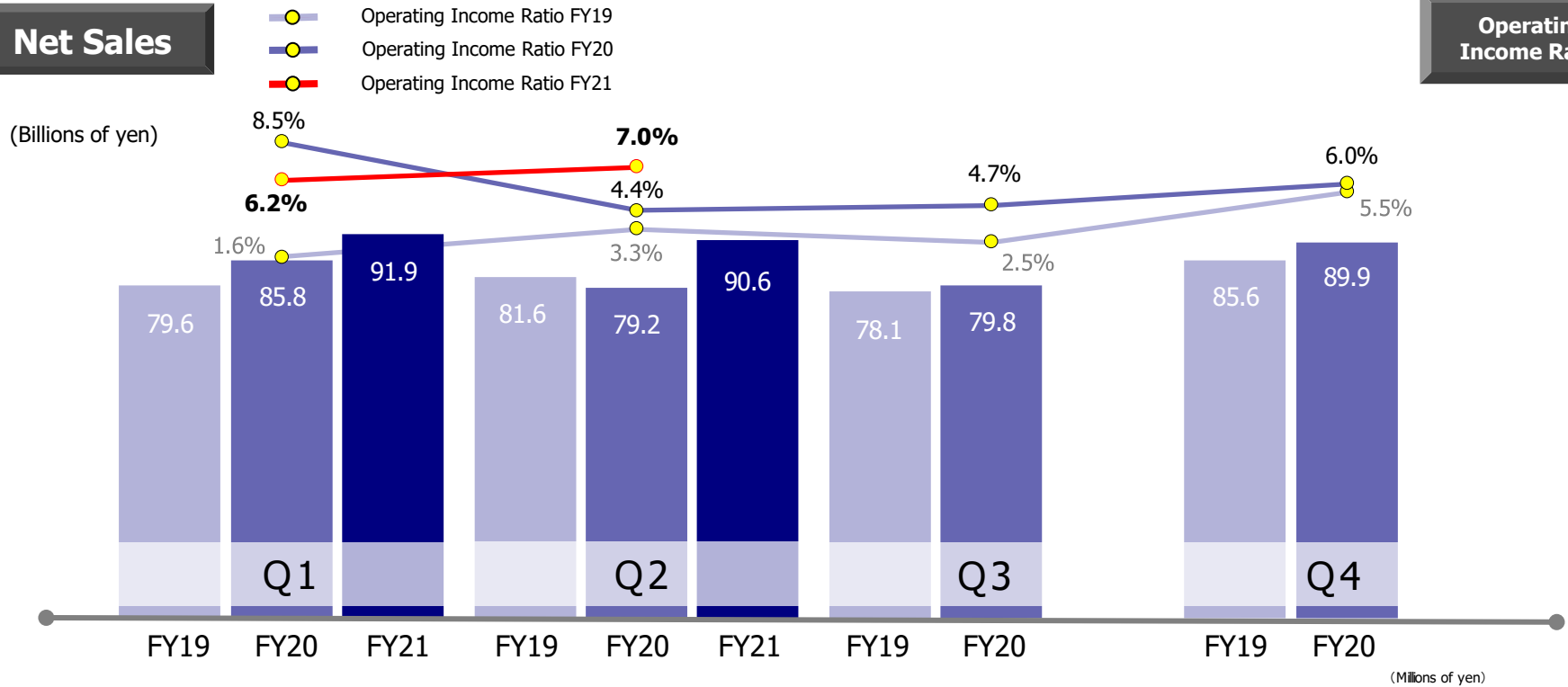
A residency-style French restaurant  
**Auberge La Forêt de la Cuisine Française OPEN**

A restaurant featuring vegetables that you can enjoy in abundant nature  
**Farmer restaurant Haru・Sansan OPEN**

# Quarterly Sales and Income Trends

## Net Sales

## Operating Income Ratio



	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	FY19	FY20	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%	85,636	89,869	+4.9%
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%	21,058	21,939	+4.2%
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)%	16,336	16,511	+1.1%
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%	4,721	5,428	+15.0%
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%	26	1,201	+4,374.8%
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	24.6%	24.4%	(0.2)pt
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	19.1%	18.4%	(0.7)pt
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	5.5%	6.0%	+0.5pt



# Quarterly Sales and Income Trends by Segment

(Millions of yen)

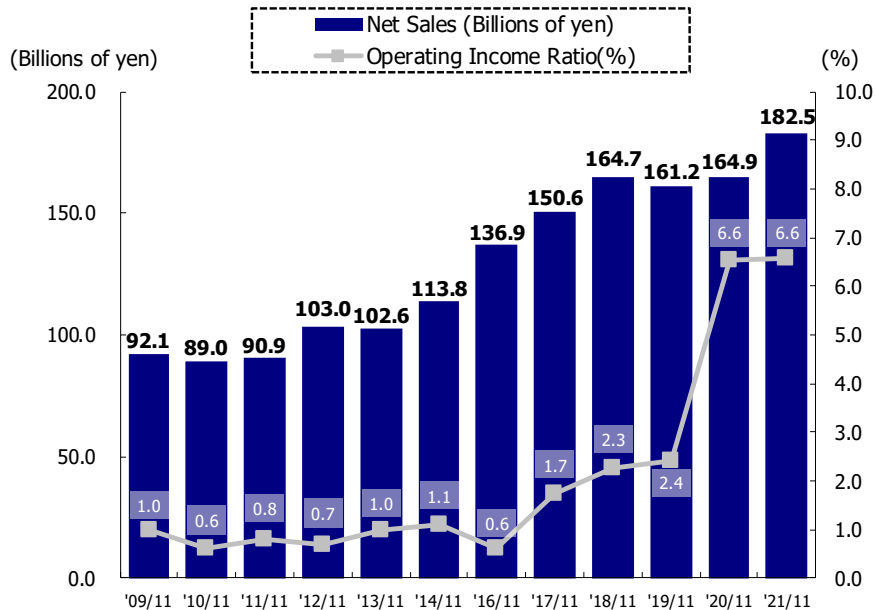
Segment		Sales							Operating income (loss)						
		Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21	YoY	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21	YoY
①	Expert Services (Temporary Staffing)	38,008	37,429	35,747	37,948	40,650	38,014	+1.6%							
②	BPO Services (Contracting)	32,139	24,776	25,485	31,652	34,202	33,417	+34.9%	7,230	3,277	2,830	4,089	5,021	4,222	+28.9%
③	HR Consulting, Education & Training, Others.	1,628	1,842	2,260	1,882	1,926	1,911	+3.7%							
④	Global Sourcing (Overseas)	1,658	1,682	1,721	1,999	2,056	2,004	+19.1%	(83)	64	51	83	57	110	+72.5%
Subtotal		73,435	65,731	65,215	73,482	78,835	75,347	+14.6%	7,147	3,341	2,882	4,172	5,079	4,333	+29.7%
⑤	Career Solutions (Placement/Recruiting, Outplacement)	2,938	3,087	3,347	4,490	3,610	3,881	+25.7%	592	720	888	1,718	1,134	1,250	+73.5%
⑥	Outsourcing	8,248	8,941	9,886	10,767	8,513	10,232	+14.4%	2,181	2,287	2,450	2,875	2,843	4,043	+76.8%
⑦	Life Solutions	1,563	1,674	1,644	1,687	1,708	1,767	+5.5%	41	117	65	(21)	14	100	(13.9)%
⑧	Regional Revitalization Solutions	479	880	813	1,070	763	1,286	+46.1%	(575)	(511)	(468)	(771)	(702)	(547)	-
⑨	Eliminations and Corporate	(913)	(1,160)	(1,143)	(1,628)	(1,504)	(1,957)	-	(2,099)	(2,439)	(2,108)	(2,544)	(2,668)	(2,884)	-
Total		85,751	79,154	79,763	89,869	91,927	90,558	+14.4%	7,287	3,515	3,710	5,428	5,700	6,295	+79.1%

※ The segment of some subsidiaries has been changed with the reorganization of subsidiaries.

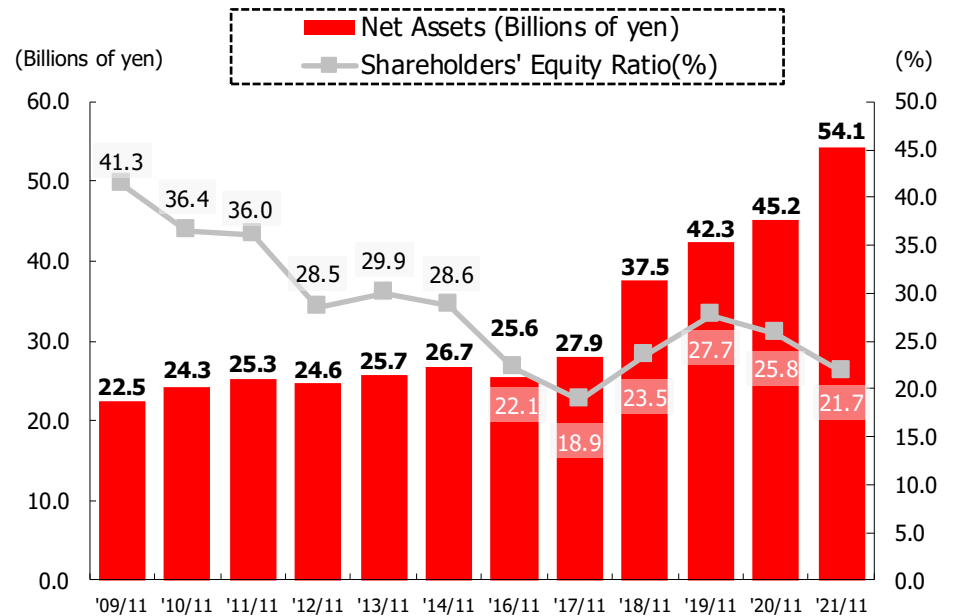
※ Since the end of FY2020, the segment of some subsidiaries has been changed with the reorganization of subsidiaries. YoY percentages show the values compared with the figures reclassified into the new segment classification.

# H1 Key Indicators

## Net Sales and Operating Income Ratio



## Net Assets and Shareholders' Equity Ratio



## First Half Results

Key Indicators	'08/11	'09/11	'10/11	'11/11	'12/11	'13/11	'14/11	'15/11	'16/11	'17/11	'18/11	'19/11	'20/11	'21/11
Net Sales	116,086	92,069	88,994	90,880	102,976	102,619	113,805	127,602	136,867	150,619	164,692	161,229	164,906	182,486
Gross Profit Margin	20.0%	19.2%	18.2%	18.3%	18.5%	18.9%	19.7%	19.9%	19.7%	21.2%	22.0%	23.2%	25.5%	24.4%
SG&A Expenses	21,598	16,784	15,640	15,922	18,355	18,372	21,265	24,362	26,205	29,313	32,425	33,496	31,189	32,516
SG&A Expense Ratio	18.6%	18.2%	17.6%	17.5%	17.8%	17.9%	18.7%	19.1%	19.1%	19.5%	19.7%	20.8%	18.9%	17.8%
Operating Income	1,598	905	533	724	714	1,038	1,195	1,072	794	2,618	3,732	3,901	10,802	11,996
Operating Income Ratio	1.4%	1.0%	0.6%	0.8%	0.7%	1.0%	1.1%	0.8%	0.6%	1.7%	2.3%	2.4%	6.6%	6.6%
Ordinary Income	1,803	933	580	744	692	961	1,118	977	759	2,634	3,538	3,606	10,854	12,149
Ordinary Income Ratio	1.6%	1.0%	0.7%	0.8%	0.7%	0.9%	1.0%	0.8%	0.6%	1.7%	2.1%	2.2%	6.6%	6.7%
Net Income (Loss) *3	203	(1,696)	(549)	75	(454)	(25)	(155)	(334)	(816)	470	631	392	4,278	4,800
Net Income Ratio	0.2%	-	-	0.1%	-	-	-	-	-	0.3%	0.4%	0.2%	2.6%	2.6%
Total Assets *4	52,670	42,866	55,084	57,480	68,768	68,524	72,357	80,164	80,517	100,881	114,914	116,930	137,757	193,839
Net Assets *1	24,939	22,497	24,260	25,295	24,619	25,743	26,744	27,702	25,591	27,886	37,529	42,341	45,200	54,132
Shareholders' Equity Ratio *2 *4	37.6%	41.3%	36.4%	36.0%	28.5%	29.9%	28.6%	24.7%	22.1%	18.9%	23.5%	27.7%	25.8%	21.7%

\*1. Presentation of shareholders' equity amended to a net assets basis in line with changes to accounting standards and policies. Non-controlling interests included in presentation of net assets since the fiscal year ended May 31, 2007.

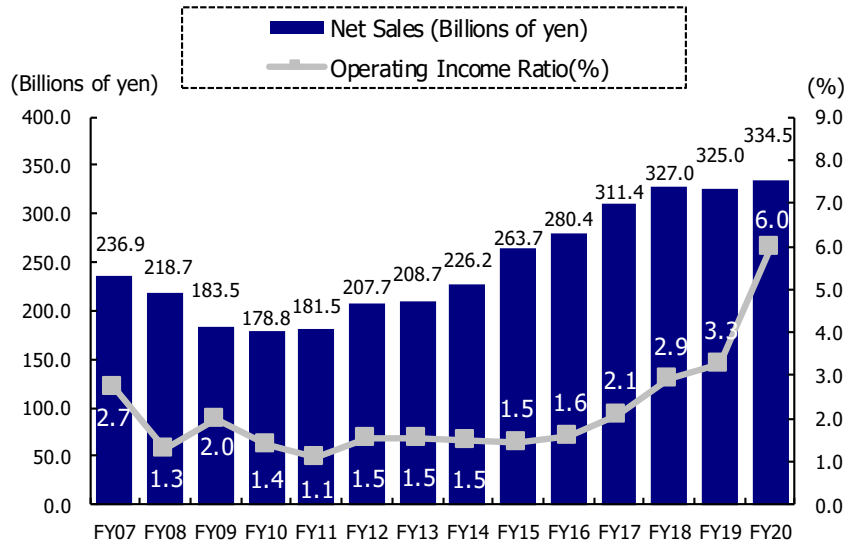
\*2. Despite changes in calculation methods for net assets following the introduction of changes to accounting standards and policies, the shareholders' equity ratio since the fiscal year ended May 31, 2007 is calculated utilizing an amount equivalent to net assets applicable to common shares.

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

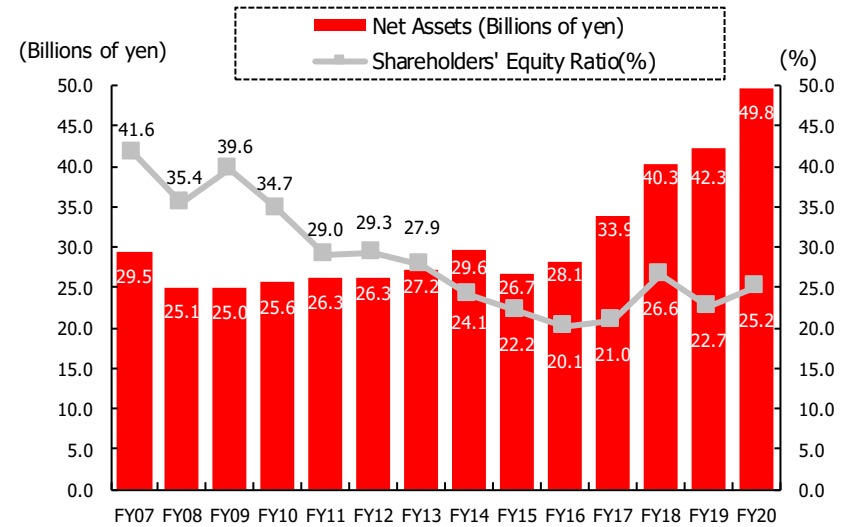
\*4. As the Company adopted "Partial Amendments to A Accounting Standard for Tax Effect Accounting" from the beginning of the first quarter of FY2018. As for the financial position, the figures for the previous consolidated fiscal year were processed by the method.

# Full-Year Key Indicators

## Net Sales and Operating Income Ratio



## Net Assets and Shareholders' Equity Ratio



## Results

Key Indicators	'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
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
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%
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
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%
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
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%
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
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%
Net Income *3	2,962	312	204	412	29	610	526	214	243	(129)	1,288	1,975	594	6,784
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%
Total Assets *4	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
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
Shareholders' Equity Ratio *2 *4	41.6%	35.4%	39.6%	34.7%	29.0%	29.3%	27.9%	24.1%	22.2%	20.1%	21.0%	26.6%	22.7%	25.2%
Return on Equity	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%
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

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.

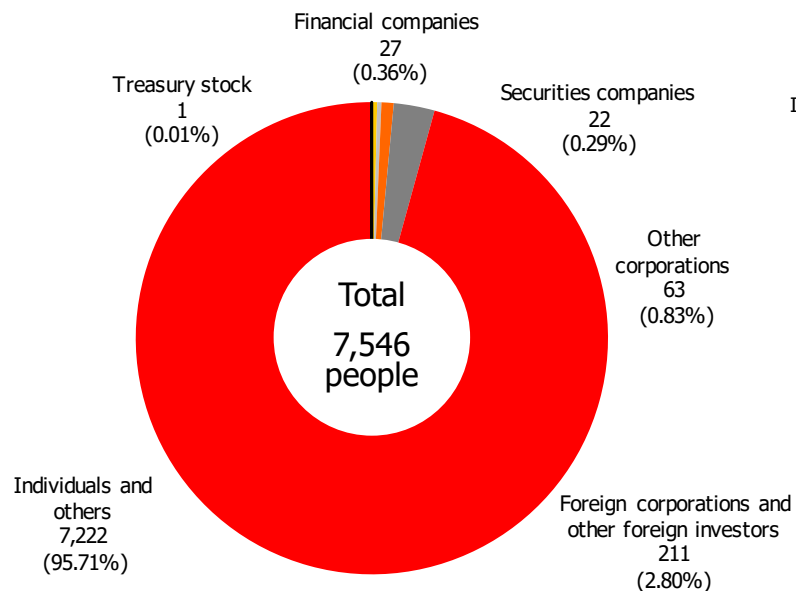
2. Despite changes in calculation methods for net assets following the introduction of changes to accounting standards and policies, the shareholders' equity ratio since the fiscal year ended May 31, 2007 is calculated utilizing an amount equivalent to net assets applicable to common shares.

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

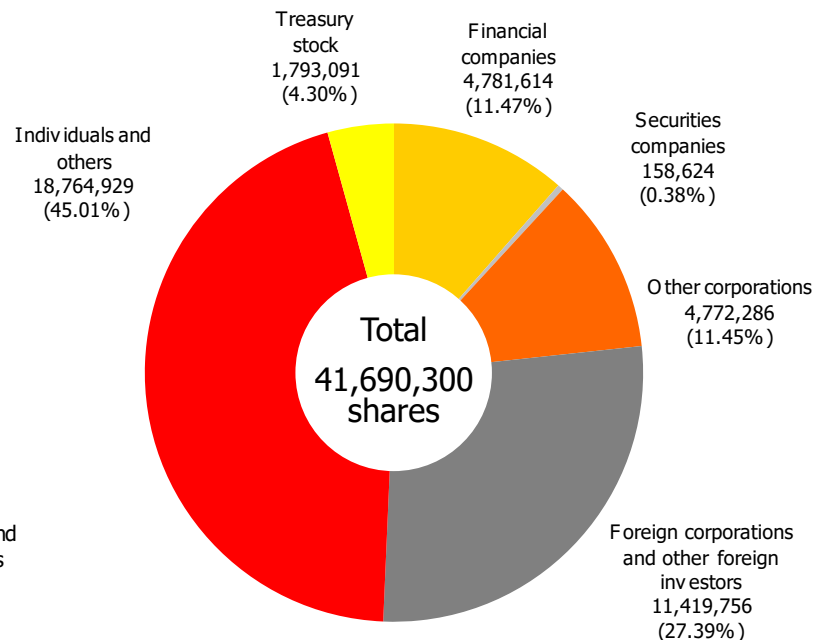
4. As the Company adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" from the beginning of the first quarter of FY2018. As for the financial position, the figures for the previous consolidated fiscal year were processed by the method.

# Stock Information (As of Nov. 30, 2021)

## 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 BANK OF NEW YORK MELLON 140040	2,803,000	6.72%
The Master Trust Bank of Japan, Ltd (Trust Account)	2,495,600	5.99%
Pasona Group Inc.	1,793,091	4.30%
AVI GLOBAL TRUST PLC	1,027,000	2.46%
CREDIT SUISSE AG HONG KONG TRUST A/C CLIENT	782,800	1.88%
Custody Bank of Japan, Ltd.(Trust Account)	751,300	1.80%
Custody Bank of Japan, Ltd.(Trust Account E)	750,214	1.80%
Gratitude Inc.	596,600	1.43%

- The Company's treasury stock (1,793,091 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.
- Pasona Group received a notification from Tempered Investment Management LTD. , that it held 2,847,400 shares as of October 21, 2019 outlined the delivery of a Substantial Shareholding Report submitted to the Kanto Local Finance Bureau on October 21, 2019. As the Company is unable to confirm the number of shares held as of 30 Nov, 2021, Tempered Investment Management LTD. has been omitted from the list of major shareholders identified.

# Group Companies (by segment)

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

Pasona Inc.	Bewith, Inc.
Pasona Tech, Inc.	Asahi Beer Communications Co, Ltd.
PASONA LOGICOM Inc.	Pasona art now Inc.
Pasona Masters Inc.	Pasona Panasonic Business Service Co.,Ltd
Gotop Co., Ltd.	Pasona Knowledge Partner Inc.
Pasona HS Inc.	Nagasaki diamond staff
Pasona Heartful Inc.	Pasona HR Solution Inc.
Pasona JOB HUB Inc.	Pasona Intellectual Property Trust Inc.
CAPLAN Corporation	circrace Inc.*
Pasona Yaskawa Business Staff Inc.	

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.  
Pasona Agri-Partners Inc.  
Tango Kingdom Brewery Inc.  
Pasona Tohoku Sousei Inc.  
Nijigennomori Inc.  
Pasona Smile Inc.

Others \*

● Consolidated subsidiaries 64

\* Equity-method affiliates 9

(As of Nov. 30, 2021)

# Corporate Information

Tokyo Stock Exchange, 1st Section 2168

<b>Corporate Name</b>	Pasona Group Inc.	
<b>Headquarters</b>	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
<b>Established</b>	December 3, 2007 (Founding February 1976)	
<b>Paid-in Capital</b>	5,000 million yen	
<b>Representative</b>	Yasuyuki Nambu	
<b>Business Activities</b>	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	
<b>Number of Employees</b>	21,789 (Consolidated, including contract workers)	(As of May. 31, 2021)
<b>Consolidated Group Companies</b>	Subsidiaries 64 , Affiliates 9	(As of Nov. 30, 2021)
<b>URL</b>	<a href="http://www.pasonagroup.co.jp/english/">www.pasonagroup.co.jp/english/</a>	