



October 15, 2026

Consolidated Financial Results for the Three Months Ended August 31, 2026 (Under Japanese GAAP)

Company name: Pasona Group Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 2168
 URL: <https://www.pasonagroup.co.jp>
 Representative: Hirotaka Wakamoto, Representative Director, Chairperson and CEO
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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended August 31, 2026 (June 1, 2026 to August 31, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended August 31, 2026	79,327	3.1	93	—	94	—	496	—
August 31, 2025	76,965	0.8	(568)	—	(64)	—	(606)	—

Note: Comprehensive income For the three months ended August 31, 2026: ¥597 million [—%]
 For the three months ended August 31, 2025: ¥(613) million [—%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended August 31, 2026	13.29	13.24
August 31, 2025	(15.92)	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
August 31, 2026	228,667	130,101	54.4
May 31, 2026	235,482	132,929	53.9

Reference: Equity As of August 31, 2026: ¥124,391 million
 As of May 31, 2026: ¥126,888 million

Note: Total assets as of August 31, 2026 and May 31, 2026 include temporary “Deposits received” from customers for contracted projects and the corresponding “Cash and deposits” in assets and liabilities. For details, please refer to “1. Overview of Business Results. (2) Overview of Financial Position for the Period under Review.”

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended May 31, 2026	—	0.00	—	75.00	75.00
Fiscal year ending May 31, 2027	—				
Fiscal year ending May 31, 2027 (Forecast)		0.00	—	75.00	75.00

Note: Revisions to the forecast of cash dividends most recently announced: None

Note: Breakdown of the dividend for the fiscal year ended May 31, 2026

Ordinary dividend ¥15.00, Special dividend ¥60.00

Note: Breakdown of the dividend for the fiscal year ending May 31, 2027 (Forecast)

Ordinary dividend ¥15.00, Special dividend ¥60.00

3. Consolidated financial results forecast for the fiscal year ending May 31, 2027 (from June 1, 2026 to May 31, 2027)

(Percentage figures are changes from the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	325,000	5.3	1,500	—	1,500	984.8	(1,000)	—	(26.77)

Note: Revisions to the forecast of results most recently announced: None

4. NOTES

- (1) Significant changes in the scope of consolidation during the current period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - ii) Changes in accounting policies due to other reasons: None
 - iii) Changes in accounting estimates: None
 - iv) Restatement: None
- (4) Number of issued shares (common shares)
- i) Total number of issued shares at the end of the period (including treasury shares)
 - As of August 31, 2026: 40,190,300 shares
 - As of May 31, 2026: 40,190,300 shares
 - ii) Number of treasury shares at the end of the period
 - As of August 31, 2026: 2,834,961 shares
 - As of May 31, 2026: 2,837,873 shares
 - iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)
 - Three months ended August 31, 2026: 37,352,649 shares
 - Three months ended August 31, 2025: 38,132,022 shares

Note:

The Company has introduced “Board Benefit Trust (BBT)” and “Employment Stock Ownership Plan (J-ESOP).” The Company’s shares in the BBT and J-ESOP, which are reported as treasury shares under Shareholders’ equity, are counted as the number of treasuries shares as of the average number of shares outstanding for the period for the purpose of not including for computing basic earnings per share.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Explanation of appropriate use of earnings forecasts and other special notes

(Cautionary statement regarding forward-looking statements)

The forecasts are based on assumptions and beliefs in light of information available to management at the time of document preparation and accordingly include certain unconfirmed factors. As a result, readers are advised that actual results may differ materially from forecasts for a variety of reasons. For information regarding the assumptions underlying the earnings forecasts, please refer to attached document, “1. Overview of Business Results, (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information.”

(Method to obtain supplemental materials for financial results)

Supplemental materials for the financial results have been posted on the Company’s website since October 15, 2026.

<https://www.pasonagroup.co.jp/english/ir/>

Consolidated Financial Results
for the Three Months Ended August 31, 2026

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1. Overview of Business Results

(1) Overview of Operating Results for the Period under Review

i) Business Results for the First Quarter ended August 31, 2026

Consolidated Financial Report (June 1, 2026 – August 31, 2026)

(Millions of yen)

	Three months ended August 31, 2025	Three months ended August 31, 2026	Increase/ Decrease	YoY
Net sales	76,965	79,327	+2,362	+3.1%
Gross profit	17,085	18,738	+1,653	+9.7%
Selling, general and administrative expenses	17,653	18,645	+991	+5.6%
Operating profit (loss)	(568)	93	+662	—
Ordinary profit (loss)	(64)	94	+159	—
Profit (Loss) attributable to owners of parent	(606)	496	+1,103	—

During the first quarter of the current consolidated fiscal year (hereinafter referred to as “the first quarter”), the Japanese economy experienced a moderate recovery, driven by a pickup in consumer spending and improvements in corporate earnings and the employment situation.

At the same time, the economic outlook remained uncertain due to factors such as the situation in the Middle East. Under these circumstances, the Group’s business performance saw revenue growth in all segments except for BPO Solutions which was affected by the peak-out of large-scale contract projects, and the Placement/Recruiting business within Career Solutions where operating efficiency declined in the previous consolidated fiscal year (hereinafter referred to as “the previous fiscal year”). Although selling, general and administrative expenses increased due to costs associated with opening new facilities in the Regional Revitalization and Tourism Solutions segment and higher IT-related expenses in the BPO Solutions segment, consolidated operating profit rose compared to the same period last year, driven by higher consolidated net sales and an improvement in the gross profit margin.

Non-operating income decreased year-on-year due to the absence of sponsorship income, merchandise sales and other revenues associated with Expo 2025 Osaka, Kansai, Japan that were recorded in the previous year. However, ordinary profit increased as expenses also declined. Furthermore, during the first quarter, profit attributable to owners of parent increased year-on-year because the Company recorded an extraordinary income due to the sale of shares and other securities held by the Company, the Company had recorded an extraordinary loss in connection with Expo exhibit related expenses in the same period last year and other factors.

ii) Business Segment Information (before elimination of intersegment transactions)

Segment Information (Figures include intersegment sales)

Consolidated Net Sales by Segment

(Millions of yen)

	Three months ended August 31, 2025	Three months ended August 31, 2026	Increase/ Decrease	YoY
HR Solutions	71,096	72,625	+1,529	+2.2%
BPO Solutions (Contracting, Outsourcing)	33,071	32,787	(283)	(0.9)%
Expert Solutions (Temporary staffing)	34,680	36,538	+1,858	+5.4%
Career Solutions (Placement/Recruiting, Outplacement)	3,345	3,299	(45)	(1.4)%
Global Solutions (Overseas Human Resource Services)	2,777	3,099	+322	+11.6%
Life Solutions (Childcare support, Life support, etc.)	2,229	2,579	+349	+15.7%
Regional Revitalization and Tourism Solutions	2,085	2,254	+168	+8.1%
Elimination and Corporate	(1,223)	(1,231)	(7)	—
Total	76,965	79,327	+2,362	+3.1%

Consolidated Operating Profit (Loss) by Segment

(Millions of yen)

	Three months ended August 31, 2025	Three months ended August 31, 2026	Increase/ Decrease	YoY
HR Solutions	3,432	4,089	+ 657	+19.1%
BPO Solutions (Contracting, Outsourcing)	2,567	3,355	+ 787	+30.7%
Expert Solutions (Temporary staffing)				
Career Solutions (Placement/Recruiting, Outplacement)	864	734	(130)	(15.1)%
Global Solutions (Overseas Human Resource Services)	26	142	+ 116	+440.9%
Life Solutions (Childcare support, Life support, etc.)	18	115	+ 97	+533.6%
Regional Revitalization and Tourism Solutions	(336)	(783)	(446)	—
Elimination and Corporate	(3,709)	(3,471)	+ 238	—
Total	(568)	93	+ 662	—

HR Solutions Net sales ¥72,625 million Operating profit ¥4,089 million

[BPO Solutions (Contracting, Outsourcing)] Net sales ¥32,787 million

Although net sales declined due to the peak-out and completion of large-scale contract projects in public-sector, both net sales and gross profit margin performed steadily because new demand remained robust against the backdrop of companies' digital transformation efforts and increasingly complex management challenges.

In addition, "ProShare"—which is a service where professional talent solves corporate management challenges—continued to expand, and service unit prices rose due to an increase in high-value-added projects.

In addition, we saw growth in facility management service contracts resulting from the reorganization and consolidation of our client companies' operations, and Radiant Communication Sdn. Bhd. of Malaysia which became a consolidated subsidiary at the end of the previous fiscal year contributed to our financial performance.

In September 2026, we made En Factory, Inc., which maintains a network of approximately 30,000 members registered as professionals, a subsidiary, and will continue to drive the further expansion of our BPO services.

[Expert Solutions (Temporary staffing)] Net sales ¥36,538 million

The number of new registrants for temporary staffing continued to rise, following the trend from the previous fiscal year, and against a backdrop of steady demand for temporary staff, the number of new orders also grew year-on-year. Net sales increased primarily due to revisions in hourly staffing rates resulting from improved working conditions for temporary staff, further supported by the fact that the first quarter had one more business day than the same period last year. We are working to improve our contract conversion rate by streamlining the process leading up to staffing contracts and utilizing digital tools. Furthermore, as our clients' staffing needs and business challenges become increasingly diverse, we provide the most suitable solutions for each client by accelerating proposals that incorporate BPO solutions.

[BPO Solutions • Expert Solutions] Net sales ¥69,325 million Operating profit ¥3,355million

Gross profit increased due to improved gross profit margins in both segments. In addition, although selling, general, and administrative expenses including personnel costs and IT-related expenses rose, consolidated operating profit increased.

[Career Solutions (Placement/Recruiting, Outplacement)]

Net sales ¥3,299 million Operating profit ¥734 million

In the Placement/Recruiting business, net sales for the first quarter declined due to a lack of growth in the number of successful placements in the previous quarter. However, as we continue to improve business processes and enhance operational efficiency through digital tools including AI, the number of successful placements is showing signs of recovery in the first quarter.

In the Outplacement services business, net sales increased as the number of users remained at a high level. Additionally, the replacement of certain core systems resulted in related expenses and an increase in depreciation expenses.

As a result, the segment's net sales decreased, and operating profit also declined.

Global Solutions (Overseas Human Resource Services)

Net sales ¥3,099 million Operating profit ¥142 million

In the U.S., net sales increased in BPO services such as accounting and temporary staffing. In addition, selling, general and administrative expenses decreased due to the optimization of various costs, including labor costs, leading to improved profitability. In Taiwan, Placement/Recruiting services grew against the backdrop of a continued strong semiconductor market. In India, business expanded primarily in Placement/Recruiting services due to an increase in projects driven by expansion into the market by Japanese companies, while in Singapore, business expanded primarily in recruitment services as a result of a review of the sales structure. As a result, both net sales and gross profit for the segment increased, and operating profit also rose due to measures such as the promotion of appropriate cost management.

Life Solutions (Childcare support, Life support, etc.)

Net sales ¥2,579 million Operating profit ¥115 million

In the Childcare support business, while the number of after-school clubs operated primarily in Tokyo increased, the number of childcare facilities, particularly corporate-based childcare centers, decreased. However, the number of children enrolled rose, partly due to higher utilization rates. Furthermore, an increase in contract fees aimed at improving staff compensation contributed to higher net sales and improved operating profit.

In the Life support business, childcare support services continued to expand among private-sector companies and local governments in urban areas, leading to the launch of new contracted projects. Additionally, net sales increased due to extended service hours at existing clients. On the other hand, net sales in the nursing care business declined following the closure of four facilities that provided care services, such as day care.

As a result, the segment as a whole reported increase in net sales and operating profits.

Regional Revitalization and Tourism Solutions

Net sales ¥2,254 million Operating profit ¥(783) million

“Nijigen no Mori” on Awaji Island in Hyogo Prefecture marked its 10th anniversary since opening in 2017. Driven by increased visitor numbers primarily to the permanent attractions “Dragon Quest Island” and “NARUTO & BORUTO SHINOBI-ZATO”, attraction usage and merchandise sales grew. As a result of continued optimizing staff allocation and these efforts, profitability continued to improve. Among the restaurant facilities on Awaji Island, net sales increased at “HELLO KITTY SMILE” and “Miele,” which was renovated last year. In addition, profitability improved at each location through rigorous cost management of ingredients and other supplies, which have been rising in price. On the other hand, operating profit declined due to the recognition of expenses including initial costs and depreciation expense associated with the opening in June of this year of “THE PASONA natureverse retreat,” a Long-Stay Wellness Retreat Facility.

Eliminations and Corporate Net sales ¥(1,231) million Operating profit ¥(3,471) million

During the first quarter, operating profit improved as a result of our efforts to control costs, including the appropriate allocation of personnel. We will continue to review our cost allocation in order to optimize corporate costs, as outlined in our medium-term vision.

(2) Overview of Financial Position for the Period under Review

Status of Assets, Liabilities and Net Assets

As of August 31, 2026, the amount of ¥10,840 million (¥8,802 million at the end of the previous fiscal year) of temporary “Deposits received” from customers related to contract projects, which is restricted in use by the Group, was recorded in liabilities, and “Cash and deposits” worth it was recorded in assets.

Assets

Total assets as of August 31, 2026 stood at ¥228,667 million, a decrease of ¥6,815 million or 2.9%, compared with May 31, 2026. This was mainly attributable to a decrease of ¥7,168 million “Cash and deposits” due to the acquisition of non-current assets and the payment of dividends and income taxes, and a decrease of ¥5,000 million in “Securities” by the redemption. On the other hand, “Notes and accounts receivable-trade, and contract assets” increased by ¥2,402 million, and “Property, plant and equipment” for Regional Revitalization and Tourism Solutions segment increased by ¥2,863 million.

Liabilities

Total liabilities as of August 31, 2026 stood at ¥98,565 million, a decrease of ¥3,986 million or 3.9%, compared with May 31, 2026. This was mainly attributable to a decrease of ¥1,235 million in “Accrued expenses”, a decrease of ¥1,615 million in “Income taxes payable”, and a decrease of ¥921 million in “Provision for bonuses”.

Net Assets

Net assets as of August 31, 2026 stood at ¥130,101 million, a decrease of ¥2,828 million or 2.1%, compared with May 31, 2026. This was mainly attributable to a decrease of ¥2,373 million in “Retained earnings” as Profit attributable to owners of the parent amounted to ¥496 million, while dividend payments totaled ¥2,870 million.

As a result, equity ratio as of August 31, 2026 was 54.4% (53.9% at the end of the previous fiscal year).

Total assets after deducting “Cash and deposits” associated with “Deposits received” related to contracted projects stood at ¥217,826 million (¥226,679 million at the end of the previous fiscal year), and equity ratio 57.1% (56.0% at the end of the previous fiscal year).

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

As we mark our 50th anniversary since our founding, we have positioned the five-year period starting with the fiscal year ending May 2026 as “PASONA GROUP VISION 2030,” our new growth strategy looking ahead to the next 50 years. Under this vision, we are pursuing reforms to our earnings structure and growth strategies for new businesses, striving for sustainable corporate growth and further enhancement of corporate value.

There are no changes from the earnings forecast announced on July 15, 2026.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of May 31, 2026	As of August 31, 2026
Assets		
Current assets		
Cash and deposits	76,779	69,611
Notes and accounts receivable - trade, and contract assets	37,471	39,874
Securities	16,000	11,000
Inventories	2,360	2,389
Other	6,679	6,424
Allowance for doubtful accounts	(43)	(41)
Total current assets	139,248	129,259
Non-current assets		
Property, plant and equipment		
Buildings	21,138	40,845
Accumulated depreciation	(8,940)	(9,366)
Buildings, net	12,198	31,479
Other	58,988	42,775
Accumulated depreciation	(8,699)	(8,903)
Other, net	50,289	33,871
Total property, plant and equipment	62,487	65,351
Intangible assets		
Goodwill	1,292	1,788
Other	9,876	9,858
Total intangible assets	11,169	11,646
Investments and other assets		
Other	22,519	22,356
Allowance for doubtful accounts	(15)	(15)
Total investments and other assets	22,503	22,341
Total non-current assets	96,160	99,339
Deferred assets	73	68
Total assets	235,482	228,667

(Millions of yen)

	As of May 31, 2026	As of August 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	2,670	1,829
Short-term borrowings	5,739	5,565
Accrued expenses	17,996	16,761
Income taxes payable	2,166	551
Deposits received	11,921	12,646
Provision for bonuses	4,112	3,191
Provision for bonuses for directors (and other officers)	15	20
Asset retirement obligations	3	-
Other	15,550	16,071
Total current liabilities	60,177	56,637
Non-current liabilities		
Bonds payable	1,570	1,570
Long-term borrowings	30,952	30,238
Provision for share awards for directors (and other officers)	253	253
Allowance for stock benefit for employee	277	273
Retirement benefit liability	2,333	2,306
Asset retirement obligations	2,962	2,962
Other	4,024	4,323
Total non-current liabilities	42,374	41,928
Total liabilities	102,552	98,565
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	16,046	16,048
Retained earnings	109,443	107,069
Treasury shares	(4,842)	(4,838)
Total shareholders' equity	125,647	123,278
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(25)	(59)
Foreign currency translation adjustment	711	755
Remeasurements of defined benefit plans	556	417
Total accumulated other comprehensive income	1,241	1,112
Share acquisition rights	0	0
Non-controlling interests	6,041	5,709
Total net assets	132,929	130,101
Total liabilities and net assets	235,482	228,667

(2) Quarterly Consolidated Statements of Income

For the Three-Month Period

(Millions of yen)

	For the three months ended August 31, 2025	For the three months ended August 31, 2026
Net sales	76,965	79,327
Cost of sales	59,880	60,588
Gross profit	17,085	18,738
Selling, general and administrative expenses	17,653	18,645
Operating profit (loss)	(568)	93
Non-operating income		
Interest income	105	104
Sponsorship money income	225	0
Subsidy income	11	15
Expo product sales income	260	-
Other	154	96
Total non-operating income	757	216
Non-operating expenses		
Interest expenses	78	145
Share of loss of entities accounted for using equity method	13	24
Commitment fees	7	8
Expo cost of product sales	127	-
Other	27	36
Total non-operating expenses	253	214
Ordinary profit (loss)	(64)	94
Extraordinary income		
Gain on sale of non-current assets	0	7
Gain on sale of investment securities	4	61
Gain on sale of shares of subsidiaries and associates	-	237
Gain on change in equity	2	1
Total extraordinary income	8	308
Extraordinary losses		
Loss on sale and retirement of non-current assets	12	16
Expo exhibit related expenses	520	-
Total extraordinary losses	532	16
Profit (loss) before income taxes	(588)	386
Income taxes - current	224	325
Income taxes - deferred	(248)	(679)
Total income taxes	(24)	(353)
Profit (loss)	(563)	740
Profit attributable to non-controlling interests	43	243
Profit (loss) attributable to owners of parent	(606)	496

(3) Quarterly Consolidated Statements of Comprehensive Income

For the Three-Month Period

(Millions of yen)

	For the three months ended August 31, 2025	For the three months ended August 31, 2026
Profit (loss)	(563)	740
Other comprehensive income		
Valuation difference on available-for-sale securities	4	(47)
Foreign currency translation adjustment	(20)	45
Remeasurements of defined benefit plans, net of tax	(34)	(140)
Share of other comprehensive income of entities accounted for using equity method	0	(0)
Total other comprehensive income	(50)	(142)
Comprehensive income	(613)	597
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(661)	367
Comprehensive income attributable to non-controlling interests	47	230

(4) Notes to Going Concern Assumption

None

(5) Notes on Significant Changes in the Shareholders' Equity

None

(6) Segment Information

i) Three months ended August 31, 2025

Information regarding net sales, segment profit (loss) by reporting segment and revenue decomposition

(Millions of yen)

	Reporting segments					Total	Adjustment (Note 1)	Figures in consolidated statements of income (Note 2)
	HR Solutions		Global Solutions	Life Solutions	Regional Revitalization and Tourism Solutions			
	BPO Solutions, Expert Solutions	Career Solutions						
Net sales								
BPO Solutions	32,447	—	—	—	—	32,447	—	32,447
Expert Solutions	34,557	—	—	—	—	34,557	—	34,557
Career Solutions	—	3,335	—	—	—	3,335	—	3,335
Global Solutions	—	—	2,710	—	—	2,710	—	2,710
Life Solutions	—	—	—	2,102	—	2,102	—	2,102
Regional Revitalization and Tourism Solutions	—	—	—	—	1,810	1,810	—	1,810
Revenue from contract with customers	67,005	3,335	2,710	2,102	1,810	76,965	—	76,965
Other revenue	—	—	—	—	—	—	—	—
Sales to outside customers	67,005	3,335	2,710	2,102	1,810	76,965	—	76,965
Intersegment sales and transfers	745	9	66	127	274	1,223	(1,223)	—
Total	67,751	3,345	2,777	2,229	2,085	78,189	(1,223)	76,965
Operating profit (loss)	2,567	864	26	18	(336)	3,140	(3,709)	(568)

Notes:

1. Adjustments of ¥(3,709) million with Operating profit (loss) includes corporate expenses of ¥(3,624) million which primarily consist of Group management costs relating to the Company and incubation cost for our new business and the elimination of intersegment transactions of ¥(84) million.
2. Operating profit (loss) is adjusted with operating loss under consolidated statements of income.

ii) Three months ended August 31, 2026

Information regarding net sales, segment profit (loss) by reporting segment and revenue decomposition

(Millions of yen)

	Reporting segments					Total	Adjustment (Note 1)	Figures in consolidated statements of income (Note 2)
	HR Solutions		Global Solutions	Life Solutions	Regional Revitalization and Tourism Solutions			
	BPO Solutions, Expert Solutions	Career Solutions						
Net sales								
BPO Solutions	32,083	—	—	—	—	32,083	—	32,083
Expert Solutions	36,400	—	—	—	—	36,400	—	36,400
Career Solutions	—	3,296	—	—	—	3,296	—	3,296
Global Solutions	—	—	3,056	—	—	3,056	—	3,056
Life Solutions	—	—	—	2,441	—	2,441	—	2,441
Regional Revitalization and Tourism Solutions	—	—	—	—	2,047	2,047	—	2,047
Revenue from contract with customers	68,484	3,296	3,056	2,441	2,047	79,327	—	79,327
Other revenue	—	—	—	—	—	—	—	—
Sales to outside customers	68,484	3,296	3,056	2,441	2,047	79,327	—	79,327
Intersegment sales and transfers	841	2	42	137	206	1,231	(1,231)	—
Total	69,325	3,299	3,099	2,579	2,254	80,559	(1,231)	79,327
Operating profit (loss)	3,355	734	142	115	(783)	3,564	(3,471)	93

Notes:

1. Adjustments of ¥(3,471) million with Operating profit (loss) includes corporate expenses of ¥(3,457) million which primarily consist of Group management costs relating to the Company and incubation cost for our new business and the elimination of intersegment transactions of ¥(14) million.
2. Operating profit (loss) is adjusted with operating loss under consolidated statements of income.

(7) Notes to Statements of Cash Flows

Quarterly consolidated statements of cash flows have not been prepared for three months ended August 31, 2026. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the first quarter of the consolidated fiscal year under review are as follows.

(Millions of yen)

	For the three months ended August 31, 2025	For the three months ended August 31, 2026
Depreciation	673	1,115
Amortization of goodwill	60	75

(8) Important Subsequent Events

None

3. Other

(Investigation by the Japan Fair Trade Commission)

Our subsidiary, Pasona Inc., is currently subject to an investigation by the Japan Fair Trade Commission regarding the pricing structure for its temporary staffing services. The Company is in earnest cooperation with this investigation.