



For Immediate Release

November 11, 2024

PERSOL HOLDINGS CO., LTD. (TSE 2181)

Consolidated Financial Results for the Six Months Ended September 30, 2024 (IFRS)

PERSOL HOLDINGS CO., LTD. (the Company) today announced its consolidated financial results for the six months ended September 30, 2024.

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(1) Consolidated Operating Results

(In millions of yen, unless otherwise stated)

	Six months ended September 30,		Change %
	2023	2024	
Revenue	654,887	717,586	9.6
Operating profit	26,379	32,102	21.7
Profit before tax	25,982	32,015	23.2
Profit	17,578	22,277	26.7
Profit attributable to owners of parent	16,768	21,381	27.5
Comprehensive income	23,785	21,451	-9.8
Basic earnings per share (yen)	7.41	9.56	-
Diluted earnings per share (yen)	7.36	9.50	-
EBITDA	40,771	47,939	-
Adjusted EBITDA	35,039	42,774	-
Adjusted profit	19,004	24,819	-
Adjusted EPS (yen)	8.35	10.99	-

(Note)

As of October 1, 2023, the Company conducted a 10-for-1 stock split of shares of common stock. As a result, basic earnings per share and diluted earnings per share are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

EBITDA: Operating profit + Depreciation

Adjusted EBITDA: Operating profit + Depreciation (excluding rent and other equivalents from depreciation of right-of-use assets) +(-) Increase/decrease in accrued paid leave + Share-based payment expenses -(+) Other income and expenses -(+) Other non-recurring profit/loss

Adjusted profit: Profit attributable to owners of parent ± Adjustment item (excluding the portion attributable to noncontrolling interests) ± Tax reconciliation related to certain adjustment items

Adjustment item: +(-) Increase/decrease in accrued paid leave + Share-based payment expenses -(+) Other income and expenses -(+) Non-recurring profit/loss + Amortization of intangible assets arising from business combinations

Adjusted EPS: Adjusted profit / (Average number of shares outstanding during the period - Average number of treasury shares during the period)

(2) Consolidated Financial Position

(In millions of yen, unless otherwise stated)

	As of March 31, 2024	As of September 30, 2024
Total assets	518,730	505,981
Total equity	208,317	201,227
Equity attributable to owners of parent	192,349	184,581
Ratio of equity attributable to owners of parent	37.1%	36.5%

2. Dividends

(In yen)

	Fiscal year ended/ending March 31,		
	2024	2025	2025 (Forecast)
Interim dividends	43.00	4.50	
Year-end dividends	4.30		4.50
Annual dividends	-		9.00

(Notes)

- No revision of dividend forecast from the latest announcement.
- As of October 1, 2023, the Company conducted a 10-for-1 stock split for its common stock.
- The year-end dividends for the fiscal year ended March 31, 2024, with a record date of March 31, 2024 is based on the number of shares after the stock split, considering the effect of the stock split.
- The annual dividends per share for the fiscal year ended March 31, 2024, is not shown because a simple comparison is not suitable due to the stock split. The annual dividends per share on a pre-split basis is 86 yen per share.

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(In millions of yen, unless otherwise stated)

	Forecast for the fiscal year ending March 31, 2025	
	Full year	Change %
Revenue	1,455,000	9.6
Operating profit	56,000	7.6
Profit before tax	55,300	13.0
Profit	38,400	20.1
Profit attributable to owners of parent	36,500	21.8
Basic earnings per share (yen)	16.30	-
EBITDA	-	-
Adjusted EBITDA	76,000	5.1
Adjusted profit	42,200	8.7
Adjusted EPS (yen)	18.75	-

(Note) Revision of financial forecast from the latest announcement: Yes

For information concerning revisions to financial forecasts, see the "Notification of Differences between Consolidated Financial Forecasts and Results for the Six Months Ended September 30, 2024 and Revisions to the Full-year Financial Forecasts for the Fiscal Year Ending March 31, 2025" released today (November 11, 2024).

Notes

- Significant changes in the scope of consolidation during the period: None
New: - (company name) - Excluded: - (company name) -
- Changes in accounting policies and accounting estimates
 - Changes in accounting policies required by IFRS: None
 - Changes in accounting policies other than i. above: None
 - Changes in accounting estimates: None

(3) Number of shares issued (common stock)

(i) Number of shares issued and outstanding at the end of the period (including treasury stock)	Six months ended September 30, 2024	2,331,998,610	Fiscal year ended March 31, 2024	2,331,998,610
(ii) Number of shares of treasury stock at the end of the period	Six months ended September 30, 2024	113,257,977	Fiscal year ended March 31, 2024	46,220,639
(iii) Average number of shares outstanding during the period	Six months ended September 30, 2024	2,257,390,201	Six months ended September 30, 2023	2,276,791,233

Notes:

- i. The number of treasury shares at the end of the period includes 23,498,364 shares for the six months ended September 30, 2024 and 24,591,386 shares for the fiscal year ended March 31, 2024 held by the "Directors' Compensation BIP Trust Account" and the "Stock Grant ESOP Trust Account" that are included in the above description as treasury stocks. The Company's shares held by "Directors' Compensation BIP Trust Account" and the "Stock Grant ESOP Trust Account" are included in the treasury stock as a deduction in the calculation of the average number of shares outstanding during the period.
- ii. As of October 1, 2023, the Company executed a 10-for-1 stock split of shares of common stock. As a result, (i), (ii) and (iii) are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

Disclaimer

The consolidated financial results for the six months ended September 30, 2024 are not subject to review by a certified public accountant or auditing firm.

Explanation on the appropriate use of earnings forecasts and other special notes

(Cautionary statement regarding forward-looking statements)

Forward-looking statements in this document, such as forecasts and projections based on plans, contain elements of uncertainty and are subject to change. Accordingly, they are not intended to be a promise by the Company that they will be achieved. Actual results may differ materially from our current expectations.

Note Regarding Reference Translation

This document has been translated from the Japanese language original for reference purposes only and may not be used or disclosed for any other purpose without the Company's prior written consent. In the event of any conflict or discrepancy between this translated document and the Japanese language original, the Japanese language original shall prevail in all respects. The Company makes no representations regarding the accuracy or completeness of this translation and assumes no responsibility for any losses or damages arising from the use of this translation.

1. Company Overview

(1) Trends in major management indicators

(In millions of yen, unless otherwise stated)

Term	FY2023 Q2	FY2024 Q2	FY2023
Accounting period	April 1, 2023 – September 30, 2023	April 1, 2024 – September 30, 2024	April 1, 2023 – March 31, 2024
Revenue	654,887	717,586	1,327,123
Profit before tax	25,982	32,015	48,926
Profit attributable to owners of parent	16,768	21,381	29,971
Comprehensive income attributable to owners of parent	22,937	20,550	39,252
Equity attributable to owners of parent	184,775	184,581	192,349
Total assets	497,069	505,981	518,730
Basic earnings per share (yen)	7.41	9.56	13.22
Diluted earnings per share (yen)	7.36	9.50	13.14
Ratio of equity attributable to owners of parent (%)	37.2	36.5	37.1
Cash flows from operating activities	40,867	19,921	77,753
Cash flows from investing activities	-7,781	-7,419	-19,000
Cash flows from financing activities	-33,609	-42,894	-53,803
Cash and cash equivalents at end of period	102,753	76,970	108,369

(Notes)

1. The indicators mentioned above are based on condensed semi-annual consolidated financial statements and consolidated financial statements in compliance with IFRS accounting standards.
2. The Company has introduced an Executive Compensation Board Incentive Plan (BIP) Trust and an Employee Stock Ownership Plan (ESOP) Trust. The Company's shares held in these trust accounts are included in the treasury shares as a deduction in calculation of the average number of shares during the period, which is the basis for basic earnings per share and diluted earnings per share.
3. On October 1, 2023, the Company implemented a 10-for-1 stock split, however, basic earnings per share and diluted earnings per share have each been calculated on the assumption that the stock split was carried out at the beginning of the previous fiscal year.

(2) Business

In the six months ended September 30, 2024, there were no significant changes to the businesses operated by the PERSOL Group (the Company and its affiliate companies; "the Group"). In addition, there were no changes made at major affiliate companies.

2. Qualitative Information on Financial Results for the Six Months Ended September 30, 2024

(1) Overview of Operating Results

(i) Result of Operations

At present, the Group provides a wide range of human resources (HR) related services including temporary staffing and placement service in Japan. In addition, in the Asia-Pacific (APAC) region, the Group operates staffing business and facility management business, etc.

Amid the ongoing labor shortage, the Group been proactive in executing its operations with a focus on Staffing and Career Strategic Business Units (SBUs) as its mainstay businesses, against a backdrop of steady trends among its corporate clients and job seekers. In addition, during the first six months of the consolidated fiscal year under review, the Group moved ahead by positioning Career SBU, BPO SBU, and Technology SBU, which it positioned as pillars of profit growth, as the domains of focus in accordance with the policy under the PERSOL Group Mid-term Management Plan 2026. As a result, all SBUs posted increased revenue, with Group-wide revenue increasing 9.6% year on year to 717,586 million yen. On the profit front, the Staffing SBU and Career SBU drove Group-wide adjusted EBITDA to 42,774 million yen (up 22.1% year on year), with operating profit rising to 32,102 million yen (up 21.7% year on year). Profit before tax amounted 32,015 million yen (up 23.2% year on year) and profit attributable to owners of parent amounted to 21,381 million yen (up 27.5% year on year).

(Note) Adjusted EBITDA: Operating profit + Depreciation (excluding rent and other equivalents from depreciation of right-of-use assets) +(-) Increase/decrease in accrued paid leave + Share-based payment expenses -(+) Other income and expenses -(+) Other non-recurring profit/loss

(Exchange Rate)

Average exchange rate during the period: (AUD) FY2023 Q2: 93.3 yen, FY2024 Q2: 101.3 yen

a. Staffing SBU

This segment mainly operates the temporary staffing business in Japan, which covers a wide range of industries, mainly in the clerical area, as well as the placement business mainly for clerical positions.

Revenue for the six months ended September 30, 2024 was 299,950 million yen (up 4.7% year on year), adjusted EBITDA was 17,262 million yen (up 8.4% year on year), and operating profit was 15,603 million yen (up 8.2% year on year).

Revenue increased, primarily reflecting a 3.0% year-on-year increase in the number of temporary staff employed and 1.9% year-on-year increase in average billing rates, in addition to strong performance in the placement business. Adjusted EBITDA and operating profit also increased due to the higher revenue.

b. BPO SBU

This segment mainly operates as a contracted business process outsourcing (BPO) business.

Revenue for the six months ended September 30, 2024 was 54,593 million yen (up 0.8% year on year), adjusted EBITDA was 2,422 million yen (down 35.1% year on year), and operating profit was 1,500 million yen (down 43.3% year on year).

Revenue increased due to organic growth, which more than offset a decline in revenue from COVID-19-related business. However, adjusted EBITDA and operating profit decreased as forecast at the beginning of the fiscal year, reflecting the decline in COVID-19-related business (Gross profit of COVID-19-related business was 2,085 million yen in the six months ended September 30, 2023 and 352 million yen in the six months ended September 30, 2024. The negative impact of COVID-19-related business on profit was 1,733 million yen.).

c. Technology SBU

This segment operates manufacturing and development outsourcing business in IT and engineering areas and temporary staffing business specialized in engineers.

Revenue for the six months ended September 30, 2024 was 54,735 million yen (up 10.8% year on year), adjusted EBITDA was 3,486 million yen (up 28.5% year on year), and operating profit was 3,010 million yen (up 28.7% year on year).

Revenue increased because the outsourcing business in the engineering area saw growth in demand mainly for development in the manufacturing industry and steady growth was seen in the IT/DX solutions area. Adjusted EBITDA and operating profit also increased due to the higher revenue.

d. Career SBU

This segment mainly operates placement business, supporting corporate clients' mid-career hiring activities, and job recruitment media business.

Revenue for the six months ended September 30, 2024 was 72,883 million yen (up 15.0% year on year), adjusted EBITDA was 16,807 million yen (up 41.3% year on year), and operating profit was 14,496 million yen (up 50.5% year on year).

Revenue increased on the back of strong recruitment demand despite the economic outlook remaining uncertain. Adjusted EBITDA and operating profit saw improvement, benefiting from cost controlling in marketing and recruitment in addition to the effects from increased revenue.

e. Asia Pacific SBU

This segment mainly operates temporary staffing business and placement business in Asia and staffing business and facility management business in Australia (those businesses are mainly operated under PERSOLKELLY brand in Asia and under Programmed brand in Australia.)

Revenue for the six months ended September 30, 2024 was 237,359 million yen (up 16.8% year on year), adjusted EBITDA was 7,076 million yen (up 32.3% year on year), and operating profit was 3,665 million yen (up 5.8% year on year).

Revenue increased with steady growth primarily in the facility management business as well as impact of foreign exchange rate. Adjusted EBITDA and operating profit also increased.

(ii) Financial Forecast

Because a more detailed outlook for the full year has become possible after six months have passed, the financial forecasts, which were announced on May 13, 2024, have been revised from ranges of values to specific values. In light of financial results for the six months under review and the current business environment, etc., the Company will continue to focus on cost management and make investments for future business growth to enhance competitive advantage.

(2) Overview of Financial Position for the Six Months Ended September 30, 2024

(i) Assets, Liabilities and Equity

Total assets decreased by 12,749 million yen compared to the end of the previous fiscal year. Current assets decreased by 23,622 million yen, and non-current assets rose by 10,873 million yen. The main factor behind the decrease in current assets was a 31,399 million yen decline in cash and cash equivalents, which more than offset the 3,939 million yen increase in trade and other receivables. Non-current assets climbed mainly due to a 10,707 million yen increase in right-of-use assets and a 2,143 million yen increase in intangible assets.

Liabilities decreased by 5,659 million yen compared to the end of the previous fiscal year. Current liabilities decreased by 15,287 million yen while non-current liabilities increased by 9,628 million yen.

Current liabilities decreased mainly due to a 12,724 million yen drop in other current liabilities and 3,640 million yen fall in bonds and borrowings. Non-current liabilities mainly increased due to a 9,375 million yen increase in lease liabilities.

Equity decreased by 7,090 million yen compared to the end of the previous fiscal year. This was mainly due to the recording of 21,381 million yen in profit attributable to owners of parent and a 11,640 million yen increase in retained earnings partly due to the payment of 9,828 million yen in payments of dividends of surplus, along with a 20,000 million yen increase of treasury shares due to purchase of treasury shares.

	As of March 31, 2024	As of September 30, 2024
Ratio of operating profit to revenue	3.9%	4.5%
Ratio of adjusted EBITDA to revenue	5.4%	6.0%
Current ratio	121.5%	119.4%
Fixed ratio	107.1%	117.5%
Fixed long-term precision	84.0%	87.7%
Equity attributable to owners of the parent ratio	37.1%	36.5%
Net Debt/Equity (times)	-0.39	-0.25
Net Debt/EBITDA (times)	-1.03	-1.09

(ii) Business and Financial Issues to Address

The six months ended September 30, 2024 saw no significant change in business and financial issues that the Group should address.

(iii) Cash Flows

Cash and cash equivalents (hereinafter "capital") as of September 30, 2024 was 76,970 million yen, down 31,399 million yen from the end of the previous fiscal year.

Presented below are an overview of cash flows for the six months ended September 30, 2024, and main factors behind them.

(Cash flows from operating activities)

Capital generated by operating activities was 19,921 million yen (as compared to 40,867 million yen generated in the same period of the previous fiscal year). Major factors included decrease in accrued consumption taxes of 8,047 million yen and income taxes paid of 7,288 million yen, offset by profit before tax of 32,015 million yen.

(Cash flows from investing activities)

Capital used for investing activities was 7,419 million yen (as compared to 7,781 million yen in the same period of the previous fiscal year). This was mainly due to spending of 6,747 million yen on the purchase of intangible assets.

(Cash flows from financing activities)

Capital used for financing activities was 42,894 million yen (as compared to 33,609 million yen used in the same period of the previous fiscal year). This was mainly due to purchase of treasury shares of 20,000 million yen, repayments of long-term borrowings of 10,002 million yen, dividends paid of 9,824 million yen and repayments of lease liabilities of 9,161 million yen, while proceeds from issuance of bonds amounted to 10,000 million yen.

(3) Management Policies and Management Strategies

In the six months ended September 30, 2024, there are no major changes.

(4) Research and Development

In the six months ended September 30, 2024, there are no applicable items.

(5) Business Risks and Factors That Have a Significant Impact on Operating Results

In the six months ended September 30, 2024, no new business risks arose, and there were no major changes to business risks or factors impacting operating results that were listed in the Securities Report submitted for the previous fiscal year.

(6) Analysis of Capital Resources and Liquidity of Funds

In the six months ended September 30, 2024, there were no major changes in the sources of capital or liquidity of funds.

(7) Important Contracts, Etc. Related to Management

In the six months ended September 30, 2024, no additional important contracts, etc. related to management were determined or concluded.

3. Information on the Reporting Company

(1) Stock Information

1) Total number of shares, etc.

a. Total number of shares

Type	Number of authorized shares (shares)
Common shares	7,200,000,000
Total	7,200,000,000

b. Number of shares outstanding

Type	Number of shares issued as of the end of the second quarter of the fiscal period under review (shares) (September 30, 2024)	Number of shares issued as of the filing date (shares) (November 11, 2024)	Stock exchange where the Company is listed	Details
Common shares	2,331,998,610	2,331,998,610	Tokyo Stock Exchange Prime Market	Number of shares per unit 100 shares
Total	2,331,998,610	2,331,998,610	—	—

2) Information on the share acquisition rights, etc.

a. Description of share option plan

Not applicable.

b. Other share acquisition rights, etc.

Not applicable.

3) Exercise of moving strike convertible bonds, etc.

Not applicable.

4) Changes in number of shares issued and capital, etc.

Date	Change in the total number of issued shares (shares)	Balance of the total number of issued shares (shares)	Change in capital (million yen)	Balance of capital (million yen)	Change in legal capital surplus (million yen)	Balance of legal capital surplus (million yen)
April 1, 2024 to September 30, 2024	—	2,331,998,610	—	17,479	—	15,979

5) Major shareholders

As of September 30, 2024

Name	Address	Number of shares held (shares)	Ratio of the number of shares held to the number of shares issued (excluding treasury shares) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	1-8-1 Akasaka, Minato-ku, Tokyo	330,484,200	14.73
Yoshiko Shinohara	Shibuya-ku, Tokyo	263,316,000	11.74
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo	170,985,300	7.62
The Yoshiko Shinohara Memorial Foundation	1-6-1 Nishishinjuku, Shinjuku-ku, Tokyo	158,000,000	7.04
JP MORGAN CHASE BANK 385864 Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.	2-15-1 Konan, Minato-ku, Tokyo	97,483,600	4.34
JP MORGAN CHASE BANK 385632 Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.	2-15-1 Konan, Minato-ku, Tokyo	94,866,844	4.23
STATE STREET BANK AND TRUST COMPANY 505001 Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.	2-15-1 Konan, Minato-ku, Tokyo	49,897,358	2.22
STATE STREET BANK AND TRUST COMPANY 505223 Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.	2-15-1 Konan, Minato-ku, Tokyo	35,839,558	1.59
MLPFS CUSTODY ACCOUNT Standing proxy: BofA Securities Japan Co., Ltd.	1-4-1 Nihonbashi, Chuo-ku, Tokyo	34,583,520	1.54
CEP LUX-ORBIS SICAV Standing proxy: Citibank N.A., Tokyo Branch	6-27-30 Shinjuku, Shinjuku-ku, Tokyo	31,428,700	1.40
Total	—	1,266,885,080	56.50

(Note) 1. The large shareholding report (change report) made available for public inspection on August 19, 2022 reports that Sumitomo Mitsui Trust Asset Management Co., Ltd. and its joint holder, Nikko Asset Management Co., Ltd., held the following shares as of August 15, 2022. However, the Company has confirmed no beneficial ownership of the number of shares held in the name of these parties as of the end of the first six months of the fiscal year under review, and therefore the following are not included in the above major shareholders. The content of this report on large shareholders is as shown below.

Name	Address	Number of shares held (shares)	Percentage of share certificates held (%)
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1-1 Shibakoen, Minato-ku, Tokyo	8,219,700	3.47
Nikko Asset Management Co., Ltd.	9-7-1 Akasaka, Minato-ku, Tokyo	3,740,900	1.58
Total	—	11,960,600	5.05

2. The large shareholding report (change report) made available for public inspection on December 5, 2023 reports that BlackRock Japan Co., Ltd. and its joint holders, BlackRock Fund Managers Limited, BlackRock Asset Management Ireland Limited, BlackRock Fund Advisors, and BlackRock Institutional Trust Company, N.A., held the following shares as of November 30, 2023. However, the Company has confirmed no beneficial ownership of the number of shares held in the name of these parties as of the end of the first six months of the fiscal year under review, and therefore the following are not included in the above major shareholders. The content of this report on large shareholders is as shown below.

Name	Address	Number of shares held (shares)	Percentage of share certificates held (%)
BlackRock Japan Co., Ltd.	1-8-3 Marunouchi, Chiyoda-ku, Tokyo	39,326,700	1.69
BlackRock Fund Managers Limited	12 Throgmorton Avenue, London, the United Kingdom	6,473,800	0.28
BlackRock Asset Management Ireland Limited	1st floor, 2 Ballsbridge Park, Ballsbridge, Dublin, the Republic of Ireland	3,033,200	0.13
BlackRock Fund Advisors	400 Howard Street, San Francisco, California, the United States of America	21,709,800	0.93
BlackRock Institutional Trust Company, N.A.	400 Howard Street, San Francisco, California, the United States of America	11,519,240	0.49
Total	—	82,062,740	3.52

3. The large shareholding report (change report) made available for public inspection on April 22, 2024 reports that FMR LLC held the following shares as of April 15, 2024. However, the Company has confirmed no beneficial ownership of the number of shares held in the name of this party as of the end of the first six months of the fiscal year under review, and therefore the following is not included in the above major shareholders. The content of this report on large shareholders is as shown below.

Name	Address	Number of shares held (shares)	Percentage of share certificates held (%)
FMR LLC	245 Summer Street, Boston, Massachusetts, 02210, the United States of America	78,247,478	3.36
Total	—	78,247,478	3.36

4. The large shareholding report (change report) made available for public inspection on July 22, 2024 reports that T. Rowe Price Japan, Inc. and its joint holder, T. Rowe Price International Ltd., held the following shares as of July 15, 2024. However, the Company has confirmed no beneficial ownership of the number of shares held in the name of these parties as of the end of the first six months of the fiscal year under review, and therefore the following are not included in the above major shareholders. The content of this report on large shareholders is as shown below.

Name	Address	Number of shares held (shares)	Percentage of share certificates held (%)
T. Rowe Price Japan, Inc.	10th floor, GranTokyo South Tower, 1-9-2 Marunouchi, Chiyoda-ku, Tokyo	19,141,700	0.82
T. Rowe Price International Ltd.	Warwick Court, 5 Paternoster Square, London, EC4M 7DX, the United Kingdom	190,149,600	8.15
Total	—	209,291,300	8.97

5. The large shareholding report (change report) made available for public inspection on July 29, 2024 reports that MUFG Bank, Ltd. and its joint holders, Mitsubishi UFJ Trust and Banking Corporation and Mitsubishi UFJ Asset Management Co., Ltd., held the following shares as of July 22, 2024. However, the Company has confirmed no beneficial ownership of the number of shares held in the name of these parties as of the end of the first six months of the fiscal year under review, and therefore the following are not included in the above major shareholders. The content of this report on large shareholders is as shown below.

Name	Address	Number of shares held (shares)	Percentage of share certificates held (%)
MUFG Bank, Ltd.	1-4-5 Marunouchi, Chiyoda-ku, Tokyo	24,640,000	1.06
Mitsubishi UFJ Trust and Banking Corporation	1-4-5 Marunouchi, Chiyoda-ku, Tokyo	55,082,700	2.36
Mitsubishi UFJ Asset Management Co., Ltd.	1-9-1 Higashi-shimbashi, Minato-ku, Tokyo	17,815,300	0.76
Total	—	97,538,000	4.18

6) Information on voting rights

a. Number of shares outstanding

As of September 30, 2024

Classification	Number of shares (shares)	Number of voting rights	Details
Non-voting shares	—	—	—
Shares with restricted voting right (treasury shares, etc.)	—	—	—
Shares with restricted voting right (others)	—	—	—
Shares with full voting right (treasury shares, etc.)	Common shares 89,759,600	—	—
Shares with full voting right (others)	Common shares 2,241,855,300	22,418,553	—
Shares less than one unit	Common shares 383,710	—	—
Total number of issued shares	2,331,998,610	—	—
Total number of voting rights	—	22,418,553	—

(Note)

The column for Shares with full voting right (others) includes the 11,746,800 treasury shares (117,468 voting rights) held by the Executive Compensation Board Incentive Plan (BIP) Trust Account and 11,751,400 treasury shares (117,514 voting rights) held by the Employee Stock Ownership Plan (ESOP) Trust Account.

b. Treasury shares, etc.

As of September 30, 2024

Name of shareholder	Address of shareholder	Number of shares held in own names (shares)	Number of shares held in others' names (shares)	Total number of shares held (shares)	Percentage of shareholding (%)
Persol Holdings Co., Ltd.	2-1-1, Yoyogi, Shibuya-ku, Tokyo	89,759,600	—	89,759,600	3.85
Total	—	89,759,600	—	89,759,600	3.85

(Note)

Treasury shares held by the Executive Compensation BIP Trust Account and ESOP Trust Account are not included in the number of treasury shares listed above.

(2) Officers

Not applicable.

4. Condensed Consolidated Financial Statements and Major Notes

(1) Condensed Consolidated Statement of Financial Position

	(In millions of yen)	
	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and cash equivalents	108,369	76,970
Trade and other receivables	169,008	172,948
Contract assets	24,426	26,356
Other financial assets	113	115
Other current assets	10,771	12,676
Total current assets	312,690	289,067
Non-current assets		
Trade and other receivables	320	—
Contract assets	5,020	5,235
Property, plant and equipment	9,575	9,916
Right-of-use assets	35,973	46,680
Goodwill	59,019	58,950
Intangible assets	39,655	41,798
Investments accounted for using equity method	2,287	1,733
Other financial assets	29,193	26,874
Deferred tax assets	24,561	25,077
Other non-current assets	433	645
Total non-current assets	206,040	216,914
Total assets	518,730	505,981

	(In millions of yen)	
	As of March 31, 2024	As of September 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	95,270	91,862
Bonds and borrowings	14,144	10,503
Lease liabilities	15,010	16,182
Other financial liabilities	1,141	1,698
Income taxes payable	8,834	11,316
Provisions	1,019	1,048
Contract liabilities	6,931	7,177
Other current liabilities	115,063	102,339
Total current liabilities	257,416	242,128
Non-current liabilities		
Bonds and borrowings	20,000	20,016
Lease liabilities	19,835	29,211
Other financial liabilities	976	1,033
Provisions	5,084	5,336
Deferred tax liabilities	4,343	4,288
Other non-current liabilities	2,756	2,739
Total non-current liabilities	52,996	62,625
Total liabilities	310,412	304,753
Equity		
Share capital	17,479	17,479
Capital surplus	4,751	3,013
Retained earnings	165,979	177,620
Treasury shares	-9,584	-26,337
Other components of equity	13,724	12,804
Total equity attributable to owners of parent	192,349	184,581
Non-controlling interests	15,968	16,646
Total equity	208,317	201,227
Total liabilities and equity	518,730	505,981

(2) Condensed Consolidated Income Statement and Comprehensive Income Statement
(Condensed Consolidated Income Statement)

(In millions of yen)

	Six months ended September 30,	
	2023	2024
Revenue	654,887	717,586
Cost of sales	-506,242	-551,823
Gross profit	148,645	165,762
Selling, general and administrative expenses	-122,587	-133,327
Other income	570	144
Other expenses	-248	-477
Operating profit	26,379	32,102
Finance income	495	896
Finance costs	-760	-670
Share of profit (loss) of investments accounted for using equity method	-132	-312
Profit before tax	25,982	32,015
Income tax expense	-8,404	-9,737
Profit	17,578	22,277
Profit attributable to		
Owners of parent	16,768	21,381
Non-controlling interests	809	896
Profit	17,578	22,277
Earnings per share		
Basic earnings per share (yen)	7.41	9.56
Diluted earnings per share (yen)	7.36	9.50

(Condensed Consolidated Comprehensive Income Statement)

	(In millions of yen)	
	Six months ended September 30,	
	2023	2024
Profit	17,578	22,277
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	501	-1,356
Remeasurements of defined benefit plans	-77	-0
Total of items that will not be reclassified to profit or loss	423	-1,356
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	5,473	634
Share of other comprehensive income of investments accounted for using equity method	310	-104
Total of items that may be reclassified to profit or loss	5,783	530
Other comprehensive income, net of tax	6,207	-826
Comprehensive income	23,785	21,451
Comprehensive income attributable to		
Owners of parent	22,937	20,550
Non-controlling interests	848	900
Comprehensive income	23,785	21,451

(3) Condensed Consolidated Statement of Changes in Equity

For the Six Months Ended September 30, 2023

(In millions of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income
Balance at beginning of period	17,479	12,272	154,926	-19,459	150	4,287
Profit	—	—	16,768	—	—	—
Other comprehensive income	—	—	—	—	5,744	501
Comprehensive income	—	—	16,768	—	5,744	501
Purchase of treasury shares	—	—	—	—	—	—
Disposal of treasury shares	—	-1,915	—	2,160	—	—
Cancellation of treasury shares	—	-7,528	—	7,528	—	—
Dividends	—	—	-9,101	—	—	—
Share-based payment transactions	—	1,131	—	—	—	—
Changes in ownership interest in subsidiaries	—	-107	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	10	—	—	-10
Other	—	-0	—	—	—	—
Total transactions with owners	—	-8,420	-9,090	9,689	—	-10
Balance at end of period	17,479	3,851	162,604	-9,770	5,894	4,778

	Equity attributable to owners of parent			Non-controlling interests	Total
	Other components of equity		Total		
	Remeasurements of defined benefit plans	Total			
Balance at beginning of period	14	4,452	169,670	13,859	183,529
Profit	—	—	16,768	809	17,578
Other comprehensive income	-77	6,168	6,168	38	6,207
Comprehensive income	-77	6,168	22,937	848	23,785
Purchase of treasury shares	—	—	—	—	—
Disposal of treasury shares	—	—	245	—	245
Cancellation of treasury shares	—	—	—	—	—
Dividends	—	—	-9,101	-242	-9,343
Share-based payment transactions	—	—	1,131	—	1,131
Changes in ownership interest in subsidiaries	—	—	-107	11	-96
Transfer from other components of equity to retained earnings	—	-10	—	—	—
Other	—	—	-0	—	-0
Total transactions with owners	—	-10	-7,832	-231	-8,063
Balance at end of period	-62	10,610	184,775	14,476	199,251

For the Six Months Ended September 30, 2024

(In millions of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income
Balance at beginning of period	17,479	4,751	165,979	-9,584	7,821	6,002
Profit	—	—	21,381	—	—	—
Other comprehensive income	—	—	—	—	526	-1,356
Comprehensive income	—	—	21,381	—	526	-1,356
Purchase of treasury shares	—	—	—	-20,000	—	—
Disposal of treasury shares	—	-3,131	—	3,247	—	—
Cancellation of treasury shares	—	—	—	—	—	—
Dividends	—	—	-9,828	—	—	—
Share-based payment transactions	—	1,395	—	—	—	—
Changes in ownership interest in subsidiaries	—	-0	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	88	—	—	-88
Other	—	—	—	—	—	—
Total transactions with owners	—	-1,737	-9,740	-16,752	—	-88
Balance at end of period	17,479	3,013	177,620	-26,337	8,348	4,558

	Equity attributable to owners of parent				
	Other components of equity		Total	Non-controlling interests	Total
	Remeasurements of defined benefit plans	Total			
Balance at beginning of period	-100	13,724	192,349	15,968	208,317
Profit	—	—	21,381	896	22,277
Other comprehensive income	-0	-830	-830	4	-826
Comprehensive income	-0	-830	20,550	900	21,451
Purchase of treasury shares	—	—	-20,000	—	-20,000
Disposal of treasury shares	—	—	115	—	115
Cancellation of treasury shares	—	—	—	—	—
Dividends	—	—	-9,828	-223	-10,052
Share-based payment transactions	—	—	1,395	—	1,395
Changes in ownership interest in subsidiaries	—	—	-0	0	-0
Transfer from other components of equity to retained earnings	—	-88	—	—	—
Other	—	—	—	—	—
Total transactions with owners	—	-88	-28,318	-222	-28,541
Balance at end of period	-101	12,804	184,581	16,646	201,227

(4) Condensed Consolidated Statements of Cash Flows

(In millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before tax	25,982	32,015
Depreciation and amortization	14,391	15,837
Decrease (increase) in trade and other receivables	6,414	-1,667
Increase (decrease) in trade and other payables	-976	-4,608
Decrease (increase) in contract assets	1,601	-2,023
Decrease (increase) in prepaid expenses	-1,826	-465
Increase (decrease) in accrued consumption taxes	2,561	-8,047
Increase (decrease) in accrued bonus	-1,607	-585
Increase (decrease) in accrued paid leave	1,789	2,352
Other	4,196	-5,587
Subtotal	52,527	27,220
Interest and dividends received	404	502
Interest paid	-464	-512
Income taxes refund (paid)	-11,600	-7,288
Net cash provided by (used in) operating activities	40,867	19,921
Cash flows from investing activities		
Purchase of property, plant and equipment	-1,656	-1,670
Purchase of intangible assets	-5,562	-6,747
Purchase of investments	-387	-610
Proceeds from sale and redemption of investments	128	827
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-10	-1,010
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	1,294
Other	-292	495
Net cash provided by (used in) investing activities	-7,781	-7,419
Cash flows from financing activities		
Proceeds from short-term borrowings	135,637	25,702
Repayments of short-term borrowings	-141,605	-30,388
Repayments of long-term borrowings	-183	-10,002
Repayments of lease liabilities	-8,207	-9,161
Proceeds from issuance of bonds	—	10,000
Redemption of bonds	-10,000	—
Purchase of treasury shares	—	-20,000
Dividends paid	-9,097	-9,824
Other	-153	780
Net cash provided by (used in) financing activities	-33,609	-42,894
Effect of exchange rate changes on cash and cash equivalents	2,042	-1,006
Net increase (decrease) in cash and cash equivalents	1,519	-31,399
Cash and cash equivalents at beginning of period	101,233	108,369
Cash and cash equivalents at end of period	102,753	76,970

(5) Notes to the Condensed Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Segment Information)

(1) Overview of reportable segments

The reportable segments are constituent parts of the Group for each of which separate financial information is available. The Board regularly reviews operations in each reportable segment to evaluate performance and determine the distribution of management resources.

The Group aims to enhance its ability to formulate and pursue strategies, clarify responsibilities, make agile management decisions in response to rapidly changing business environments, and achieve further growth. To this end, the Group has five reportable segments: Staffing, BPO, Technology, Career and Asia Pacific.

(2) Information of reportable segments

Profit in reportable segments is adjusted EBITDA (operating profit + depreciation (excluding rent and other equivalents from depreciation of right-of-use assets) +(-) increase/decrease in accrued paid leave + share-based payment expenses -(+) other income and expenses -(+) non-recurring profit/loss).

Intersegment revenues are based on prevailing market prices.

For the Six Months Ended September 30, 2023

(In millions of yen)

	Reportable Segment						Other *1	Total	Adjustm ents*2	Consolid ated
	Staffing	BPO	Technolog y	Career	Asia Pacific	Total				
Revenue										
Revenue from external customers	283,648	50,916	44,266	62,321	203,223	644,377	10,508	654,885	2	654,887
Intersegment revenue	2,810	3,220	5,149	1,067	—	12,247	6,041	18,289	-18,289	—
Total	286,459	54,137	49,415	63,388	203,223	656,625	16,550	673,175	-18,287	654,887
Segment profit (loss)	15,931	3,729	2,713	11,893	5,347	39,615	-936	38,679	-3,639	35,039
Depreciation (excluding rent and other equivalents from depreciation of right-of-use assets)										6,078
Increase/decrease in accrued paid leave										1,791
Share-based payment expenses										1,113
Other income										570
Other expenses										-248
Operating profit										26,379
Share of profit (loss) of investments accounted for using equity method										-132
Finance income										495
Finance costs										-760
Profit before tax										25,982

For the Six Months Ended September 30, 2024

(In millions of yen)

	Reportable Segment						Other *1	Total	Adjustm ents*2	Consolid ated
	Staffing	BPO	Technolog y	Career	Asia Pacific	Total				
Revenue										
Revenue from external customers	296,719	51,073	49,329	71,743	237,359	706,226	11,358	717,584	1	717,586
Intersegment revenue	3,230	3,520	5,405	1,139	—	13,295	7,009	20,305	-20,305	—
Total	299,950	54,593	54,735	72,883	237,359	719,522	18,368	737,890	-20,304	717,586
Segment profit (loss)	17,262	2,422	3,486	16,807	7,076	47,054	-1,912	45,141	-2,367	42,774
Depreciation (excluding rent and other equivalents from depreciation of right-of-use assets)										6,410
Increase/decrease in accrued paid leave										2,523
Share-based payment expenses										1,404
Other income										144
Other expenses										-477
Operating profit										32,102
Share of profit (loss) of investments accounted for using equity method										-312
Finance income										896
Finance costs										-670
Profit before tax										32,015

(Notes)

1. Other is a business segment that are not included in reportable segments, including operations related to the entire Group, education and training, operations related to persons with disabilities, operations related to facility management, the provision of digital solution services for hiring talents and managing human resources, and the creation of new businesses through incubation programs.
2. Adjustments are as follows:
(Segment profit (loss))

(In millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Elimination of inter-segment transactions	-1,497	-20,159
Corporate revenue*1	4,905	25,610
Corporate expenses*2	-7,047	-7,818
Total	-3,639	-2,367

*1 Corporate revenue is mostly business management fees and dividend income from Group companies.

*2 Corporate expenses are mostly expenses related to Group management at the Company.

(Earnings per Share)

Basic earnings per share and diluted earnings per share are as follows:

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit attributable to owners of parent (million yen)	16,768	21,381
Adjustment to profit for the period (million yen)	—	—
Profit used to calculate diluted earnings per share (million yen)	16,768	21,381
Weighted average number of common shares (thousand shares)	2,264,486	2,237,429
Increase in number of common shares		
Share-based compensation (thousand shares)	15,097	13,521
Weighted average number of common shares after dilution (thousand shares)	2,279,584	2,250,951
Basic earnings per share (yen)	7.41	9.56
Diluted earnings per share (yen)	7.36	9.50

(Note)

As of October 1, 2023, the Company conducted a 10-for-1 stock split of shares of common stock. As a result, basic earnings per share and diluted earnings per share are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(Subsequent Events)

(Cancellation of treasury shares)

At the Board meeting held on November 11, 2024, the Company passed a resolution to cancel two-thirds of the 80,341,100 shares of treasury shares (20.0 billion yen) acquired based on the resolution of the Board meeting held on May 13, 2024, pursuant to the provisions of Article 178 of the Companies Act. The cancellation is planned on November 29, 2024.

- | | |
|-------------------------------------|---|
| 1. Type of shares cancelled | Common shares in the Company |
| 2. Total number of shares cancelled | 53,560,800 shares (Ratio to the number of shares issued before the cancellation: 2.30%) |
| 3. Planned date of cancellation | November 29, 2024 |

(Reference)

- | | |
|---|----------------------|
| Total number of shares issued after the cancellation | 2,278,437,810 shares |
| Forecast number of treasury shares after the cancellation | 59,697,177 shares |

- (Notes) 1. Calculated based on the number of treasury shares as of September 30, 2024
2. The number of treasury shares includes shares held by the Directors' Compensation BIP Trust Account and the Stock Grant ESOP Trust Account