



For Immediate Release

February 14, 2025

PERSOL HOLDINGS CO., LTD. (TSE 2181)

Consolidated Financial Results for the Nine Months Ended December 31, 2024 (IFRS)

PERSOL HOLDINGS CO., LTD. (the Company) today announced its consolidated financial results for the nine months ended December 31, 2024.

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results

(In millions of yen, unless otherwise stated)

	Nine months ended December 31,		Change %
	2023	2024	
Revenue	990,627	1,086,213	9.6
Operating profit	40,921	48,420	18.3
Profit before tax	40,322	48,161	19.4
Profit	26,528	32,545	22.7
Profit attributable to owners of parent	25,209	31,161	23.6
Comprehensive income	32,572	33,339	2.4
Basic earnings per share (yen)	11.12	14.00	-
Diluted earnings per share (yen)	11.05	13.91	-
EBITDA	62,753	72,622	-
Adjusted EBITDA	53,443	64,819	-
Adjusted profit	28,298	36,264	-
Adjusted EPS (yen)	12.41	16.15	-

(Note)

As of October 1, 2023, the Company conducted a 10-for-1 stock split of common shares. 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/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 / 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 December 31, 2024
Total assets	518,730	523,458
Total equity	208,317	203,822
Equity attributable to owners of parent	192,349	186,671
Ratio of equity attributable to owners of parent	37.1%	35.7%

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)

- i. Revision of dividend forecast from the latest announcement: None
- ii. As of October 1, 2023, the Company conducted a 10-for-1 stock split for its common shares.
- iii. 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.
- iv. 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: None

Notes

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

(3) Number of shares issued (common shares)

(i) Number of shares issued and outstanding at the end of the period (including treasury shares)	Nine months ended December 31, 2024	2,278,437,810	Fiscal year ended March 31, 2024	2,331,998,610
(ii) Number of treasury shares at the end of the period	Nine months ended December 31, 2024	59,714,249	Fiscal year ended March 31, 2024	46,220,639
(iii) Average number of shares outstanding during the period	Nine months ended December 31, 2024	2,245,793,136	Nine months ended December 31, 2023	2,279,510,766

(Notes)

- i. The number of treasury shares at the end of the period includes 23,234,784 shares for the nine months ended December 31, 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". The Company's shares held by "Directors' Compensation BIP Trust Account" and the "Stock Grant ESOP Trust Account" are included in the treasury shares 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 common shares. 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

Review of the attached quarterly consolidated financial statements by a certified public accounting or auditing firm: Yes (optional)

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 the Company's 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 Q3	FY2024 Q3	FY2023
Accounting period	April 1, 2023 – December 31, 2023	April 1, 2024 – December 31, 2024	April 1, 2023 – March 31, 2024
Revenue	990,627	1,086,213	1,327,123
Profit before tax	40,322	48,161	48,926
Profit attributable to owners of parent	25,209	31,161	29,971
Comprehensive income attributable to owners of parent	31,227	31,933	39,252
Equity attributable to owners of parent	183,726	186,671	192,349
Total assets	502,669	523,458	518,730
Basic earnings per share (yen)	11.12	14.00	13.22
Diluted earnings per share (yen)	11.05	13.91	13.14
Ratio of equity attributable to owners of parent (%)	36.6	35.7	37.1
Cash flows from operating activities	49,774	56,059	77,753
Cash flows from investing activities	-14,263	-9,355	-19,000
Cash flows from financing activities	-37,562	-57,510	-53,803
Cash and cash equivalents at end of period	100,278	97,694	108,369

(Notes)

1. The indicators mentioned above are based on condensed quarterly 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 of common shares, 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 nine months ended December 31, 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. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Nine Months Ended December 31, 2024

(i) Analysis of Operating Results

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 in Japan, the Group has 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 demand for hiring among its corporate clients. In addition, 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, during the nine months ended December 31, 2024, all SBUs posted increased revenue, with Group-wide revenue increasing 9.6% year on year to 1,086,213 million yen. On the profit front, Staffing SBU and Career SBU drove Group-wide adjusted EBITDA to 64,819 million yen (up 21.3% year on year), with operating profit rising to 48,420 million yen (up 18.3% year on year). Profit before tax amounted 48,161 million yen (up 19.4% year on year) and profit attributable to owners of parent amounted to 31,161 million yen (up 23.6% 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/expenses -(+) Other non-recurring profit/loss

(Exchange Rate)

Average exchange rate during the period: (AUD) FY2023 Q1-Q3: 94.3 yen, FY2024 Q1-Q3: 100.7 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 nine months ended December 31, 2024 was 454,833 million yen (up 5.0% year on year), adjusted EBITDA was 26,986 million yen (up 13.0% year on year), and operating profit was 24,101 million yen (up 11.9% year on year).

Revenue increased, primarily reflecting a 2.9% 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 nine months ended December 31, 2024 was 83,409 million yen (up 2.1% year on year), adjusted EBITDA was 4,676 million yen (down 22.3% year on year), and operating profit was 3,169 million yen (down 28.0% 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 2,977 million yen in the nine months ended December 31, 2023 and 352 million yen in the nine months ended December 31, 2024. The negative gap of COVID-19-related business on profit was 2,625 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 nine months ended December 31, 2024 was 84,583 million yen (up 11.9% year on year), adjusted EBITDA was 6,338 million yen (up 29.5% year on year), and operating profit was 5,311 million yen (up 23.9% 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 nine months ended December 31, 2024 was 107,312 million yen (up 13.8% year on year), adjusted EBITDA was 23,577 million yen (up 35.0% year on year), and operating profit was 20,097 million yen (up 41.5% year on year).

Revenue increased on the back of strong recruitment demand despite the economic outlook remaining uncertain. In terms of expenses, advertising investment and recruitment were controlled in the first half period. However, since the third quarter, advertising investment has been strengthened toward achieving growth in the next fiscal year, while recruitment has continued to be controlled at an appropriate level. As a result, adjusted EBITDA and operating profit rose, partly reflecting the effects from increased revenue.

e. Asia Pacific SBU

This segment mainly operates staffing 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 nine months ended December 31, 2024 was 359,070 million yen (up 16.4% year on year), adjusted EBITDA was 10,119 million yen (up 33.8% year on year), and operating profit was 5,881 million yen (up 14.1% 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) Explanation of Consolidated Financial Forecasts and Other Forward-looking Information

Full-year consolidated financial forecasts for the fiscal year ending March 31, 2025 remain unchanged from the same forecasts announced on November 11, 2024.

(2) Overview of Financial Position for the Nine Months Ended December 31, 2024

(i) Assets, Liabilities and Equity

Total assets increased by 4,727 million yen compared to the end of the previous fiscal year. Current assets decreased by 4,118 million yen, and non-current assets rose by 8,846 million yen. The main factor behind the decrease in current assets was a 10,674 million yen decline in cash and cash equivalents, which more than offset the 3,224 million yen increase in contract assets. Non-current assets climbed mainly due to a 8,064 million yen increase in right-of-use assets and a 3,197 million yen increase in intangible assets.

Liabilities increased by 9,222 million yen compared to the end of the previous fiscal year. Current liabilities increased by 1,180 million yen, and non-current liabilities increased by 8,042 million yen. Current liabilities increased mainly due to a 4,728 million yen increase in trade and other payables,

which more than offset the 3,844 million yen decline in bonds and borrowings. Non-current liabilities mainly increased due to a 7,906 million yen increase in lease liabilities.

Total equity attributable to owners of parent decreased by 5,678 million yen compared to the end of the previous fiscal year. This was mainly due to a decrease by 19,813 million yen in payments of dividends of surplus and 20,000 million yen in purchase of treasury shares, which more than offset an increase mainly by the recording of 31,161 million yen in profit.

	As of March 31, 2024	As of December 31, 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%	119.3%
Fixed ratio	107.1%	115.1%
Fixed long-term precision	84.0%	86.7%
Equity attributable to owners of the parent ratio	37.1%	35.7%
Net Debt/Equity (times)	-0.39	-0.36
Net Debt/EBITDA (times)	-1.03	-1.04

(ii) Business and Financial Issues to Address

The nine months ended December 31, 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 December 31, 2024 was 97,694 million yen, down 10,674 million yen from the end of the previous fiscal year.

Presented below are an overview of cash flows for the nine months ended December 31, 2024, and main factors behind them.

(Cash flows from operating activities)

Capital generated by operating activities was 56,059 million yen (as compared to 49,774 million yen generated in the same period of the previous fiscal year). Major factors included profit before tax of 48,161 million yen and depreciation and amortization of 24,201 million yen, offset by income taxes paid of 14,371 million yen.

(Cash flows from investing activities)

Capital used for investing activities was 9,355 million yen (as compared to 14,263 million yen used in the same period of the previous fiscal year). This was mainly due to spending of 10,146 million yen on the purchase of intangible assets.

(Cash flows from financing activities)

Capital used for financing activities was 57,510 million yen (as compared to 37,562 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, dividends paid of 19,794 million yen, repayments of lease liabilities of 13,629 million yen and repayments of long-term borrowings of 10,003 million yen, while proceeds from issuance of bonds amounted to 10,000 million yen.

(3) Management Policies and Management Strategies

In the nine months ended December 31, 2024, there are no major changes.

(4) Research and Development

In the nine months ended December 31, 2024, there are no applicable items.

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

In the nine months ended December 31, 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 nine months ended December 31, 2024, there were no major changes in the sources of capital or liquidity of funds.

(7) Important Contracts, Etc. Related to Management

During the third quarter under review, 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 third quarter of the fiscal period under review (shares) (December 31, 2024)	Number of shares issued as of the filing date (shares) (February 14, 2025)	Stock exchange where the Company is listed	Details
Common shares	2,278,437,810	2,278,437,810	Tokyo Stock Exchange Prime Market	Number of shares per unit 100 shares
Total	2,278,437,810	2,278,437,810	—	—

2) Information on the share acquisition rights, etc.

a. Description of stock 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 December 31, 2024	-53,560,800	2,278,437,810	—	17,479	—	15,979

(Note) The decrease in the total number of issued shares is attributed to the cancellation of treasury shares that was implemented effective on November 29, 2024 in accordance with the resolution passed at the Board meeting held on November 11, 2024.

5) Major shareholders

As the quarterly period under review is the third quarter, there are no items to be listed.

6) Information on voting rights

Regarding "Information on voting rights" as of the last day of the third quarter under review, as the information listed in the shareholder register cannot be confirmed, no information can be listed. As a result, information reflecting the shareholder register as of the most recent record date (September 30, 2024) is listed.

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	—

(Notes)

1. 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.
2. In accordance with the resolution passed at the Board meeting held on November 11, 2024, the Company cancelled its treasury shares effective on November 29, 2024. As a result, the total number of shares issued as of December 31, 2024 was 2,278,437,810, a decrease of 53,560,800 shares.

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

(Notes)

1. 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. In accordance with the resolution passed at the Board meeting held on November 11, 2024, the Company cancelled 53,560,800 treasury shares effective on November 29, 2024. The total number of treasury shares as of December 31, 2024 was 36,479,400.

(2) Officers

Not applicable.

4. Condensed Consolidated Financial Statements and Major Notes

(1) Condensed Consolidated Statements of Financial Position

	(In millions of yen)	
	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	108,369	97,694
Trade and other receivables	169,008	169,775
Contract assets	24,426	27,651
Other financial assets	113	1,004
Other current assets	10,771	12,445
Total current assets	312,690	308,571
Non-current assets		
Trade and other receivables	320	—
Contract assets	5,020	5,342
Property, plant and equipment	9,575	10,714
Right-of-use assets	35,973	44,037
Goodwill	59,019	58,816
Intangible assets	39,655	42,852
Investments accounted for using equity method	2,287	1,584
Other financial assets	29,193	24,947
Deferred tax assets	24,561	25,829
Other non-current assets	433	762
Total non-current assets	206,040	214,887
Total assets	518,730	523,458

	(In millions of yen)	
	As of March 31, 2024	As of December 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	95,270	99,999
Bonds and borrowings	14,144	10,300
Lease liabilities	15,010	14,980
Other financial liabilities	1,141	1,789
Income taxes payable	8,834	10,731
Provisions	1,019	1,046
Contract liabilities	6,931	7,339
Other current liabilities	115,063	112,410
Total current liabilities	257,416	258,596
Non-current liabilities		
Bonds and borrowings	20,000	20,014
Lease liabilities	19,835	27,742
Other financial liabilities	976	1,036
Provisions	5,084	5,341
Deferred tax liabilities	4,343	4,247
Other non-current liabilities	2,756	2,655
Total non-current liabilities	52,996	61,039
Total liabilities	310,412	319,635
Equity		
Share capital	17,479	17,479
Capital surplus	4,751	-9,156
Retained earnings	165,979	180,841
Treasury shares	-9,584	-13,476
Other components of equity	13,724	10,982
Total equity attributable to owners of parent	192,349	186,671
Non-controlling interests	15,968	17,151
Total equity	208,317	203,822
Total liabilities and equity	518,730	523,458

(2) Condensed Consolidated Income Statements and Comprehensive Income Statements

Condensed Consolidated Income Statements

(In millions of yen)

	Nine months ended December 31,	
	2023	2024
Revenue	990,627	1,086,213
Cost of sales	-766,268	-837,210
Gross profit	224,359	249,002
Selling, general and administrative expenses	-184,142	-200,117
Other income	991	200
Other expenses	-286	-665
Operating profit	40,921	48,420
Finance income	738	1,173
Finance costs	-1,026	-954
Share of profit (loss) of investments accounted for using equity method	-311	-477
Profit before tax	40,322	48,161
Income tax expense	-13,794	-15,615
Profit	26,528	32,545
Profit attributable to		
Owners of parent	25,209	31,161
Non-controlling interests	1,318	1,383
Profit	26,528	32,545
Earnings per share		
Basic earnings per share (yen)	11.12	14.00
Diluted earnings per share (yen)	11.05	13.91

Condensed Consolidated Comprehensive Income Statements

(In millions of yen)

	Nine months ended December 31,	
	2023	2024
Profit	26,528	32,545
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	423	302
Remeasurements of defined benefit plans	-75	4
Total of items that will not be reclassified to profit or loss	348	307
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	5,422	578
Share of other comprehensive income of investments accounted for using equity method	273	-91
Total of items that may be reclassified to profit or loss	5,695	487
Other comprehensive income, net of tax	6,044	794
Comprehensive income	32,572	33,339
Comprehensive income attributable to		
Owners of parent	31,227	31,933
Non-controlling interests	1,344	1,406
Comprehensive income	32,572	33,339

(3) Condensed Consolidated Statements of Changes in Equity

For the Nine Months Ended December 31, 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	—	—	25,209	—	—	—
Other comprehensive income	—	—	—	—	5,668	423
Comprehensive income	—	—	25,209	—	5,668	423
Purchase of treasury shares	—	—	—	-0	—	—
Disposal of treasury shares	—	-1,915	—	2,306	—	—
Cancellation of treasury shares	—	-7,528	—	7,528	—	—
Dividends	—	—	-18,927	—	—	—
Share-based payment transactions	—	1,473	—	—	—	—
Changes in ownership interest in subsidiaries	—	-107	—	—	—	—
Loss of control of subsidiaries	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	10	—	—	-10
Other	—	-0	—	—	—	—
Total transactions with owners	—	-8,078	-18,917	9,834	—	-10
Balance at end of period	17,479	4,193	161,219	-9,625	5,819	4,700

	Equity attributable to owners of parent				
	Other components of equity			Non-controlling interests	Total
	Remeasurements of defined benefit plans	Total	Total		
Balance at beginning of period	14	4,452	169,670	13,859	183,529
Profit	—	—	25,209	1,318	26,528
Other comprehensive income	-75	6,017	6,017	26	6,044
Comprehensive income	-75	6,017	31,227	1,344	32,572
Purchase of treasury shares	—	—	-0	—	-0
Disposal of treasury shares	—	—	390	—	390
Cancellation of treasury shares	—	—	—	—	—
Dividends	—	—	-18,927	-242	-19,169
Share-based payment transactions	—	—	1,473	—	1,473
Changes in ownership interest in subsidiaries	—	—	-107	11	-96
Loss of control of subsidiaries	—	—	—	-10	-10
Transfer from other components of equity to retained earnings	—	-10	—	—	—
Other	—	—	-0	—	-0
Total transactions with owners	—	-10	-17,171	-242	-17,413
Balance at end of period	-60	10,459	183,726	14,961	198,688

For the Nine Months Ended December 31, 2024

(In millions of yen)

	Equity attributable to owners of parent				Other components of equity	
	Share capital	Capital surplus	Retained earnings	Treasury shares	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	—	—	31,161	—	—	—
Other comprehensive income	—	—	—	—	465	302
Comprehensive income	—	—	31,161	—	465	302
Purchase of treasury shares	—	—	—	-20,000	—	—
Disposal of treasury shares	—	-3,192	—	3,305	—	—
Cancellation of treasury shares	—	-12,803	—	12,803	—	—
Dividends	—	—	-19,813	—	—	—
Share-based payment transactions	—	2,089	—	—	—	—
Changes in ownership interest in subsidiaries	—	-0	—	—	—	—
Loss of control of subsidiaries	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	3,513	—	—	-3,513
Other	—	—	—	—	—	—
Total transactions with owners	—	-13,907	-16,299	-3,891	—	-3,513
Balance at end of period	17,479	-9,156	180,841	-13,476	8,287	2,792

	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	—	—	31,161	1,383	32,545
Other comprehensive income	4	771	771	22	794
Comprehensive income	4	771	31,933	1,406	33,339
Purchase of treasury shares	—	—	-20,000	—	-20,000
Disposal of treasury shares	—	—	112	—	112
Cancellation of treasury shares	—	—	—	—	—
Dividends	—	—	-19,813	-223	-20,036
Share-based payment transactions	—	—	2,089	—	2,089
Changes in ownership interest in subsidiaries	—	—	-0	0	-0
Loss of control of subsidiaries	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	-3,513	—	—	—
Other	—	—	—	—	—
Total transactions with owners	—	-3,513	-37,611	-222	-37,834
Balance at end of period	-96	10,982	186,671	17,151	203,822

(4) Condensed Consolidated Statements of Cash Flows

(In millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from operating activities		
Profit before tax	40,322	48,161
Depreciation and amortization	21,831	24,201
Decrease (increase) in trade and other receivables	6,028	2,010
Increase (decrease) in trade and other payables	-733	3,165
Decrease (increase) in contract assets	-401	-3,618
Decrease (increase) in prepaid expenses	-1,260	-235
Increase (decrease) in accrued consumption taxes	4,313	45
Increase (decrease) in accrued bonus	-8,751	-8,576
Increase (decrease) in accrued paid leave	2,466	3,664
Other	6,629	1,717
Subtotal	70,444	70,535
Interest and dividends received	482	668
Interest paid	-682	-773
Income taxes refund (paid)	-20,469	-14,371
Net cash provided by (used in) operating activities	49,774	56,059
Cash flows from investing activities		
Purchase of property, plant and equipment	-2,469	-4,399
Purchase of intangible assets	-8,848	-10,146
Purchase of investments	-762	-935
Proceeds from sale and redemption of investments	203	5,876
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-674	-1,010
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	31	1,294
Other	-1,743	-35
Net cash provided by (used in) investing activities	-14,263	-9,355
Cash flows from financing activities		
Proceeds from short-term borrowings	160,878	25,604
Repayments of short-term borrowings	-156,722	-30,460
Repayments of long-term borrowings	-186	-10,003
Repayments of lease liabilities	-12,447	-13,629
Proceeds from issuance of bonds	—	10,000
Redemption of bonds	-10,000	—
Purchase of treasury shares	-0	-20,000
Dividends paid	-18,909	-19,794
Other	-174	772
Net cash provided by (used in) financing activities	-37,562	-57,510
Effect of exchange rate changes on cash and cash equivalents	1,096	131
Net increase (decrease) in cash and cash equivalents	-955	-10,674
Cash and cash equivalents at beginning of period	101,233	108,369
Cash and cash equivalents at end of period	100,278	97,694

(5) Notes to the Condensed Consolidated Financial Statements

(Significant Matters that Serve as the Basis for the Preparation of Condensed Consolidated Financial Statements)

The condensed consolidated financial statement is prepared in compliance with Article 5, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. prescribed by Tokyo Stock Exchange, Inc. (however, based on Article 5, Paragraph 5 of the Standards, some disclosures required by International Accounting Standard 34: Interim Financial Reporting are omitted).

(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/expenses -(+) non-recurring profit/loss).

Intersegment revenues are based on prevailing market prices.

For the Nine Months Ended December 31, 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	428,786	76,783	67,772	92,745	308,363	974,452	16,172	990,624	3	990,627
Intersegment revenue	4,331	4,923	7,840	1,550	—	18,644	9,836	28,481	-28,481	—
Total	433,117	81,706	75,613	94,296	308,363	993,097	26,008	1,019,106	-28,478	990,627
Segment profit (loss)	23,873	6,014	4,896	17,459	7,565	59,810	-701	59,108	-5,664	53,443
Depreciation (excluding rent and other equivalents from depreciation of right-of-use assets)										-9,115
Increase/decrease in accrued paid leave										-2,467
Share-based payment expenses										-1,644
Other income										991
Other expenses										-286
Operating profit										40,921
Share of profit (loss) of investments accounted for using equity method										-311
Finance income										738
Finance costs										-1,026
Profit before tax										40,322

For the Nine Months Ended December 31, 2024

(In millions of yen)

	Reportable Segment						Other *1	Total	Adjustm ents*2	Consolidat ed
	Staffing	BPO	Technolo gy	Career	Asia Pacific	Total				
Revenue										
Revenue from external customers	449,879	77,682	76,216	105,623	359,070	1,068,473	17,738	1,086,211	1	1,086,213
Intersegment revenue	4,954	5,726	8,366	1,688	—	20,736	10,648	31,385	-31,385	—
Total	454,833	83,409	84,583	107,312	359,070	1,089,209	28,386	1,117,596	-31,383	1,086,213
Segment profit (loss)	26,986	4,676	6,338	23,577	10,119	71,697	-2,444	69,253	-4,433	64,819
Depreciation (excluding rent and other equivalents from depreciation of right-of-use assets)										-10,001
Increase/decrease in accrued paid leave										-3,833
Share-based payment expenses										-2,100
Other income										200
Other expenses										-665
Operating profit										48,420
Share of profit (loss) of investments accounted for using equity method										-477
Finance income										1,173
Finance costs										-954
Profit before tax										48,161

(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)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Elimination of inter-segment transactions	-1,521	-20,821
Corporate revenue*1	7,389	28,698
Corporate expenses*2	-11,532	-12,309
Total	-5,664	-4,433

*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.

(Share Capital and Other Equity Items)

For the nine months ended December 31, 2023

(Cancellation of treasury shares)

At the Board meeting held on April 21, 2023, the Company passed a resolution to cancel treasury shares pursuant to the provisions of Article 178 of the Companies Act. The shares were cancelled on April 28, 2023.

- | | |
|-------------------------------------|--|
| 1. Type of shares cancelled | Common shares in the Company |
| 2. Total number of shares cancelled | 3,505,000 shares (Ratio to the number of shares issued before the cancellation: 1.48%) |
| 3. Date of cancellation | April 28, 2023 |

(Disposal of treasury shares as restricted stock compensation)

The Company disposed of 1,915 million yen as restricted stock compensation based on a resolution passed at the Board meeting held on May 19, 2023.

For the nine months ended December 31, 2024

(Acquisition of treasury shares)

The Company resolved at the Board meeting held on May 13, 2024 matters regarding the acquisition of treasury shares in accordance with the provisions of Article 156 of the Companies Act applied mutatis mutandis pursuant to Paragraph 3, Article 165 of the same Act and acquired the shares as follows.

- | | |
|------------------------------------|--|
| 1. Type of shares acquired | Common shares in the Company |
| 2. Total number of shares acquired | 80,341,100 shares |
| 3. Total share acquisition price | 19,999 million yen |
| 4. Acquisition period | June 3, 2024 to September 6, 2024 |
| 5. Method of acquisition | Market purchases on the Tokyo Stock Exchange |

(Disposal of treasury shares as restricted stock compensation)

Based on the resolutions adopted at the Board meetings held on May 13, 2024 and May 17, 2024, the Company disposed of treasury shares worth 3,023 million yen as restricted stock compensation.

(Cancellation of treasury shares)

At the Board meeting held on November 11, 2024, the Company resolved, in accordance with the provisions of Article 178 of the Companies Act, to cancel two-thirds of the 80,341,100 treasury shares that were acquired pursuant to a resolution made at the Board meeting held on May 13, 2024. The shares were cancelled 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. Date of cancellation | November 29, 2024 |

(Earnings per Share)

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

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit attributable to owners of parent (million yen)	25,209	31,161
Adjustment to profit for the period (million yen)	—	—
Profit used to calculate diluted earnings per share (million yen)	25,209	31,161
Weighted average number of common shares (thousand shares)	2,266,570	2,225,258
Increase in number of common shares		
Share-based compensation (thousand shares)	14,074	14,950
Weighted average number of common shares after dilution (thousand shares)	2,280,645	2,240,209
Basic earnings per share (yen)	11.12	14.00
Diluted earnings per share (yen)	11.05	13.91

(Note)

As of October 1, 2023, the Company conducted a 10-for-1 stock split of common shares. 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)

(Acquisition of shares of Fujitsu Communication Services Limited)

PERSOL BUSINESS PROCESS DESIGN CO., LTD. (hereafter, "PERSOL BUSINESS PROCESS DESIGN"), a consolidated subsidiary of the Company, has acquired 100% ownership of Fujitsu Communication Services Limited under a share transfer agreement.

(1) Outline of business combination

(i) Name of the acquired company and the acquired business

Name of the acquired company: Fujitsu Communication Services Limited (hereafter, "Fujitsu Communication Services")

Business: Outsourcing services, mainly "IT support"

(ii) Main reason for business combination

Fujitsu Communication Services has been powerfully advancing corporate DX, with its strengths in IT outsourcing services focused on maintenance, operation, and development of customer management systems, as well as the outsourcing business including contact center services and back office and sales support.

PERSOL BUSINESS PROCESS DESIGN acquired shares of Fujitsu Communication Services, judging that the share acquisition will enable it to strengthen integrated provision of services, from consulting to operation and support, and expect more sophisticated services and enhanced corporate value through expansion of the BPO business and business growth in the IT sector, where demand will grow in the future.

(iii) Date of business combination

February 3, 2025

(iv) Legal form of business combination

Share acquisition in exchange for cash

(v) Name of the company after business combination

PERSOL COMMUNICATION SERVICES LIMITED

(vi) Percentage of voting rights acquired

100%

(vii) Grounds for determining acquiring company

Because PERSOL BUSINESS PROCESS DESIGN, which is a consolidated subsidiary of the Company, has acquired the shares in exchange for cash.

(2) Purchase price and breakdown

20.0 billion yen in cash (estimate)

The above is a provisional amount because the purchase price has yet to be determined at present.

Initial accounting treatment of the business combination has yet to be completed. Therefore, detailed information on the accounting treatment is not disclosed.