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February 8, 2024

To whom it may concern,

Listed company name:	Pasona Group, Inc.
Listing stock exchange:	Tokyo Stock Exchange Prime Market
Securities code number:	2168
Representative:	Yasuyuki Nambu, Group CEO and President
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**Notice Concerning the Execution of an Agreement Relating to Subsidiary Shares, the Expected Recording of Extraordinary Gains/Losses, and Revision of Consolidated Earnings Forecast for the Fiscal Year Ending May 2024**

Pasona Group Inc. (the “Company”) hereby announces that, today, it has entered into an agreement with Dai-ichi Life Holdings, Inc. (the “Tender Offeror,” and that agreement, the “Agreement”) agreeing that (i) the Company will not tender any of its shares in the tender offer for the common shares of Benefit One Inc., a consolidated subsidiary of the Company, (the “Target,” and those common shares, the “Target Shares”) to be launched by the Tender Offeror (the “Tender Offer”) and (ii) the Company will sell all Target Shares held by the Company to the Target through a share repurchase to be conducted by the Target after the Target has completed a share consolidation, making the Tender Offeror and the Company the only shareholders of the Target (the “Share Consolidation”), following a successful completion of the Tender Offer (series of the transactions are collectively referred to as the “Transaction”).

As stated in the “Notice Concerning the Execution of Share Tender Agreement Relating to the Tender Offer for Subsidiary Shares and the Expected Recording of Extraordinary Gains” dated November 14, 2023, the Company executed a share tender agreement with M3, Inc. (“M3”), agreeing, among other things, to tender all of the Target Shares held by the Company in the tender offer launched by M3 for the Target Shares (the “M3 Tender Offer,” and that agreement, the “M3

Share Tender Agreement”). With the execution of the Agreement, the Company will be accepting the offer of the Tender Offeror and the M3 Share Tender Agreement has been terminated as of today.

#### 1. Reason for Entering into the Agreement

The Target was established in March 1996 as an internal venture of the Company under the name of Business Corp Inc., with the purpose of providing membership-based employee benefit services offering various service menus at discounted prices to employees of member companies. In April 2001, the Target changed its trade name to Benefit One Inc. and is currently listed on the Prime Market of the Tokyo Stock Exchange. The mainstay business of the Target is subscription-based employee benefit services, together with personal services business, incentive business, healthcare services business, purchase and settlement service business, and payment business. The Target announced its Medium-term Management Plan on May 11, 2023, covering the three years from FY3/2024 to FY3/2026, with the aim of effectively expanding its membership base and enhancing its network of service suppliers, recognizing the potential growth in employee benefits outsourcing, especially for small- and medium-sized businesses and non-regular employees. Under the strategy set forth in the Medium-term Management Plan, the Target is striving to expand its business by focusing on expanding the membership base, monetizing the settlement business, and expanding the healthcare services.

The Target belongs to the Company's outsourcing segment and generates synergies in the sales and marketing activities for the Company group's temporary staffing, placement, and BPO services. The Company has held the Target Shares with the aim of improving the medium- to long-term corporate value of both the Company and the Target. At the same time, as stated in the “Notice Concerning the Execution of Share Tender Agreement Relating to the Tender Offer for Subsidiary Shares and the Expected Recording of Extraordinary Gains” dated November 14, 2023, the Company had been considering various capital policies, including transferring Target Shares to a new partner as part of its business portfolio optimization strategy, to further enhance the corporate value of the Target. As a result of that process, the Company came to the decision to enter into the M3 Share Tender Agreement with M3.

However, as stated in the “Notice of Scheduled Commencement of Tender Offer by Dai-ichi Life Holdings, Inc. for Shares of Benefit One Inc.” dated December 7, 2023, an offer was received from the Tender Offeror on its intention to launch the Tender Offer. The Company closely examined the offer received and the content of the public announcement as well as engaged in discussions and negotiations with the Tender Offeror regarding the terms of the Agreement, as necessary. The Company also engaged in discussions with M3 regarding the possibility of having the tender offer

terms changed.

As a result of the discussions held with the Tender Offeror and M3, the Company has concluded that the offer received from the Tender Offeror is more economically reasonable than the M3 Tender Offer and will better contribute to enhancing the corporate value of the Company. As such, today, the Company has executed the Agreement with the Tender Offeror. With the execution of the Agreement, the M3 Share Tender Agreement has been terminated as of today.

Also, the Target has resolved at its Board of Directors meeting held today to express its opinion in support of the Tender Offer and to recommend that Target shareholders tender their shares in the Tender Offer.

Following the closing of the Transaction, the Target will no longer be a consolidated subsidiary of the Company. Nonetheless, the Company will continue to work and collaborate with the Target after the Transaction in the areas of employee benefits, temporary staffing, and placement services.

The Company is considering utilizing the funds obtained from the Transaction primarily for the following purposes:

- (1) Investment for strengthening the BPO business, including expanding X-TECH BPO, one of the Company's priority strategies, and increasing earnings from local development projects
- (2) Investment in digital transformation (DX) to improve productivity, including the development of DX personnel
- (3) Expansion of shareholder returns, including special dividends and share buybacks
- (4) M&A activities for new and existing businesses
- (5) Partial repayment of existing borrowings

## 2. Overview of the Target

(1) Name	Benefit One Inc.
(2) Location	3-7-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo, Japan
(3) Name and title of the representative	Norio Shiraishi, President
(4) Business	Benefit business, personal service business, customer relationship management (CRM) business, incentive business, healthcare services business, purchase and settlement service business, payment business
(5) Capital	1,527 million yen (as of September 30, 2023)

(6) Established	March 15, 1996		
(7) Major shareholders and shareholding ratio (as of September 30, 2023) (Note 1)	Pasona Group, Inc.	51.16%	
	The Master Trust Bank of Japan, Ltd. (Trust Account)	7.01%	
	Custody Bank of Japan, Ltd. (Trust account)	3.45%	
	SSBTC CLIENT OMNIBUS ACCOUNT (Standing Proxy: The Hongkong & Shanghai Banking Corporation Limited, Tokyo Branch)	3.45%	
	BNYM AS AGT/CLS 10 PERCENT (Standing Proxy: MUFG Bank, Ltd.)	1.89%	
	TAIYO FUND, L.P. (Standing Proxy: MUFG Bank, Ltd.)	1.76%	
	GOVERNMENT OF NORWAY (Standing Proxy: Citibank, N.A, Tokyo Branch)	1.38%	
	Norio Shiraishi	1.16%	
	TAIYO HANEI FUND, L.P. (Standing Proxy: MUFG Bank, Ltd.)	1.07%	
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	1.01%	
(8) Relationship between the Company and the Target			
Capital relationship	As of today, the Company holds 81,210,400 shares of the Target Shares (ownership ratio (Note 2): 51.16%)		
Personnel relationship	Four directors of the Target were originally employees of the Company group, one of whom concurrently serves as a director of the Company.		
Business relationship	The Company group outsources employee benefits to the Target. Also, the Company group provides temporary staffing and other services to the Target.		
Status as a related party	As the Target is a consolidated subsidiary of the Company, it falls within the category of a related party.		
(9) Consolidated Financial Position and Consolidated Operating Results of the Target for the Last Three Years			
Fiscal year ended	March 2021	March 2022	March 2023
Net assets (million yen)	19,865	24,912	24,832
Total assets (million yen)	36,171	58,047	53,981
Net assets per share (yen)	124.84	156.54	156.77

Sales (million yen)	37,841	38,362	42,376
Operating income (million yen)	9,774	12,770	10,484
Ordinary income (million yen)	9,858	12,826	10,565
Net income attributable to owners of parent (million yen)	6,766	8,949	7,655
Net income per share (yen)	42.52	56.24	48.29
Dividend per share (yen)	30	36	36

(Note 1) “Major shareholders and shareholding ratio” is quoted from the “Status of major shareholders” provided in the Quarterly Securities Report for the Second Quarter of the 29<sup>th</sup> Fiscal Year filed by the Target on November 14, 2023 (“Target Q2 Report”).

(Note 2) “Ownership Ratio” means the percentage of shares held by the Company (rounded to two decimal places) out of the number of shares (158,740,543 shares) obtained by deducting the number of treasury shares held by the Target as of September 30, 2023 (450,357 shares, which excludes the Target Shares held by the Employee Stock Ownership Plan (J-ESOP) and the Board Benefit Trust (BBT) (323,499 shares)) from the total number of issued shares of the Target as of September 30, 2023 as stated in the Target Q2 Report (159,190,900 shares).

### 3. Overview of the Tender Offeror

(1) Name	Dai-ichi Life Holdings, Inc.
(2) Location	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo, Japan
(3) Name and title of the representative	Tetsuya Kikuta, President
(4) Business	Business administration of life insurance companies, non-life insurance companies, and other companies operating as the Company's subsidiaries pursuant to the provisions of the Insurance Business Act (Note 1) and other incidental business activities
(5) Capital	344,074 million yen (as of September 30, 2023)
(6) Established	September 15, 1902
(7) Major shareholders and shareholding ratio (as of September 30, 2023) (Note 2)	The Master Trust Bank of Japan, Ltd. (Trust account) 14.25%
	Custody Bank of Japan, Ltd. (Trust account) 6.13%
	Mizuho Bank, Ltd. 2.83%
	SMP PARTNERS (CAYMAN) LIMITED (Standing Proxy:

	Mizuho Bank, Ltd.)	2.48%
	GOVERNMENT OF NORWAY (Standing Proxy: Citibank, N.A.)	1.77%
	Shinsei Trust & Banking Co., Ltd. ECM MF Trust Account 8299002	1.76%
	STATE STREET BANK WEST CLIENT – TREATY 505234 (Standing Proxy: Mizuho Bank, Ltd.)	1.75%
	CGML PB CLIENT ACCOUNT/COLLATERAL (Standing Proxy: Citibank, N.A.)	1.71%
	J.P. MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMSP RE CLIENT ASSETS-SEGR ACCT (Standing Proxy: Citibank, N.A.)	1.29%
	JP MORGAN CHASE BANK 385781 (Standing Proxy: Mizuho Bank, Ltd.)	1.29%
(8) Relationship between the Company and the Tender Offeror		
	Capital relationship	None
	Personnel relationship	None
	Business relationship	None
	Status as a related party	None

(Note 1) Act No. 105 of 1995, as amended. The same applies hereinafter.

(Note 2) “Major shareholders and shareholding ratio” is quoted from the “List of Major Shareholders” provided in the Quarterly Securities Report for the Second Quarter of the 122<sup>nd</sup> Fiscal Year filed by the Tender Offeror on November 14, 2023.

#### 4. Number of Shares to Be Transferred in the Transaction, Purchase Price, and Number of Shares Held before and after the Transaction

Number of shares held before the Transaction	81,210,400 shares (Number of voting rights: 812,104) (Ratio of voting rights: 51.16%) (Note 1)
Number of shares to be transferred in the Transaction	81,210,400 shares (Number of voting rights: 812,104) (Ratio of voting rights: 51.16%)
Purchase price (tentative)	Approximately 123,927 million yen (Note 2)

Number of shares held after the Transaction	0 shares (Number of voting rights: 0) (Ratio of voting rights: 0%)
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(Note 1) "Ratio of voting rights" represents the percentage of voting rights held by the Company out of the total number of voting rights (1,587,405) to the number of shares (158,740,543 shares) obtained by deducting the number of treasury shares held by the Target as of September 30, 2023 (450,357 shares, which excludes the Target Shares held by the Employee Stock Ownership Plan (J-ESOP) and the Board Benefit Trust (BBT) (323,499 shares)) from the total number of issued shares of the Target as of September 30, 2023 as stated in the Target Q2 Report (159,190,900 shares).

(Note 2) The purchase price is provided as a reference, calculated by multiplying the number of Target Shares held by the Company by the price of share repurchase by the Target (1,526 yen per Target Share before the Share Consolidation).

#### 5. Schedule of the Transaction

- (1) Execution of the Agreement: February 8, 2024
- (2) Tender Offer period (tentative): February 9, 2024 to March 11, 2024
- (3) Settlement commencement date (tentative): March 18, 2024
- (4) Effective date of the Share Consolidation (tentative): Late May 2024
- (5) Completion of share repurchase (tentative): Late May 2024

#### 6. Expected Recording of Extraordinary Gains/Losses

The Company expects to record gains on the sale of affiliate shares as extraordinary gains in the amount of 122,300 million yen and 113,600 million yen in its non-consolidated and consolidated financial statements, respectively, for the fiscal year ending May 2024 due to the sale of the Target Shares in the share repurchase by the Target following the closing of the Transaction. Also, the Company is expected to record extraordinary losses of 1,165 million yen for costs related to the sale of affiliate shares that will be incurred in connection with a series of transactions concerning the sale of Target Shares held by the Company.

Also, since the Target is scheduled to complete its share repurchase in late May 2024, as stated in "5. Schedule of the Transaction," the Target's earnings for the fiscal year ending March 2024 will be included in the Company's consolidated earnings for the fiscal year ending May 2024.

As stated in the "Notice on Difference between Forecast and Actual Consolidated Business Results for the First Half of the Fiscal Year Ending May 2024 and Revision of Consolidated Business Forecast for the Full Year" dated January 12, 2024, the Company has not disclosed its consolidated

earnings forecast for the full fiscal year ending May 2024. Since the Company has entered into the Agreement concerning the Transaction, etc. with the Tender Offeror, the Company revised its consolidated earnings forecast released on January 12, 2024 for the full fiscal year ending May 2024.

## 7. Revision of Earnings Forecast

(1) Revision to the Forecast of Consolidated Financial Results for the Fiscal Year Ending May 2024 (June 1, 2023 - May 31, 2024)

(Unit: Million Yen)

	Net Sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share (Yen)
Previous forecast (A) (Announced on Jan. 12, 2024)	-	-	-	-	-
Current revised forecast (B) (Announced on Feb. 8, 2024)	370,000	10,000	10,000	100,000	2,552.53
Change (B-A)	-	-	-	-	
Change (%)	-	-	-	-	
Reference: Actual results for previous fiscal year (FYE May 2023)	372,579	14,377	15,366	6,099	155.70

### (2) Reason for revision

The Company has decided to revise its consolidated earnings forecast for the full fiscal year ending May 2024 as it expects to record extraordinary gains and losses related to the Transaction after the closing of the Transaction, as well as based on its latest business performance.

As for the latest business performance, while the BPO services, the Company's focus area, have remained strong, the expert services and the outsourcing segment are performing below the initial plan, largely impacted by the special demand that boosted the results of the previous fiscal year, and improvements are slow. Therefore, the earnings forecast has been revised.

Note: The forecasts mentioned above are based on information available to the Company as of the date of this release. Actual results may differ from these forecasts due to various factors.