

Compensation Policy for Directors and Officers of PERSOL Group

1. PERSOL Group's Value Creation Story

(1) Group Vision

“Work and Smile” describes the vision that PERSOL wants to realize.

Our mission is to create a future where all people around the world can “Work and Smile” regardless of their sexuality, age, nationality, or any other boundary.

(2) Who we want to be

To realize our vision, PERSOL Group aspires to be a “Career Well-being” Creation Company that “broadens the possibilities for each individual, broadens the freedom of work, and broadens the happiness of individuals and the society.”

(3) Sources of value creation

The sources of value creation are the diverse and autonomous human resources, social trust and customer contacts accumulated over a long term, business development capacity and expertise related to human resource services, and the sound and stable financial basis.

(4) Direction of management

With the diversification of working people and technological development, we expect an era where working people demand well-being, and an era of management evolution with co-creation by people and technology. To ensure that PERSOL Group continues to meet the expectations of society and provide values in such an era, our management direction is to become a technology-driven human resources service company.

(5) Business activities

Under the five SBU system, we will enhance the “power to attract people,” “power to connect people and organizations,” and “power to design business operation” as the three competitive advantages, and leveraging “human capital,” “technologies,” and “learning” as engines to accelerate business growth.

(6) Materiality

We identified eight materialities by discussing the social issues to be resolved in realizing our Vision and considering both “solving social issues through our business” and “foundation for achieving sustainable growth.” “creating work opportunities,” “providing diverse work styles,” “providing learning opportunities,” and “increasing productivity at companies” were selected from the first perspective, and “active roles of diverse personnel,” “strengthening data governance,” “respect for human rights,” and “responding to climate change” were selected from the second perspective. In particular, “creating work opportunities” is positioned as the primary materiality and the value creation goal was set accordingly.

(7) Values to be created

“Economic value” and “social value” have been defined as value to be created through business activities. For economic value, we aim to achieve the quantitative goal set in the Mid-term Management Plan. For social value, our value creation goal is to “creating better work opportunities for one million people by 2030 by expanding human possibilities..” Through the creation of these values, PERSOL Group will pursue to realize who we want to be and Group Vision.

2. Basic Policy for Director and Officer Compensation

The Compensation for Directors and Officers (hereinafter “Executive Compensation”) of the Company and its subsidiaries that play central roles of the Company’s SBU business strategies (hereinafter “core SBU companies”) is designed to clearly reflect not only the short-term financial performance of the PERSOL Group but also the contributions made toward enhancing its medium- to long-term financial performance in order to help substantiate the Group’s Value Creation Story. Accordingly, the Group’s Executive Compensation is positioned as an incentive to realize sustainable medium- to long-term growth, and its basic policy is embodied in the following.

- (1) Executive Compensation is linked to the short-, medium- and long-term financial performance and the corporate value of the PERSOL Group
 - Is linked not only to short-term financial performance but also to medium- to long-term financial performance and corporate value
- (2) Executive Compensation is linked to shareholder value
 - Aligns profit awareness with that of shareholders and raises awareness of shareholder-oriented management
 - Ensures transparency and objectivity of the process for determining compensation
- (3) Executive Compensation sets a competitive level of compensation
 - Makes compensation levels competitive with domestic companies of the same size and in the same industry, and is instrumental in securing high-quality human resources
 - Provides a stronger incentive to the Company’s Directors and Officers with regard to improving financial performance and corporate value

3. Level of Compensation

Executive Compensation is determined at a level deemed reasonable and fair based on the Basic Policy for Director and Officer Compensation stated above. More specifically, we determine the level of compensation for Directors and Officers by studying and analyzing the compensation levels of a group of benchmark companies (20–30 companies) selected via the database of a specialized external organization (the “Nomination and Compensation Governance Survey” operated by HR Governance

Leaders Co., Ltd.), etc. and based on the business circumstances for the Company. In determining Executive Compensation for the Mid-term Management period of the fiscal year ending March 2026, we selected 21 companies for the group of benchmark companies among peer companies (in the human-resource services industry) and other major companies of comparable size.

4. Composition of Compensation

The compensation of the Company's executive directors and executive officers (hereinafter "executive directors, etc.") consists of "basic compensation" appropriate to the role of each executive director, etc., a "bonus" that provides a short-term compensation incentive, and "share-based compensation" that provides a medium- to long-term compensation incentive. The ratio of compensation is designed to be approximately 50:20:30 for basic compensation, bonus, and share-based compensation for executive directors, etc., and 55:20:25 (where the incentive compensation is payment of standard amount) for executive officers. The same compensation composition applies to the compensation for Directors, etc. of the core SBU companies.

The compensation for the chairperson of the Board, the Company's external directors who are not Supervisory Committee Members, and Directors, etc. who are Supervisory Committee Members (hereinafter "non-executive directors") consists of "basic compensation" and "share-based compensation," which provides a medium- to long-term compensation incentive. The aim of share-based compensation for non-executive directors is to further incentivize these Directors, etc., to contribute to the mid- to long-term increase of corporate value and align their profit awareness with that of shareholders. Therefore, in order to prevent these Directors, etc. from taking excessive risks and oversee them appropriately from the shareholder viewpoint, their share-based compensation is not linked to operating performance. Instead, a fixed number of shares are granted to them as share-based compensation.

(1) Summary of compensation items

- Basic compensation

Basic compensation for executive directors, etc. is determined based on their roles, responsibilities, and management capacities. Basic compensation for non-executive directors is determined based on their official responsibilities. This method provides the process for determining compensation with a high level of transparency and objectivity. Basic compensation is paid every month as a fixed monthly compensation.

- Bonus

A bonus is a short-term incentive paid depending on the level of performance milestones achieved in contribution to the Mid-term Management Plan in July every year.

As an indicator for measuring the level of achievement, consolidated net sales and adjusted EBITDA are used as financial indicators.

As non-financial indicators and theme-based evaluation, individual indicators related to the eight-materiality selected by the company such as the ratio of female employees in managerial positions, long-term and short-term initiatives, and Group contribution initiatives are set separately. In addition to the absolute evaluation of the level of achievement of earnings targets, the Company derives evaluations excluding external environmental factors through relative comparisons of growth potential with competitors both in Japan and abroad, in order to reflect them in the amounts of bonuses.

The amounts of bonuses generally vary between 0% and 200%.

	Evaluation method	Evaluation weight
Financial measures	Determined based on the level of achievement of (1) net sales and (2) adjusted EBITDA by the entire Company and each SBU; and comparison of the growth rate with competitors.	60%
Non-financial measures/ Theme-based evaluation	Set separate materiality-related non-financial indicators such as the ratio of female employees in managerial positions for the entire Company and each SBU and set separate themes for long- and short-term initiatives and Group contribution initiatives (evaluation of the Executive Directors shall lie with the Nomination and Compensation Committee).	40%

(*1) Evaluation weights for the entire Company and SBUs are determined in accordance with the scope of responsibilities of executive directors and executive officers.

(*2) In cases where the level of contribution is especially significant or the individual had negative impact on the company or the organization, the corresponding evaluation scores are adjusted accordingly.

- Share-based compensation

The aim of share-based compensation is to award incentives to improve the corporate value and medium- to long-term financial performance of the PERSOL Group, as well as further motivate Directors and Officers to align their profit awareness with that of shareholders. Share-based compensation is generally paid at the time of retirement (or, for overseas residents, paid in cash based on market prices of the shares [virtual share-based compensation] at the end of each target period during the Mid-term Management Plan period, and if the country of residence changes during the period, paid at such time). In addition, the Company generally recommends that executive directors, etc. hold the number of shares of the Company that is equivalent to one or more times the amount of their basic compensation (annual amount), including potential shares to be delivered at the time of retirement.

Share-based compensation for executive directors, etc. consists of 70% performance-linked mid- to long-term incentive compensation (Performance Share), which depends on the levels of achievement on the targets in the Mid-term Management Plan, etc., the remaining 30% consists of fixed mid- to long-term incentive compensation (Restricted Stock), which serves to link share-based compensation with shareholder value.

Share-based compensation for non-executive directors consists solely of the fixed medium- to long-term incentive compensation (Restricted Stock) stipulated above.

<Performance-linked medium- to long-term incentive compensation (Performance Share)>

Performance Share is designed to vary depending on the evaluation of financial measures such as the level of achievement of TSR, adjusted EBITDA, and ROIC for the Mid-term Management Plan for the fiscal year ending March 31, 2026, as well as non-financial measures. With regard to non-financial measures, in particular, value creation goal and employee engagement are included with the aim to further strengthen our efforts to promote the “Value Creation Story.”

The amounts of this compensation generally vary between 0% and 200%.

	Measure	Target values	Evaluation weight
Financial measures	TSR	—(*)	20%
	Adjusted EBITDA	100 billion yen	20%
	ROIC	17% or higher	20%
Non-financial measures	Value creation goal	Set separately for each measure	20%
	Employee engagement index		20%

(*) This is a relative evaluation based on the companies in the comparison and TOPIX, so we do not set a target value for TSR itself.

<Fixed medium- to long-term incentive compensation (Restricted Stock)>

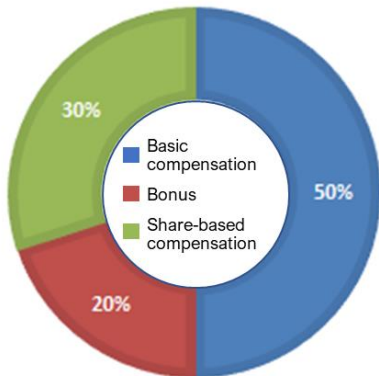
A fixed number of shares is delivered as share-based compensation to further enhance linkage with shareholder value.

- (*) Share-based Compensation is paid via a trust-type treasury stock-compensation scheme. The scheme awards units (points) to recipients every year, and when the recipient retires, the number of shares commensurate with the number of units (number of points) is delivered. Management of treasury stock is delegated to Mitsubishi UFJ Trust and Banking Corporation.

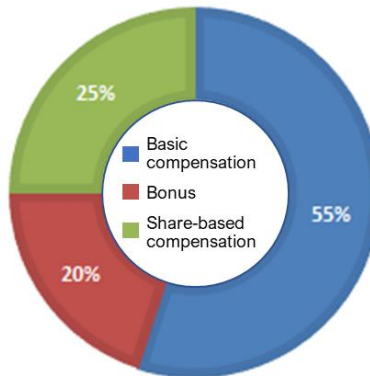
(2) Standard model of the composition of the compensation

- Executive Directors, etc. (standard amount)

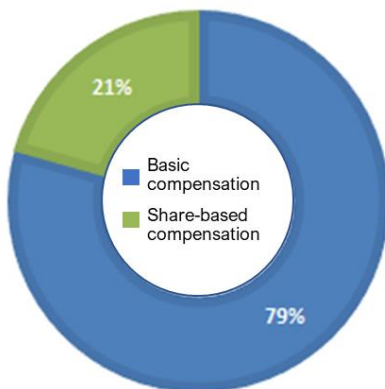
◆ Executive Directors



◆ Executive Officers



- Non-Executive Directors



(*) The value of share-based compensation for non-executive directors besides the chairperson of the Board is fixed at 3 million yen per non-executive director; as the amount of basic compensation varies among non-executive directors depending on their roles, the actual compensation composition may not be identical with that shown above.

5. Compensation Governance

(1) Determination process for compensation

The amount of Executive Compensation, its determination process, and the policy for determining details of compensation for each Director and Officer shall be determined by the Board following

thorough deliberations by the Nomination and Compensation Committee, which is an independent advisory body to the Board. The amount of compensation, etc. for Directors, etc. who are Supervisory Committee Members shall be determined through discussions among the Supervisory Committee Members. The director and executive compensation, etc. shall be paid within the maximum amount of compensation, etc. established by a resolution at an Ordinary General Meeting of Shareholders.

	Date of resolution at the Ordinary General Meeting of Shareholders	Details	Number of Directors, etc. on the date of resolution at the Ordinary General Meeting of Shareholders
Amount of compensation, etc., for Directors, etc. who are not Supervisory Committee Members	15th Ordinary General Meeting of Shareholders held on June 20, 2023	(Cash compensation) No more than 500 million yen annually, including no more than 70 million yen for external directors	6 (including 4 external directors)
		(Share-based compensation) Recipients: Directors, etc. who are not Supervisory Committee Members (excluding external directors) and Executive Officers Contribution by the Company: Up to 1,779 million yen (for a period of three fiscal years*) Shares to be delivered: Up to 8,238,000 shares (for a period of three fiscal years) * Yearly share-based compensation for the chairperson of the Board is up to 20 million yen Terms of delivery: For executive directors, etc., 70% in the form of performance-linked compensation and 30% in the form of fixed compensation; for the chairperson of the Board, fixed compensation; generally delivered at the time of retirement	12 (including 10 Executive Officers)
		(Share-based compensation) Recipients: External Directors, etc. who are not Supervisory Committee Members Contribution by the Company: Up to 57 million yen (for a period of three fiscal years*) * Share-based compensation per recipient is equivalent	4

		to 3 million yen for a year (set amount) Shares to be delivered: Up to 360,000 shares (for a period of three fiscal years) Terms of delivery: Fixed compensation; generally delivered at the time of retirement (for overseas residents, generally paid in cash every three years (Medium-term Management Plan period))	
Amount of compensation, etc., for Directors, etc. who are Supervisory Committee Members	8th Ordinary General Meeting of Shareholders held on June 17, 2016	(Cash compensation) Up to 100 million yen annually	4
	15th Ordinary General Meeting of Shareholders held on June 20, 2023	(Share-based compensation) Contribution by the Company: Up to 48 million yen (for a period of three fiscal years*) * Share-based compensation per recipient is equivalent to 3 million yen for a year (set amount) Shares to be delivered: Up to 360,000 shares (for a period of three fiscal years) Terms of delivery: Fixed compensation; generally delivered at the time of retirement (for overseas residents, paid in cash every three years (Medium-term Management Plan period))	3

(*) The maximum number of shares to be granted for each of the share-based compensation in the table above takes into account the effect of the stock split effective October 1, 2023.

(2) Role of the Nomination and Compensation Committee

As an advisory body to the Board, the Company has established a Nomination and Compensation Committee comprising three or more members, the majority of whom (including the chairperson) are independent external directors, to enhance the fairness, objectivity, and transparency of the composition of compensation for Directors and Executive Officers.

The Nomination and Compensation Committee deliberates on matters related to the basic policy for Executive Compensation and the Executive Compensation scheme and provides advice and opinions to the Board based on the results of its deliberations.

In order to obtain an objective external perspective and specialist knowledge regarding the Executive Compensation scheme, external compensation consultants (HR Governance Leaders Co., Ltd.) are also appointed. With their support, the Nomination and Compensation Committee

considers the details of the compensation scheme, taking into account such factors as external data, economic circumstances, industry trends, and the business condition of the Company.

<Main matters for consideration by the Nomination and Compensation Committee>

The Nomination and Compensation Committee meets at least four times yearly and provides advice and opinions based on the results of its deliberations, primarily on the following items:

- (i) Matters concerning the determination of candidates for Directors, etc. and members of the Headquarters Management Committee (hereinafter “HMC”)
 - Determination of a draft policy concerning the nomination and dismissal of Directors, etc.
 - Determination of a draft proposal concerning the nomination and dismissal of Directors, etc. put up for resolution by the General Meeting of Shareholders
 - Determination of a draft proposal concerning the election and dismissal of Representative Director, President and CEO (rights of representation and post as CEO)
 - Deliberation on a draft proposal concerning the constituent members of the HMC
 - Deliberation on a succession plan for Representative Director, President and CEO
- (ii) Matters concerning the determination of compensation for Directors, etc. and HMC members
 - Development of compensation criteria for Directors, etc. and HMC members
 - Evaluation of Directors, etc. (excluding Directors, etc. who are Supervisory Committee Members)
 - Evaluation of Directors, etc. (excluding Directors, etc. who are Supervisory Committee Members)
- (iii) Other matters deemed necessary by the Board

(*) The Headquarters Management Committee serves as an assistant body to Representative Director, President and CEO and discusses the basic management policies of the Group and decisions on the execution of important operations.

6. Recoupment of Incentive Compensation, etc. (Clawback/Malus)

In the event that the Board has resolved to make restatements of financial statements due to material accounting errors or accounting fraud or deemed that there has been a significant breach of executive service and/or other agreements by a Director or Officer during his or her term of office, the Nomination and Compensation Committee shall deliberate, at the request of the Board, on whether or not to confiscate said individual’s rights to receive bonuses and/or share-based compensation in full or

in part or confiscate the bonuses and/or share-based compensation said individual had received in full or in part. The Nomination and Compensation Committee shall then provide the Board with its opinions and suggestions based on the results of its deliberations.

The Board shall include on the agenda for resolution a possible forfeit of the rights to receive bonuses and/or share-based compensation in full or in part or return of received bonuses and/or share-based compensation in full or in part based on the opinions and suggestions of the Nomination and Compensation Committee.

7. Policy on Information Disclosure, etc.

The details of the compensation scheme for officers will be communicated promptly to the shareholders of the Company by means of securities reports, reference materials for general meetings of shareholders, business reports, corporate governance reports, integrated reports, and the Company website, created and disclosed in accordance with applicable laws and regulations, etc.

In addition, the Company shall have constructive dialogues with shareholders and investors based on clear objectives to help deepen their understanding of our Value Creation Story. The Company shall also share feedback obtained from shareholders and investors through constructive dialogues at Board meetings and other opportunities to reflect them in the Company's management and ultimately enhance the corporate value of the Company.

Generally, the compensation for Internal Directors, etc. (excluding Directors who are Supervisory Committee Members) shall be disclosed in all cases, not limited to cases in which they receive 100 million yen or more in total.