



Mid-term Management Plan 2026

PERSOL HOLDINGS CO., LTD.
May 15, 2023

(Note) August 10, 2023 (At the time of announcement of FY2023 Q1 financial results)

[Updated ROIC and ROE targets from JGAAP basis to IFRS basis]

Please refer to P32-36

Towards 2030

Thoughts towards 2030

At PERSOL, we aim to create **Career Well-being** by **materializing the idea of making your work decisions on your own** under the Group Vision: **Work and Smile.**

We have set an evolution into **a technology-driven HR service company** as the direction of our management, so as **to continue catering to the needs of workers, which are diverse and continuously expanding.**

We aim to **create better work opportunities for one million people by 2030** by **expanding human possibilities** as a **“Career Well-being” creation company.**

We will continue our efforts to create value for the future by harnessing our diverse businesses and human resources, which **expand human possibilities**, under the Group Vision: **Work and Smile.**

Group Vision



Work and Smile

Working life is a journey of growth and creation. We all have big dreams, and there are many different paths to success.

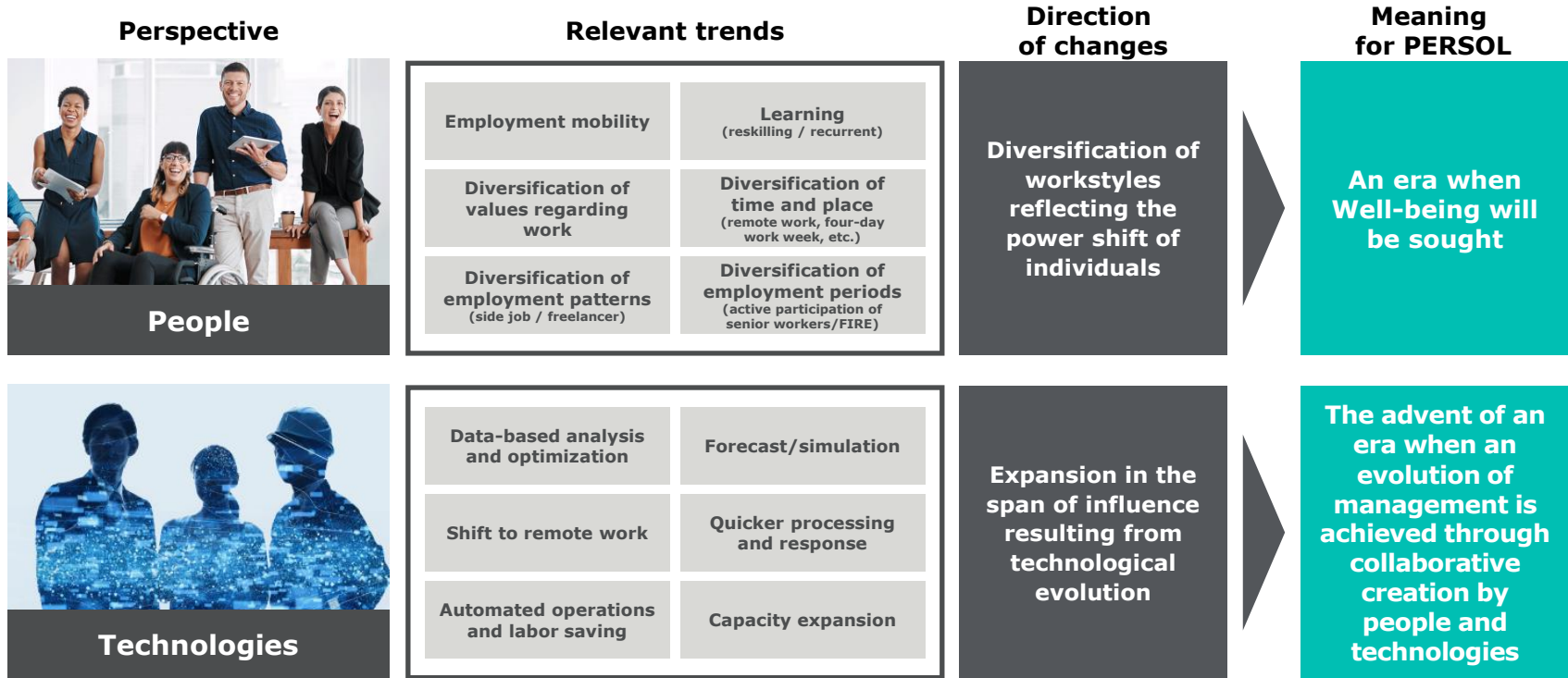
Thus, we need to make our own choices from a range of diversified work opportunities.

Our vision is to enrich society so that all work leads to lives of happiness.



Changes in the market environment and its overall picture

An era when workers seek well-being / An era when management evolves through collaborative creation by people and technologies



**Who we want to be
(what we aim to be like as a company)**



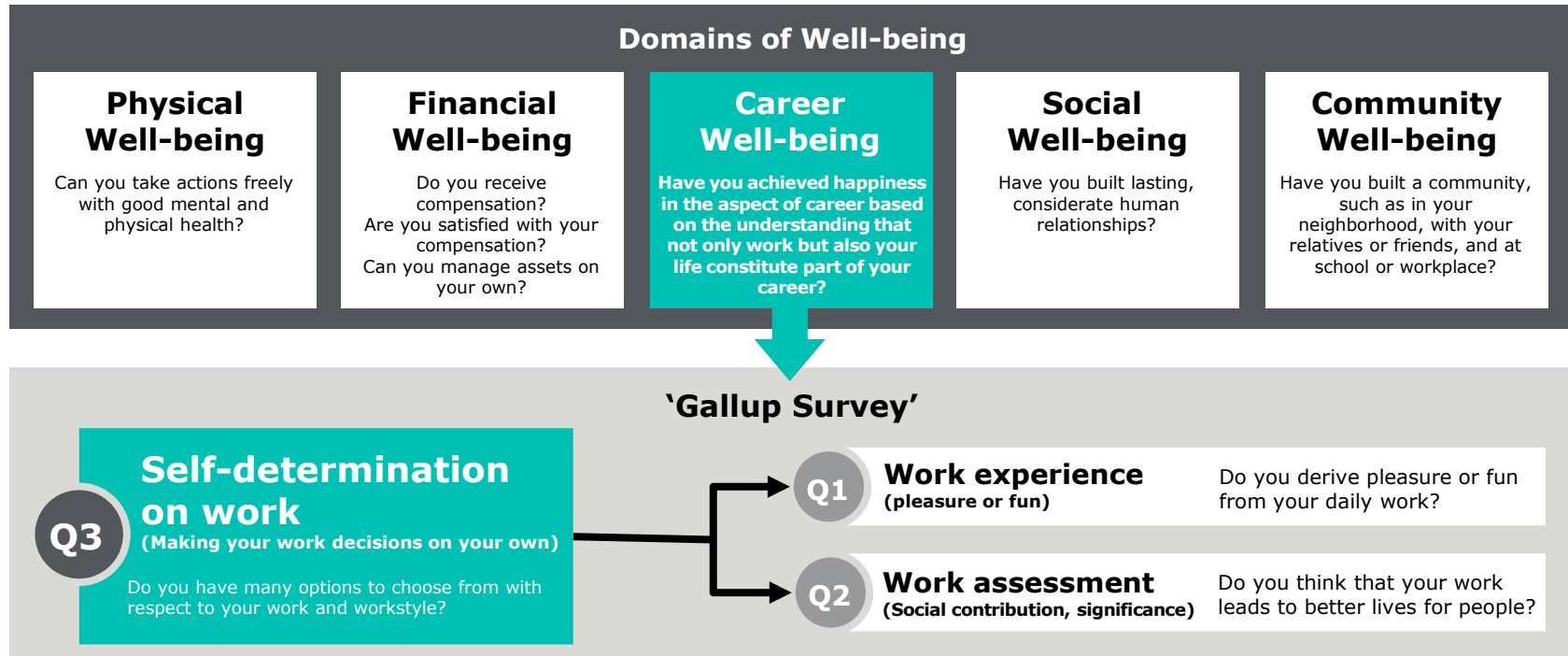
A “Career Well-being” Creation Company

**Expanding the possibilities of each
individual and the freedom of working,
and increasing the happiness for both
individuals and society.**

Reference: What is "Career Well-being?"

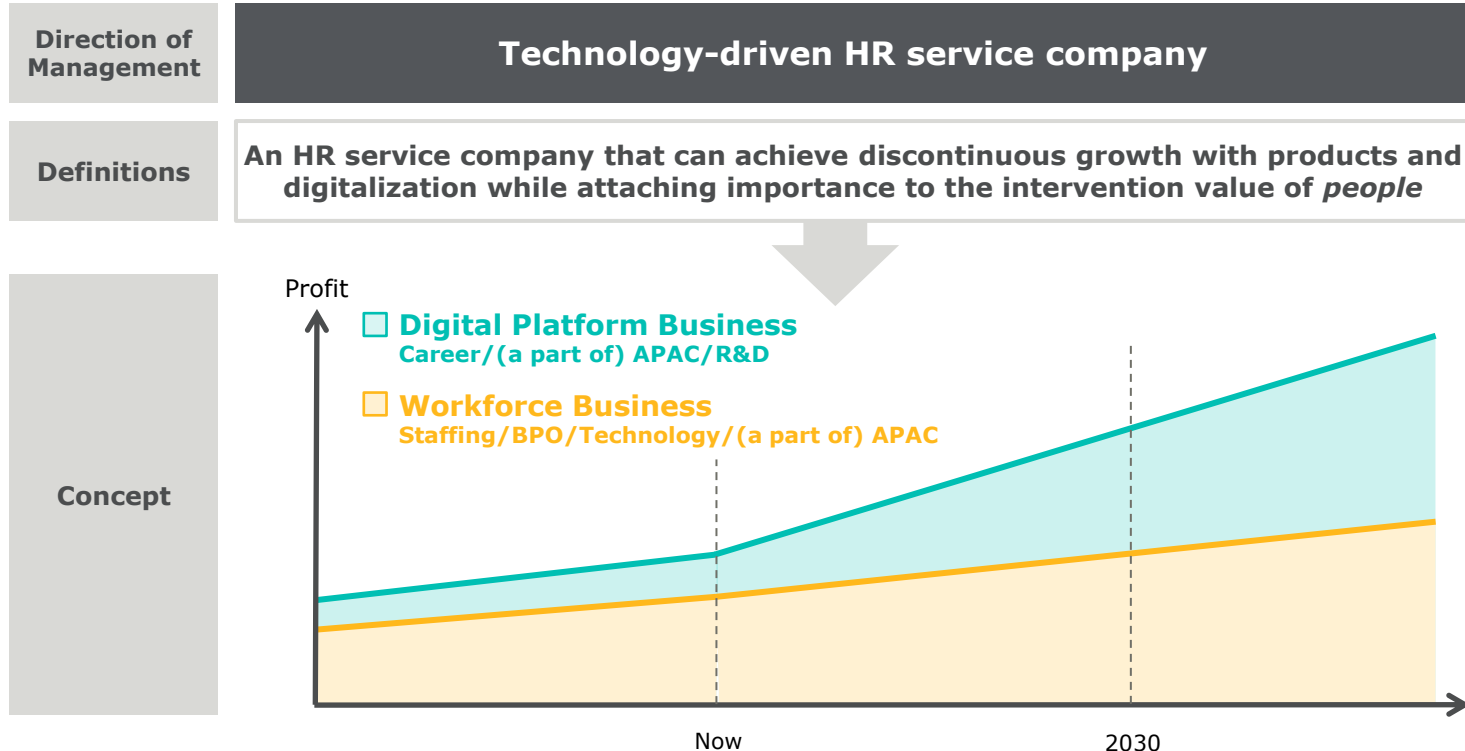
"Well-being" is classified into five categories. Among them, the career-related category is deemed important as "Career Well-being."

Regarding the criteria for Career Well-being, the question about self-determination in work among the three questions in the Gallup survey is considered important as a direct factor.



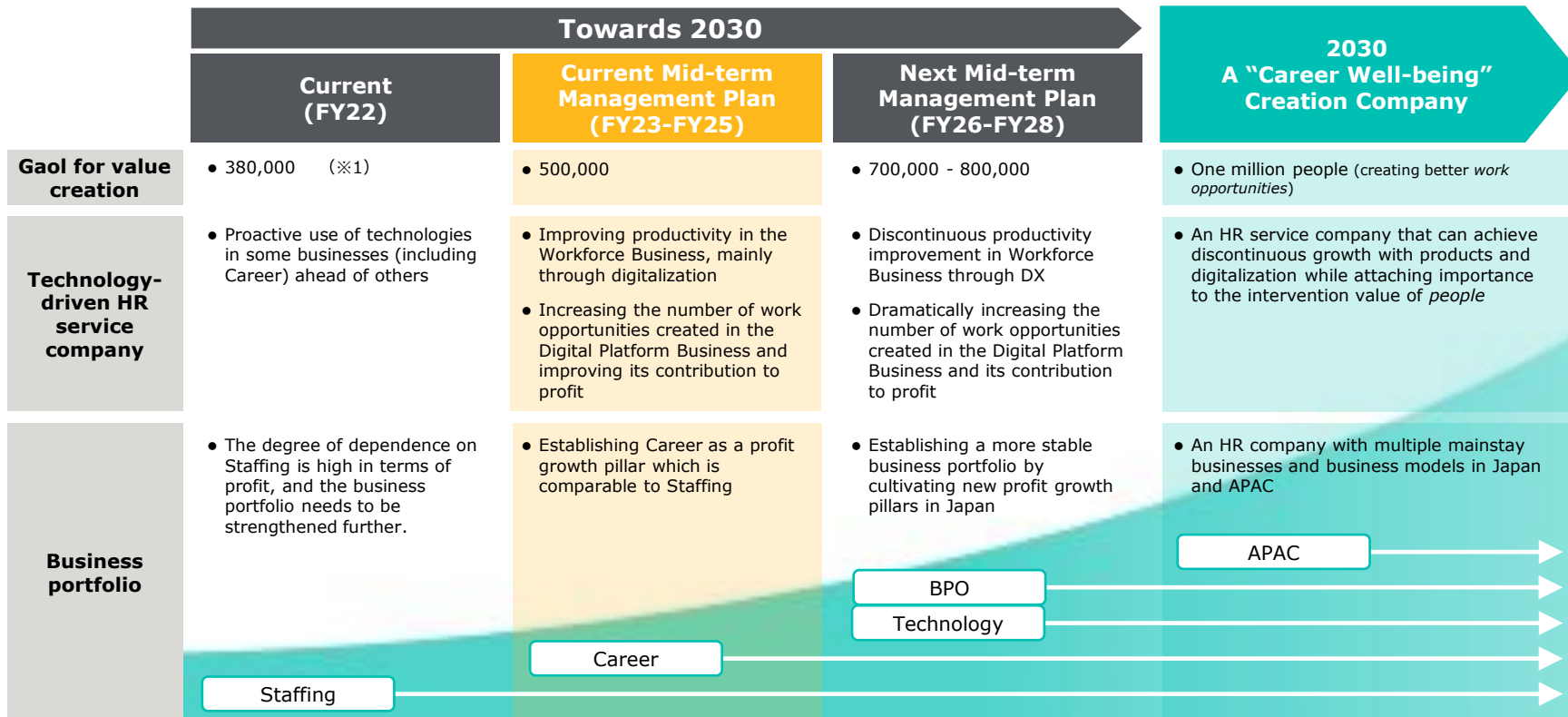
Direction of Management

The direction the PERSOL Group should take is set as follows.



Towards 2030

Aim for value creation of 500,000 people by the final fiscal year of the current Mid-term Management Plan (FY2025) and one million people by 2030.

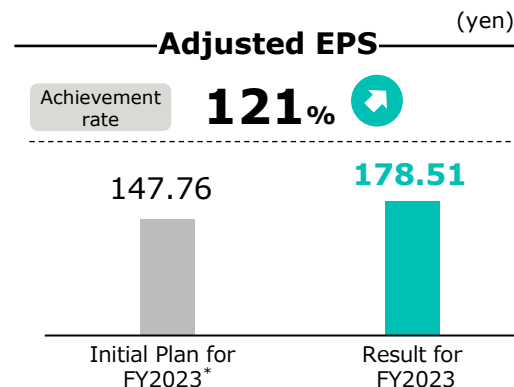
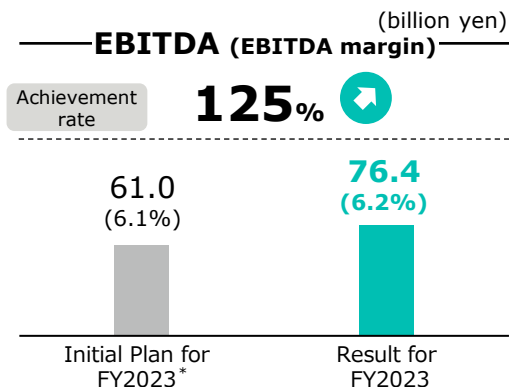
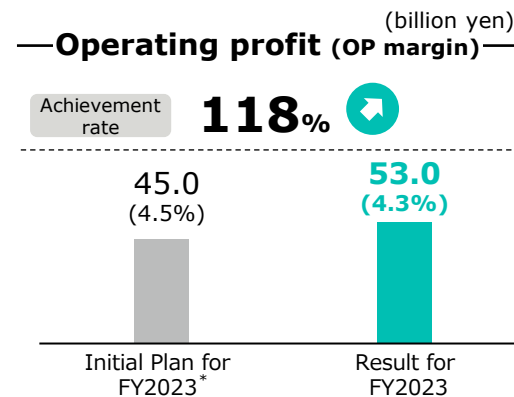
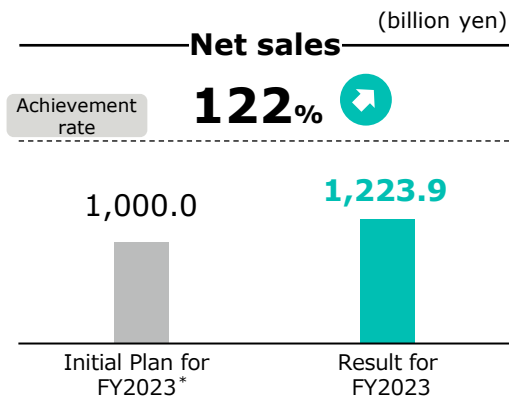


※1 temporarily number and subject to change

Review of the Previous Mid-term Management Plan

Financial Targets of the Previous Mid-term Management Plan and Results

The numerical targets of the previous Mid-term Management Plan were successfully achieved.



* Announced in August 2020

Policies of the Previous Mid-term Management Plan and Results



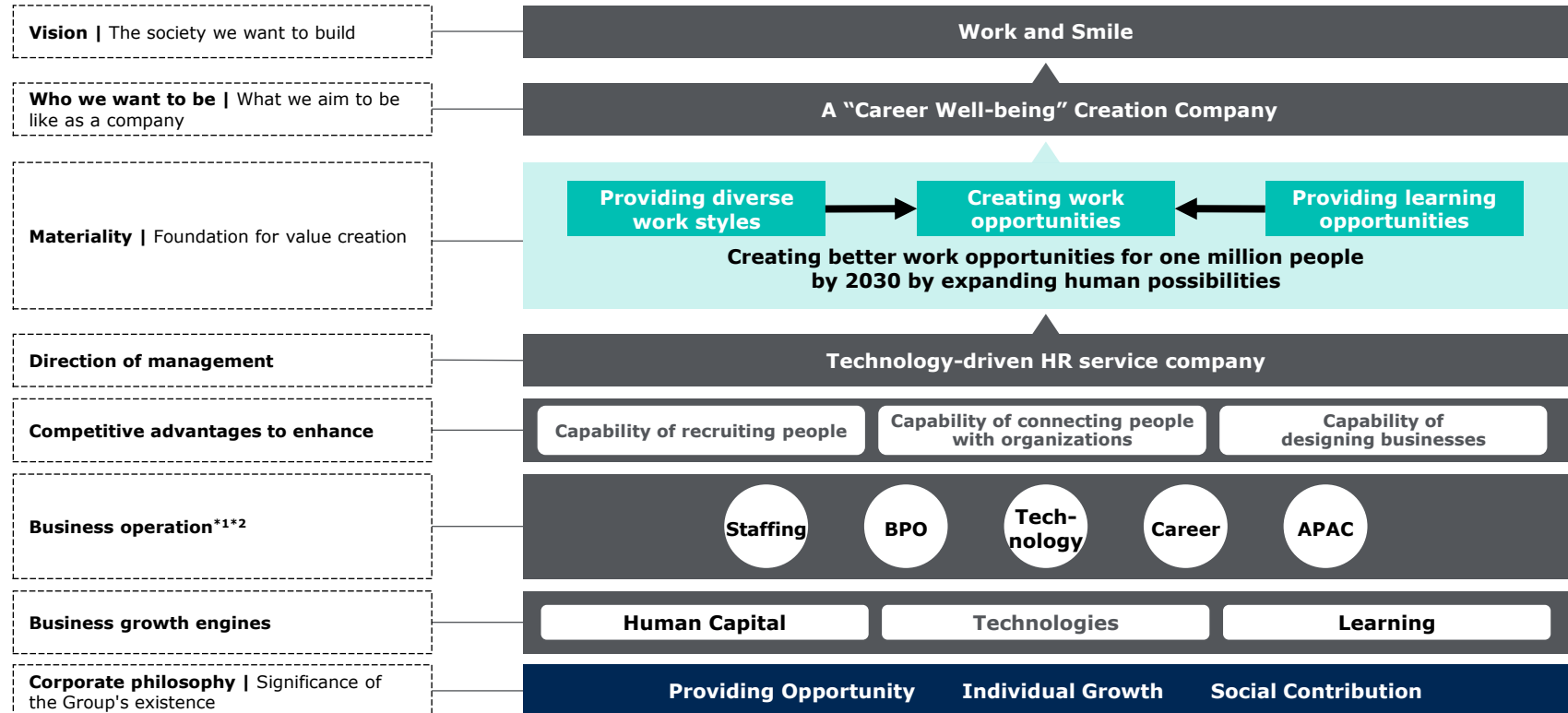
Policies and results for the five key items of the previous Mid-term Management Plan, and progress towards the current Mid-term Management Plan, are as follows.

	Policies	Results	Evaluation	Towards Current Mid-term Management Plan
Increasing social value	<ul style="list-style-type: none"> Set related indicators and implement measures to achieve the vision Disclose an integrated report and promote ESG 	<ul style="list-style-type: none"> Set vision-related indicators in each SBU and implemented the PDCA cycle Enhanced ESG-related information disclosures and strengthened the implementation structure with the new establishment of a committee and other measures 	Good	Set shared indicators and targets related to the Group Vision
Increasing economic value	<ul style="list-style-type: none"> Shift from single-year P/L-oriented management to management focused on sustainable improvement of corporate value Introduce indicators for the profitability of capital (ROIC, etc.) and drive the enhancement of corporate value Groupwide 	<ul style="list-style-type: none"> Achieved the set mid-term targets a year ahead of schedule under the conditions of the COVID-19 pandemic Made management decisions based on indicators of capital profitability (APAC mid-term management plan, etc.) 	Good	Promote the sustainable improvement of economic value
Shifting to a strategic business unit (SBU) structure	<ul style="list-style-type: none"> Further strengthen the Staffing and Career SBUs while positioning the PRO SBU as a third pillar Improve profitability of the APAC SBU through cost synergies 	<ul style="list-style-type: none"> Achieved earnings growth in the Staffing and Career SBUs even after the shift to a SBU structure Employed swift decision-making under the SBU structure while newly establishing a Corporate Governance Committee to ensure management oversight functions 	Good	Maintain the SBU structure while enhancing governance appropriately
Identifying growth areas	<ul style="list-style-type: none"> Create synergies within SBUs and implement M&As and other investment to establish the PRO SBU as a third pillar Proactively pursue the creation of new businesses in the Solution SBU 	<ul style="list-style-type: none"> Achieve a measure of growth in the PRO SBU but not rising to the level of a third pillar Proactively pursued the creation of new businesses in the Solution SBU (MIIDAS, etc.) 	Fair	Implement a healthy variety of investments linked to management strategy
Strengthening business with technology	<ul style="list-style-type: none"> Boost productivity and enhance customer satisfaction through investments in digital transformation (DX) 	<ul style="list-style-type: none"> DX investments enabled progress in business streamlining and improved customer experience, but this did not reach the level of higher productivity or improved customer satisfaction 	Fair	Further enhance technology as a companywide management policy

Mid-term Management Plan 2026

~Themes and Policies~

Overview of the PERSOL Group Mid-term Management Plan 2026



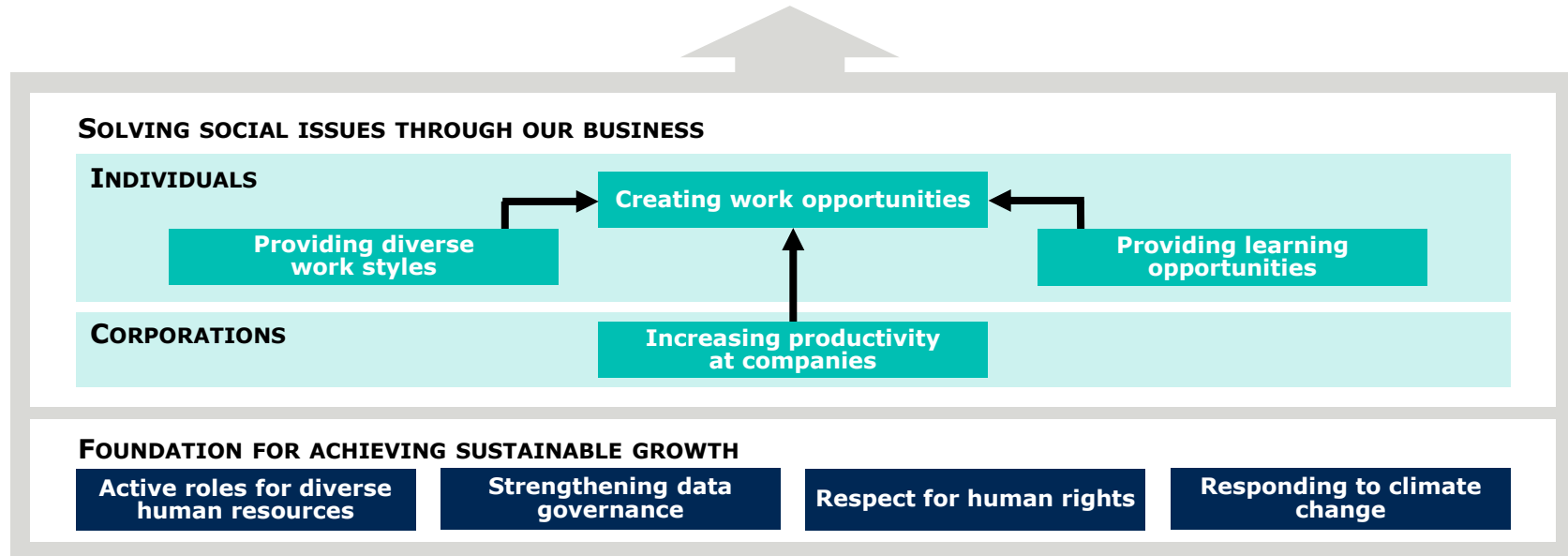
*1 Former Professional Outsourcing SBU: Renamed to Technology SBU

*2 Former Solution SBU: Not listed because it will not be positioned as an SBU but as an R&D FU (Function Unit)

Materiality | Foundation for value creation

To make "Work and Smile" a reality, we have designated eight material items as a "Career Well-being" creation company and will pursue initiatives to achieve them.

Work and Smile



Reference: Overview of the Eight Material Items



We will pursue the following initiatives concerning materiality.

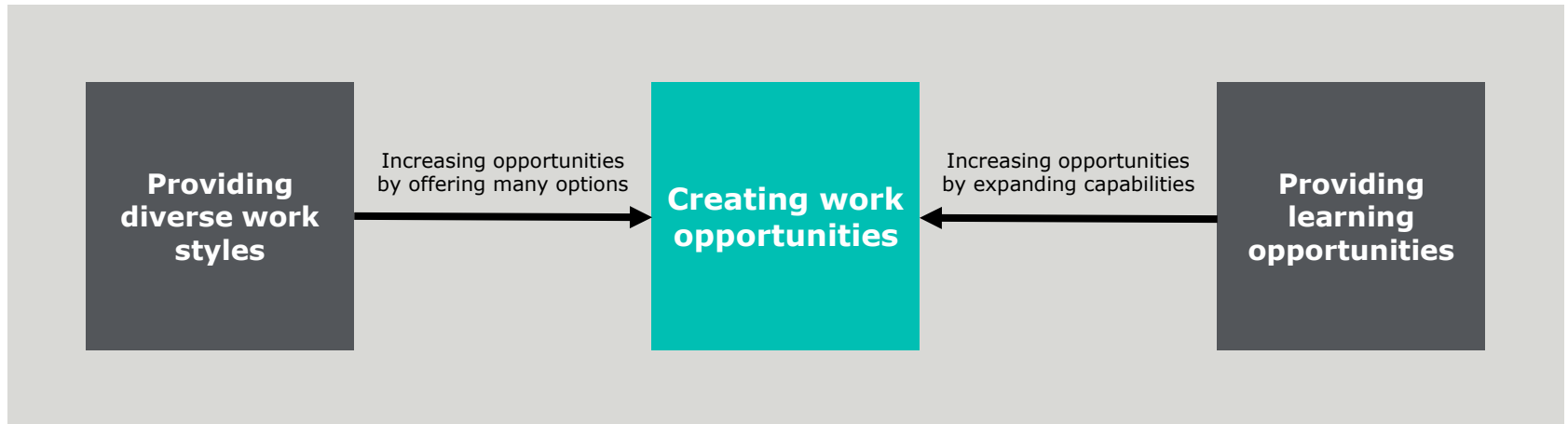
Solving social issues through our business	Creating work opportunities	We will expand the potential of working people by 2030 by creating better employment opportunities, using our strengths in matching people with organizations, attracting customers and designing operations.
	Providing diverse work styles	We will propose and provide flexible work styles and employment options, helping people realize work styles that cater to their individual needs.
	Providing learning opportunities	We will provide learning opportunities that lead to employment and upskilling, expanding the options available to working people and maximizing the career potential of individuals.
	Increasing productivity at companies	We will contribute to the streamlining of corporate activities and to solutions to the labor shortage by providing services which help improve productivity.
Foundation for achieving sustainable growth	Active roles for diverse human resources	We will foster a corporate culture and develop an environment that utilizes diversity to achieve the Group vision.
	Strengthening data governance	We will develop user environments and secure the trust of users by further strengthening privacy governance.
	Respect for human rights	We will promote initiatives that conform to international norms as a responsible company, thereby reducing human rights risks and earning the trust of all stakeholders including employees.
	Responding to climate change	We will work to achieve carbon neutrality and help realize a decarbonized society through environment-related (GX) HR services and other initiatives.

Goal of value creation

We have set the *creation of work opportunities* as the goal of our value creation.

Goal of value creation

**Creating better work opportunities for one million people
by 2030 by expanding human possibilities**



Competitive advantages and business growth engines

We have set business growth engines, which will accelerate business growth, at the same time as the competitive advantage that should be enhanced by the Group.

Competitive advantages to enhance

- **We have defined our strengths that we will continue to intensively enhance as "competitive advantages to enhance."**

Capability of recruiting people

- Improve the ability to develop digital media and products.
- At the same time, increase the brand awareness to enhance the consistent ability to attract customers.

Capability of connecting people with organizations

- Enhance the value of matching business by introducing and strengthening technologies.

Capability of designing businesses

- Enhance our ability to design businesses and provide digital solutions by integrating BPO businesses and making investments.

Business growth engines

- **We have defined the Group's common initiatives, which accelerate business growth, as "business growth engines."**

Human Capital

Technologies

Learning

Business growth engines: Human capital

Human Capital Policy

We will drive value creation by becoming a Group where diverse human resources including temporary staff achieve “Career Well-being.”

Overview of Human Capital



Key initiatives

- 1**
 - Improving employee engagement through career autonomy and measures to advance health
 - Improving the well-being of temporary staff by supporting working styles that suit each individual
- 2**
 - Building a comfortable work environment for specialized human resources (personnel systems, etc.) and enhancing hiring capabilities through improved recruitment branding
 - Promoting reskilling and upskilling through a wide range of specialist programs
 - Technology-proficient Human Resources: Aim to reach at least 2,000 people by FY2025
- 3**
 - Advance DI & E by increasing the percentage of managerial positions filled by women and encouraging eligible male employees to take childcare leave
 - Cultivating top leaders through diverse talent management measures

Business growth engines: Technologies

Technology Policy

Using a technology-based Center of Excellence (CoE) organization as a hub, we will enhance Groupwide technology-oriented human resources and organizations while strengthening implementation and utilization in businesses and services

Areas of Technology Promotion

Customer experience	3 Improving the value of core businesses*1	4 Creation of new value*2
Employee experience	2 Promoting the digitalization of environments	1 Evolution of technology-oriented human resources and organizations
	Digitalization	DX

Key initiatives

- 1** Developing environments that enable the success of specialist human resources through Group recruitment, the establishment of CoE organizations and the building of comfortable work environments for specialist human resources (personnel systems, etc.)
- 2** Further improvements to the work environment through devices, infrastructure and the digitalization of corporate systems
- 3** Improved value of core business services through increasingly sophisticated matching, UI and UX improvements, personalization, data utilization and the shift to in-house development
- 4** Exploration, creation and expansion of new products and platforms for Career Well-being based on technology

*1. Workforce Business + Digital Platform Business

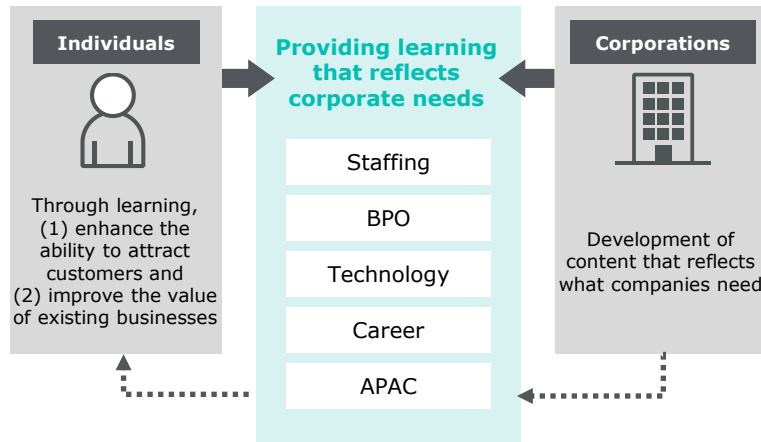
*2. Digital Products / Digital Platforms

Business growth engines: Learning

Learning Policy

We will implement learning linked closely with working to accelerate the growth of each business

Overview of Learning



Key initiatives

[Expanding Revenue through Improved Market Value]

- 1 • Providing learning suited to individual careers to expand the market value of individuals → increase invoiced unit prices → increase business revenue (Staffing SBU, BPO SBU, etc.)

[Expanding Revenue by Creating Human Resources in Areas of Shortage]

- 2 • Expand business revenue by cultivating human resources with a focus on IT proficiency, for which there is a market-wide shortage (Technology SBU, etc.)

[Expanding Revenue by Improving the Ability to Attract Customers]

- 3 • Enhance the ability to attract a variety of individual customers, including potential career changers, by offering a variety of learning programs.

Positions of businesses and management policy



The position of each business and management policy are as follows. In particular, under this Mid-term Management Plan, we position Career, BPO, and Technology as the domains of focus and invest proactively in them.

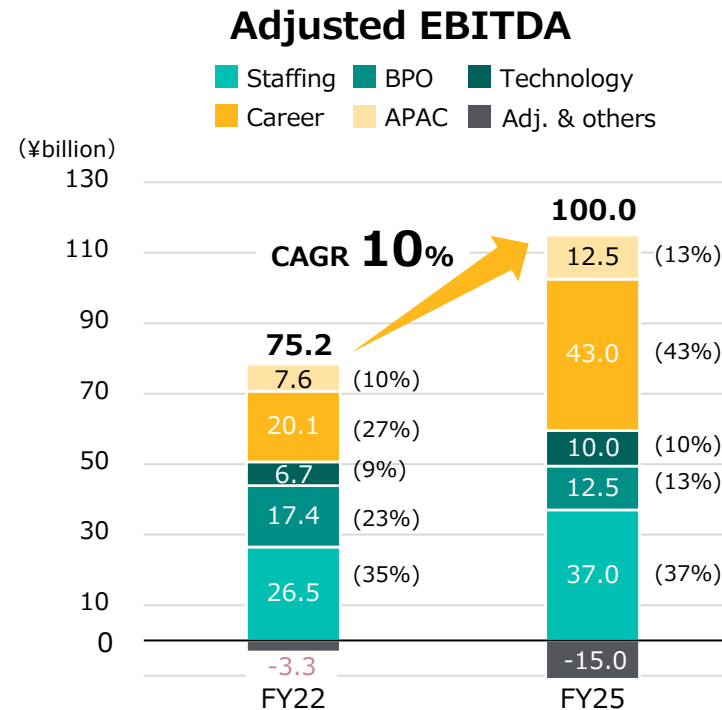
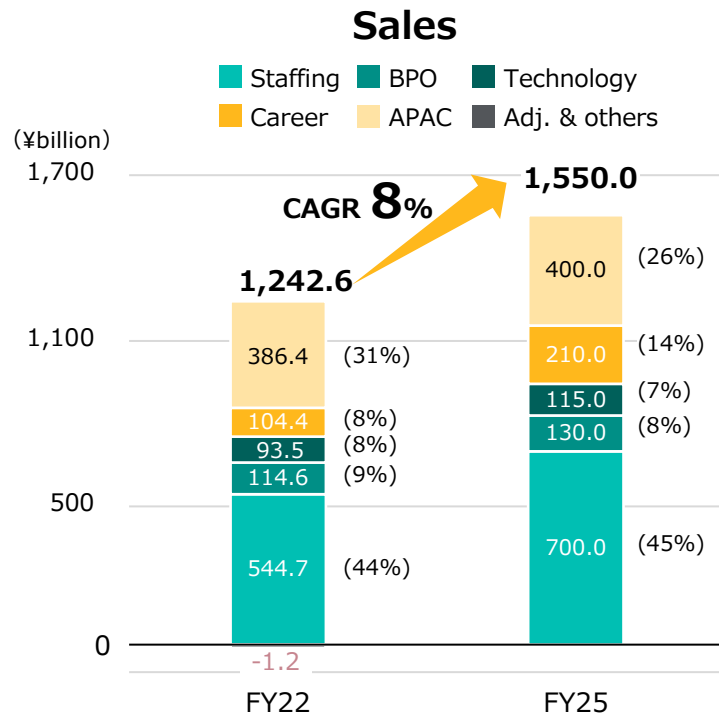
<p>The Group's foundation Continue to be the foundation of the Group's growth.</p>	<p>Staffing</p>	<ul style="list-style-type: none"> – Aim to achieve growth by increasing market share despite the possibility of a shrinking the clerical and administrative staffing market over the long term. – Contribute to the Group's growth by strengthening relations with customers.
<p>Pillars of profit growth Proactive business investments, for the sake of significant profit growth in the medium to long term</p>	<p>Career</p>	<ul style="list-style-type: none"> – Aim to achieve growth exceeding market growth while the career-change-related market continues to expand. – Continue to make investments that contribute to medium- to long-term business growth and the acquisition of competitive advantages.
	<p>BPO</p>	<ul style="list-style-type: none"> – Aim to achieve growth exceeding market growth by taking advantage of the customer base of temporary staffing. – Make large-scale investments, mainly to acquire the ability to achieve a business transformation.
	<p>Technology</p>	<ul style="list-style-type: none"> – Reinforce the foundations for large-scale recruitment and the development of high value-added human resources and improve sales capabilities, in an attempt to increase billing rates. – Continue large-scale recruitment to derive medium- to long-term competitive advantages.
<p>Reinforce the foundations for a breakthrough. Improve earnings to enable large-scale investment for growth in FY2025 and beyond.</p>	<p>APAC</p>	<ul style="list-style-type: none"> – Achieve earnings improvement at a level that will contribute to improving shareholder value. – Invest in a quantitative expansion after improving earnings.
<p>Investments toward the future Implement R&D after achieving an investment quota at a certain level.</p>	<p>R&D</p>	<ul style="list-style-type: none"> – Achieve an investment quota at a certain level to explore and create businesses related to Career Well-being.

SBU composition (sales/adjusted EBITDA)

*IFRS, financial accounting



The ratio of profit from Career is expected to exceed **40%** in FY2025.



* Figures in parentheses () indicate component ratios.

**Exchange rates are converted to national currency rates based on 130 yen to the US dollar.

Career SBU Strategic Summary

Outlook on the market environment

- The percentage of people who change their careers will increase given shortages of human resources and employment mobility, and **the career-change market continues to grow.**
- Above all, the **high-class domain (annual income of 6.0 million yen or more) and direct recruiting (DR) will grow** significantly.
- In addition, the **side job and freelancer domain, which is a market adjacent to the career-change market, is also expected to grow significantly.**

Competitive advantages

- **(1) One of the largest databases of job seekers and companies seeking workers in Japan**
- **(2) Multitiered recruitment solutions that cater to the needs of job seekers and companies seeking workers**
- **(3) Optimal matching based on data and technologies**

Strategies and policies

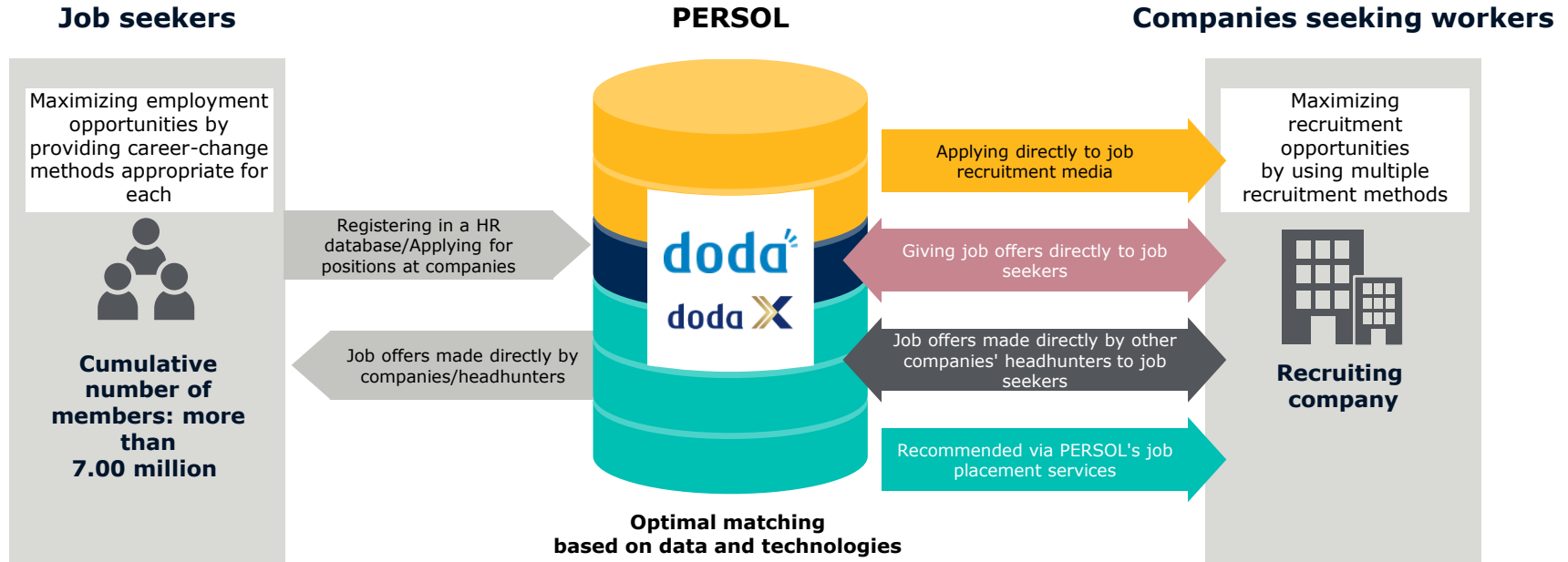
- **A unique business model based on multitiered recruitment solutions (especially strengthening high-career and DR domains)**
- **Evolution into a next-generation model that improves the capability to recruit individuals**

Financial targets (FY25)

- Sales : **¥210.0 billion (CAGR:26%)**
- Adjusted EBITDA: **¥ 43.0 billion (CAGR:29%)**

A unique business model based on multitiered recruitment solutions

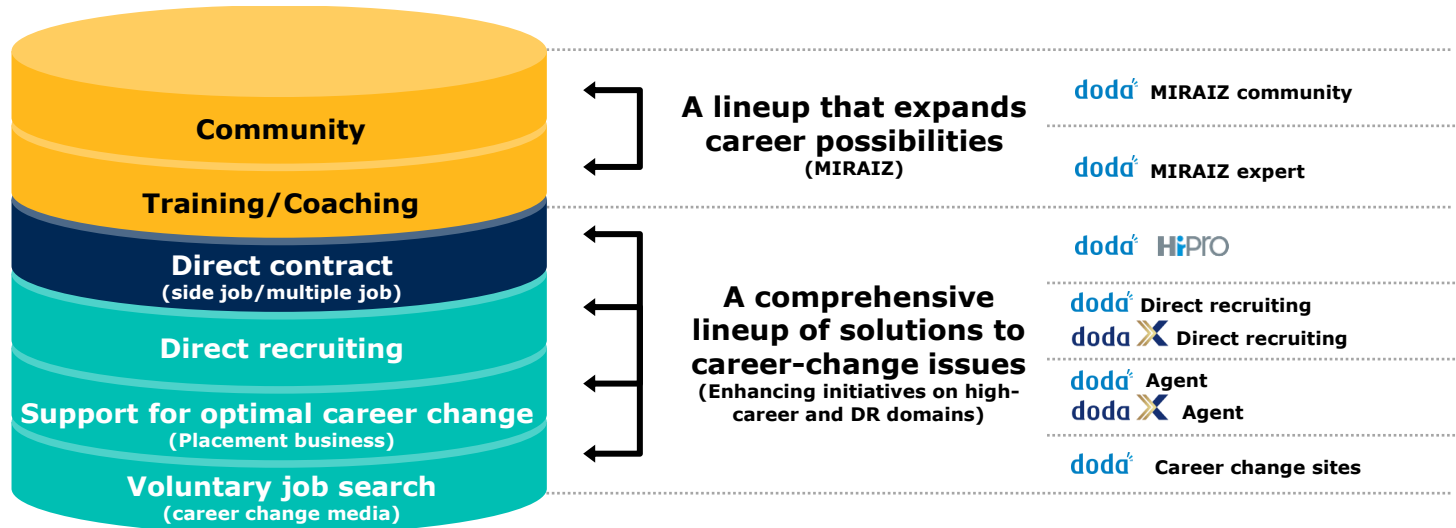
Provide both job seekers and companies seeking workers with the optimal choices from multitiered recruitment solutions, in accordance with respective situations and needs, thus creating as many work opportunities as possible.



Evolution into a next-generation model that improves the capability to recruit individuals

Launch a lineup that expands career possibilities (MIRAIZ) in addition to a comprehensive lineup of solutions to career-change issues, thus evolving into a sustainable career development platform.

A sustainable career development platform



Build a talent platform that can support career development in a sustainable manner, not just temporarily (not just during job search).

BPO SBU Strategic Summary



Outlook for the market environment

- The average annual growth rate of the BPO market in Japan is 2-6%. The market is expected to continue growing at a certain rate.
- A broad array of corporate needs exist. The capability to provide customer value over a wide range is required.
(Digitalization, deep expertise, performance commitment models, HR issue resolution, etc.)

Competitive advantages

- Improve the following competitive advantages, aiming to achieve growth exceeding market growth.
(1) Customer acquisition capability (2) Capability of supplying human resources
(3) Business design and digitalization capability
(4) Capability of utilizing and developing human resources

Strategies and policies

- Reinforce the customer base and enhance the ability to solve customer issues through organizational restructuring and integration within the Group.
- Enhance the ability to fundamentally design digitalization through human capital investment and M&A.

Financial targets (FY25)

- Sales : **¥130.0 billion**
- Adjusted EBITDA : **¥12.5 billion**

Enhancing Growth Potential Through Business Design and Digitalization Capabilities

We will integrate BPO services that have achieved market-beating growth through their ability to gain customers and supply human resources, with the aim of realizing further growth.

Having done that, we will establish a competitive advantage through business design, digitalization capabilities and by further enhancing human resource utilization and development capabilities

Strengths to be Further Refined in the Future

Business design and digitalization capabilities

We will split consulting functions into a separate company and work to strengthen functions through improved external sales. We will also strengthen partnerships with outside entities.

Capability of utilizing / developing human resources

We will increase mobility of human resources by strengthening human resource development and broadening the scope of employee activities. We will solve customer HR issues by establishing a system of optimal placement.

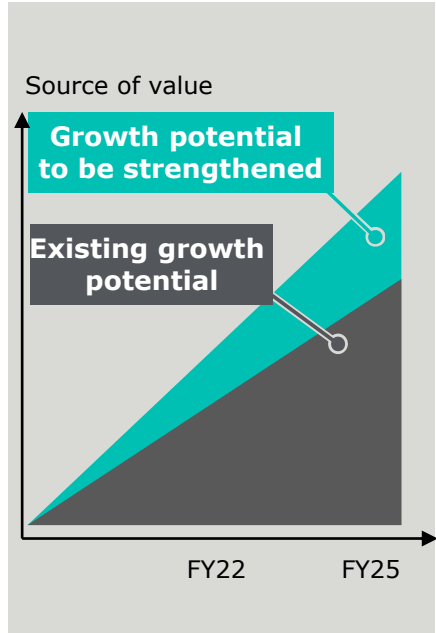
Strengths as Existing Competitive Advantage

Customer acquisition capability

We will maximize contracting opportunities by understanding BPO needs, leveraging a grasp of corporate organizations that is among the best in Japan.

Capability of supplying human resources

We will quickly satisfy a broad range of customer needs with one of Japan's largest human resources supply capacities (tempstaff, doda) to maximize contracting capabilities.



Technology SBU Strategic Summary



Outlook for the market environment

- The engineering staffing and contract market in the IT and engineering domain is expected to continue to grow steadily due to the expansion of DX demand and the shortage of engineers and other professional human resources.

Competitive advantages

- Make maximum use of the Group's synergy as a competitive advantage.
(1) Quantity of attractive projects (advanced projects and high-tech projects), with a high ratio of outsourced projects
- **(2) The ability to recruit and develop human resources by leveraging the knowledge we possess as a comprehensive HR service group**

Strategies and policies

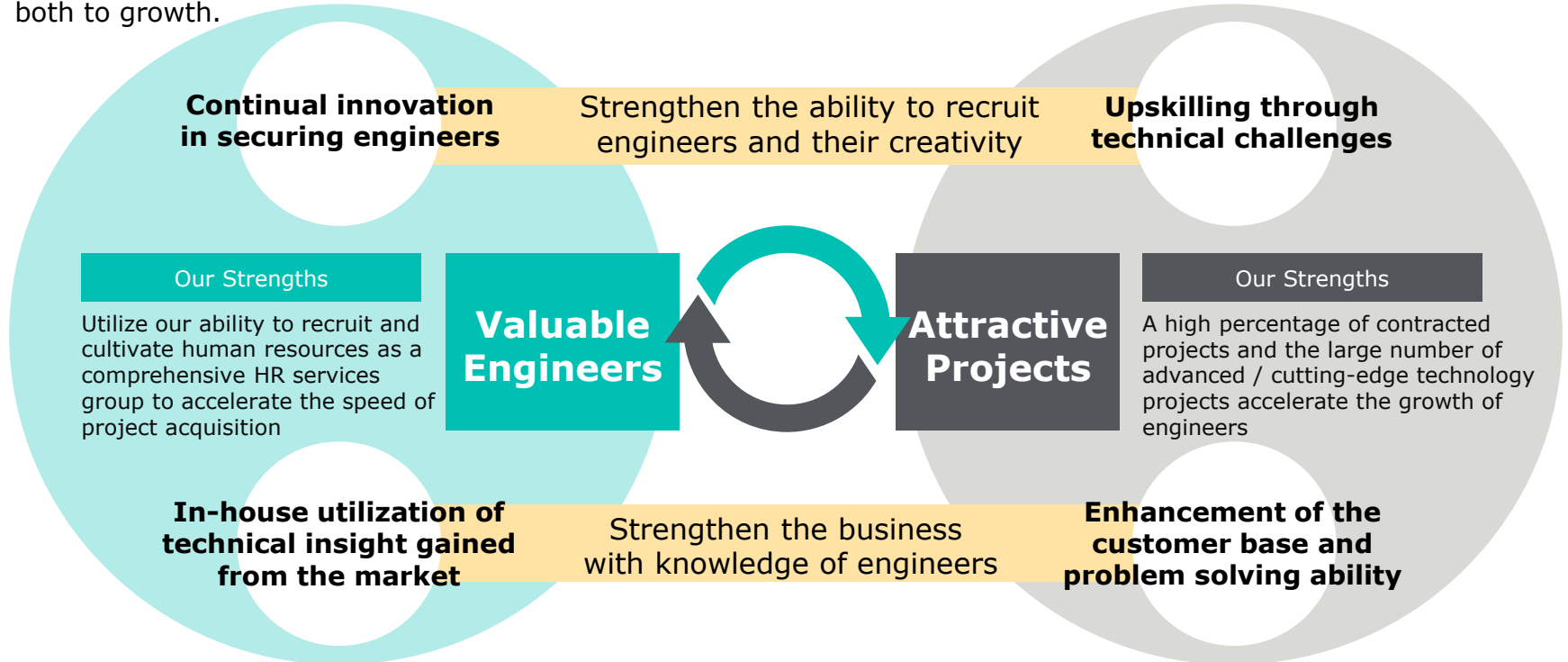
- Aim to achieve business growth by expanding domains, with a focus on the IT business, while reinforcing the engineering domain as the foundation.
(1) Enhance human capital through large-scale recruitment and enhancement of training.
(2) Increase billing rates by enhancing sales capability and strengthening domains with high added value.

Financial targets (FY25)

- Sales : **¥115.0 billion (CAGR: 7%)**
- Adjusted EBITDA : **¥10.0 billion (CAGR: 14%)**

Boosting Growth Potential Through Group Synergies

By maximizing the use of Group synergy, continually enhancing the ability to recruit and develop human resources in response to market changes and demonstrating a wide range of technical problem solving abilities, we will continue to improve our ability to acquire projects that require advanced technical skills and will link the cycle of both to growth.



Mid-term Management Plan 2026

~Financial Strategy~

Financial Strategy



We have set the following financial strategy to achieve greater growth, improve capital efficiency and shareholders return.

		Previous Mid-term Management Plan (until the fiscal year ended March 2023)	Current Mid-term Management Plan (until the fiscal year ending March 2026)	
① Finance indicators	Growth	Operating profit ¥45.0 billion	Adjusted EBITDA (IFRS)	¥75.2 billion (FY22) → ¥100.0 billion or more (FY25)
	Efficiency	ROIC: 10% or higher	ROIC	15% or higher, in principle (JGAAP)
			ROE	18% or higher, in principle (JGAAP)
Soundness	If net cash exceeds 1.0 time of EBITDA, measures for strengthening shareholder returns will be considered.	Net D/E	Up to 1.0 at max.	
		Net Debt/EBITDA	Up to 2.0 at max.	
② Cash allocation	A total of 130.0 billion yen, including surplus cash, will be allocated as follows. <ul style="list-style-type: none"> • M&A: ¥80.0 billion • Capital investment: ¥30.0 billion • Dividend: ¥20.0 billion 		Accumulated EBITDA after tax	200.0 billion yen (estimate) will be allocated to IT investment, including investment in software, shareholder returns (dividends), investment in growth, and other areas. → P.37
③ Shareholder return	Dividend payout ratio: Approx. 25% (of adjusted EPS)	Dividend payout ratio	Approx. 50% (of adjusted EPS)	

* We plan to announce target values under IFRS when announcing the Q1 results in August 2023.

Financial Strategy

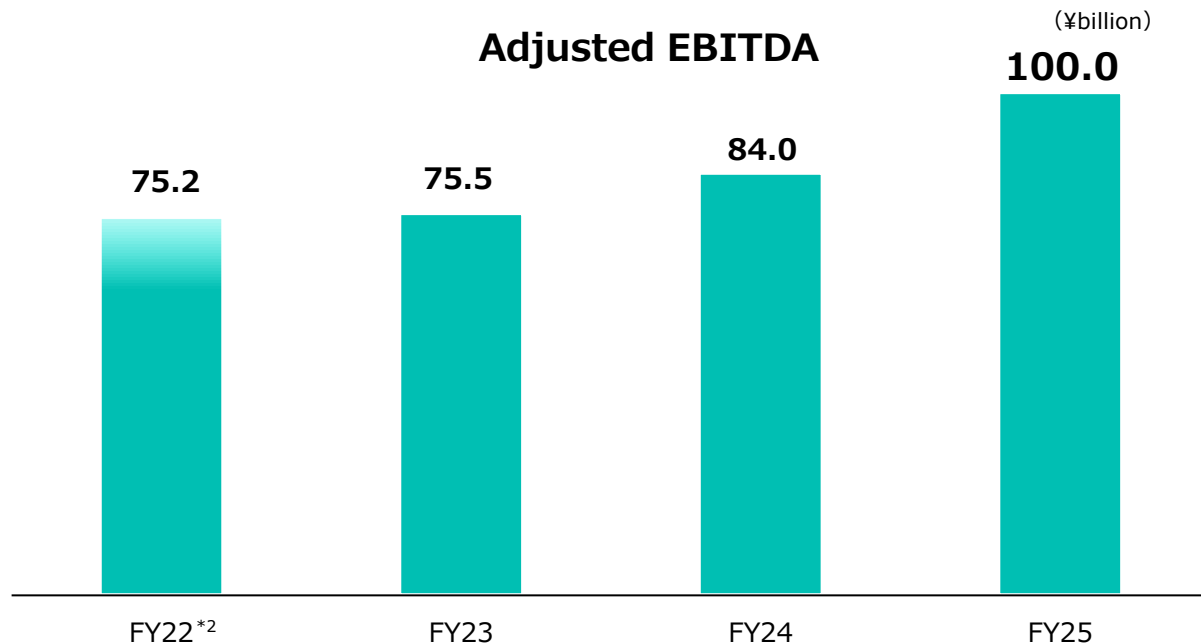


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	Efficiency	ROIC: 10% or higher (JGAAP)	ROIC	15% or higher, in principle (IFRS)
			ROE	20% or higher, in principle (IFRS)
Soundness	If net cash exceeds 1.0 time of EBITDA, measures for strengthening shareholder returns will be considered.	Net D/E	Up to 1.0 at max.	
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③ Shareholder return	Dividend payout ratio: Approx. 25% (of adjusted EPS)	Dividend payout ratio	Approx. 50% (of adjusted EPS)	

Targeted growth of adjusted EBITDA*1 (IFRS)

Plan to achieve ¥100.0 billion of adjusted EBITDA in FY25.



*1 Adjusted EBITDA = Operating profit + depreciation (excluding depreciation of leased assets) ± changes in allowance for paid leave + expenses for stock compensation ± other revenue and expenses ± other non-recurring profit/loss. For more details, please refer to the IR presentation materials for FY2022 financial results.

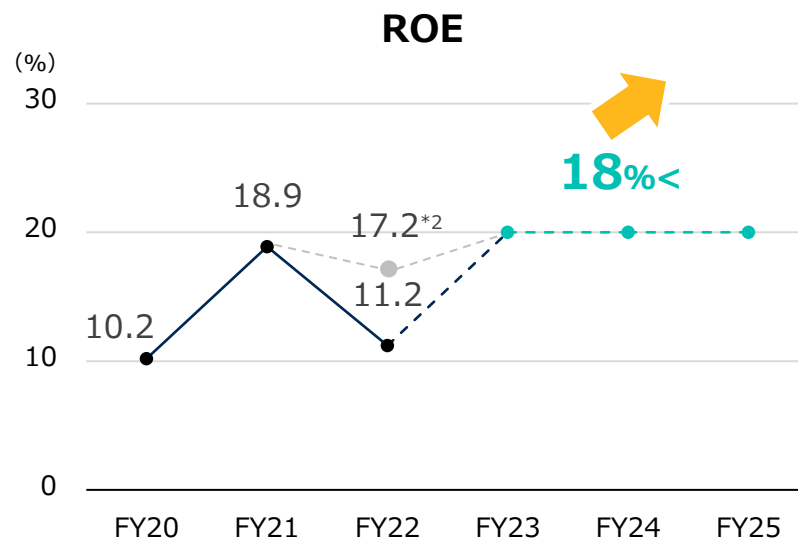
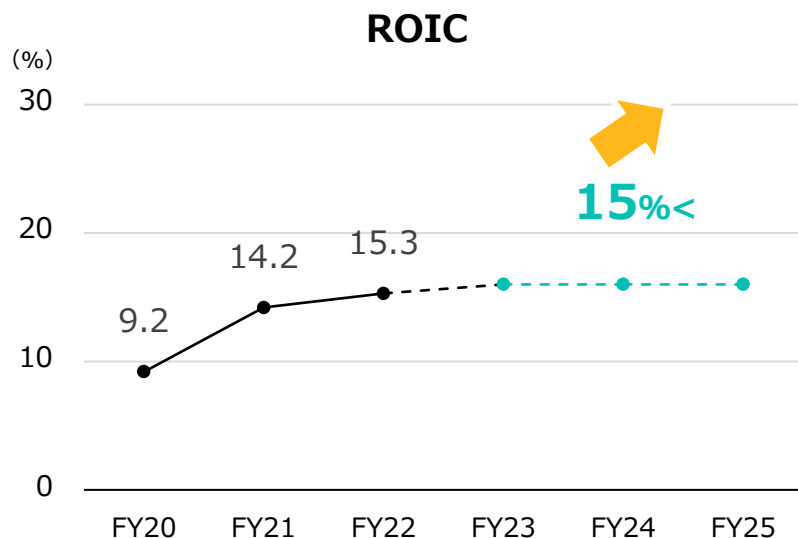
*2 The FY22 value is an estimate (yet to be audited).

Capital Efficiency Criteria (ROIC and ROE)



In FY22, ROIC was 15.3% and ROE was 11.2%.

Under the Mid-term Management Plan 2026, we aim to increase ROIC to a minimum of **15%** and ROE to a minimum of **18%** (JGAAP*1).



*1 IFRS based target figures for ROIC and ROE will be available when Q1 results will be announced in August 2023.

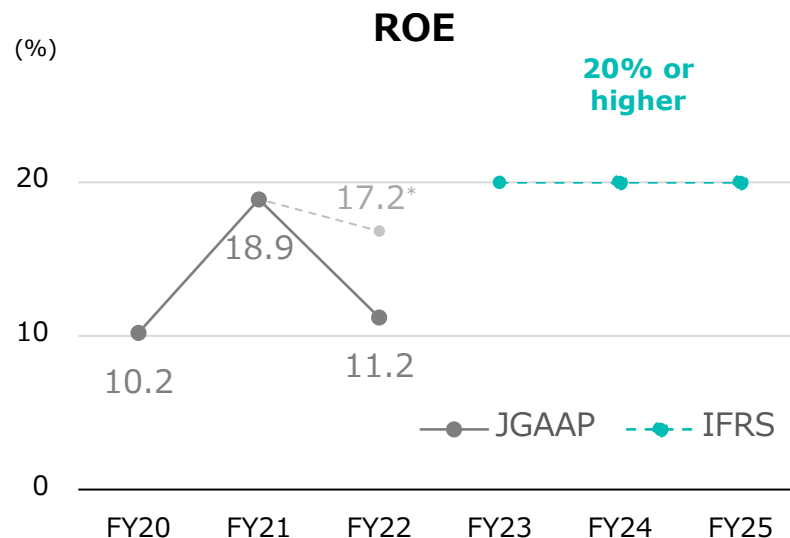
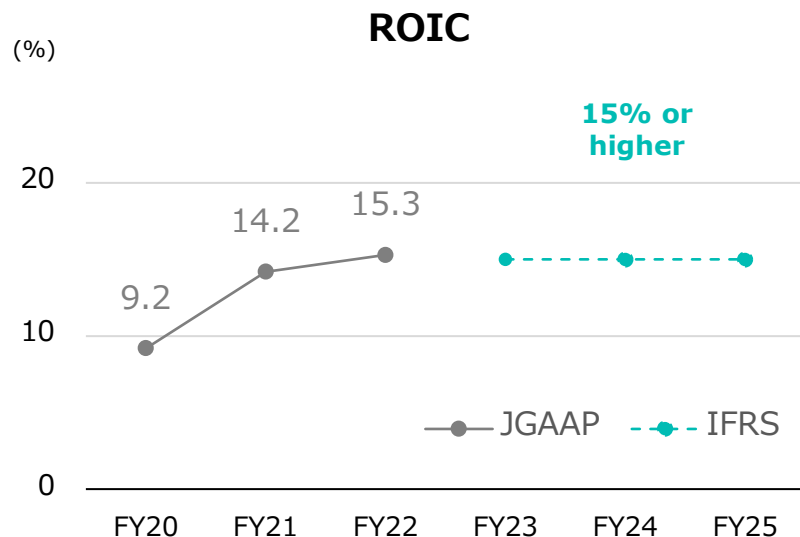
*2 ROE excluding the impact of impairment losses announced on April 11, 2023

Capital Efficiency Criteria (ROIC and ROE)



Continue to place emphasis on capital efficiency in management, with an IFRS-based target ROIC of **15%** or higher and an ROE of **20%** or higher set under the Mid-term Management Plan 2026.

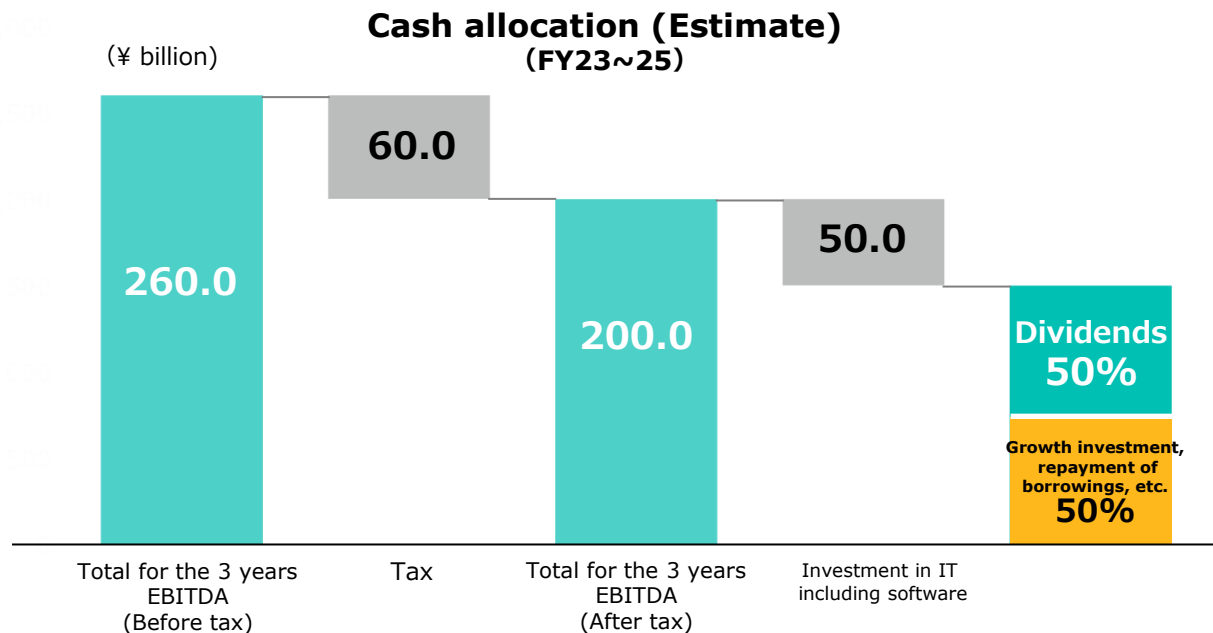
*ROIC at 15% and ROE at 18% or higher under Japanese GAAP (disclosed in May 2023).



*ROE excluding the impact of impairment losses announced on April 11, 2023

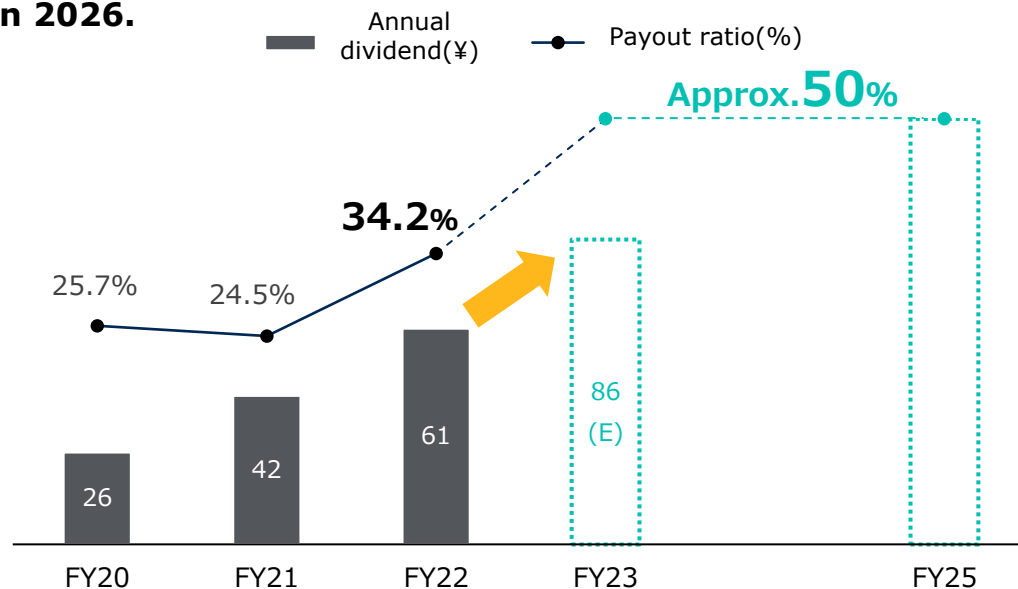
Cash Allocation

Revise the ratio between **growth investment** and **shareholder return** to **50% : 50%**.



Increasing shareholder return (increasing the dividend payout ratio)

Increase the dividend payout ratio* (dividend payout ratio policy under the previous Mid-term Management Plan: Approx. 25%) to **approx. 50%** under the Mid-term Management Plan 2026.



* Dividend payout ratio based on adjusted EPS

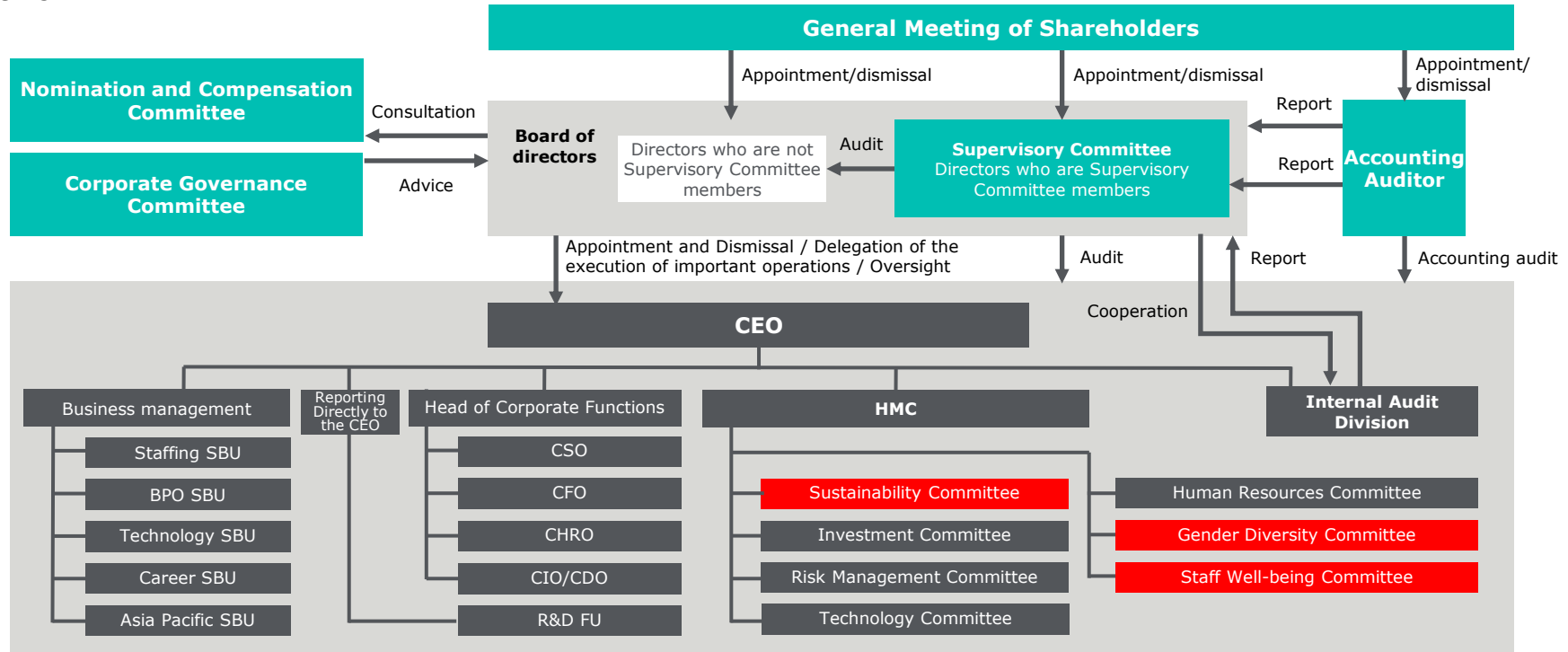
Mid-term Management Plan 2026

~Governance~

Outline of the Corporate Governance System and Internal Control System



We will strengthen our existing structure and control systems with the new addition of sustainability-related items



HMC= Headquarters Management Committee

SBU=Strategic Business Unit
FU=Function Unit

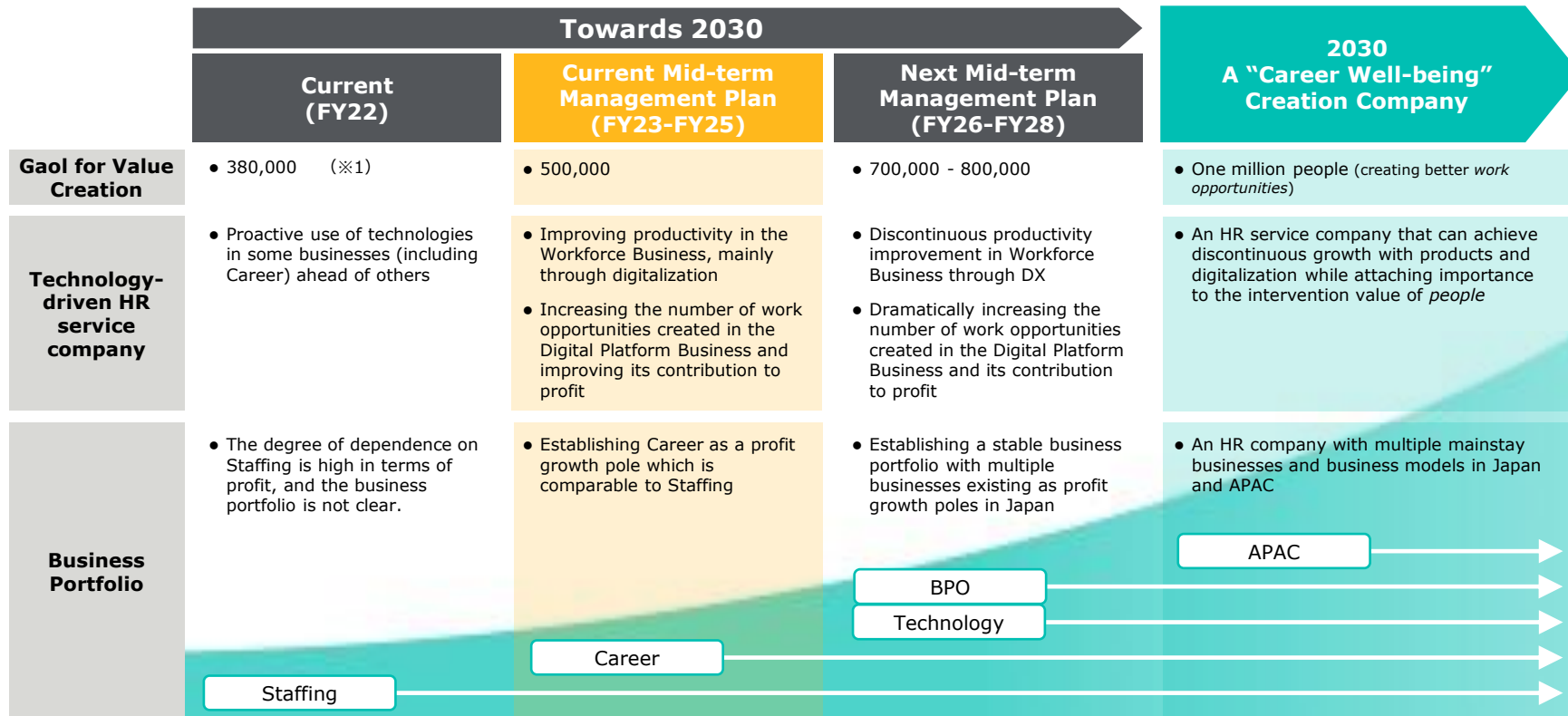
CEO= Chief Executive Officer
CSO= Chief Strategy Officer

CFO=Chief Financial Officer
CHRO=Chief Human Resources Officer

CIO = Chief Information Officer
CDO= Chief Digital Officer

Towards 2030

Aim for value creation of 500,000 people by the final fiscal year of the current Mid-term Management Plan (FY2025) and one million people by 2030.



※1 temporarily number and subject to change

CEO Message



- 1 Aim to achieve the Group Vision, "Work and Smile" as **a "Career Well-being" Creation Company**.
- 2 Aim to create better work opportunities for **one million people** by 2030.
- 3 Enhance investment in technology to evolve into **a technology-driven HR service company**.
- 4 Aim to achieve **adjusted EBITDA at 100.0 billion yen** in the final fiscal year under this Mid-term Management Plan (FY25).
- 5 Increase shareholder return with a dividend payout ratio of **approx. 50%**.

Appendix

Reposted: Positions of businesses and management policy



The position of each business and management policy are as follows. In particular, under this Mid-term Management Plan, we position Career, BPO, and Technology as the domains of focus and invest proactively in them.

<p>The Group's foundation Continue to be the foundation of the Group's growth.</p>	<p>Staffing</p>	<ul style="list-style-type: none"> – Aim to achieve growth by increasing market share despite the possibility of a shrinking the clerical and administrative staffing market over the long term. – Contribute to the Group's growth by strengthening relations with customers.
<p>Pillars of profit growth Proactive business investments, for the sake of significant profit growth in the medium to long term</p>	<p>Career</p>	<ul style="list-style-type: none"> – Aim to achieve growth exceeding market growth while the career-change-related market continues to expand. – Continue to make investments that contribute to medium- to long-term business growth and the acquisition of competitive advantages.
	<p>BPO</p>	<ul style="list-style-type: none"> – Aim to achieve growth exceeding market growth by taking advantage of the customer base of temporary staffing. – Make large-scale investments, mainly to acquire the ability to achieve a business transformation.
	<p>Technology</p>	<ul style="list-style-type: none"> – Reinforce the foundations for large-scale recruitment and the development of high value-added human resources and improve sales capabilities, in an attempt to increase billing rates. – Continue large-scale recruitment to derive medium- to long-term competitive advantages.
<p>Reinforce the foundations for a breakthrough. Improve earnings to enable large-scale investment for growth in FY2025 and beyond.</p>	<p>APAC</p>	<ul style="list-style-type: none"> – Achieve earnings improvement at a level that will contribute to improving shareholder value. – Invest in a quantitative expansion after improving earnings.
<p>Investments toward the future Implement R&D after achieving an investment quota at a certain level.</p>	<p>R&D</p>	<ul style="list-style-type: none"> – Achieve an investment quota at a certain level to explore and create businesses related to Career Well-being.

Staffing SBU Strategic Summary

Outlook for the market environment

- The clerical and administrative staffing market will contract over the long term gradually, mainly reflecting a decline in the working population and replacement with technology. However, the market will grow slightly in the short term, partly due to labor shortages.

Competitive advantages

- Aim to increase market share further by improving competitive advantages.
(1) No. 1 share of the clerical and administrative staffing market
(2) Outstanding customer base and creditworthiness
(3) Size and high level of satisfaction of registered staff

Strategies and policies

- Aim to be a company that creates fun to work and continues to be chosen by workers, by increasing awareness about workers and offering the chance to fulfill possibilities and be noticed with more diverse options.
(1) Helping staff to work in their own ways
(2) Reinforcement of proposal capabilities for human resource utilization capturing clients' businesses and environment changes
(3) Improving engagement by encouraging the active participation of employees
(4) Initiatives to improve efficiency, such as the use of digital technologies (reinforcing the operation base)

Financial targets (FY25)

- Sales : **¥700.0 billion (CAGR: 9%)**
- Adjusted EBITDA : **¥37.0 billion (CAGR: 12%)**

Reposted: BPO SBU Strategic Summary



Outlook for the market environment

- The average annual growth rate of the BPO market in Japan is 2-6%. The market is expected to continue growing at a certain rate.
- A broad array of corporate needs exist. The capability to provide customer value over a wide range is required.
(Digitalization, deep expertise, performance commitment models, HR issue resolution, etc.)

Competitive advantages

- Improve the following competitive advantages, aiming to achieve growth exceeding market growth.
(1) Customer acquisition capability (2) Capability of supplying human resources
(3) Business design and digitalization capability
(4) Capability of utilizing and developing human resources

Strategies and policies

- Reinforce the customer base and enhance the ability to solve customer issues through organizational restructuring and integration within the Group.
- Enhance the ability to fundamentally design digitalization through human capital investment and M&A.

Financial targets (FY25)

- Sales : **¥130.0 billion**
- Adjusted EBITDA : **¥12.5 billion**

Reposted: Technology SBU Strategic Summary



Outlook for the market environment

- The engineering staffing and contract market in the IT and engineering domain is expected to continue to grow steadily due to the expansion of DX demand and the shortage of engineers and other professional human resources.

Competitive advantages

- Make maximum use of the Group's synergy as a competitive advantage.
(1) Quantity of attractive projects (advanced projects and high-tech projects), with a high ratio of outsourced projects
- **(2) The ability to recruit and develop human resources by leveraging the knowledge we possess as a comprehensive HR service group**

Strategies and policies

- Aim to achieve business growth by expanding domains, with a focus on the IT business, while reinforcing the engineering domain as the foundation.
(1) Enhance human capital through large-scale recruitment and enhancement of training.
(2) Increase billing rates by enhancing sales capability and strengthening domains with high added value.

Financial targets (FY25)

- Sales : **¥115.0 billion (CAGR: 7%)**
- Adjusted EBITDA : **¥10.0 billion (CAGR: 14%)**

Reposted: Career SBU Strategic Summary



Outlook on the market environment

- The percentage of people who change their careers will increase given shortages of human resources and employment mobility, and **the career-change market continues to grow.**
- Above all, the **high-class domain (annual income of 6.0 million yen or more) and direct recruiting (DR) will grow** significantly.
- In addition, the **side job and freelancer domain, which is a market adjacent to the career-change market, is also expected to grow significantly.**

Competitive advantages

- **(1) One of the largest databases of job seekers and companies seeking workers in Japan**
- **(2) Multitiered recruitment solutions that cater to the needs of job seekers and companies seeking workers**
- **(3) Optimal matching based on data and technologies**

Strategies and policies

- **A unique business model based on multitiered recruitment solutions (especially strengthening high-career and DR domains)**
- **Evolution into a next-generation model that improves the capability to recruit individuals**

Financial targets (FY25)

- Sales : **¥210.0 billion (CAGR:26%)**
- Adjusted EBITDA: **¥ 43.0 billion (CAGR:29%)**

APAC SBU Strategic Summary



Outlook for the market environment

- The APAC market is expected to grow significantly given a rising working population and economic development in the future.
- The temporary staffing and job placement markets (in terms of gross profit) in APAC (excluding China and India) are expected to exceed the market in Japan by 2030.

Competitive advantages

- Aim to achieve growth exceeding market growth by improving the following as competitive advantages.
(1) A high share in each market (e.g., No.1 in Singapore and Malaysia)
(2) Collective strength of HR business (providing a wide range of HR services by comprehensively covering key areas in the APAC region)
(3) Technologies (using technologies in cooperation with businesses in Japan)

Strategies and policies

- Aim to become the No. 1 HR service company in terms of size and profitability in the APAC region, which is expected to grow further, under foundations of high productivity and an efficient operation base.
(1) Revise the business portfolio
(2) Implement structural reforms and cost optimization
(3) Boost productivity through DX investment

Financial targets (FY25)

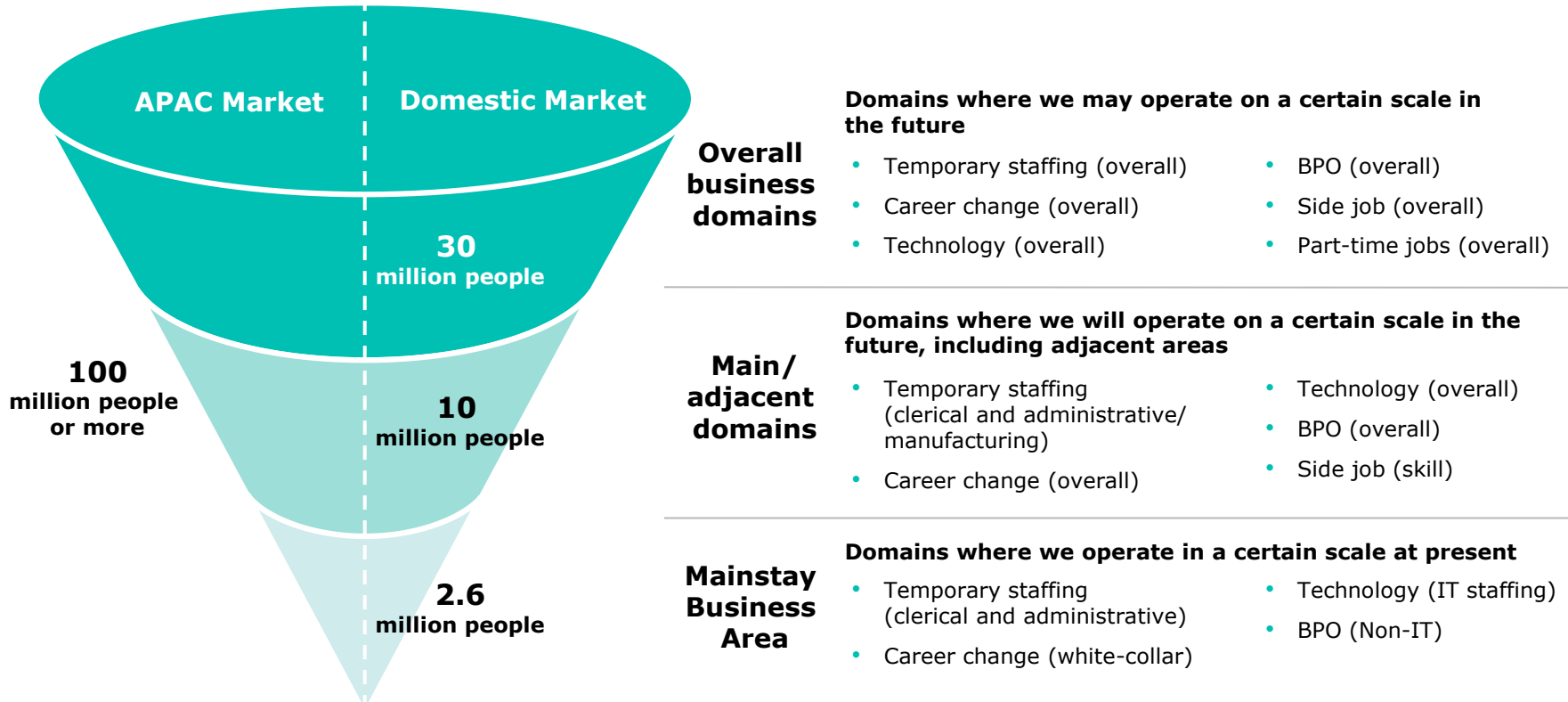
- Sales : **¥400.0 billion (CAGR: 1%)**
- Adjusted EBITDA : **¥12.5 billion (CAGR: 18%)*1**

Note: Exchange rates are converted to national currency rates based on 130 yen to the US dollar.

*1: EBITDA target announced in Aug. 2022 was ¥15.0 billion, which is ¥12.5 billion on adjusted EBITDA basis.

Reference: Market potential related to the goal of value creation

We have ample room for growth in Japan. APAC market has even greater potential.



Initiatives for Technology-Oriented Human Resources

In addition to recruitment, we will focus on cultivating employees in terms of both reskilling and upskilling to enhance technology-oriented human resources.

Core Technology Human Resources

Human resources who utilize specialized knowledge of data and digital technologies for product and business transformation

Technology-Utilizing Human Resources

Human resources who understand the latest technologies and work closely with core technology human resources to accelerate digitalization

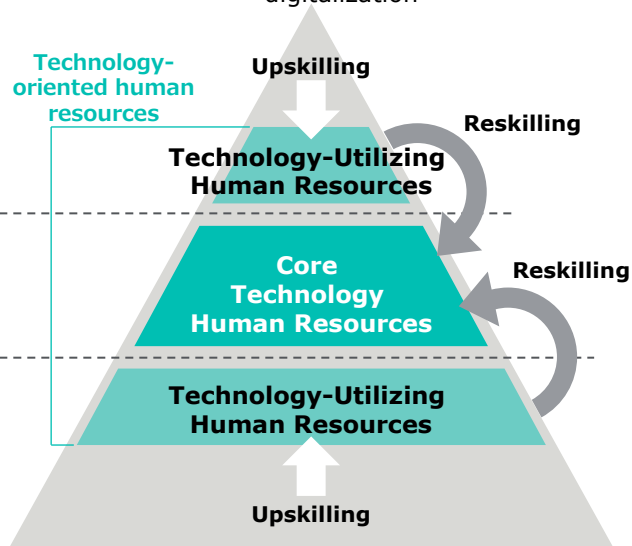
Type of occupation

Planning / Marketing

Technologies

Sales

Technology-oriented human resources



Example of Reskilling

Inexperienced technology-oriented human resource development program

A program to develop practical workers by utilizing the Learning with Coach service operated by PERSOL INNOVATION in addition to OJT and Off-JT

Ex. Security engineer
business architect



Reskilling training session

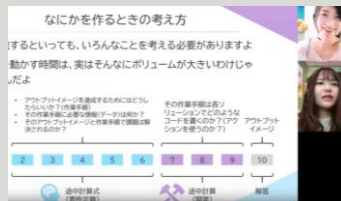
Examples of Upskilling

DX assessment & learning

A program approximately 500 people have taken part in, mainly core technology human resources in Japan

Minna-no-Juku

A program for employees to learn from each other led by a volunteer manager. Over 120 courses are currently offered. A total of 30,000 people across 36 Group companies have taken the courses.



Low-code development lecture session

Targets related to Materiality

We set targets for 2025 and 2030 for each materiality*1.



		KPIs for materiality initiatives	2025	2030
Solving social issues through our business	Creating work opportunities	Number of people for whom we created (provided/supported) better employment opportunities	500,000 people	➤ One million people
	Providing diverse work styles	Number of people for whom diverse work styles became possible	50,000 people	➤ 100,000 people
	Providing learning opportunities	Number of people who received each training service*3	(1) 160,000 people (2) 120,000 people (3) - 0,000 people	➤ (1) 240,000 people (2) 230,000 people (3) - 0,000 people
	Increasing productivity at companies	Net sales of services related to increasing the productivity of companies	¥300 billion	➤ -
Foundation for achieving sustainable growth	Active roles for diverse human resources*2	Engagement score	75%	-
		Percentage of female managers	30.8%	➤ 37.0%
		Employment of persons with disabilities	4,000	-
		Ratio of childcare leave taken by male employees	100%	➤ 100%
	Strengthening data governance*2	Number of instances of the inappropriate handling of data and number of people involved in these instances*4	0/0	➤ 0/0
Respect for human rights*2	Percentage of all employees who have received data management training	100%	➤ 100%	
Responding to climate change	Percent reduction of scope 1 + scope 2 emissions	17.3%	➤ 83.0%*5	
	Percent reduction of scope 3 emissions	In the process of setting up	➤ In the process of setting up	

*1 Although the targets for 2025 and 2030 are basically set to clarify the direction and achievement level of the strategy, some items are still under consideration due to high uncertainty at this time, and are marked as "-".

*2 Domestic only, not including APAC

*3 (1) Providing learning opportunities for temporary employees (2) Corporate training for upskilling and career self-reliance, placement services provided after upskilling (3) Providing learning opportunities for students and working members of society

*4 Number of serious and severe incidents defined by PERSOL

*5 100% carbon neutrality including carbon offsets

【Reposted】

Asia Pacific SBU

Mid-term Business Plan 2026

(announced in Aug. 2022)

Work and Smile



Positioning of PERSOL's APAC business



Instill Group Vision

Realizing “Work and Smile” in APAC region.

Solve Social Issue

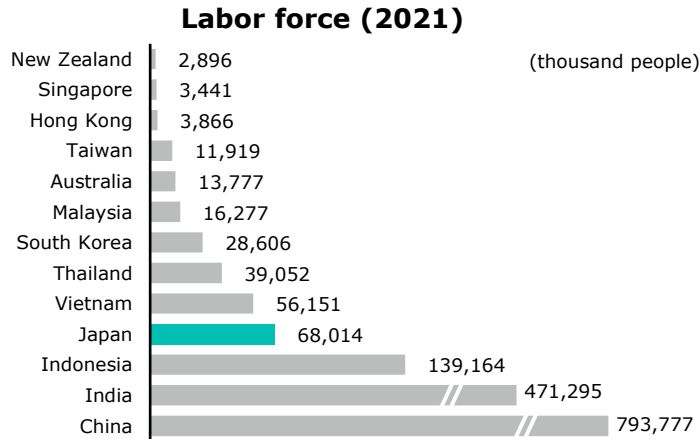
Solving Japan's labor issues by supporting human resources from the APAC region.

Create Synergy by Technology

Creating group synergy through technology investment in APAC region/market.

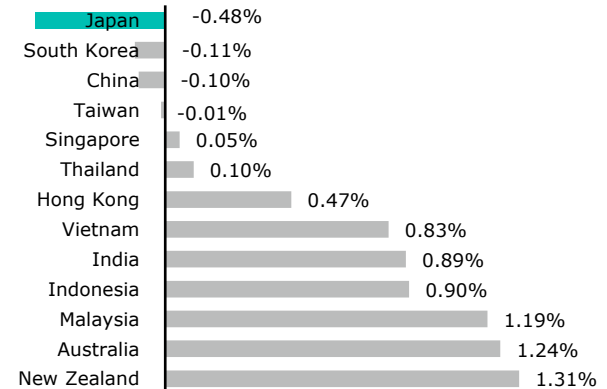
Human Resources Markets in the APAC Region: Comparison of Labor Forces

- The APAC region accounts for roughly 50% of the global labor force
- The region has the highest wage growth and human resource mobility in the world



- The APAC region accounts for **roughly 50%** of the global labor force
- The labor force of major countries of the ASEAN region is **250 million people, around 4 times the labor force of Japan**

Average population growth rate (2022-2025)



- While the populations of a majority of ASEAN nations and the ANZ region* are seeing **positive growth, Japan has the largest rate of decline**
- According to research by Willis Towers Watson, in 2022 wages are expected **to increase the most** in the APAC region compared with other regions.

* ANZ region: Australia and New Zealand

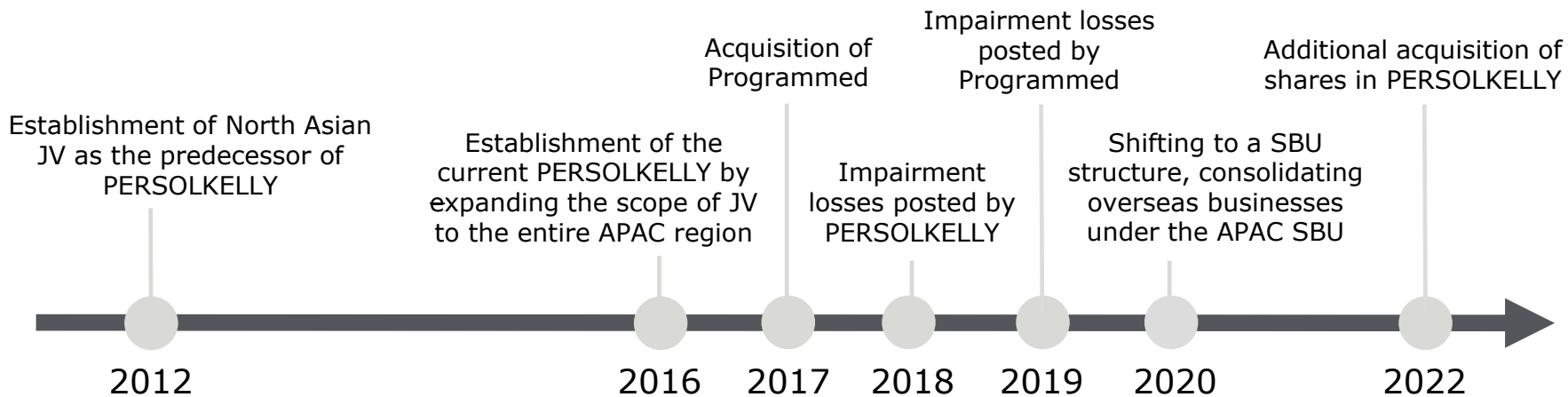
Source: World Bank "World Development Indicators" database (as of February 2022)
National Statistics, Republic of China (Taiwan) (as of May 2022)

Source: International Monetary Fund "World Economic Outlook" database (as of April 2022)

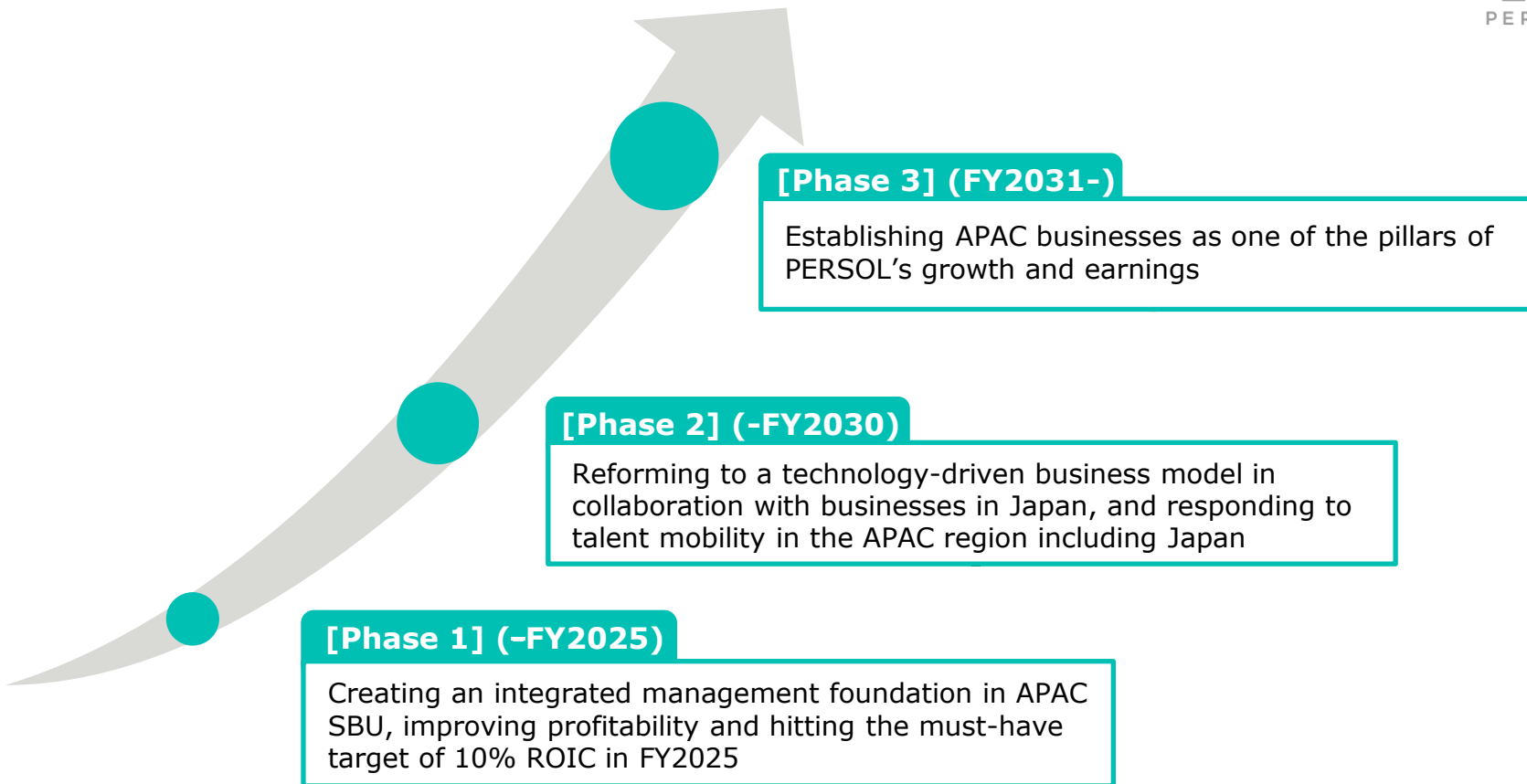
History of the APAC SBU



- There were issues with profitability, including impairment losses posted by Programmed in 2019
- With the shift to the SBU structure in 2020, overseas businesses were consolidated under the APAC SBU
- By acquiring additional shares in PERSOLKELLY in 2022, we unified the entities under APAC SBU with the aim of making further improvement in profitability



Future Initiatives in the APAC SBU



Overview of the APAC SBU Mid-term Management Plan

Phase 1: Improving profitability

1 PERSOL in the APAC market and APAC region

-FY2025

- ✓ Comprehensive coverage in major markets in the APAC region and top market share in Singapore, Malaysia and Australia
- ✓ Management team comprising experienced professionals with diverse backgrounds
- ✓ Integrated organization and management structure through the additional acquisition of shares in PERSOLKELLY

2 Mid-term Management Plan

- ✓ Commitment to achieve operating profit of 10 billion yen* and ROIC of 10% in FY2025, focusing on overall cost optimization and more efficient employment of capital

* Calculated on an IFRS basis

3 Business Strategy (three strategic pillars)

- ✓ Revise the business portfolio, implement structural reforms and cost optimization, and boost productivity through DX investment

Phase 2:
**Further growth towards
2030**

-FY2030

Phase 3:
**Establishing APAC businesses
as one of the pillars of
PERSOL's growth and earnings**

FY2031-

PERSOL in the APAC Market and APAC Region

Mid-term business environment and growth potential of the Asia Pacific SBU

PERSOL's Market Share in the APAC Region

PERSOL has established a firm position as a leading human resources solution company in the APAC region

Leading market share in Singapore, Malaysia and Australia

Singapore

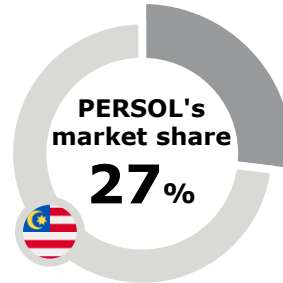


Human resource services
Market size

168 billion yen

- **No.1** market share of 23%
- As the driving force of economic growth, the government has created many opportunities for the human resource services industry, and our initiatives focused on the **public sector** have been successful.

Malaysia



Human resource services
Market size

65 billion yen

- **No. 1** market share specializing in temporary staffing and business outsourcing
- As with Singapore, the **public sector** is promoting economic growth
- There is potential for further growth due to nurse training plans for the development of nursing cities particularly in the ASEAN region

Australia



Blue-collar temporary staffing
Market size

592 billion yen

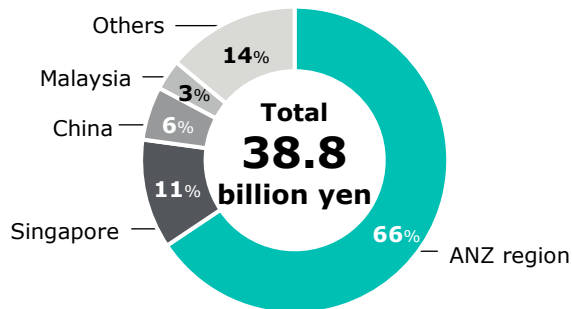
- A preferred supplier that is one of **major players**
- **Demand for blue-collar temporary staffing** is expected to grow steadily as the workforce increases 4% by 2025, despite the impact from automation and the shift to a service industry

Source: Singapore/Malaysia - company financial statements from ACRA/SSM, SIA Reports, internal company analysis
ANZ region - IBIS World Reports, press releases, McKinsey Expert Interview

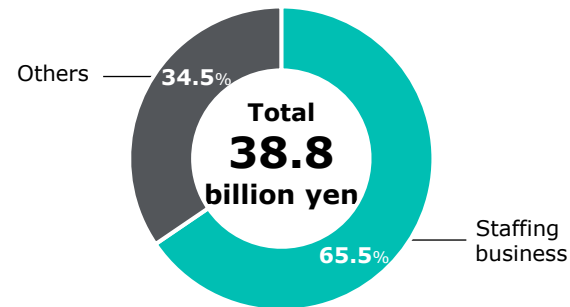
Note - Exchange rates are converted to national currency rates based on 130 yen to the US dollar.

APAC SBU Results for the FY2021 (January to December 2021)

Gross profit by major countries



Gross profit by segments



(unit: billion yen)

	Staffing business ^{*1}	Other businesses ^{*2}	Asia Pacific SBU Total ^{*3}
Net sales	206.4	87.9	290.1
Gross profit	25.4	13.2	38.8
Gross profit margin	12.3%	15.1%	13.4%
Operating profit	3.2	2.1	1.0
Operating profit margin	1.6%	2.4%	0.4%
EBITDA	4.5	4.4	7.6
EBITDA margin	2.2%	5.0%	2.7%

^{*1} Temporary staffing, placement business, etc. ^{*2} Facility management, property services, healthcare, etc.

^{*3} Results were on a Japan GAAP basis. In addition, this SBU consists of an administrative department overseeing businesses and other organizations in addition to PERSOLKELLY and Programmed. Results of the said department, etc. are not included in the above, so the totals do not match.

PERSOL's Strengths in the APAC Region

Towards improved profits through the additional acquisition of shares in PERSOLKELLY and structural reforms

Collective strengths

Collective strength to comprehensively cover key areas in the APAC region and provide a wide range of HR services

Management diversity

A management team with diverse backgrounds swiftly responding to fast evolving markets

Technologies

Boosting productivity and cultivating new markets in the APAC region by further utilizing technologies in collaboration with businesses in Japan

Mid-term Management Plan

April 2023 to March 2026

Targets for FY2025

Fiscal year to be changed (from Jan.-Dec. to Apr.-Mar.) from FY2023

Group Vision

Work and Smile

Mid-term Management Targets

Become the No. 1 human resource services company
in the APAC region, in terms of size and profitability,
under a highly efficient and productive management,
enabling further growth in FY2025

Numerical Targets of Particular Importance FY2025



^{*1} Invested capital in FY2025 is expected to be 70 billion yen ^{*2} Calculated on an IFRS basis

Financial Targets for FY2025

Aim to improve the overall profitability of the APAC SBU, achieving operating profit of 10 billion yen and EBITDA of 15 billion yen

(billion yen)

	FY2021 Results* (January to December 2021)		Final Year of the Mid-term Management Plan (April 2025 to March 2026)	
	APAC SBU Total	Staffing business	APAC SBU Total	Staffing business
Net sales	338.0	241.0	400.0	300.0
Operating profit	3.8	4.7	10.0	9.0
OP margin	1.2%	2.0%	2.5%	3.0%
EBITDA	8.9	5.2	15.0	11.0
EBITDA Margin	2.6%	2.2%	3.8%	3.7%

* For the FY2021 results, to enable comparison with the targets in the final year of the Mid-term Management Plan under the same conditions, exchange rates are converted to national currency rates based on 130 yen to the US dollar, and figures based on the assumption of the transition to IFRS planned for introduction from the FY2023 were used.

Business Strategy

April 2023 to March 2026

Three Pillars of the APAC Strategy



- ① Revise the business portfolio**
- ② Implement structural reforms and cost optimization**
- ③ Boost productivity through DX investment**

Key Measures by Strategy: Strategic Pillar 1

Revise the Business Portfolio

Current

- Low ratio of the placement business in the ANZ region
- Low ratio of the white-collar temporary staffing business in the ANZ region

-
- Property services in the ANZ region create a burden on working capital because it takes time to recover investment
 - Facility management requires less working capital, contributing to improved ROIC

Key Measures

A

Improve profitability of the staffing business by **expanding the placement business** across the entire APAC SBU

Portfolio reform of the staffing business in the ANZ region

B

In other businesses, **focus on facility management**

KPIs FY2021 → FY2025

Gross profit ratio of the placement business

18% ▶ **27%**

Gross profit ratio of the white-collar temporary staffing and placement business in the ANZ region

5% ▶ **13%**

Growth rate of gross profit and operating profit of the facility management

Gross profit: **+63%**

Operating profit: **+55%**

Key Measures by Strategy: Strategic Pillar 2

Implement Structural Reforms and Cost Optimization

Current

- At Programmed and PERSOLKELLY, there are overlapping head office and support functions, as well as independent IT infrastructures
 - At Programmed, there are back office functions in each operating department
-
- Labour cost in Australia is much higher compared with most ASEAN nations

Key Measures

C

Eliminate duplications in head office function and consolidate support functions to **reduce costs**

D

Utilize the shared services center in Malaysia to **reduce costs**

KPIs FY2021 → FY2025

Cost reductions
(last FY of mid-term management plan)

-900 million yen

Cost reductions
(last FY of mid-term management plan)

-800 million yen

Key Measures by Strategy: Strategic Pillar 3

Boost Productivity Through DX Investment

Current

- In the placement business, consultants spend an enormous amount of time searching for and narrowing down candidates

- In the temporary staffing business, a large-scale back office is required because of the amount of manual work. This results in a heavy cost burden

Key Measures

E

Develop AI matching collaborating with Career SBU and **improve the productivity of placement business consultants**

F

Utilize automation tools and process improvement tools to **improve productivity in the temporary staffing business**

KPIs FY2021 → FY2025

Consultant Productivity*¹

Improve by 15%

Overhead cost efficiency in the temporary staffing business*²

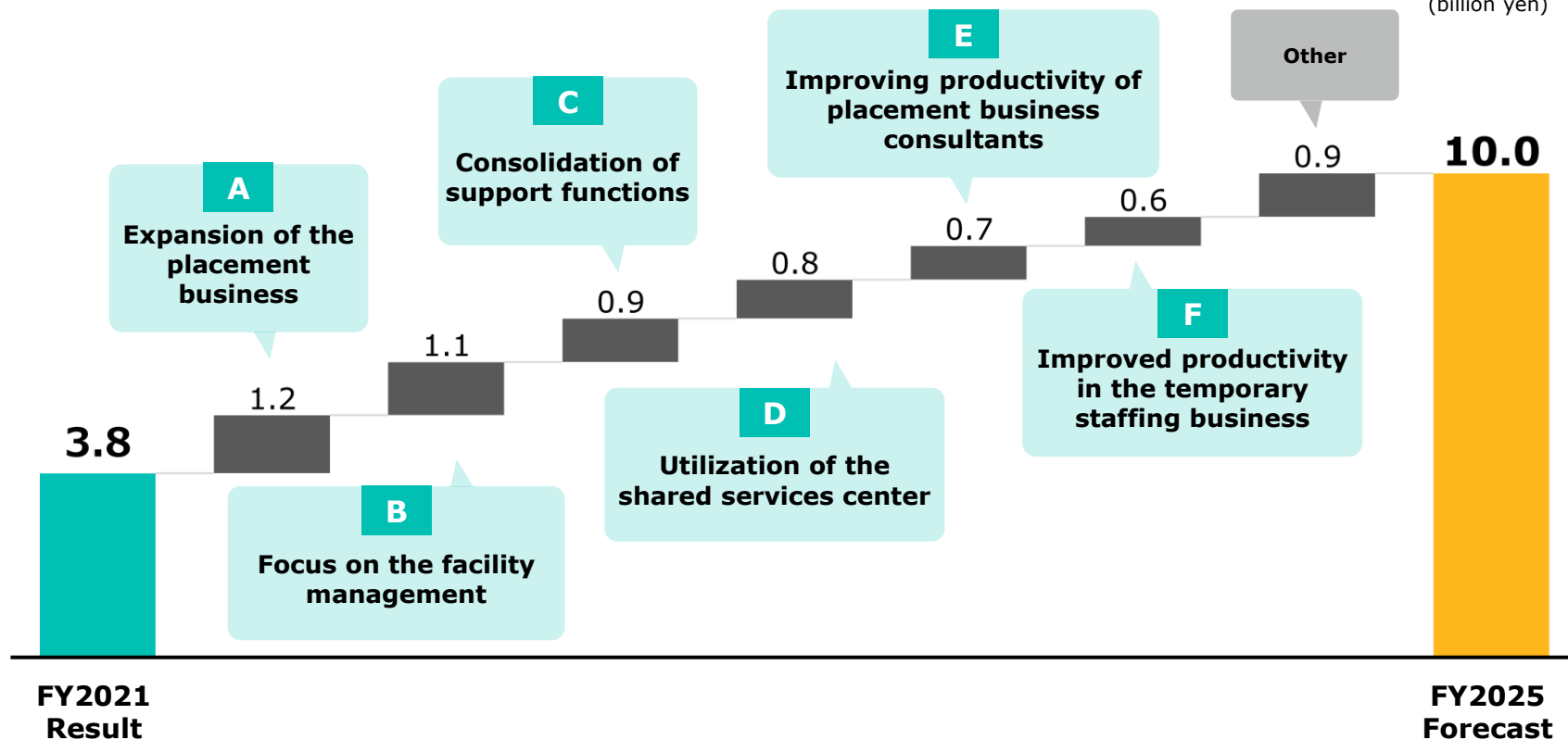
Improve by 10%

*1 Gross profit of the placement business / base salaries of consultants

*2 Overhead costs of the temporary staffing business / net sales from the temporary staffing business

Breakdown of Operating Profit Improvements

(billion yen)

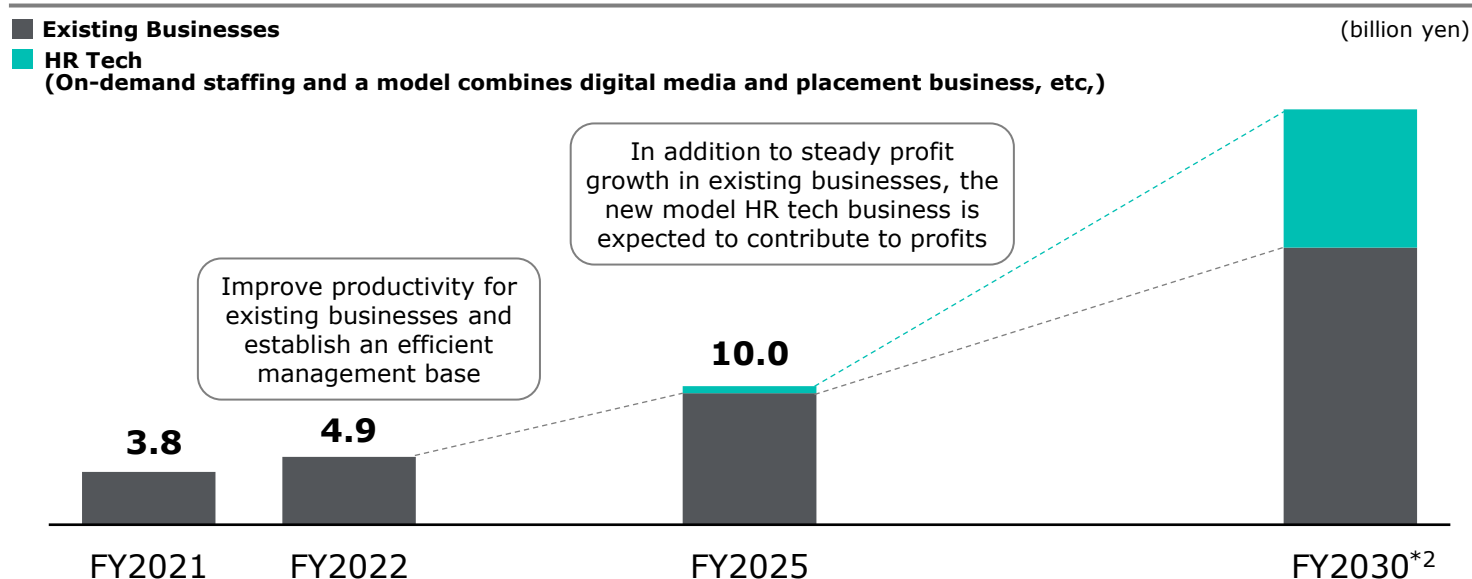


Further Growth towards 2030

In order to achieve further growth towards 2030, we must

- 1) Invest in the HR tech area while examining investment efficiency
- 2) Promote the reform of business models through technology in collaboration with businesses in Japan
- 3) Grasp opportunities in supplying human resources from APAC to Japan, which is facing a serious shortage of human resources

Operating profit*1



*1 Calculated on an IFRS basis

*2 Size of the graph element for FY2030 is for illustrative purposes only

Disclaimer



The statements concerning PERSOL HOLDINGS's future business performances in this material such as earnings forecasts are based on information available as of May 15, 2023 and certain assumptions deemed to be reasonable by PERSOL HOLDINGS, and do not mean that PERSOL HOLDINGS promises to achieve these figures. Actual results may differ materially from the statements due to a variety of factors.

The figures and indicators included in this material have been released to facilitate an appropriate understanding for business results and financial status of PERSOL Group. Kindly note that not all the figures and indicators, including actual figures on an IFRS basis, have been subjected to audit and review by external auditors.