



PERSOL HOLDINGS CO., LTD.

Held on Thursday, July 4, 2024

Script of IR DAY: DAY2 Asia Pacific SBU Business Description

【Executive Officer Asia Pacific SBU Lead Yamazaki】

Hello everyone, my name is Yamazaki in charge of APAC SBU.

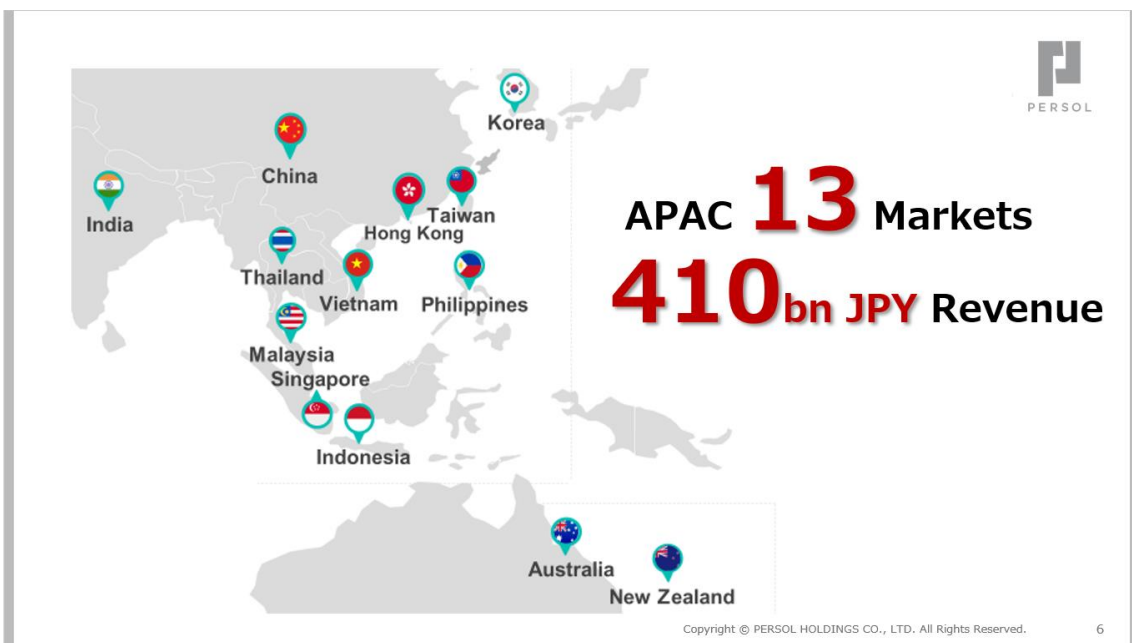
Today, I would like to give you an overview of our APAC business and discuss the progress of our Mid-term Management Plan, which is now in its second year.



Work and Smile

A company creating "career well-being" and becoming a technology-driven Human resource service company

As you can see on the slide, "Work and Smile" is a very important vision for us at APAC SBU, and we promote it on social media such as LinkedIn, in the form of PERSOL "Work and Smile. It has been very well received internally by our employees as well as externally by customers and candidates.

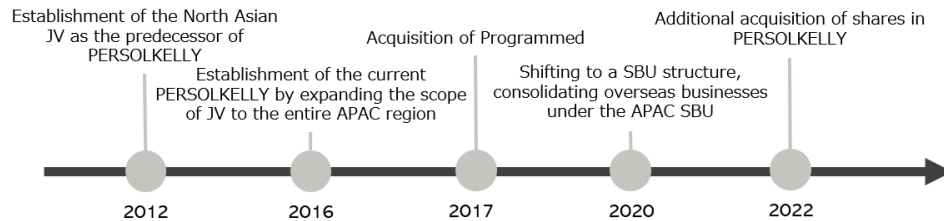


First, let me talk about the scale and coverage of the APAC business. We are developing our business in 13 Asian countries/regions (excluding Japan), which we call 13 markets, and our sales exceed 400 billion yen.

History of APAC SBU



- 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



Became the largest HR service provider in Asia in 8 years
(excluding Japan)

10,000 HC of diverse nationalities are employed in APAC SBU

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7

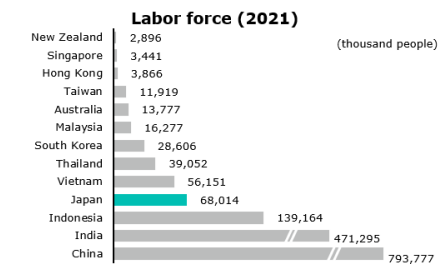
The history of PERSOLKELLY dates back to 2012, when we established a joint venture in North Asia, the predecessor of PERSOLKELLY, and began to actively engage in overseas business. More than a decade has passed since then, and the scale of the business has grown to 400 billion yen. I have been in charge of the Asia Pacific Business since 2014, and the business has grown from 4 to 5 billion yen in revenue at that time to more than 400 billion yen today, with 10,000 diverse. At 400 billion yen, this is without a doubt a larger business in APAC outside of Japan than that of our competitors, an achievement that has been made possible by the tremendous efforts of our colleagues.

Human Resource Markets in the APAC Region



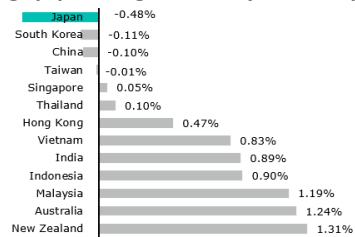
APAC region has **3.5 bn** opportunities to realise our “Work and Smile” vision

- The total population of the 13 markets which APAC SBU operates in is around 3.5 billion
- 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

Average population growth rate (2022-2025)



■ While a majority of ASEAN nations and the ANZ region* are seeing **positive population growth**, **Japan is projected to have the largest rate of decline**

Source: World Bank "World Development Indicators" database (as of February 2022)

* ANZ region: Australia and New Zealand
Source: International Monetary Fund "World Economic Outlook" database (as of April 2022) 8

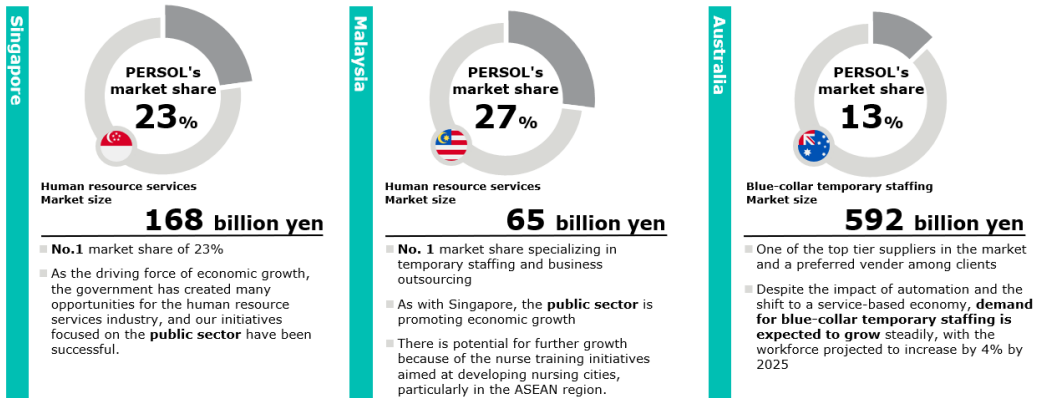
As I mentioned when explaining the Mid-term Management Plan, questions like why do we do business not only in Japan but also in APAC, and why do we do business in APAC despite its lower profitability compared to Japan have come up in the past, but the working population and the general population itself are expected to grow in APAC. For example, New Zealand and Australia are still growing, and in India and Vietnam, the working population and the general population are growing rapidly. We believe that it is very important for us to realize "Work and Smile" in this market in light of our mission, and we are working diligently to gain market share as the top provider in this market.

PERSOL's Market Share in the APAC Region



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

Leading market share in Singapore, Malaysia and Australia



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.

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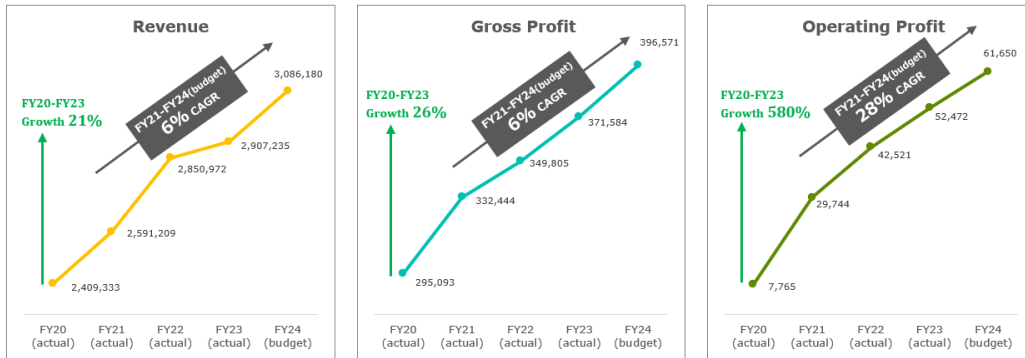
9

This is a reiteration of the Mid-term Management Plan, but we are the largest company in APAC (excluding Japan) with revenue of 400 billion yen, and we have the top market share in each of the major markets. In Singapore, the company has a 23% share of the market; in Malaysia, 27%; and in Australia, we are the largest staffing company, taking a 13% share of the blue-collar staffing market. I would like to emphasize here that in the major countries we cover, we have almost the top market share, or are at least top three. The fact that we have the top market share means that we can expect to grow as the market grows. We feel that we are currently progressing as envisioned, and we expect further business expansion in the future as we gain market share.

Historical Business Growth Last 5 years



- In FY23, APAC SBU achieved 370 mil USD Gross Profit and 52 mil USD Operating Profit, representing 26% and 580% growth respectively from FY20
- In FY24 Budget, APAC SBU targets to achieve circa 62 mil Operating Profit, and is on track to achieve the target for FY25
- We achieved significant profitability improvements in Operating Profit growing at a faster rate than Revenue over the past five years (US\$ '000)



*December year-end from FY20 to FY22; March year-end from FY23
 **Operating Profit number excluded impairment

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10

From this page, I will speak in terms of US\$. This slide hasn't been shown before, but in APAC, both revenue and profits have been growing remarkably. As you can see on the top of the slide, from 2020 to 2023, revenue grew by more than 20%, gross profit by 26%, and operating profit by 580%, and although the base in 2020 was low, profits have grown very significantly. Despite the large sales, both revenue and gross profit are growing. In addition, as I will explain later, I would like to emphasize here that operating profit is growing much faster than revenue and gross profit due to various cost optimization measures.

Business overview

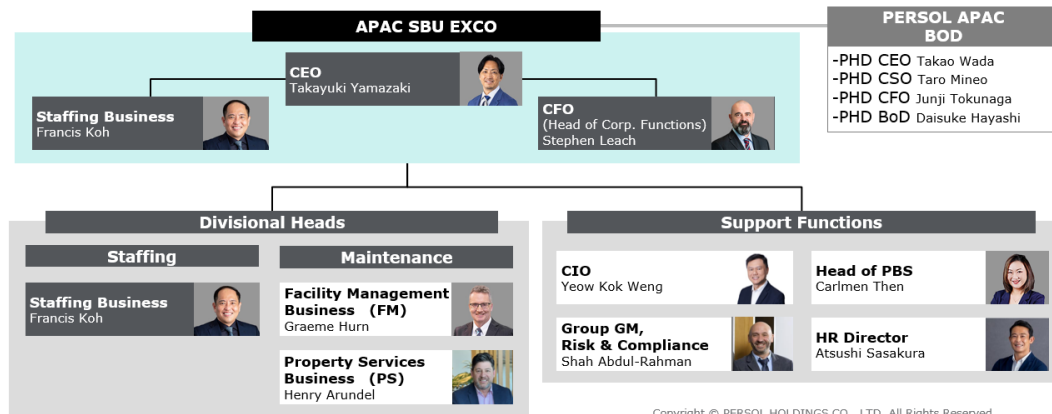
Asia Pacific SBU

Here is an overview of the APAC SBU.

Management Team in the APAC SBU



- Following the acquisition of additional shares in PERSOLKELLY, an integrated management team has been established to oversee the APAC region, eliminating any boundaries between PERSOLKELLY and Programmed
- The management team is made up of diverse and highly experienced professionals



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12

As I mentioned in the Mid-term Management Plan, we have made full use of mergers and acquisitions to create this business, and through these mergers and acquisitions, we are now able to form an international management team that has joined the PERSOL Group. As for the APAC board members who are considered EXCO, Francis, who heads the staffing business, is Singaporean and Stephen Leach, the CFO, is an Australian resident of African origin. We are very proud of our international and talented Divisional Head and Support Function, who have been brought in through mergers and acquisitions and continue to work for the PERSOL Group. We think we should be very proud of our team.



Staffing

FY23 Revenue
US\$1,778 mil

- **Managed skilled and professional workforces. Contract/Temporary staffing services**
- **Permanent recruitment** for both blue and white collar
- **HR Consultation and Training services**
- **Outcome-based services** e.g., project workforce management, concierge, etc.
- **Industrial maintenance services** covering contract maintenance, shutdown and project services to light and heavy industry



Maintenance

FY23 Revenue
US\$1,090 mil

■ Facility Management (FM)

- **End-to-end management of organization's facilities and services**, including reactive and preventative maintenance all under a **comprehensive outsourced contract**
- **Soft services** e.g., pest control, cleaning, waste removal, catering, security
- **Strategic asset management and spend analysis**
- **Maintenance Planning**

■ Property Services (PS)

- Commercial Painting services
- Grounds, Golf and Racecourse maintenance
- Corporate Imaging, Electrical Technologies services



Let me then reiterate about our business domain. The two main categories are staffing and maintenance. In Japan, the word "staffing" conjures up images of temporary staffing, but overseas, the term "staffing" refers to human resources services, including both permanent placement and temporary staffing, with revenue of US\$1.7 billion in FY2023. Maintenance includes facility management and property services, with revenue of approximately US\$1 billion.

Staffing Business - Strategic Focus



Become the **No. 1 Human Resource services company in APAC**, in terms of size and profitability, under a highly efficient and productive management to enable further growth toward FY2025

Client Focus

- Strengthen **Regional Clientele** across markets
- Establish our **core business lines** in all markets

Sustainable Growth

- Build an **effective and sustainable structure** for long-term growth
- Data-driven decisions to boost **productivity and profitability**

Borderless Talents

- Leverage our **network** to provide in-demand Talents from **skill-rich regions to work anywhere**
- Optimize **regional resource utilization**

Digital Transformation

- Build and utilize Technology** to transform our processes, enhancing productivity and efficiency

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14

In the area of staffing, our goal is to become the No. 1 human resources services company in the APAC region, and we are currently working diligently to achieve this goal. What is needed to achieve this is described in the lower half of the slide, including Client Focus.

Staffing Business - Strategic Focus in respective SBGs



- Develop Strategic Business Group (SBG) according to the macro situation in each market
- Strategies vary depending on the market position and business mix for each SBG

SBG3 (VN, TH, ID, TW)
Improving PERM^{*1} productivity and building a strong foundation and process to scale up TEMP^{*2} business

*1 Permanent recruitment *2 Temporary staffing

SBG1 (SG, MY, IN)
Developing a sustainable business model that embraces innovation and fosters collaboration

BTI ExecutiveSearch

BTIES APAC
Improving productivity with an efficient cost structure and enhanced focus on client acquisition

SBG1 (AU, NZ)
Expanding the client base while enhancing productivity for both PERM and TEMP business



PERSOL KELLY CONSULTING
+ PCG APAC

SBG4 (KR, PCG^{*3} APAC)
Strengthening presence in Korea and exploring new business opportunities for PCG

*3 HR consulting service

SBG2 (CN, HK)
Laying the foundation and building structure to scale with strong leadership team to drive growth

SBG5 (Industrial, Infrastructure, Training)
Developing a lean structure, strengthening processes, efficient cost management, and accelerating the "speed to market"

SBG6 (Energy & Resources)
Building a growth story and expanding business footprint in Queensland

15

As you can see from the organization of our business, we are now operating the US\$1.7 billion business I mentioned earlier, divided into this many organizations. Since each of the 13 country/regional markets has a very different strategy, we have divided them into segments and have a firm focus and execution within each

segment. First of all, SBG1, the second market on the left, is a relatively mature market in which we have a large market share, consisting of Singapore, Malaysia, and India. We are basically operating with the goal of pursuing profitability and maintaining a solid market share. Next, listed second on the right side, is SBG2. We are aiming for further expansion while investing in both China and Hong Kong, which have very large market sizes. SBG3 is the so-called growth countries, which include Vietnam, Thailand, Indonesia, and Taiwan. Since these countries have a growing population and are expected to experience significant growth in the future, we aim to achieve the top market share by focusing on permanent placement, and after achieving the top market share, we hope to increase revenue and profits in line with market growth. SBG4 is South Korea and consulting business. The business here is growing at an exceedingly stable pace, and I believe that the main agenda for SBG4 is to increase revenues and grow the business. Next is SBG5, shown in the lower right corner. SBG5 covers manufacturing, infrastructure, and training in Australia, and the key agenda is to see how far we can go with technology to make our operations more efficient, because the margins are not that high, although we are a very large business. SBG6 is the mining industry. Australia has a very large mining, energy, and resource base, and we are doing staffing for this. We believe this is a growing business, and we are aiming for revenue and gross profit growth while also making investments. BTIES APAC, shown on the left side, is the so-called executive search business. We are currently expanding permanent placement services for clients with relatively high annual income structures in major Southeast Asian countries, Australia, China, and other APAC countries, and are in the process of significantly increasing our headcount and growing. We are also engaged in white-collar human resources business in Australia and New Zealand, which are listed at the bottom of the left-hand side of the page, included in SBG1. For SBG1, we place a high priority on using technology in addition to stable growth, and as in Singapore and other countries, we are working hard on our agenda for Australia and New Zealand to use technology to increase efficiency in the white-collar area. We have a very large business that has been grouped into segments, and each segment head has a clear understanding of the key agendas that I just described, and under the leadership of Francis, who heads the staffing business, we are developing our business in our staffing business organization.

Maintenance Business

- **Facility Management (FM)**

- Facility management services cover the provision of outsourced services to the owner or operator of the asset or facility.

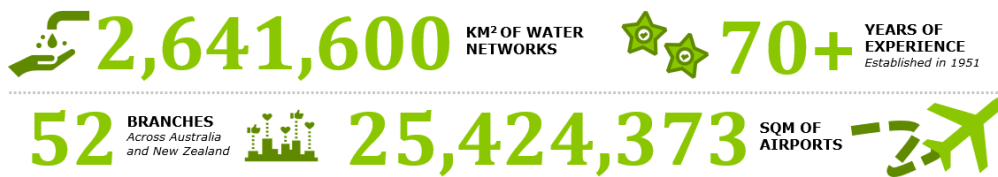
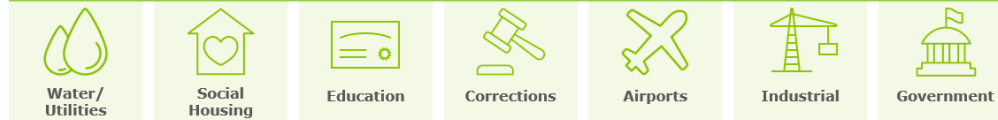
- **Property Services (PS)**

- Property Services provides a variety of services for maintenance and management of customers' facilities and assets.

- **Collaboration with FM and PS**

- There are overlapping areas with the PS such as Painting and Open Space. The difference is that FM usually manages the master contract, while PS directly provides the specific service. Given the overlapping interests, PS often collaborates as a vendor in FM's multi-year projects.

Key Sub-Segments



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13

Next, I would like to talk about maintenance. There is probably no company in Japan that does this business as human resources business, and PERSOL does not do this business in Japan, so I will explain it as it may be difficult for you to understand what it is. Maintenance includes facility management, known as FM, and property services. I would like you to understand first of all that there are these two types. Facility management is a service that provides focused maintenance and outsourcing services to owners and operators of assets, equipment, and facilities. We have a variety of projects, but to give you an example, we are doing maintenance for the City Hall in Melbourne. With regard to the facilities in the city hall, there is electricity and there is gas. We have to do maintenance on the floors and the walls. FM business is the comprehensive contracting of such business for the proper maintenance of facilities. We have various subcontractors under FM, and we also control the subcontractors. Property services, on the other hand, are more like direct maintenance of facilities. For example, we are often in the business of painting the exterior walls of schools and other facilities, which we call painting services. We also have a service called grounds. There are many parks in Australia, and we maintain the trees in these parks, watering them and cutting branches, etc. In some cases, we receive business as FM, but with property service handling part of that business, so the two businesses complement each other. Property service is involved as subcontractors for about 10% to 20% of PERSOLKELLY's revenue from projects comprehensively undertaken by FM, and we would like to increase this figure in the future.

Facility management – Growth Strategy



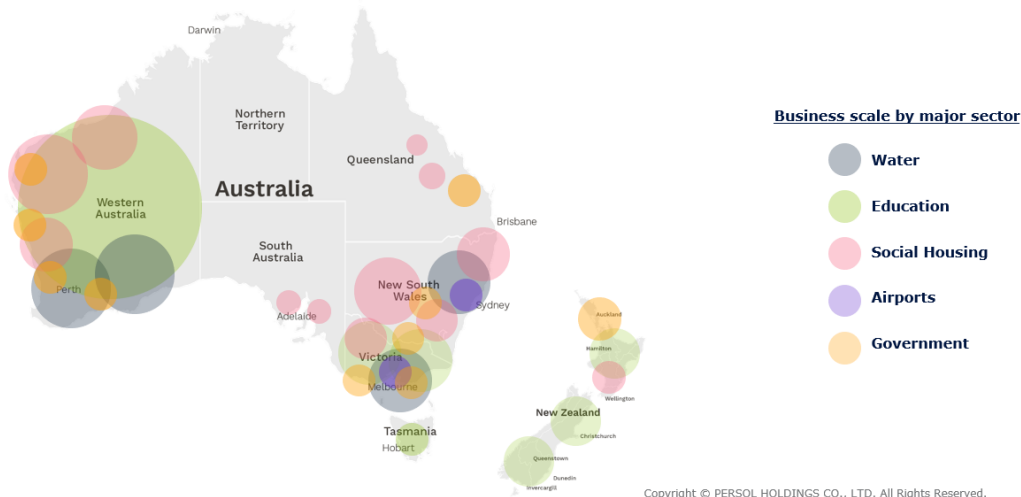
Programmed is in the top three of facility and asset management providers within our core industries of Water, Education, Social Housing, Airports, and Government.

We look to increase our market presence within these core industries while exploring **future growth industries**. This allows us to expand upon and **leverage our service offerings** to take advantage of **emerging trends**.

As for FM, we are currently doing business in the areas shown on the left. More than 90% of revenue are government-affiliated. These are projects from the Australian national, state, and city governments. We are engaged in a variety of businesses, such as education, which includes, for example, the operation of facilities at universities and high schools. If you go to the left, you will see Social Housing, which is public housing maintenance. Water, this is the operation of the water department's facilities. This business is growing a lot right now. Corrections means prisons, so we also do maintenance for prisons. Below is Airports. In terms of the larger airports, Melbourne and Sydney, we provide comprehensive maintenance services for airport facilities. As for Utilities, we are also involved in public infrastructure facilities, including electricity and gas. In Telecom, we focus on facility management with telecommunications carriers and have recently taken on a major project. As I mentioned earlier, we also take on various projects from governments in terms of managing buildings such as city halls and state government buildings. This is an overview of FM.

Facility management – Core Sector reach

- For Australia & New Zealand, FM operates across all major markets in both countries.



15

In terms of regions, we have a very broad range of businesses throughout Australia, and we also have a very large business in New Zealand. In terms of businesses, we are doing a great deal of business in Western Australia (WA) whose largest city is Perth, as well as in large cities such as Melbourne and Sydney. As for New Zealand, which I mentioned earlier, we have taken on many projects from schools and the government.



Mid-term Management Plan update

April 2023 to March 2026

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21

The above is an overview of our business, and from here I would like to talk about the progress of our Mid-term Management Plan.

Three Pillars of the APAC Strategy



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

The Mid-term Management Plan is very simple for APAC, and has three pillars. We have been doing mergers and acquisitions for a long time, so we have a very large number of businesses in various countries. Which of these businesses should we really focus on? Conversely, if there are businesses for which we are not the right owner, we were committed to doing the right thing to make them optimal business ports, including boldly selling them off. This is a way of doing what is called "selection and concentration" properly.

Second, as I mentioned earlier, we have been doing mergers and acquisitions for a long time, so our back offices are redundant in some countries. In this context, we are not optimizing our costs, so we will make structural reforms, mainly with respect to the back offices.

The third is DX. Our businesses are very labor-intensive, so I believe that it is inevitable that we will include technology and digitize our processes with respect to each of our businesses, thereby increasing our productivity. This would be primarily a collaboration with the Japanese side. The Japanese side is very digitized in the human resources business, so we will work with them to develop the human resources business in APAC, especially the DX for permanent placement, which I will explain later. The third pillar of our plan is to firmly implement the DX of "permanent placement."

Strategic pillar ① Revise the Business Portfolio



Key Measures

Status as of FY23 end

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

focus on Facility Management

Placement Rev Growth last 3yrs (USD)

PERM Rev. FY20 **\$42**mil **13** % pa FY23 **\$60**mil

FM Rev Growth last 3yrs (USD)

FM Rev. FY20 **\$456**mil **19** % pa FY23 **\$767**mil

Business Selection and Concentration

Divestment of Health div. (May '24)

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23

The results status for 2023 compared to 2020 is shown here.

First of all, regarding portfolios, we are focusing on "Selection and Concentration."

In terms of selection, we believe that the placement business is extremely profitable and capital efficient. This is a business in which we are very strong in Japan, but in Asia it is very small compared to the temporary staffing business, so our aim is to invest a lot here throughout the 13 countries/regions. This is growing at a 13% CAGR over 2020. Although COVID-19 has caused some difficulties in this area, revenue has reached US\$60 million in 2023, which is directly translated into gross profit, so we are seeing solid growth in both revenue and gross profit.

Furthermore, facility management, as I explained earlier, is very stable. For most of our contracts, we have contracts for more than 10 years. In addition, working capital is basically paid by customers in very short cycles, so the business does not require much working capital. In that sense, I believe that this business will contribute very much to ROIC improvement, and I said at the time of the Mid-term Management Plan announcement that we would focus our efforts on this business. This business is growing at 19% CAGR each, and by 2023 it was worth nearly US\$800 million, or more than 100 billion Japanese yen. At the same time, in the context of selection and concentration, we have been reviewing various businesses that we need to sell. The sale of Programmed's Australian health business, which mainly provided home care, especially for the disabled, some elderly care, and some veterans' care, has been completed. As for us, we are now able to fully concentrate on permanent placement in staffing and FM in maintenance, as I mentioned earlier. We believe that we are steadily reviewing our business portfolio in this way.

Strategic pillar 2 Implement Structural Reforms and Cost Optimization



Key Measures

Status as of FY23 end

C

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

Reduce support cost last 3yrs (USD)

Total Support Costs

FY20	+	\$20 mil	FY23
-\$40 mil			-\$20 mil

Integration of corporate functions has made significant progress.

D

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

Malaysia SSC HC last 3yrs (USD)

Malaysia SSC* HC

FY20	+	177 HC	FY23
1 HC			178 HC

1st year

Reduction of HC in AU which has relatively high personnel costs

* Shared service center

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24

Next is cost optimization through structural reforms, and as a result of mergers and acquisitions, we have support functions in various places. In order to completely consolidate these functions, we have created a regional headquarters, PERSOL Asia Pacific, and have centralized all corporate functions under this regional headquarters. As a result, we have been able to reduce support costs by about half compared to FY2020. This has contributed to the improvement in profitability that you have just seen. As part of our cost-cutting efforts, we are transferring our back-office operations in Australia, where personnel expenses are high and our business is large, to Malaysia. Malaysia has very high language capabilities and costs are very low compared to Australia. To be more specific, the costs are about one-third. The shared service center started with one person as a start-up in 2020, but by 2023 there were 178 employees, and most recently probably over 200, in Malaysia, and they are doing business in Australia. We hope you understand that this has further contributed to the halving of support costs.

Strategic pillar ③ Boost productivity through DX investment



Key Measures

Status as of FY23 end

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**

Progress of the action plan (PERM)

- **Consider future business models based on doda model**
- **Collaborate and proceed with Career SBU**
 - Collaborate with the data scientists of Career SBU
 - Enhance the APAC ATS (Applicant Tracking System) algorithm and improve the precision of AI auto-matching
 - This has been implemented in SG and targeted to launch in MY within FY24

Progress of the action plan (TEMP)

- **Launch Programmed GO in APAC**
- **Build user-centric technology for TEMP business to serve clients, candidates, and consultants**
 - Enhanced UI/UX of the search function to reduce time to job matching
 - Launched in SG and MY

Candidate portal

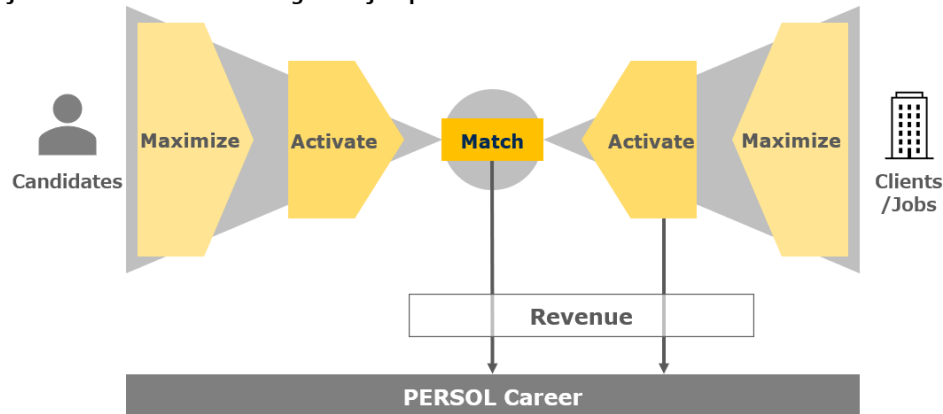


Next is DX. As for permanent placement, doda has a very good business model and excellent AI matching technology, so we are now coordinating with doda to create a business model that combines a so-called job portal and permanent placement, based on doda's ribbon model, which we will discuss later. Moreover, one of the most important parts of the permanent placement process is the matching process, which in other words links order and the candidate, but as long as this is done by people, it is difficult to increase productivity. doda is equipped with a very brilliant AI, which is now a great help to our consultants when they are matching. A project has been launched to apply the same technology in APAC, and has been in operation for a year now, with some trials already underway in Singapore and elsewhere.

Basic structure of the Placement business in Japan



- The basic structure of the Placement business in Japan is shown in the ribbon model below
- Revenue is generated by acquiring job orders from clients and matching them with job seekers sourced through the job portal



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26

doda's ribbon model is shown on this page. What makes doda so strong is that they have a portal that connects job seekers and recruiting companies, a so-called recruitment medium. There, you can see what kind of jobs clients have posted most recently, which orders are not attracting the right candidates, and so on. It is also a good place to learn about the intentions of job applicants and the types of jobs that interest them. Based on this model, the company has established a model in which it charges for job advertisements on doda and also charges for permanent placements on doda. More to the point, the productivity of permanent placement is significantly increased by the data from the portal, as consultants can do work based on a variety of data. We would like to promote this model in Asia as well, and since no other company in Asia is doing this, we are now working with PERSOL CAREER to establish this model. Let me go back one slide.

Strategic pillar ③ Boost productivity through DX investment



Key Measures

Status as of FY23 end

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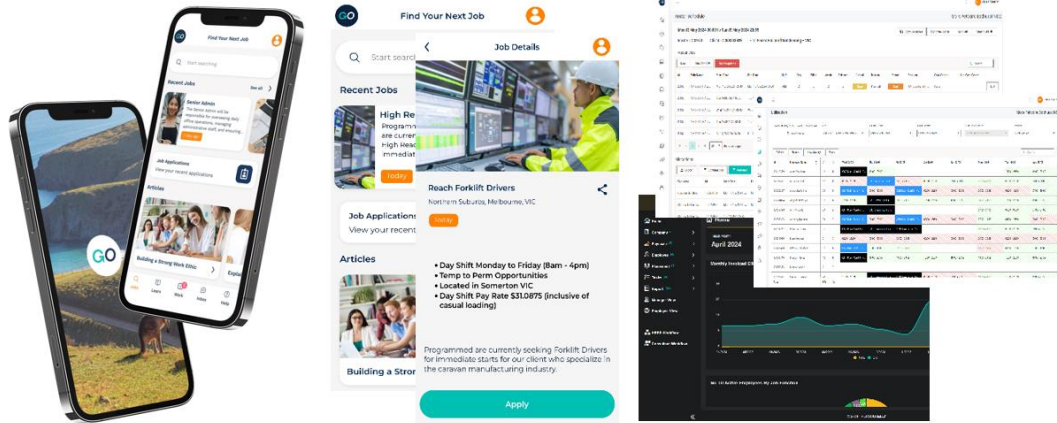
Candidate portal



For temporary staffing, Programmed GO, a mobile application mainly for candidates and a web-based application for clients, is also available, something originally from Programmed. We are now looking to expand this to Singapore and Malaysia to increase the productivity of the temporary staffing business in Singapore and Malaysia.

GO App

- User-centric technology for TEMP business to serve clients, candidates, and consultants
- Through GO App, candidates can search and apply for jobs, manage their job & shift confirmation, receive their pay-check, and so forth



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27

Specifically, there are many more benefits to the candidate now than to the customer. Candidates must install the mobile application, but it allows them to search for and apply for temporary positions that we have available. You can also do the even more cumbersome adjustments there. If a contract is to be signed, a subsequent contract can be signed there as well. In addition, all payroll work is done there, and pay stubs can be viewed there as well. This will significantly reduce the man-hours of consultants who used to communicate with candidates in various ways. This has actually been implemented in Australia, and we are now planning to introduce this in Singapore and Malaysia, and then to implement it in all other Asian countries as well. For our clients, we have a web-based dashboard that allows them to see at a glance the availability of staff dispatched from our company, for example, to approve timesheets, or to see how much they will be billed for this month. We now have almost 100% of our customers in Australia utilizing these tools, and the rate of satisfaction is very high. We would like to expand that in Asia from now on. To repeat what I said earlier, trials are being conducted in Singapore and Malaysia, and we are in the process of rolling them out in other countries as well. This will be rolled out in all countries during the current Mid-term Management Plan period.

APAC SBU FY23A and FY25 MTBP Targets



- On track in FY23 and expected to achieve the FY25 MTBP financial targets
- The FY23 ROIC improvement plan is on track, and making progress to the 10% FY25 ROIC target in the MTBP
- FY24 budget has been structured in line with the original MTBP FY24 target

FY23 Actual

Revenue

US\$ 2,932 mil

Adjusted EBITDA

US\$ 69.3 mil

- FY23 Actual is based on FY23 Budget FX rate
- Both Health and Workmate are included

FY25 (MTBP Targets)

Revenue

US\$ 3,080 mil

Adjusted EBITDA

US\$ 92.7 mil

- FY25 is based on FY24 Budget FX rate
- Both Health and Workmate are excluded

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28

When I talked about our financial targets at the time of the last Mid-term Management Plan, I said that we were aiming for revenue of US\$3 billion and adjusted EBITDA of US\$92 million by 2025. As of 2023, revenue reached US\$2.9 billion and adjusted EBITDA nearly US\$70 million. This means that we have achieved far more than the numbers originally envisioned for 2023. In the Mid-term Management Plan, we had stated that EBITDA will be 15 billion Japanese yen in 2025 and operating profit 10 billion yen, but due in part to the impact of exchange rates, EBITDA in excess of 10 billion yen was already achieved as of 2023. At this rate, we are on track to reach the 2025 target in Japanese yen by 2024, and our business performance has been very favorable. Moreover, we believe that we will achieve a ROIC of 10% by 2025, although our ROIC is currently very low, as a result of a series of mergers and acquisitions. We are making very good progress in this area as well, and we are now almost at the point where we can see the achievement of 10% ROIC by the year 2025.

Growth Strategy

Toward 2030

Finally, I would like to talk about the future.

Growth Strategy



■ Regarding FY26 onwards beyond the current MTBP,

**APAC SBU aims to achieve
Revenue of 700-800* bn JPY and
Adjusted EBITDA margin of 7-8% by 2030 through
growth and investment in the following key three areas:**

- ① Facility Management Business**
- ② Placement Business**
- ③ DX/Tech Strategy (doda model for APAC)**

*Note1: exchange rate; 1US\$=150JPY, 1AU\$=100JPY

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30

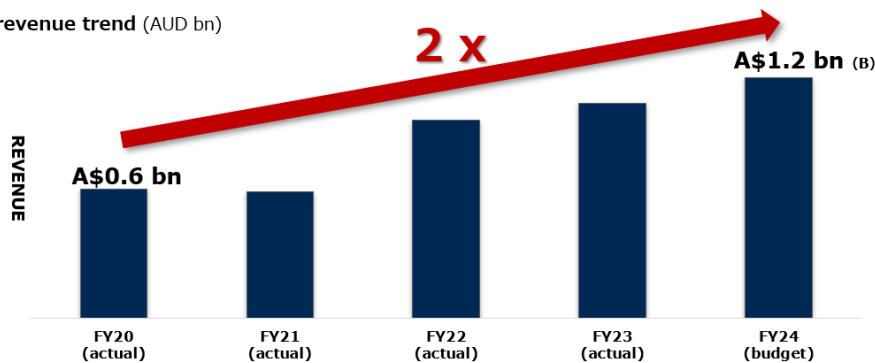
Some might repeat the question of why we are doing business in APAC, and as I already mentioned, we have a scale of 400 billion yen, and we have almost the top share of the market in major countries. In the human resources business, market share is extremely important, and in markets where we have a near-top market share, we expect our market share to grow as the market grows. That is what happened in Japan. I believe this will happen in Asia as well. Salary levels are still lower than in Japan, but Vietnam and Indonesia are rapidly catching up with Japan in terms of salary levels. The market sizes have grown accordingly, and I believe that we have the top market share in almost all major markets and will continue to grow as the market grows. I believe that a scale of 700 to 800 billion yen in revenue by 2030 is not just a dream, and we are determined to raise it to that level. Moreover, at the same time, by implementing the measures described below, we will also raise the adjusted EBITDA margin to 7%-8%. As a result, we are confident that APAC can become an important mainstay business for the PERSOL Group at that time. I think it is the mission of APAC to do so, and I believe that is the meaning of doing business in APAC. As for what we are going to do from now on, we will not change much from the current Mid-term Management Plan and grow the FM business, and I think it is very important to increase the adjusted EBITDA margin in the highly profitable placement business. To boost permanent placement, we believe that DX investment and the overseas development of the doda model are extremely important, and although we have not yet announced the next mid-term management plan, it's our APAC policy to continue to implement these three pillars as we head toward 2030.

Key Growth Pillars : ① Facility Management (FM)



- FM business is profitable and capital efficient, serving as a key driver for future growth in APAC
- FM FY24 revenue is projected to double compared to FY20, reflecting a robust growth rate of 13% p.a.
- The market size of FM in ANZ is approximately A\$15bn. We aim to expand market share through customer acquisition in new sectors and regions, with a target to achieve sales of A\$2-3bn by 2030.
- Leveraging our business expertise in ANZ, we plan to expand into APAC markets, thereby accessing new opportunities to bolster growth geographically.

■ FM revenue trend (AUD bn)



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31

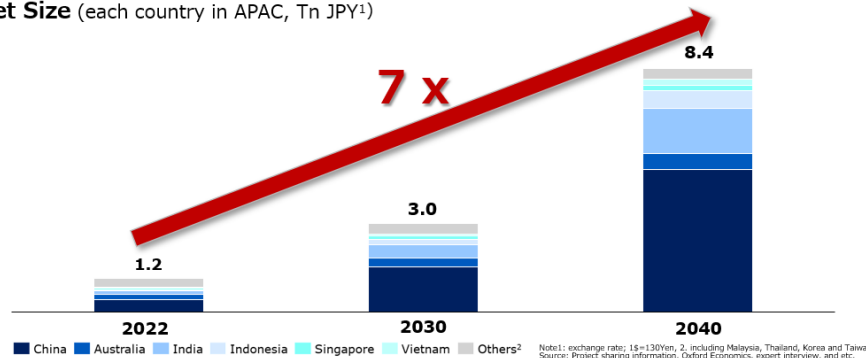
First of all, the market for FM is growing rapidly. It has nearly doubled compared to 2020, and I believe that this is due in part to the trend in Australia of various sectors being shifted from the public sector to the private sector, and that what was originally done by the government itself is being increasingly transferred to the private sector. The market is getting bigger and bigger, and since we are in a good position in the market, I think we are growing rapidly. I believe that growth can be expected beyond 2024, and that the market will be even larger by 2030, so I would like us to focus firmly on FM in Australia. In addition, we are now very knowledgeable in Australia regarding FM. Technology is also important when it comes to FM. We must have the technology to manage various types of facilities, and we have accumulated the knowledge to manage them in our 40 years of experience. I believe that we can expand our business in Asia, where such facilities will increasingly be built in the future. As a specific example, in the Philippines, there is talk of building more and more new airports, and the Philippine government is also in the process of building more and more facilities. The governments of the Philippines, Malaysia, Singapore and other countries have told us that Programmed is doing a good job in Australia, that we have accumulated a lot of knowledge, that the number of their facilities has increased, that they need to do facility management from now on, and that they have been doing it on their own up to now but have now reached their limit. We would like to expand into those countries, and I think that if we expand into those countries, the market size will increase dozens of times if not more. We would like to do so without hesitation.

Key Growth Pillars : ② Placement business



- The APAC recruitment market size is forecasted to expand 7x from 2022 to 2040 (12% growth p.a.). PERSOL
- We currently hold the No. 1 market share in several markets, including Singapore. As wages continue to rise in APAC and the market expands, we foresee opportunities to scale our business and maximize profits in those markets.
- The Chinese market, being notably large, offers boundless opportunities to expand our market share. Our strategic focus will be on growth in China, aiming to develop it into a key growth pillar for the APAC SBU.

■ **Market Size** (each country in APAC, Tn JPY¹)



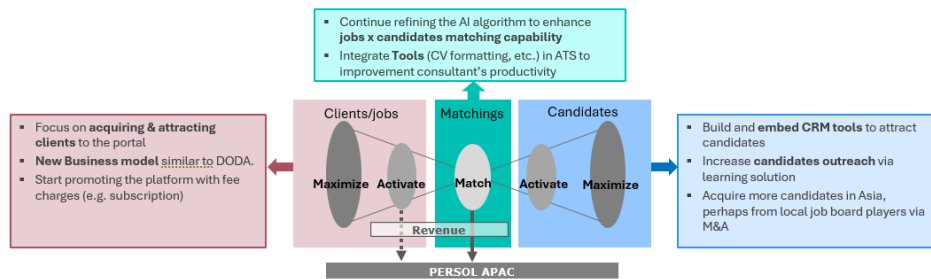
32

Next is permanent placement. As for permanent placements, the population is naturally growing and salaries are increasing, so even if fees are not as high as in Japan, the size of the market will continue to grow. I think the market will grow in Asia at a greater rate than in Japan for permanent placement. Especially with regard to China, I believe it will continue to grow. We currently have 400 permanent placement consultants in China, and I think it will be easy to increase this number to 1,000 or 2,000, so while doing that, we want to continue to expand our permanent placement business in other markets as well.

Key Growth Pillars : ③ DX/Tech strategy (doda model for APAC)



- A key measure in the DX/Tech strategy is the implementation of the doda model (Placement + Job portal) in APAC. The model maximises efficiency and profitability through a robust auto-matching algorithm and an extensive candidate and customer database.
- While this model exists in Japan and highly profitable, it has yet to be replicated overseas, particularly in the APAC region where major players are absent.
- By introducing the doda model, candidates and clients will be attracted to the job portal, increase monetization points, and drive significant productivity improvements and revenue growth in APAC.
- **Eventually, our goal is to develop a tech model that optimises the acquisition and matching of candidates, clients, and jobs across the APAC region.**

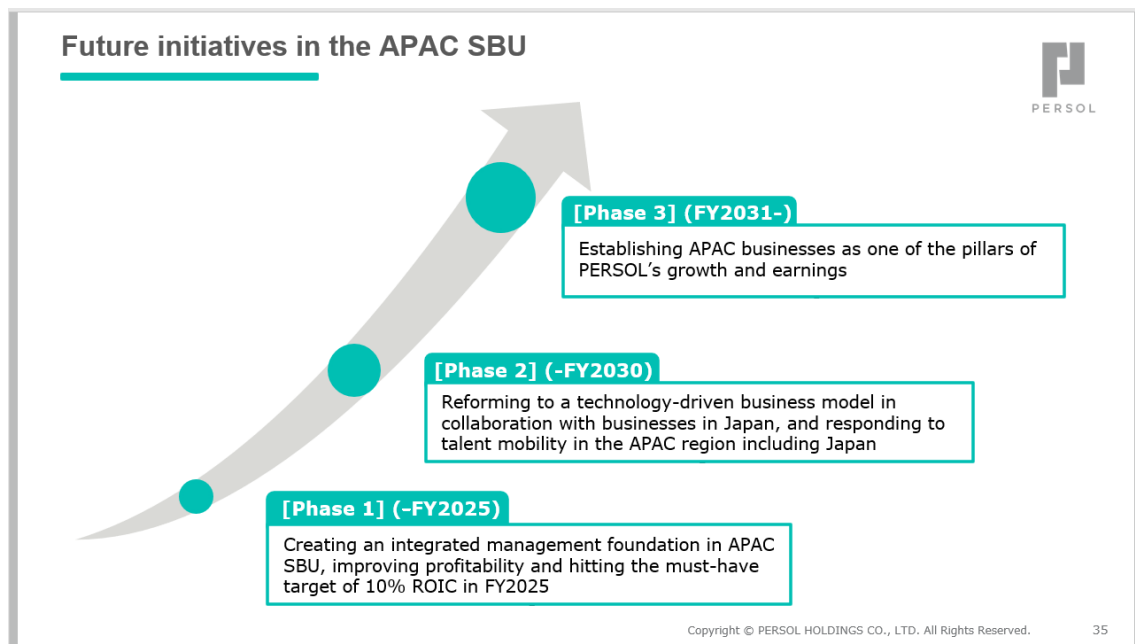


33

With that in mind, as I mentioned earlier, I believe that DX investment is key. Even if we only do the current labor-intensive manual permanent placement, the profitability of the permanent placement is naturally high, but it is not expected to be as profitable as it is in Japan. In this context, we are looking at permanent placement combined with job advertisements, and also with the incorporation of AI in the permanent placement matching process, as well as the incorporation of various technologies in other processes. If we can digitize more than half of the permanent placement process like that, the productivity of our consultants will double. Further, with respect to so-called job advertisements, we do not have any, so we pay a large amount of money to other job advertising media and LinkedIn. If the doda model can be implemented, we can save money there as well.

Moreover, considering that we receive the data, which is extremely valuable for matching, I believe that we can expect the market to grow and profitability and productivity to improve by building that, so we would like to do this by combining DX and permanent placement growth as we invest in DX.

We believe that this is the key to improving EBITDA margin, and we would like to work in close coordination with the Japanese side in this area.



The growth scenario of the Mid-term Management Plan is as I have explained up to now, but first of all, ROIC of 10% in the current Mid-term Management Plan, as I mentioned earlier, is almost in sight as a result of various efforts. Furthermore, profitability has been improving. After completing this goal, in the next mid-term management plan, we will work in cooperation with the domestic business I mentioned earlier, especially with PERSOL CAREER's "doda," and firmly develop the "doda" model in Asia. In the next mid-term management plan, we will expand DX for permanent placement and further solidify our position as market leader. Going forward, we would like to make the APAC businesses have revenue in the trillions of yen all by themselves. This will be the strategy for the APAC SBU over the mid-to long-term.

The above is an overview of the SBU's businesses in Asia Pacific.
Thank you for your time and attention.