

## PERSOL Technology Overview

— The Group's Initiatives Based on AI and DX and Future Direction —

22 July 2025 PERSOL HOLDINGS CO., LTD.

## PERSOL HOLDINGS CO., LTD.

Held on Tuesday, July 22, 2024

Script of IR DAY 2025

## [Executive Officer CIO/CDO Tsuge]

My name is Tsuge Yuta, and I am CIO and CDO of PERSOL Holdings. Thank you in advance for your time today.



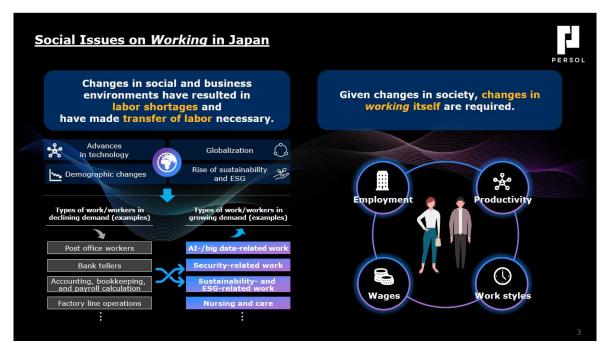
First allow me to introduce myself.

I joined Persol Career in 2006, where I got my start in sales. I then gained experience in the planning side through business planning, sales planning and corporate planning. From around this time, I was also overseeing the Technology Division. Then from 2019 I began placing a primary focus on technology, and since 2022 I have served in my current position as the CIO and CEO of PERSOL Holdings. As you can see, I have worked a long time in the HR business, and I've experienced many facets of the industry, including sales, planning and technology.



Now let's move on to today's agenda.

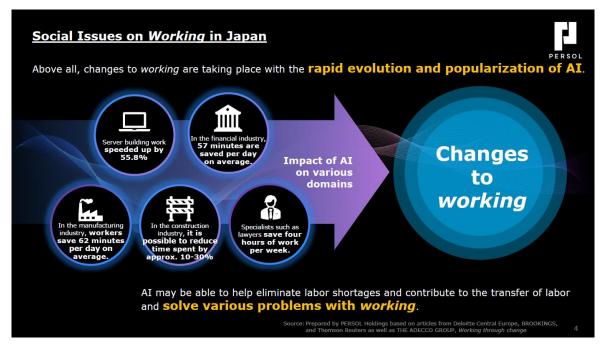
I would like to talk about three things today, starting with the direction of the PERSOL Group. Second, I will present some examples of technology initiatives, and third, I will speak more about the future.



First off, let's look at the social issues faced when working in Japan. Needless to say, labor shortages and issues with transferring the labor force to areas where it is needed top the list.

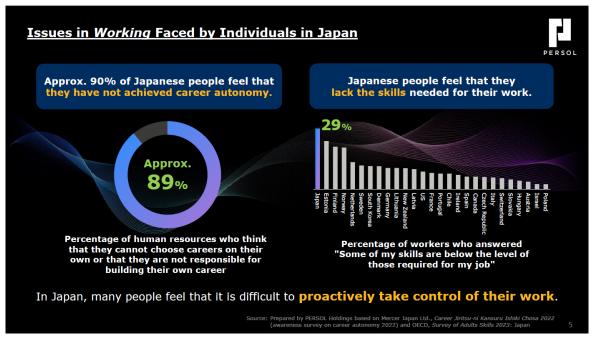
There is declining demand for the types of work on the lower left, and rising demand for those on the right. This is where we face the challenge of having to transfer the labor force.

In addition to that, we are now at the stage where work itself is undergoing significant changes, as we can see from issues with productivity, working styles, wages, and the role of employment for both individuals and corporations.



And as society continues to change in dramatic ways, there is a sense that this transformation is accelerating due to the rapid spread and evolution of AI.

I think AI is a technology with the potential to help solve the labor shortage and labor transfer issues facing Japan, and that's why we want to take full advantage of AI.



On the other hand, looking at the issues faced by individual workers in Japan, 89% of them feel they have not achieved career autonomy, and the percentage who feel they lack the skills needed for their work is extremely high by global standards.

In other words, many workers in Japan feel it is extremely difficult to take active control over their own work. One of the reasons for this are the unique aspects to working in Japan that developed during its high economic growth period, such as lifelong employment, seniority-based systems and job rotations. Those things have now become problematic.



I just described the personal issues and social issues, but we think we can contribute to the social issues by solving the personal ones. If the number of individuals who can make their own choices increases, society will become more fluid and accepting, and the concept of work will be updated.

The number of people successfully switching jobs while dealing with these current issues is estimated to be 3.25 million. On the other hand, there are 28 million individuals who are considering changing jobs in the future. We believe that as more people become able to make their own career choices and further develop their skills, there is still significant room for growth in the job change market.

We want to increase the number of people capable of self-growth and making their own career choices, developing greater freedom in their work.



This reflects the stated role of PERSOL to be pursued over the course of our Mid-term Management Plan: a "career well-being".

This is just one example, but we've put together a video showing how this was achieved.

Please refer to the on-demand video from approximately 4:18 to 7:00.



I hope you enjoyed the video.

Again, this is just one example, but I think it illustrates how we can expand the possibilities for each individual and the freedom of working, which in turn produces greater happiness for both individuals and society as a whole.



Next, I would like to explain about some specific technologies.



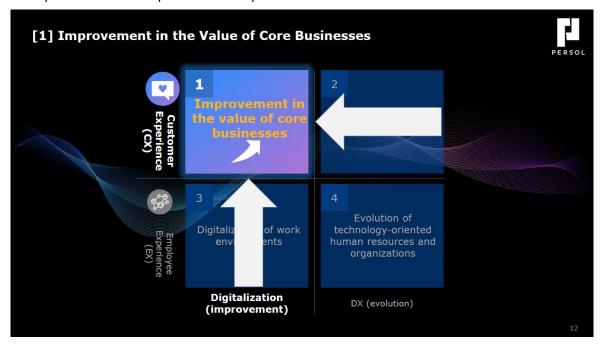
The Group's Mid-term Management Plan is entering its third year (the last year), and we have been pursuing a Group Technology Strategy in parallel.

Our main strategic direction as you can see here is to use technologies to improve and evolve both the customer experience and employee experience.

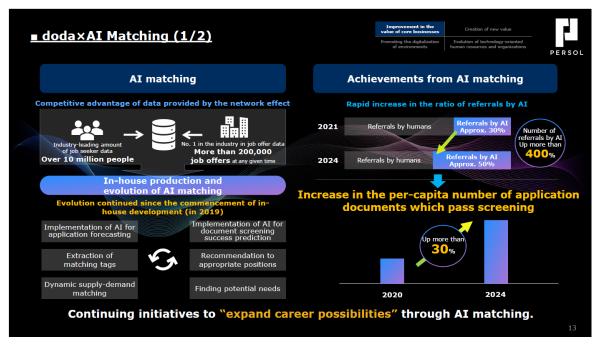
More specifically, the vertical axis represents customer experience and employee experience, while the horizontal axis represents digitalization and DX. First is improvement in the value of core businesses. Second is the creation of new value. Third is the digitalization of work environments, and fourth is the evolution of technology oriented human resources and organizations.

These are the four themes guiding our strategies.

Today I would like to present examples of these four themes at work.



Let's start with the first - improvement in the value of core businesses.



The first example I'd like to share is AI matching integrated with doda.

In fact, we have developed AI matching with doda in-house since 2019, and we have continued to evolve that initiative.

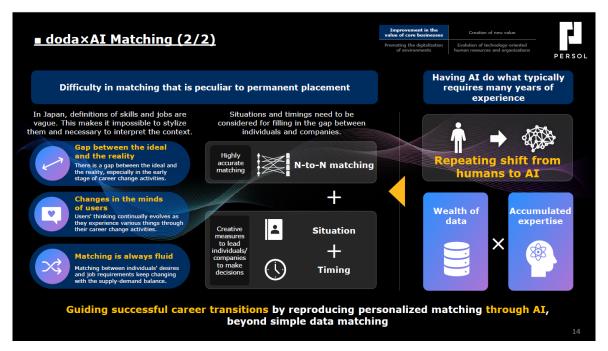
The logic at work behind the scenes is extremely complex, but basically we have integrated an applicant prediction AI and application documents screening prediction AI. When job offers are matched with individuals, we create tags. By identifying more and more of these matching tags and implementing various other logics, we can uncover the potential needs of applicants, even needs that individual applicants are not aware of.

As a result, in 2021 AI-driven referrals were around 30%, and by 2024 this had risen to around 50%.

If we were only using AI to make referrals, we could achieve 100% referrals, but the goal isn't just to make referrals; we want candidates to apply properly, go through the interview process, and ultimately succeed in changing jobs. That is why we have put a greater emphasis on implementing a matching logic that goes beyond making an initial match.

If you look at the right bottom, you can see that it isn't just referrals that have increase. The number of applicants passing document screening has also gone up by 30%.

We believe that getting companies and individuals to actually meet maximizes the opportunities for both of them and leads to successful outcomes. That is, we will have been driving these initiatives.



Today I would like to explain in a little more detail about matching in the placement business.

There is depth in the logic that is allowing us to do the things I just mentioned, and it involves three difficulties.

The first is the gap between the ideal and the reality.

Individuals looking to change jobs have an ideal outcome, but when they actually start career change activities, they will often fail to achieve that ideal vision or encounter difficult problems due to a variety of issues. For example, there are still many individuals in Japan who are changing jobs for the first time, so they often start with an ideal vision but lack an understanding of their own market value, the skills they possess, and what kind of job offers are available. As they continue career change activities, they gradually gain a deeper understanding of those things. This is where our career consultants come in, as they can work closely with individual users to help them understand their own strengths and gain a sense of the market.

The second difficulty is changes in the minds of users.

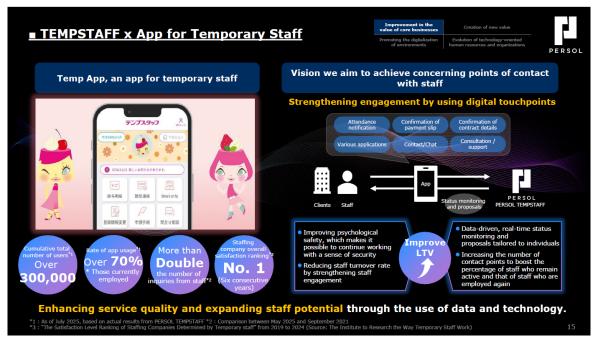
Users can experience mental ups and downs as their career change activities go well or leave them feeling discouraged. These mental changes can significantly affect how users approach their career change activities. This is another area where our career consultants play an important role by continuing to work with users, identifying these mental shifts they are undergoing, and making the best proposals to suit their frame of mind.

The third difficulty is the fact that matching is always fluid.

Even if an individual and a job offer are a great match, the situation on the company's side is constantly shifting, and the rival candidates on the individual's side are also continually changing. These major influences on the supply-demand balance are the third factor that makes successful matches difficult. Unless we integrate this

complexity in matching into our AI matching implementation, we cannot lead individuals to successful job changes. That is why performing this kind of n-to-n requirement matching is only the start of what we do. In addition to that, we consider both the situation and timing, and make on-the-fly changes to ensure that any referrals we make are the right match for the user. This is built into our logic.

This is made possible by leveraging the expertise and wealth of data we have accumulated to date, and replicating what used to be a human-driven process in AI. That is why ensuring career change success by implementing matching that is not simply data matching, but also finds matches based on the circumstances and frame of mind of each individual is a critical point, and something that is extremely challenging.

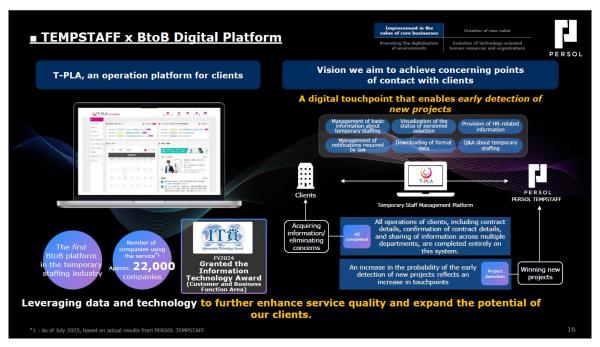


Next, I would like to present an app we have developed for temporary staff in our TEMPSTAFF business.

As you can see here, we provide Temp App, a smartphone app for temporary staff. The app has various features allowing temporary staff to check their pay slips, report attendance, lodge inquiries with PERSOL, and more. As for why we released this app, we wanted to gain a real-time, data-driven understanding of each individual's situation, as this allows us to make recommendations tailored to each individual. For example, if the overtime hours worked by a temporary staff increases for three days in a row, we can immediately detect that in the data, and we can make suggestions to the individual, asking them if everything is okay as it seems the person have a lot of overtime, for instance. This allows us to properly track how temporary staff are doing digitally, so that we can follow up or make recommendations as required.

The also provides significant advantages to the temporary staff using it. I think the biggest one is the ability to make inquiries. Previously, when temporary staff had some worries or issues at work, they could only email or telephone us, but when it is just a minor concern, a temporary staff might not think it is important enough to write out in an email, or it might be difficult to put into words yet, they don't think it is worth a phone call. Those minor concerns have gradually increased, and having this chat feature and the app available has made communication more accessible. That's been a big advantage. By having temporary staff fully utilize these app features, inquiries from these staff have doubled, and we've been able to detect concerns and issues at the early stages. The rate of app usage among those currently employed has surpassed 70% and the cumulative number of users is now over 300,000.

Leveraging data and technologies to further enhance service quality expands the possibilities for temporary staff, and as a result, we have achieved the No.1 staffing company overall satisfaction ranking for six consecutive years.



Next, we have introduced a similar system for companies in the form of T-PLA, an operating platform for clients.

T-PLA is short for "TEMPSTAFF Platform."

As this system is designed for clients, as you can see it allows clients to centrally managed various information related to temporary staffing. They can also visualize the status of personnel selection, download related materials, and check information about temporary staffing in a Q&A section.

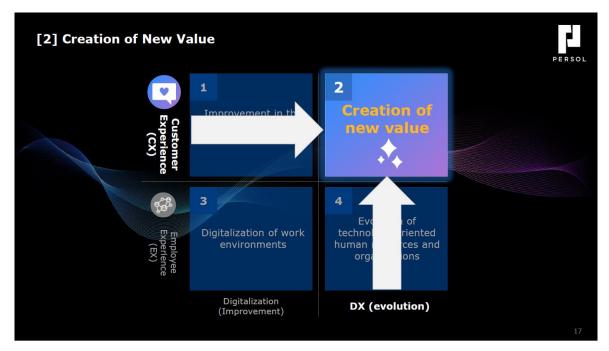
From the perspective of clients, opening up this system allows them to handle all of their temporary staffing-related activities in one place.

At the same time, it allows us at PERSOL to understand what our clients are interested in and how they work, which leads to more in-depth proposals and the discovery of new projects best suited to them.

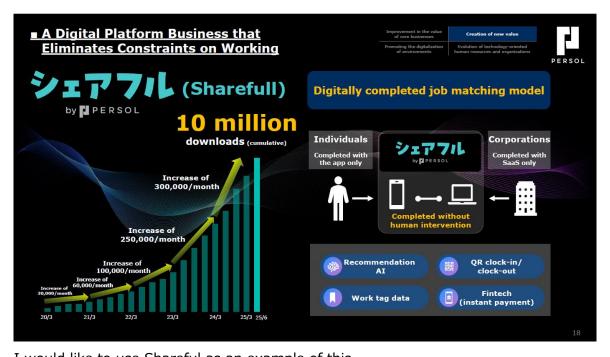
As a result, we developed the first B-to-B platform in the temporary staffing industry and there are already more than 20,000 companies making use of this service.

These efforts have led to an award in the customer business function category of IT awards, demonstrating that our digital initiatives have been recognized even outside the company.

We want to further enhance the quality of services we provide to clients by leveraging data and technology, continually expanding their possibilities.



Next, I would like to talk about how we are creating new value.

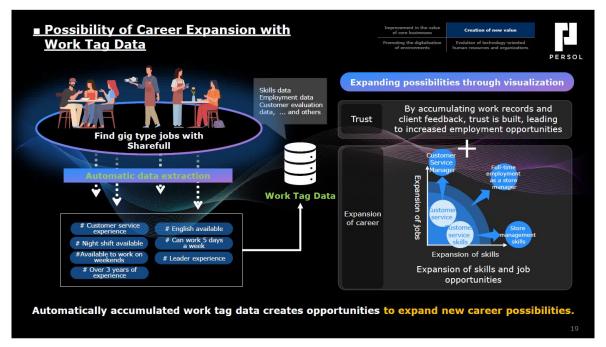


I would like to use Shareful as an example of this.

Shareful is a gig-job type app, operating as a service that lets applicants search for gig jobs.

As you can see at the bottom right, this is an end-to-end digital matching model, which features including AI-driven recommendations, QR code-based clock-in and clock-out, work data accumulation, and instant payments.

Individuals can do everything they need only using the app, and companies can completely manage the system using the SaaS platform. This enables a model that delivers matching without requiring any human intervention.



Among the features offered, I would like to draw your attention to the work tag system. When people do gig-type jobs through Shareful, that data is automatically extracted. As you can see at the bottom left, we continually extract these kinds of data tags, and accumulate it as work tag data for each individual.

And in addition to this tag data, we also continually accumulated data about work history and evaluations from clients.

You may wonder how this opens up new possibilities and how it helps people expand their careers. As you can see on the right, the horizontal axis shows the expansion of skills, while the vertical axis shows the expansion of jobs. Since we have structured the skills, we can see what skills lie ahead of someone based on the skills they currently possess, and this allows us to suggest the next steps for skill development. Similarly for different job types, if we can determine that someone can do a certain job, we can start proposing related roles that they might be able to do in the future, and formulate our proposals accordantly.

As a result, as you saw from the video earlier, by expanding these skills and job experiences, we can suggest possibilities that even these workers might not have noticed, and ultimately, we can help them find and develop their ideal careers.

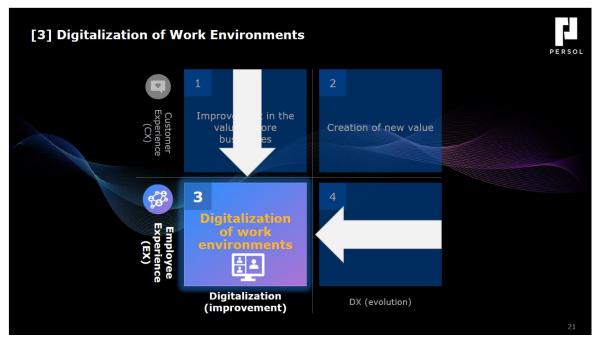
As a result, we believe this automatically accumulated work tag data can help open up new career opportunities, and we aim to continue expanding each individual's career potential.

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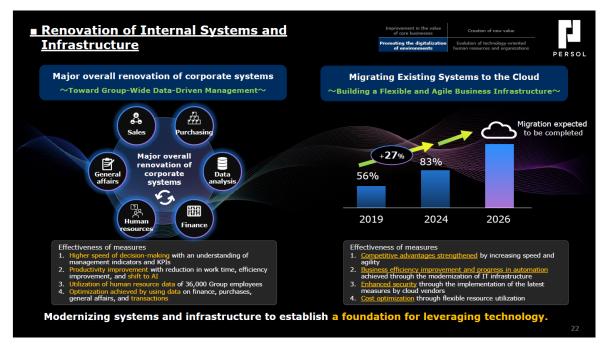


Beyond that, we're also advancing a range of AI initiatives. In Staffing SBU, we're working on AI-generated skill sheets, AI-based job matching, and AI-generated staff evaluation comments. In Career SBU, we're supporting AI-assisted resume creation and automating scout messages. In BPO SBU, we're applying AI to invoice issuance and business process automation.

Due to time constraints, I can't go into the finer details today, but as you can see, we are using AI in a wide range of ways to create new forms of value.



Next, I would like to share an example of how we are digitalizing work environments.



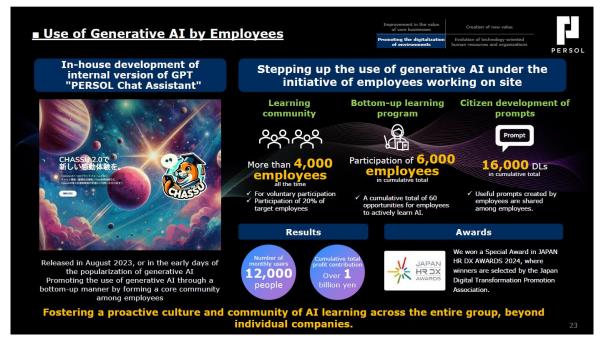
During the current Mid-term Management Plan, we have been driving a major overhaul of our corporate systems and infrastructure.

As you can see here, we have been completely revamping corporate systems including purchasing, finance and HR.

The expected benefits include a faster understanding of management indicators and KPIs, leading to quicker decision-making and ultimately raising the level of our overall management. We also expect an improvement to productivity.

We are also making steady progress migrating existing systems to the cloud, with completion scheduled for 2026. Once the migration is complete, we believe it will give us a more agile and flexible business foundation.

These two examples are about modernizing our system and infrastructure, giving us a base to fully leverage technology. These foundational efforts are something we are actively working on across the entire Group.



One more example I would like to share is our use of generative AI through an internal implementation of chat GPT.

We call this in-house chat feature PERSOL Chat Assistant. Many companies are doing similar things, but we launched our implementation early on in August 2023, right when generative AI was taking off.

We have focused on a bottom-up approach where we encourage employees who are personally interested in this field to take the initiative and promote its widespread use. As a result, we now have over 4,000 people participating in learning communities. Over 6,000 employees have participated in various bottom-up learning programs and events. Employees have also steadily created useful AI prompts, with downloads reaching 16,000, demonstrating the momentum behind these bottom-up efforts.

We have already surpassed 10,000 monthly users, and we estimate that the cumulative profit contribution is over 1 billion yen. This is not just through a single company but a Group-wide effort to build a corporate culture from the bottom up, and this was recognized externally with the Special Award we won as part of the JAPAN HR DX AWARDS last year.

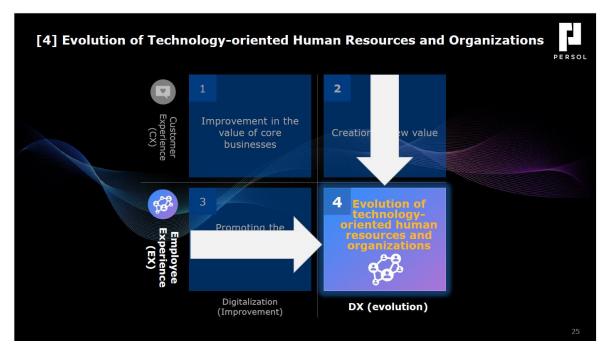


But our efforts to leverage generative AI won't stop with internal chat-based implementations. We are also looking at AI agents.

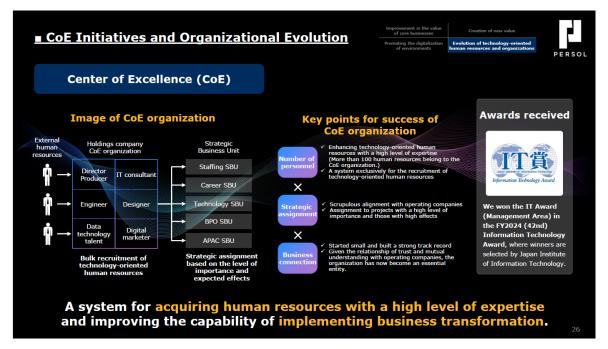
In fact, in January 2025, we released a no-code/low-code feature that allows users to create AI agents. Our frontline employees have been steadily creating AI agents for internal use since then. A wide range of AI agents are being created, from workflow tools to document generation, research, Q&A and FAQs. And 99% of the employees developing these AI agents are not engineers. Various non-engineer employees such as those in sales, planning and support are building these AI agents.

They are developing the AI agents needed to streamline their own work.

Then, when people around them start using those implementations, it leads to a ripple effect of people creating AI agents tailored to frontline work, driving the digitalization of the workplace environment in ways that boost productivity.



Next, I would like to talk about the evolution of technology-oriented human resources and organizations.



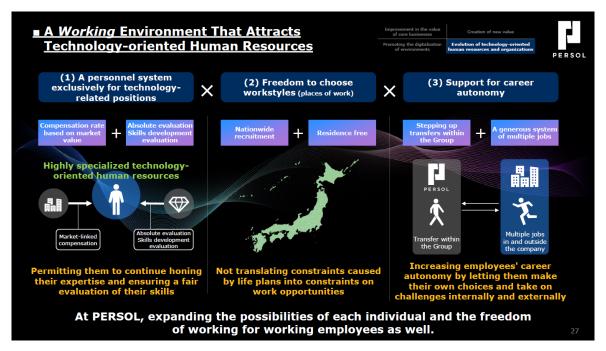
First, a key part of our Group Technology Mid-term Plan has been CoE, or Center of Excellence, initiatives. This involves the centralized hiring of external human resources by PERSOL Holdings, mainly specialized talent as you can see here. These human resources are then dispatched to our strategic business units to drive DX and AI projects. The background to this initiative is that the group had a lack of human resources familiar with digital technologies, and it was difficult for individual companies lacking the right know-how to recruit and onboard on their own. By centralizing this recruitment through the holding company, we took on the challenge of accelerating DX adoption across our SBUs. These initiative has already been underway for about two and a half years, and we have finally started to see signs of success.

We started with a really small number of people, but that has now grown to over 100, a number that can have a significant impact on our SBUs. We have also enhanced our ability to hire specialized professionals, and we can now recruit them more smoothly. The second key point is strategic assignment. We have selected projects where these human resources can have a major impact. Through an ongoing process of trial and error, we have gained the ability to assign CoE personnel where they play a core role in projects that are central to our business.

The third key point, and something that has been quite challenging, is business connection. We encountered hurdles of varying degrees because of differences between the holdings company and individual companies. This has made collaboration challenging at times, and there have been situations where both sides were unsure about how to proceed or how to divide roles effectively. But through a repeated process of trial and error, these CoE members are now essential for these SBUs and actively sought out to take part when launching major projects. I feel that we have now made great strides with business connection.

These efforts have also been recognized with an IT Award in the Management category.

I think this initiative has played a key part in enabling us to acquire highly specialized human resources and strengthen the effectiveness of our business transformation.



Finally, I would like to explain how we have developed a work environment that attracts technology-oriented human resources.

First, we created a personnel system exclusively for technology-related positions.

There were two key features of this system. First, we developed compensation rates based on market value. We continually monitor compensation rates in the market to ensure we are paying personnel in line with their market value. Second, rather than relative evaluation we implement absolute evaluation, assessing not only outcomes but also how each person has developed their own skills, as a skill development evaluation. Thanks to these two features, our technology-oriented human resources can hone their specialized skills with confidence that those skills will be properly recognized.

Next, we have given technology-oriented human resources the freedom to choose how they work. In particular, I would like to introduce the freedom of location at this time. We engage in nationwide recruitment activities, from up in Hokkaido and down to Okinawa, and we allow these hires to live anywhere in Japan. Some people were hired in Hokkaido and continued to live there and work, while others were hired in Tokyo and relocated to their hometowns. We built these systems based on the believe that people should have freedom in their workstyles, and we didn't want to place limitations on people's individual careers. In recent years, the need to provide family care has been a growing issue, and many employees need to return to their family homes to provide care. We have gotten feedback from employees that this system we provide has genuinely helped.

The third aspect is support for self-directed career development. There are two parts to this: we actively encourage internal transfers within the Group, taking advantage of the fact that there are many job types available across the individual companies within the Group. Secondly is a generous multiple-job system, with both internal and

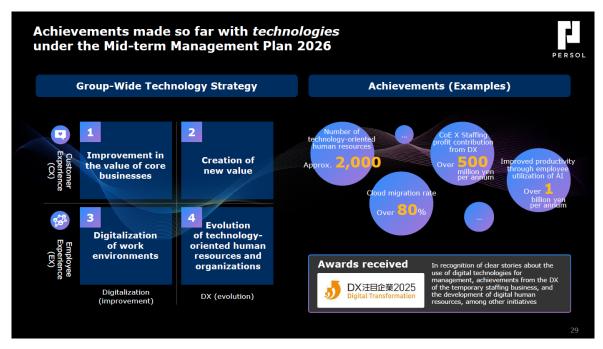
external options. We actively encourage employees to take on external side jobs and support employees in those endeavors. We also offer internal side jobs where employees can take on other work within the Group. Since there can be higher barriers to taking on external side jobs, we encourage employees to start by trying out internal side jobs, giving them opportunities to find extra work within the Group. This system allows employees to choose what challenges they want to undertake, given them greater agency over their activities, and allowing them to experience various scenarios and locations in addition to their core roles. We actively provide support for this self-directed career development approach.

In this way, we want the employees working at PERSOL to steadily expand their potential and work with greater freedom. This is part of our efforts to attract specialized personnel with high market value, and to help them grow further.



We introduce more details about these initiatives, including introductions to employees and the various projects our technology-oriented human resources are working on through TECH DOOR, one of our owned media platforms.

If you are interested, please search for "PERSOL" and "TECH DOOR" to check out the site.

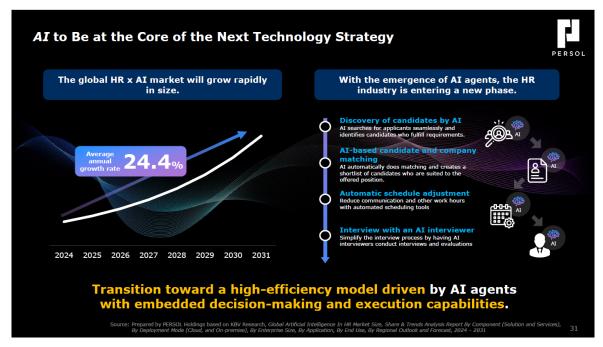


Up to this point we have explained about our specific technology initiatives, and now I would like to talk a little about what lies ahead.

We are now in the third year (last year) of our current Mid-term Management Plan, and we want to finish strong. The same goes for our Technology Mid-term Plan, and this is a year in which we are focused on delivering results. You can see some of those results on the right, and we are pushing to finish on a strong note. At the same time, next year we will launch a new mid-term plan, and we have started to think about what that will entail. Therefore, today I would like to give you a glimpse into what kinds of technology-related advancements we are considering for our next mid-term strategy.



Without a doubt, AI will be at the core of our next technology strategy. And the use of AI agents will play a big part.



The HR x AI market is expected to grow significantly year after year, and the rise of AI agents is expected to usher in a new phase of transformation. For example, as you can see on the right, AI will help to discover new candidates. AI will match candidates with companies, automatically handled scheduling, and even serve as an interviewer to evaluate them. These possibilities are becoming increasingly realistic.

Previously, AI was positioned as something to assist people with decision making. But a big part about AI agents is that they can go a step further, actually making decisions and executing on their own.

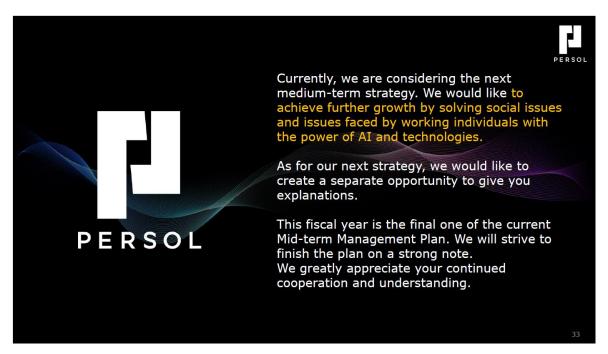
An HR business that incorporates AI agents fundamentally changes the business model from the traditional HR business. We intend to further evolve the HR business by embracing AI agents as a new technology.



But we don't intend to simply utilize AI as-is; we want to implement AI in ways that are unique to PERSOL. What do we mean by the utilization of AI in ways that are unique to PERSOL?

First, we want to automate and streamline the non-core parts of our business that don't produce a competitive advantage through the active use of AI. Next, for our core business that produces a competitive advantage, in addition to utilizing AI we want to leverage our proprietary data, something we believe is the source of our competitive edge. We want to use AI to support humans so that humans can focus on the things only they can do. This is how we plan to convincingly create a competitive edge using AI.

But if we only do this, it will result in a cold, mechanical-sounding AI. A unique, PERSOL-style AI is something that will expand the potential of each individual. We want to develop an expression of AI that is unique to PERSOL and will work together with individuals to help broaden their possibilities. In the same way that I spoke about earlier with the using of AI matching within the Career SBU, the emotional states of people undergo various changes, and they have to deal with the gap between their hopes and reality. We want our AI implementation to properly understand those situations and make suggestions that genuinely reflect that understanding to support each individual. We don't just want an AI that improves efficiency and streamlining. We are thinking about how to express AI in ways that improve the quality of services provided to users, and helps each individual expand and unlock their potential. We are currently in the process of examining what should be the core of our strategy for the next mid-term management plan. We are currently still in the process of considering specifically what actions we will take to transform our business and what goals we will set to achieve those aims. Within this fiscal year we plan to solidify those concepts and move onto a new phase in our next technology strategy.



To conclude today's presentation about the future, we want to use the power of AI and technology to solve social issues and the issues faced by working individuals, and in doing so achieve further growth. We look forward to sharing more about our next mid-term strategy and technology strategy when the time comes.

This fiscal year we will focus on ending the current mid-term plan on a strong note. Thank you for your continued support.