



IR-DAY

Presentation Materials

BPO SBU

(Business Process Outsourcing)

Day 2

2024.7.4

**Excerpts from the "Mid-Term Management
Plan 2026" announced in May 2023**

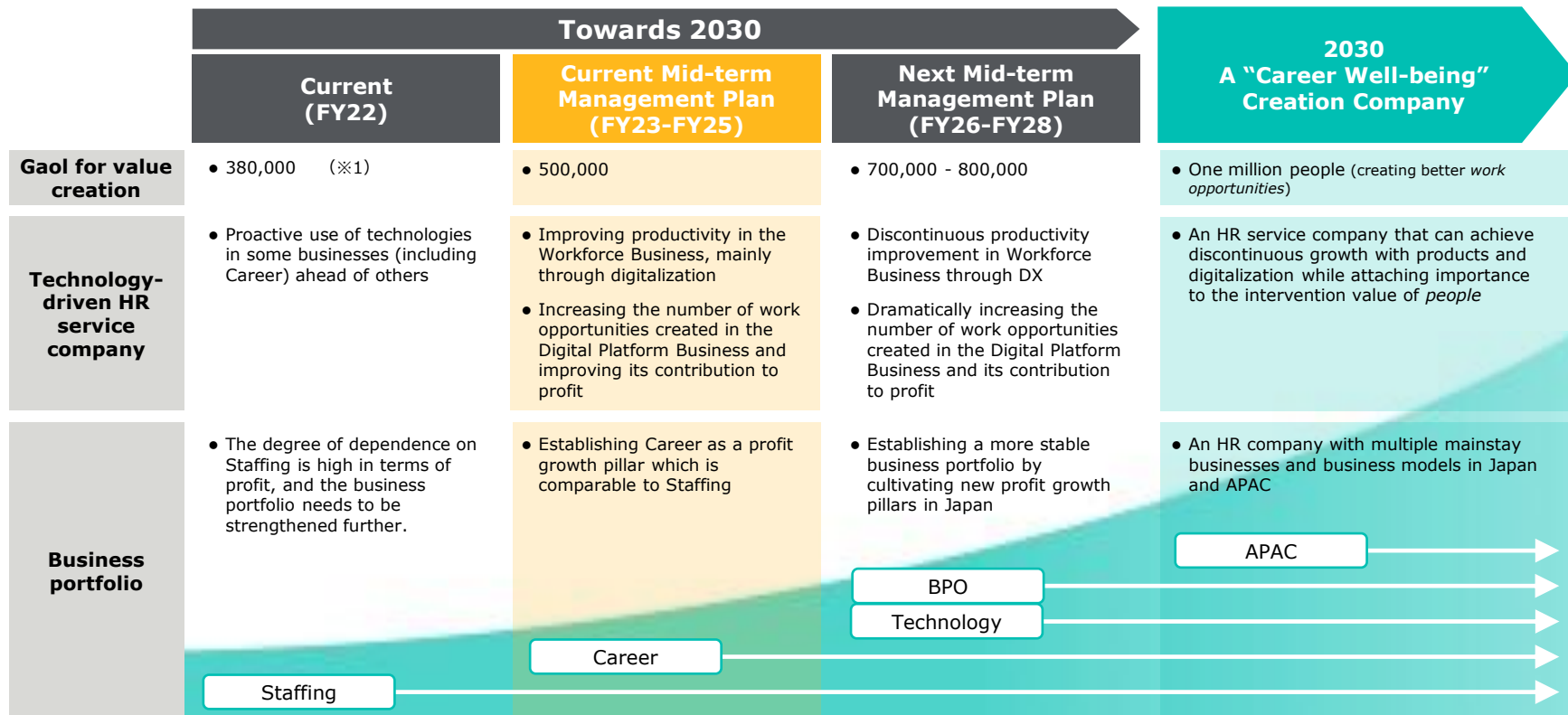
Positions of businesses and management policy

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.

The Group's foundation Continue to be the foundation of the Group's growth.	Staffing	<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.
Pillars of profit growth Proactive business investments, for the sake of significant profit growth in the medium to long term	Career	<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.
	BPO	<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.
	Technology	<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.
Reinforce the foundations for a breakthrough. Improve earnings to enable large-scale investment for growth in FY2025 and beyond.	APAC	<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.
Investments toward the future Implement R&D after achieving an investment quota at a certain level.	R&D	<ul style="list-style-type: none"> – Achieve an investment quota at a certain level to explore and create businesses related to Career Well-being.

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.

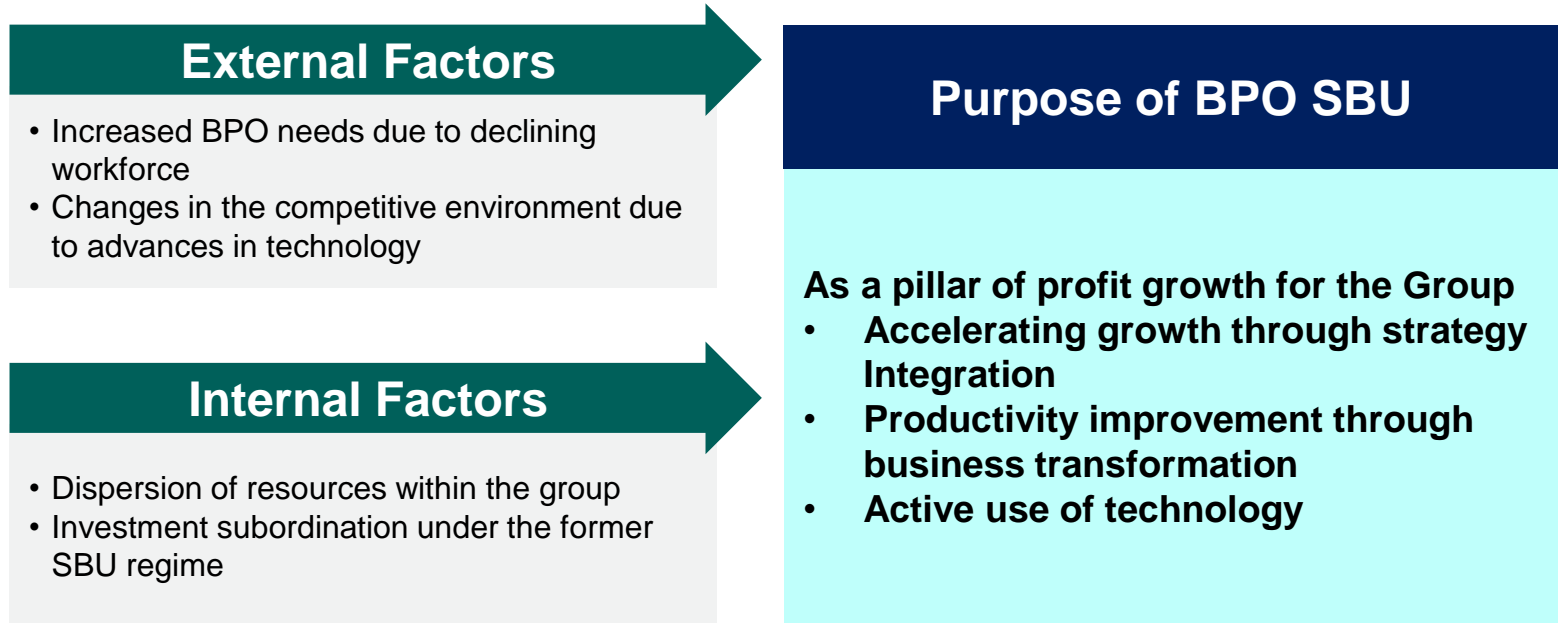


Chapter 0

Purpose of BPO as a new SBU

While the BPO market is undergoing remarkable growth, the competitive environment is intensifying due to advances in technology.

The BPO SBU was established to become a pillar of profit growth for the entire group in such situation by bringing together the group's experience and knowledge.



Chapter 1:

Basic Information

SBU Structure

In the BPO business, where social expectations are rising with the background of the social issues such as declining workforce and productivity improvement, we will promote high-value-added services by bringing together the group's experience and expertise.



SBU	Business Units	Entities
BPO SBU	Business Process Outsourcing (BPO)	PERSOL TEMPSTAFF, BPO Unit
		PERSOL PROCESS & TECHNOLOGY
	Customer Experience (CX)	PERSOL WORKS DESIGN
		PERSOL WORKSWITCH CONSULTING
	Professional	PERSOL MEDIA SWITCH
		Lacras
	Other SaaS and product-based businesses	Bizer

Management Members

In addition to creating synergies and optimizing the business structure, promoting high value-added services through active use of technology.



Kazuyuki Ichimura, BPO SBU Lead

After joining PERSOL TEMPSTAFF, responsible for Financial sector business, Human Resources Div., and BPO business.



Jun Otomo, Executive Director

After joining PERSOL CAREER, responsible for IT Div. at PERSOL TEMPSTAFF. Before joining BPO SBU, served as Director of PERSOL INNOVATION and CEO of Sharefull.

MISSION

**Innovating all kinds of work and organizations
to create a society full of "better workplace"**



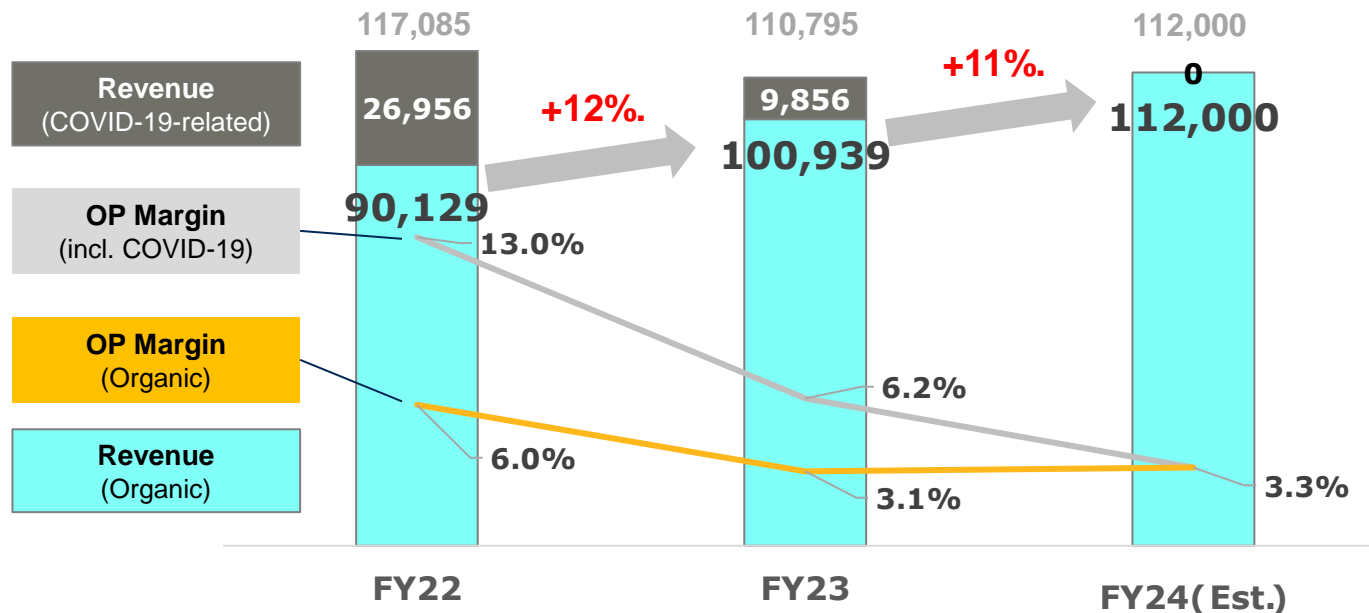
Business Performance

Maintained over 10% sales growth in organic, excluding COVID-19 related.

Reviewing the cost structure and proceeding with business restructuring after COVID in FY2024, aiming to recover profitability as soon as possible.

Revenue and OP Margin

(JPY Million)



BPO SBU Capabilities

Provide comprehensive BPO services with a large number of clients utilizing the Group's solid client base and a diverse experiences of project operations.



As of May 31, 2024

Number of Clients

1,900+ companies

Number of Projects in operation

3,000+ projects

Number of Employees

20,000+ employees

Outsourcing Center

24 locations
(in nationwide)

6,000+ seats

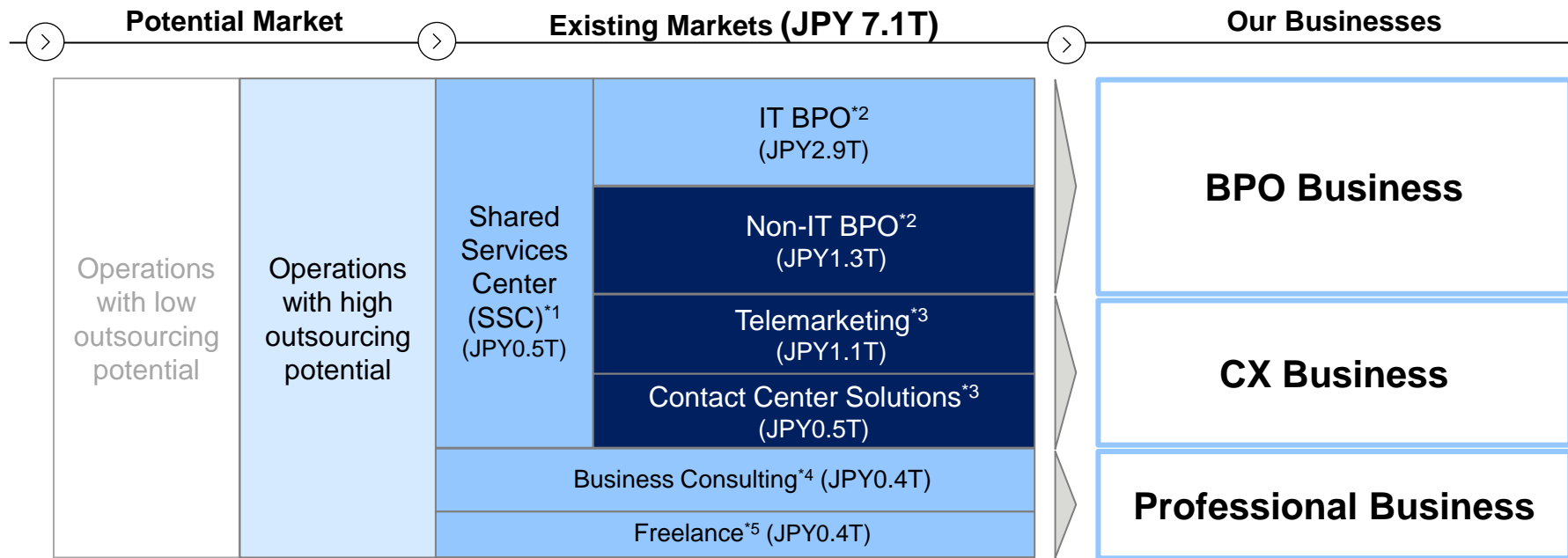
Chapter 2:

Business Overview

Target Markets and Our Business Positioning

The market size targeted by the BPO SBU is approx. 7 trillion yen as of FY2023.

Organize the relationship between each market and our three main businesses.



*1: 2024 "Shared Services" Participating Companies Performance Data (Yano Research Institute Ltd.)

*2: 2023-2024 BPO Market Facts and Outlook (Yano Research Institute Ltd.)

*3: Call Center Market Overview 2023 (Yano Research Institute Ltd.)

*4: IDC Domestic Business Consulting Market Forecast 2021-2025

*5: Freelance White Paper (Freelance Association of Japan)

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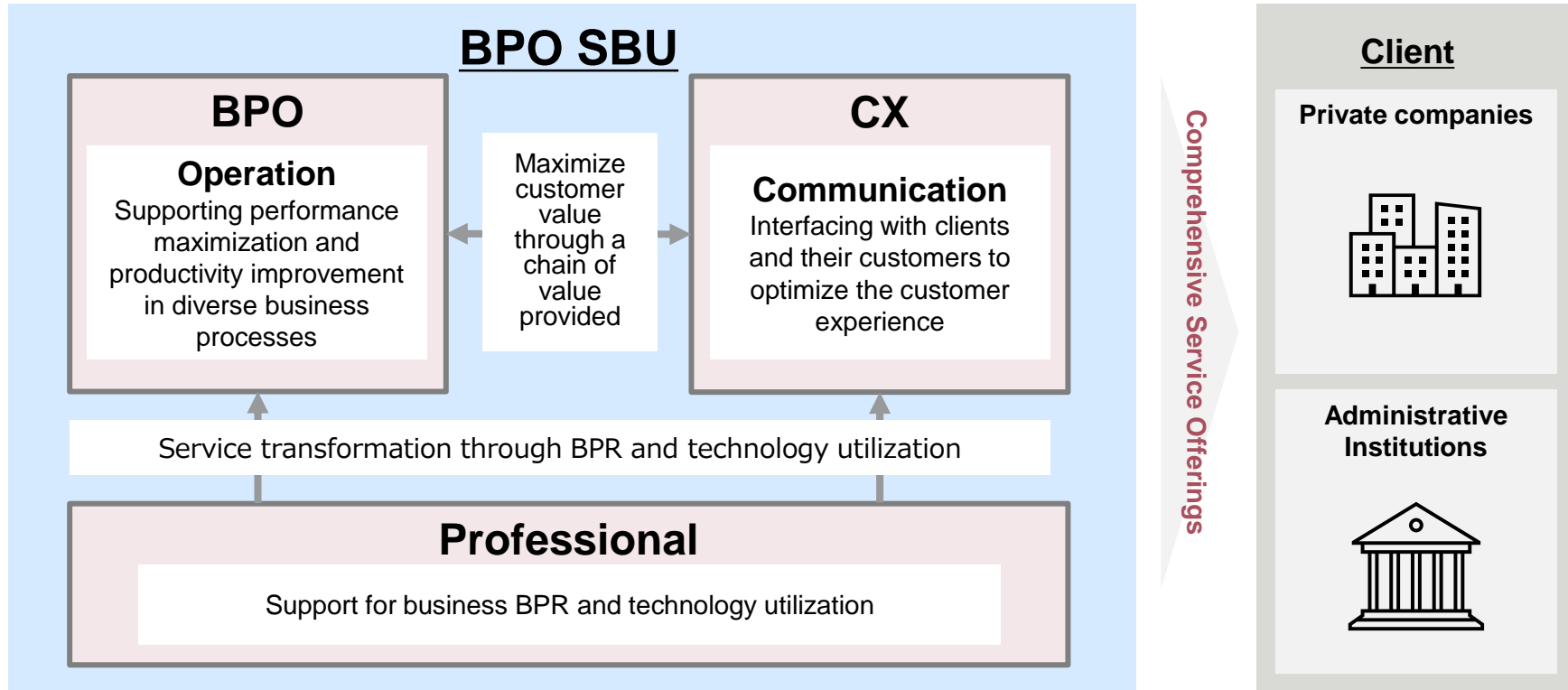
Most important target

Key target

Potential target

Value Created by the Three Businesses

Combination of BPO, CX, and Professional businesses enables us to provide optimal services for our clients' various issues.



Service Lineup by Business

A wide range of service lineup to meet a wide range of customer needs.

BPO	industry-wide	Industry-specific
	<ul style="list-style-type: none">● Corporate operations such as HR, accounting, etc.● Front office operations such as sales administration● New business start-up, business operation design, DX support, etc.	<ul style="list-style-type: none">● Contracting and operational support for various industry-specific operations, including government, financial, IT and telecommunications, etc.
CX	Contact Center	Sales & Marketing
	<ul style="list-style-type: none">● Omni-channel(phone, email, chat) service operations for inbound and outbound customer● Customer support, IT helpdesk, etc.	<ul style="list-style-type: none">● Marketing operations from lead acquisition to nurturing● Field Sales, Inside Sales, etc.
Professional	Business Consulting	Technology Support
	<ul style="list-style-type: none">● BPR and DX support for a wide range of operations, including sales, HR, general affairs, accounting, etc.	<ul style="list-style-type: none">● Support for introduction and utilization of technologies such as RPA, AI, etc.● Digital talent development support

Service Example_BPO x CX

Establish a comprehensive support system with BPO and CX, starting from the digitization of business operations.

Local Government

14 Sections and 96 Operations

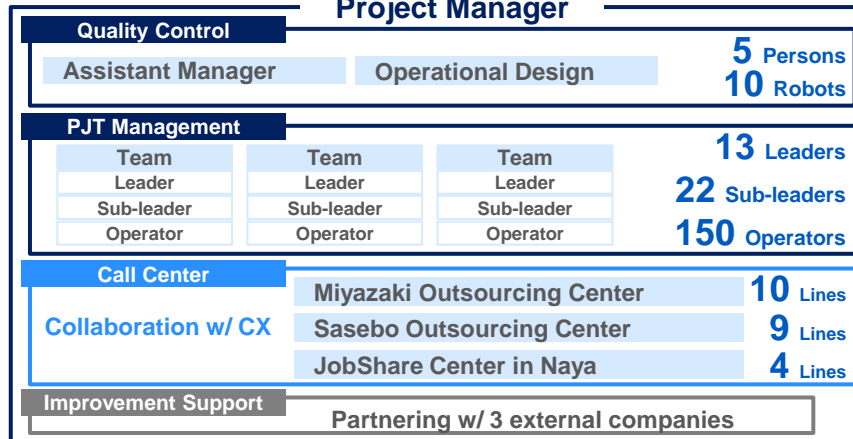
Pension Healthcare	Application for reissuance of national health insurance card, etc.
Healthcare Center	Sending notification of immunization numbers to newborns, etc.
Children & Youth	Acceptance of applications for new and continuing enrollment in the school childcare program
Preschool Child	Approval for implementation of free education and childcare for infants and toddlers, etc.
Family Support	Commuter passes for high school students from single-parent families, etc.
Elderly Welfare	Acceptance of Dementia Diagnosis Grant Program Grant Applications

Municipality: Administrative Center Organization

Person in charge of local government office



Project Manager

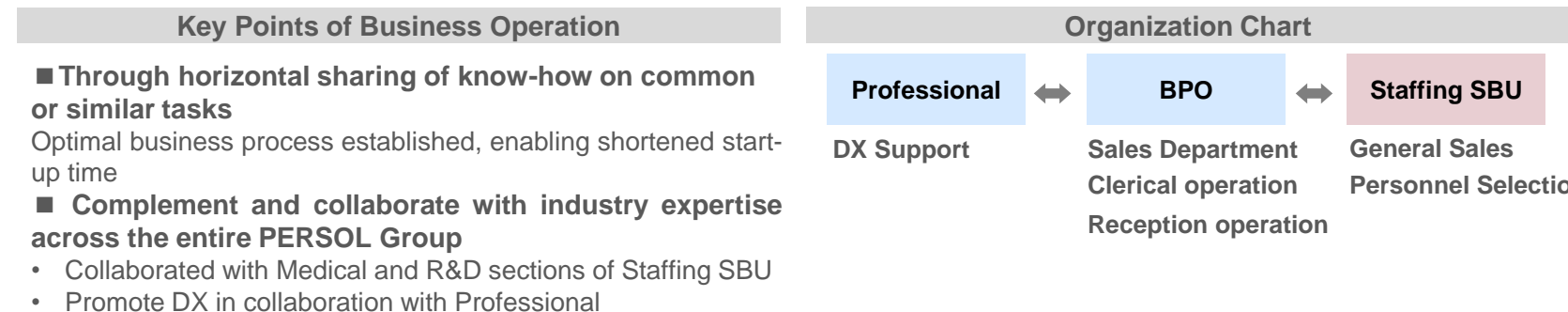
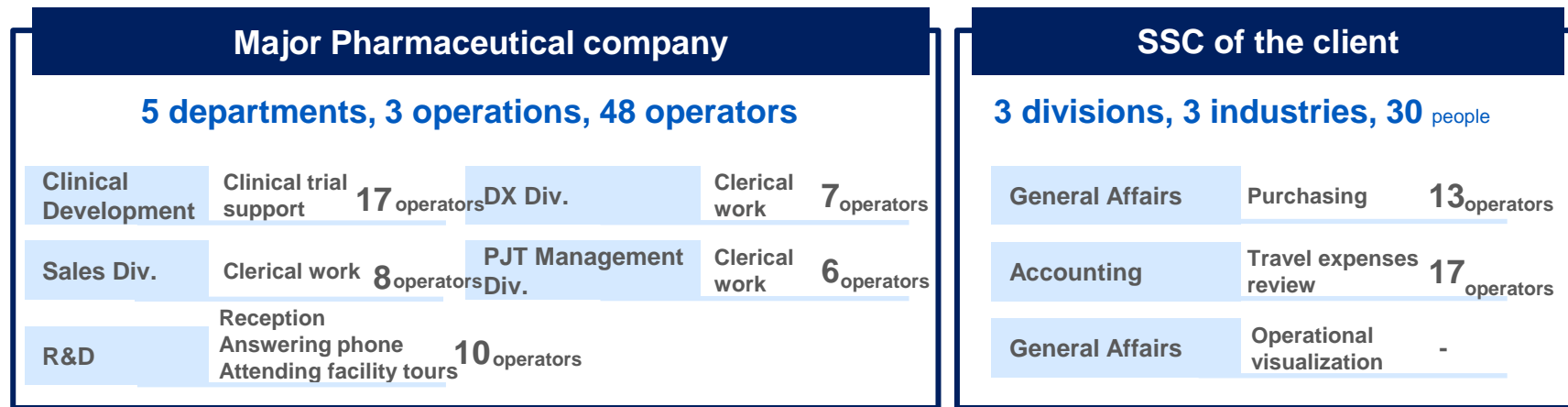


Key Points of Business Operation

- Collaboration with local governments as a prerequisite for BPR
- Business construction is designed with "digitalization" as the starting point for the process.

Service Example_BPO x Professional

Comprehensive support from DX support to business process restructuring and operation in BPO and Professional.

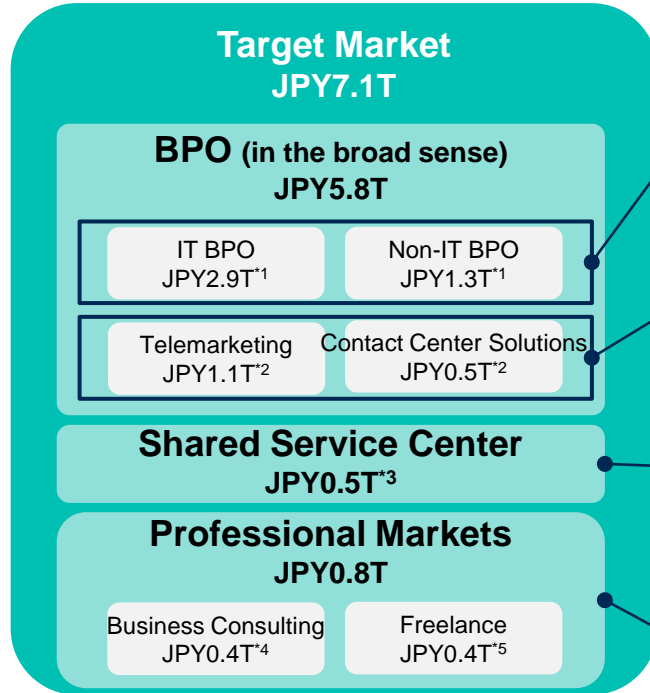


Chapter 3:

Business Environment

Market Environment

Despite the impact of technology replacing services, moderate expansion is expected to continue against a backdrop of labor shortages.



BPO Market

- Increased labor savings through technology utilization may put downward pressure on prices
- On the other hand, as labor shortages accelerate, BPO players are expected to become DX players, and the market is expected to continue to expand.

CX Market

- Telemarketing market remains flat, affected by generative AI, while capturing in-house operations of companies.
- Contact Center solutions and related services are expected to grow moderately.

Shared Service Center (SSC)

- FY23 market size is approximately 0.5 trillion yen based on the combined sales of 145 SSC subsidiaries in large corporate groups.
- While the introduction of SSC by large corporate groups is progressing, the scale of SSC is expected to remain the same as they are being cut off to external parties.

Professional Markets

- High growth in recent years against a backdrop of increasing social uncertainty and difficulty in recruiting high-class talent.
- The market continues to be active with new entrants from other industries, and is expected to maintain high growth.

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*2: Call Center Market Overview 2023 (Yano Research Institute Ltd.)

*3: 2024 "Shared Services" Participating Companies Performance Data (Yano Research Institute Ltd.)

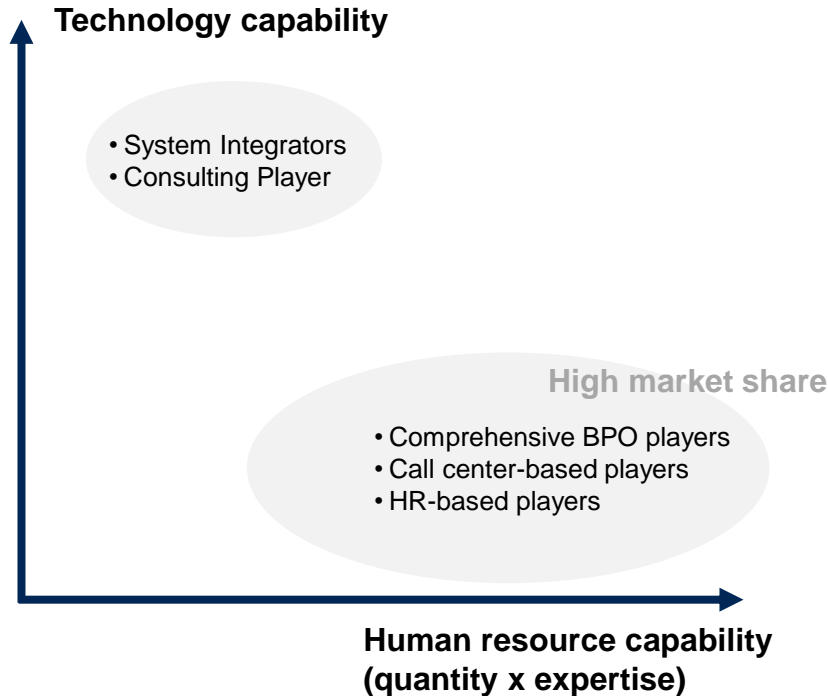
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Competitive Trends

While players of different origins have expanded in scale while leveraging their strengths, M&A activity is expected to accelerate in order to acquire human resource capability and technology capability to gain a competitive edge.

Competitive Matrix in the BPO Market



Competitive Trends

Intensifying talent acquisition

- Increased difficulty in obtaining general operators
- Demand for specialized personnel for the digital shift will rise further, intensifying competition for acquisition

Active investment in technology

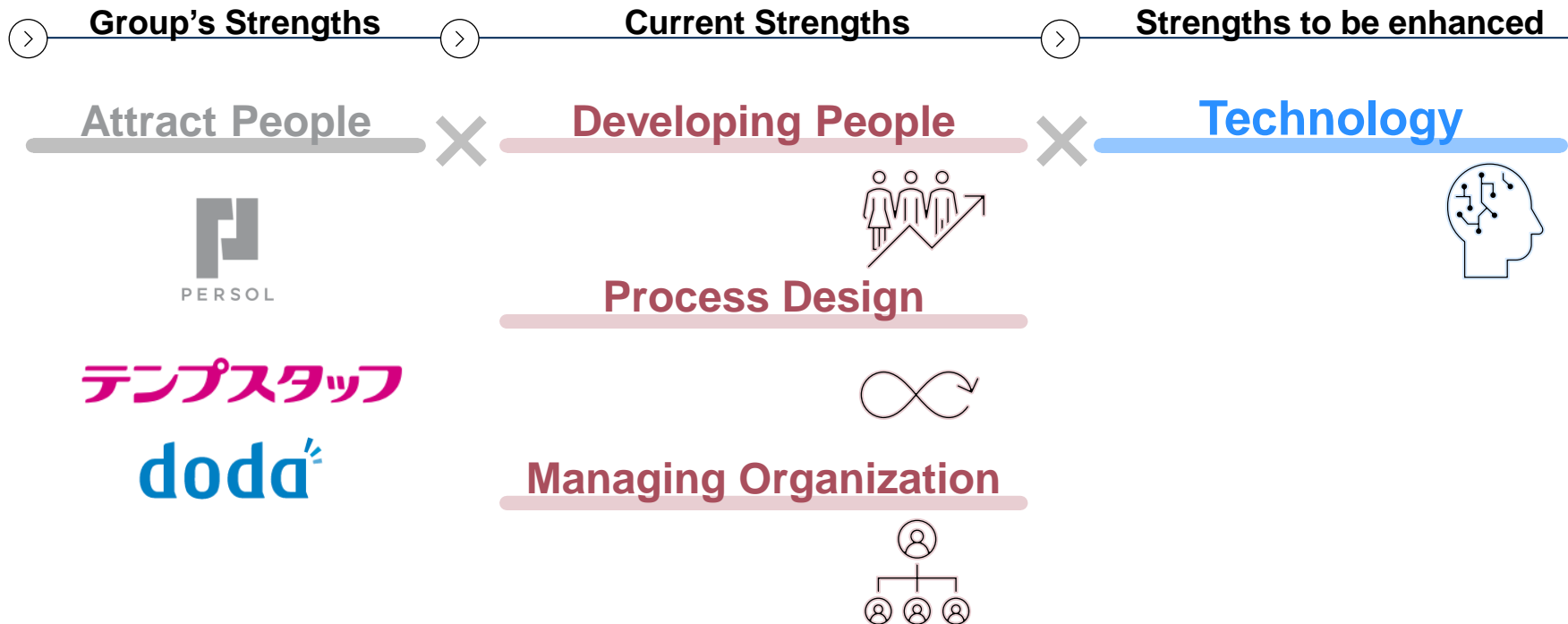
- Accelerate active investment in technologies such as generative AI and RPA
- Increased use of home-based operators after the COVID-19

Accelerate M&A and alliances

- As technology continues to transform outsourced operations, M&A and alliance activity are accelerating in order to gain market share and competitive advantage.

Strengths of BPO SBU

Our current strength lies in our ability to attract people and to transform business processes with a diverse and versatile workforce. We will further improve our customer value by adding the ability to discern and master the use of technology to this strength.



Chapter 4:

Med to Long-term Strategic Policies

Medium- and Long-term Strategic Policies

Policy to focus on accelerating growth of existing businesses, enhancement of technology, and strengthening human resources.



Strategic Policies

Accelerate Growth of Existing Businesses

Technology Enhancement

Strengthening of Human Resources

Accelerate growth of existing businesses

In the BPO and CX businesses, integrate the business know-how of each company to accelerate cross-selling to existing customers.

Professional business is facing increasing difficulty in acquiring human resources and aims to expand by strengthening recruitment.

	Existing Businesses	Technology	Human Resources
BPO	<ul style="list-style-type: none"> ● Integration of business know-how 	<ul style="list-style-type: none"> ● Labor-saving operation 	
CX	<ul style="list-style-type: none"> ● Cross-selling 	<ul style="list-style-type: none"> ● Use of generative AI 	<ul style="list-style-type: none"> ● Upskilling of fixed-term employees
professional	<ul style="list-style-type: none"> ● Focus on recruiting 		<ul style="list-style-type: none"> ● Optimal allocation of professional employees

Technology Enhancement

BPO combines RPA, AI, and other tools to reduce labor in operations.

Accelerate service implementation of generative AI in CX business.

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professional	<ul style="list-style-type: none"> ● Focus on recruiting 		<ul style="list-style-type: none"> ● Optimal allocation of professional employees

Strengthening of Human Resources

10,000+ fixed-term employees: Reskill/upskill to raise the level of human resource capability,

6,000+ professional employees: Optimize the allocation of professionals between businesses to accelerate the effects of increased productivity, improved profitability, etc.

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Appendix

TOPIX

[PERSOL TEMPSTAFF] From May 2024.

Launch of automated tool for issuing “Certificate of Employment”



Background	The “Certificate of Employment” required for approval of daycare centers and school children are in various formats and frequently upgraded by each municipality, making them difficult to digitize and in many cases analog, which places a heavy burden on corporate personnel.
Summary	PERSOL TEMPSTAFF started outsourcing services for “Certificate of Issuance Operations” including issuance of “Certificate of Employment.” from 2023. "Certificate of Employment" issuance operation is automated based on our extensive experience and know-how. Service to be fully operational from May 2024.
Link	https://www.tempstaff.co.jp/corporate/release/2024/20240508-6759.html

TOPIX

[PERSOL PROCESS & TECHNOLOGY] From June 2024.

Launched “Sales Enablement” Consulting Service

Background	<p>While “sales enablement” is gaining attention in corporate sales activities, many companies are having trouble establishing a system and knowing where to start.</p> <p>In fact, only 15% of all organizations have recognized the effectiveness of sales enablement, and the rest have not been able to utilize it.</p>
Summary	<p>PERSOL PROCESS & TECHNOLOGY and Umee Technologies have jointly developed “Enablement Cycle” that automatically analyzes sales negotiation data using AI to install and establish “winning strategies” in business negotiations. It is being offered starting June 2024.</p> <p>Data-based nurturing cycle contributes to improve sales productivity.</p>
Link	https://www.persol-pt.co.jp/news/2024/06/04/9864/

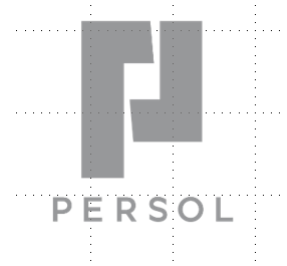
TOPIX

[PERSOL WORKS DESIGN] From April 2024.

Launched “Truth of Retirement,” an exit survey service visualizes the factors of leaving.

Background	<p>While changing jobs has become a common option amidst the increasing diversification of work styles, retirees tend to avoid giving their true reasons for leaving due to the psychological burden.</p> <p>In many cases, companies are unable to ascertain the true reasons for leaving and losing opportunities for improvement to curb the outflow of human resources.</p>
Summary	<p>PERSOL WORKS DESIGN launches “Truth of Retirement,” an exit survey that visualizes retirement factors through interviews and survey of prospective retirees.</p> <p>Using avatars, interviews with professional psychologists and a survey to visualize the true feelings of prospective retirees, contributing to the improvement of corporate turnover rates.</p>
Link	https://www.persol-wd.co.jp/news/20240416-01/

Work and Smile



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