



IR-DAY

Presentation Materials

Staffing SBU

Day2
2024.7.4

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

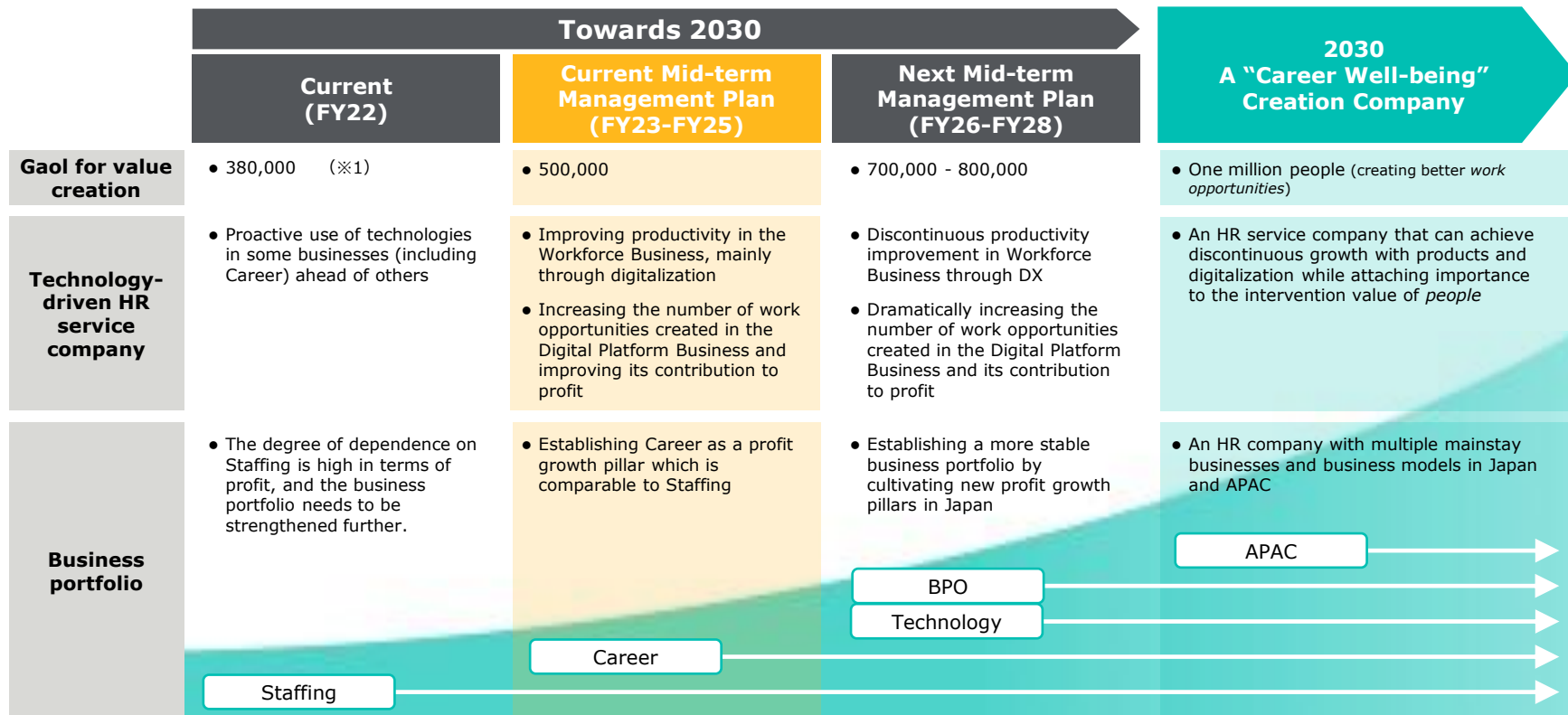
Positions of businesses and management policy

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.

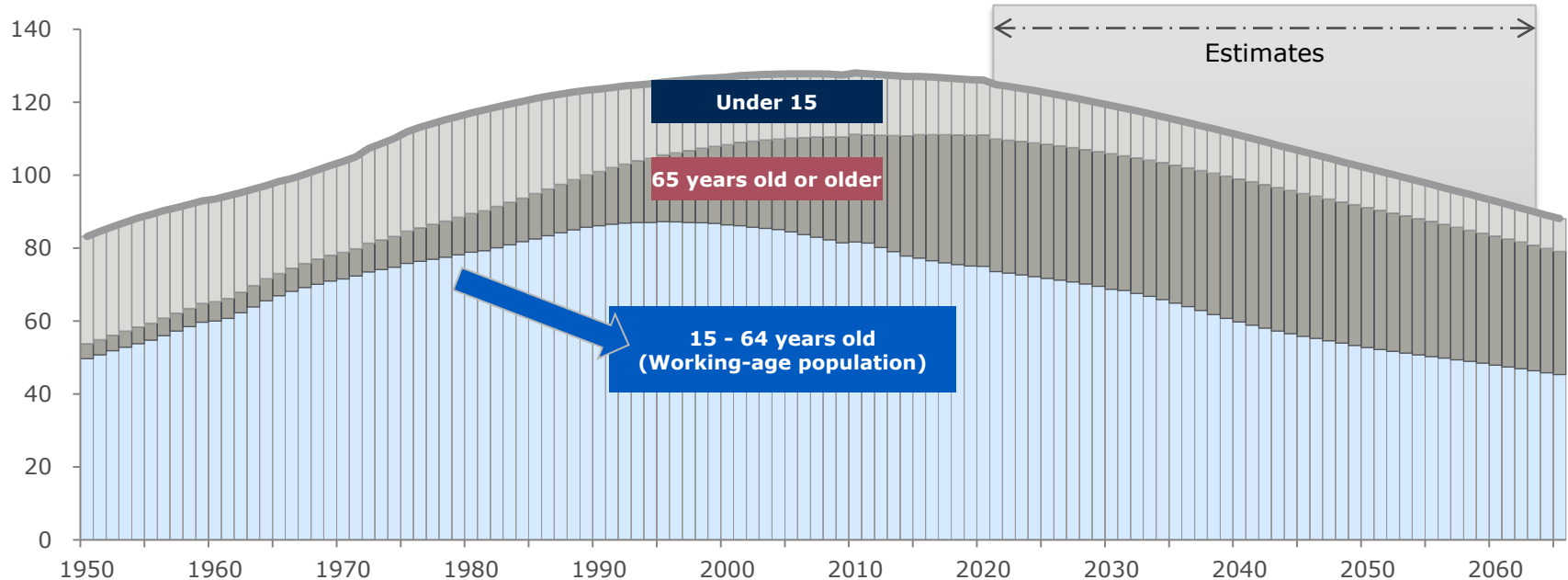


Overview of Market to Which Staffing SBU Belongs

1. Market Environment

Since 1995, the working-age population has been in a downward trend as a result of population dynamics. Roles required to providers of staffing services are changing.

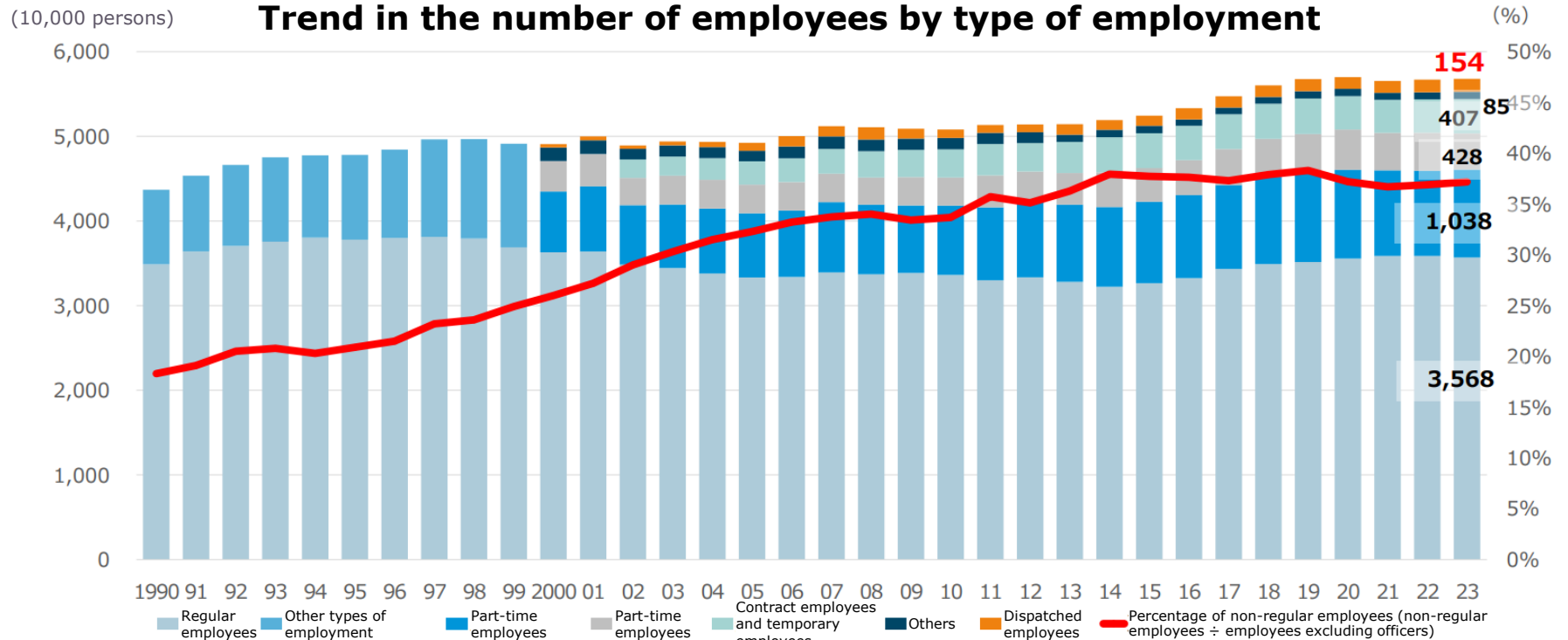
Worsening labor shortages due to declining birth rate and aging and shrinking population



[Source] Produced by the Company based on "Population Statistics" released by Ministry of Internal Affairs and Communications and "Population Projections for Japan" (2017) released by National Institute of Population and Social Security Research.

1. Market Environment

As a result of the downward trend in the working-age population, the percentage of non-regular employees has grown.

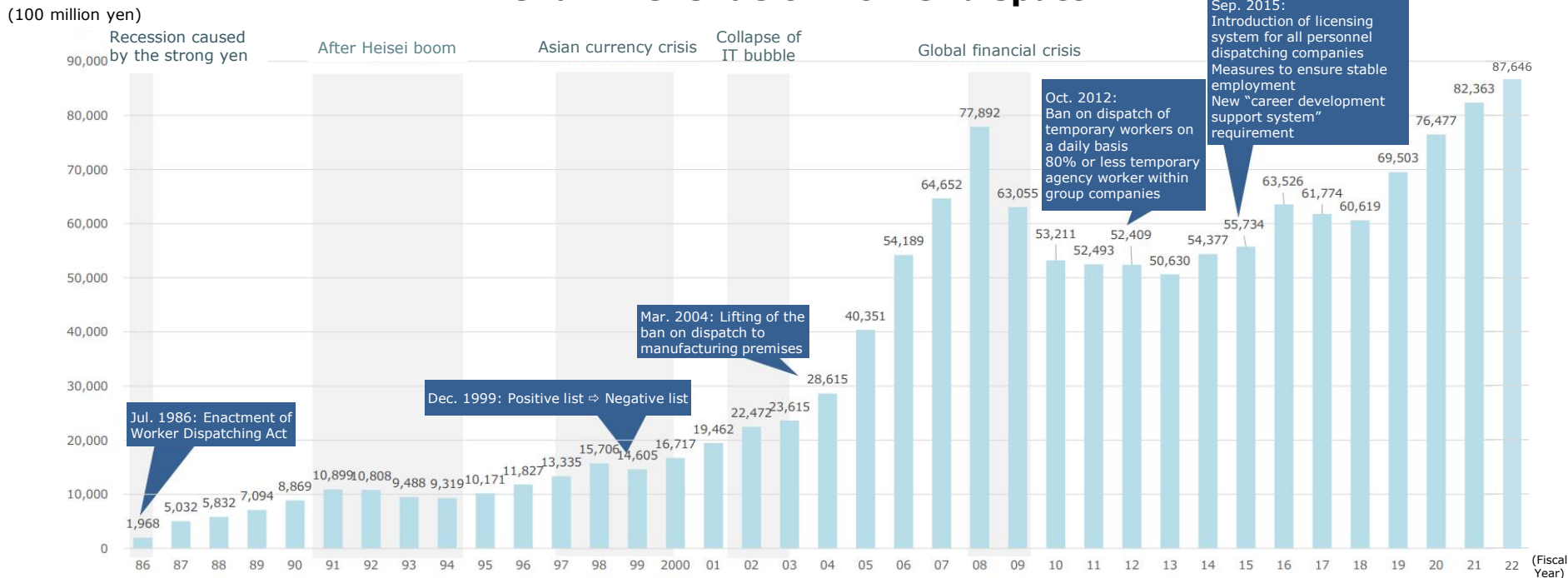


[Source] "Labour Force Survey Special Survey" (February Survey) released by Ministry of Internal Affairs and Communications for data to 2001 and "Labor Force Survey: Detailed Tabulation (Jan.-Mar. average)" released by Ministry of Internal Affairs and Communications for data from 2002.

1. Market Environment

The market for worker dispatch services has increased in size since 1986 when the Worker Dispatching Act was enacted, while being significantly affected by the economic environment and regulations to change the law and the relaxation of regulations.

Trend in revenue of worker dispatch



1. Dispatch Market Size and Market Shares

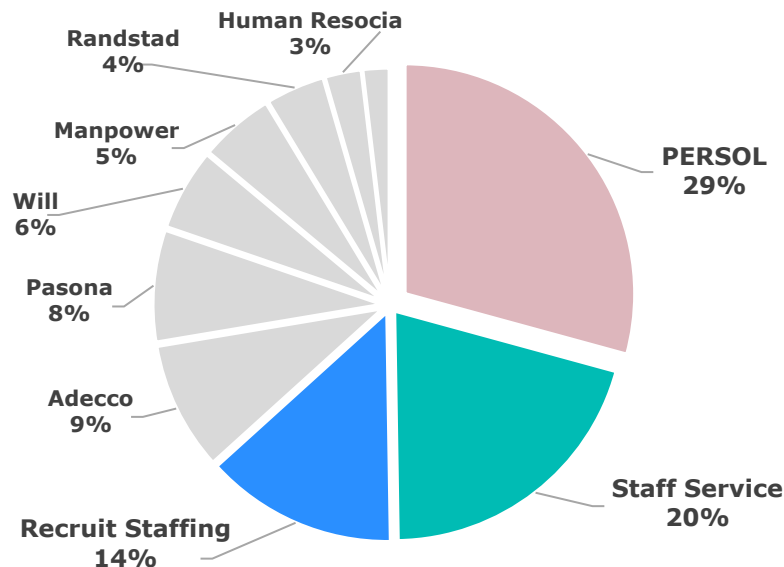
PERSOL Staffing-SBU has 6.2% share of revenue and is one of the largest in the industry with a 29% share among the top 10 companies.

[2022 Top market share dispatch companies by their market shares]

[Million yen]

Rank	Company name	Market share
1	PERSOL Staffing_SBU	6.2%
2	Staff Service	4.4%
3	Recruit Staffing	2.9%
4	Adecco	1.9%
5	Pasona	1.7%
6	Will	1.2%
7	Manpower	1.1%
8	Randstad	0.9%
9	Human Resocia	0.6%
10	WORKSTAFF	0.4%
	Others	78.6%

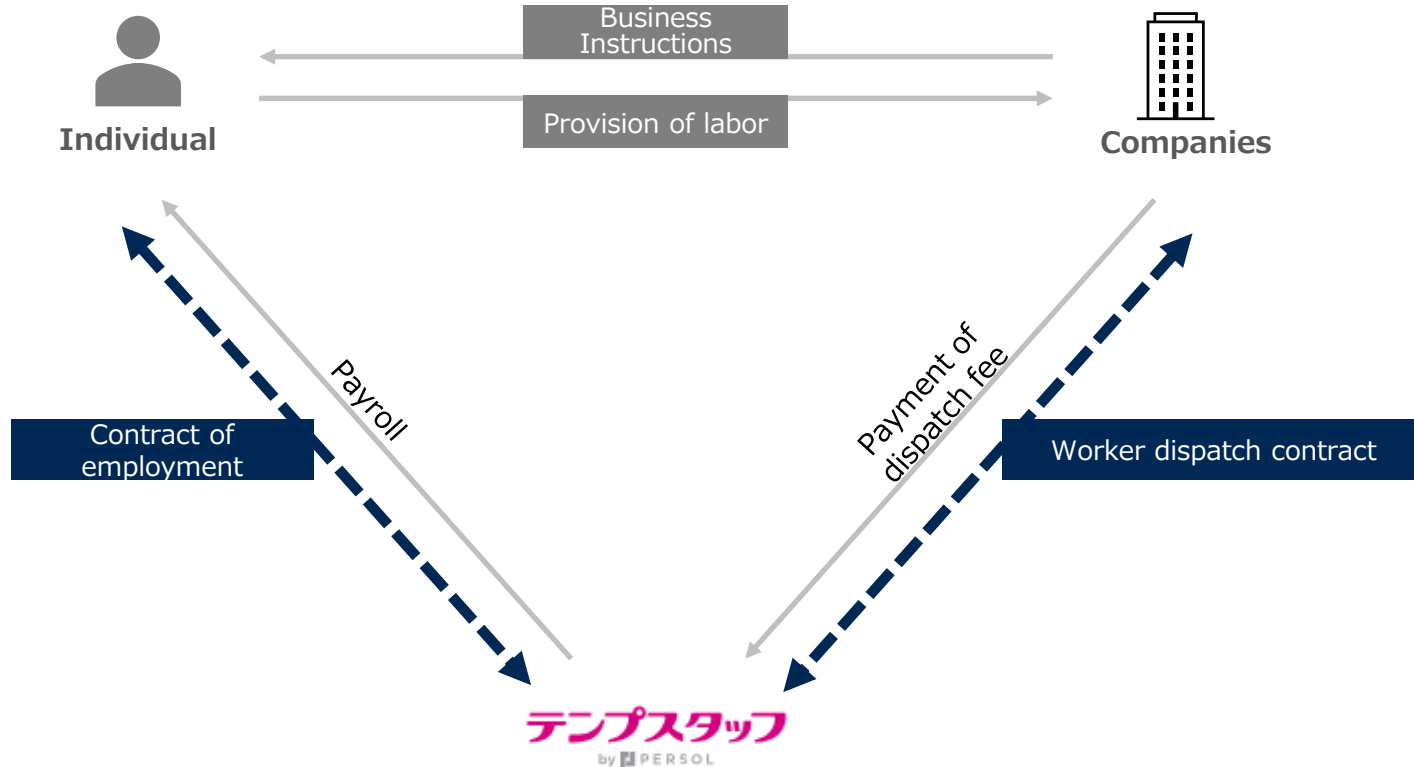
Domestic worker dispatch sales 8,764.6 billion yen



Overview of Staffing SBU

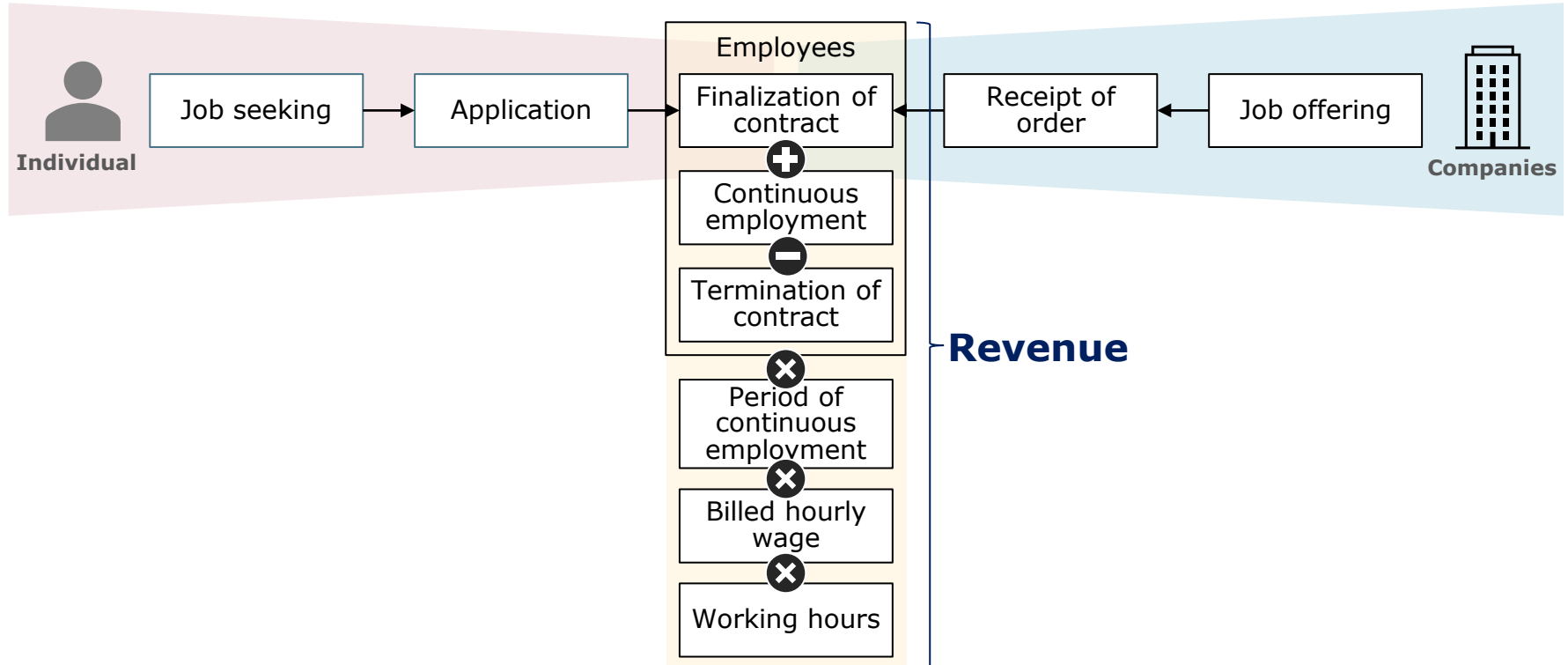
2. Service Model of Temporary Staffing Business

A service model characterized by "separation of employment and use." Staffing companies provide employment (labor management)



2. Basic Structure of Temporary Staffing Business

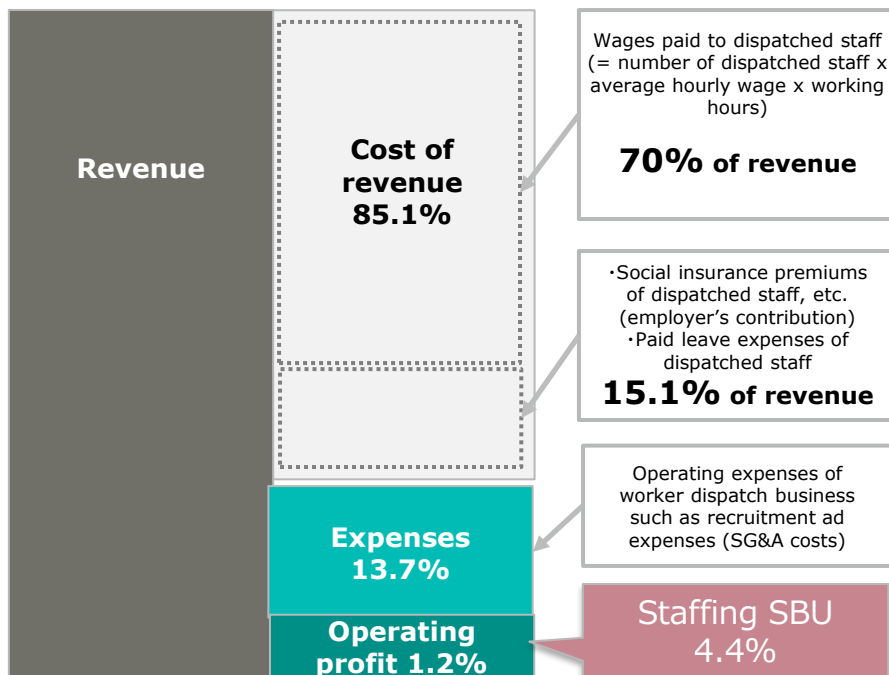
The temporary staffing business is a “matching business” through which employment increases via the process of matching two clients: individuals and companies, and it is also an **“LTV-based business model”** where revenue increases through continuous employment.



2. Comparison of General Revenue Model with Placement Business

Temporary staffing

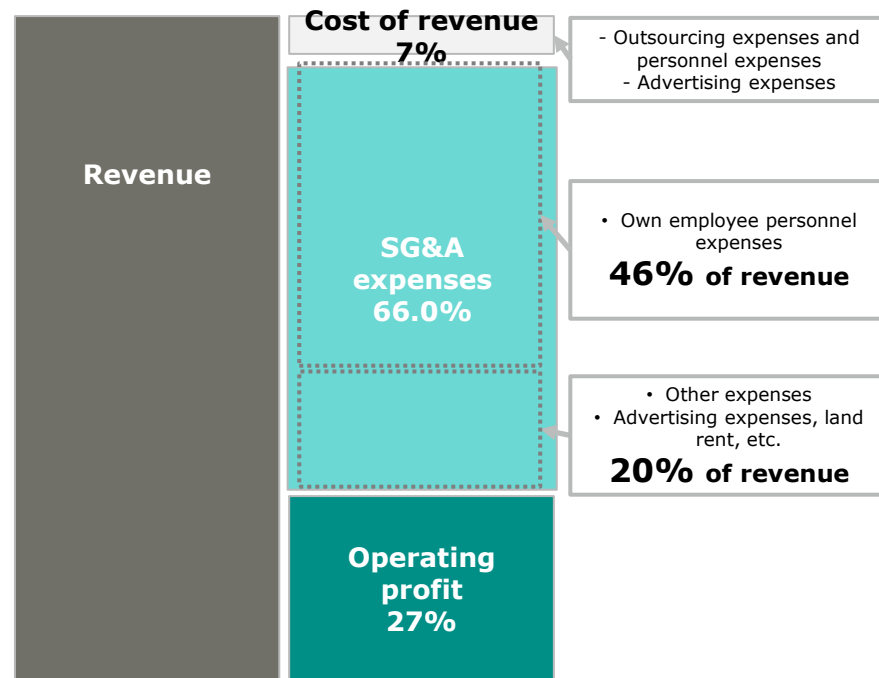
Revenue of dispatch companies consists of worker dispatch service fees charged to clients, and cost of revenue consists of salaries paid to dispatched staff and social insurance costs.



[Source] Breakdown from "Breakdown of Worker Dispatch Fee" released by Japan Staffing Services Association.

Placement business

Cost of revenue in the placement business consists of labor expenses and SG&A expenses that are also mostly personnel expenses.



[Source] Modeled based on IR materials of competitors

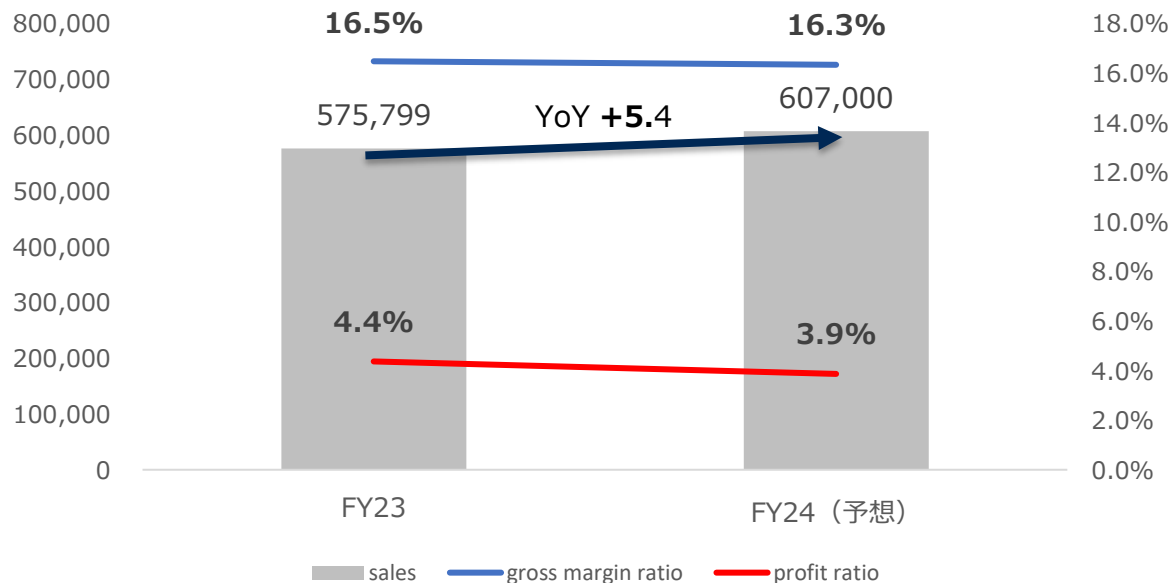
3.Staffing SBU FY2024 full-year forecast

Revenue grew 5.4% YoY. Operating margin declined due to increased SG&A expenses, while gross profit margin was maintained.

Increased costs of hiring persons with disabilities. Impact of the cost of converting the core system to the cloud (over the next 3 years).

Revenues, Gross Profit Margin, and Operating Income Margin

(Millions of yen)



3. Staffing SBU M&A

Growth has been achieved through expansion of business scale through strategic M&A aimed at expanding locations and types of work supported.

Year	Month	Type	Details
2008	10	Comprehensive human resources-type	Management integration with People Staff Co., Ltd. to form joint holding company Temp Holdings Co., Ltd.
2009	7	Capital-type	Conversion of Fuji Xerox Career Net Co., Ltd. into a consolidated subsidiary
2011	11	Capital-type	Conversion of Kobelco Personnel Co., Ltd. into a consolidated subsidiary
	11	Capital-type	Conversion of Nikkei Staff Co., Ltd. into a consolidated subsidiary
2013	4	Comprehensive human resources-type	Conversion of Intelligence Holdings, Ltd. into a consolidated subsidiary
2014	9	Capital-type	Conversion of CareerRise Corporation into a consolidated subsidiary
2015	3	Capital-type	Conversion of Panasonic Excel Staff Co., Ltd. into a consolidated subsidiary
	6	Sales and marketing-type	Conversion of P and P Holdings Corporation into a consolidated subsidiary
2019	1	Capital-type	Conversion of Avanti Staff Corporation into a consolidated subsidiary

3. Staffing SBU: Composition/Network

The SBU is composed of a group of enterprises with diverse occupational fields, and conducts business with the largest and widest range of locations and occupational fields in the temporary staffing industry.

SBU composition

Core companies and major companies	Abbreviation	Capital-type staffing company	Main occupations
PERSOL TEMPSTAFF	PTS		Clerical work
Avanti Staff	AS	● Mizuho and Marubeni	Clerical work
PERSOL EXCEL HR PARTNERS	PHR	● Panasonic	Clerical work
PERSOL FACTORY PARTNERS	PFA	● Panasonic	Manufacturing
PERSOL MARKETING	PMK		Sales and marketing
PERSOL FIELD STAFF	PFS		Logistics and light work
PERSOL TEMPSTAFF KAMEI	PTK		Clerical work (Tohoku area)

Network and number of employees

A total of 248 bases in 46 prefectures(Staffing SBU total). Approximately 128,000 dispatched staff in Japan, the largest number of person employed in the industry.



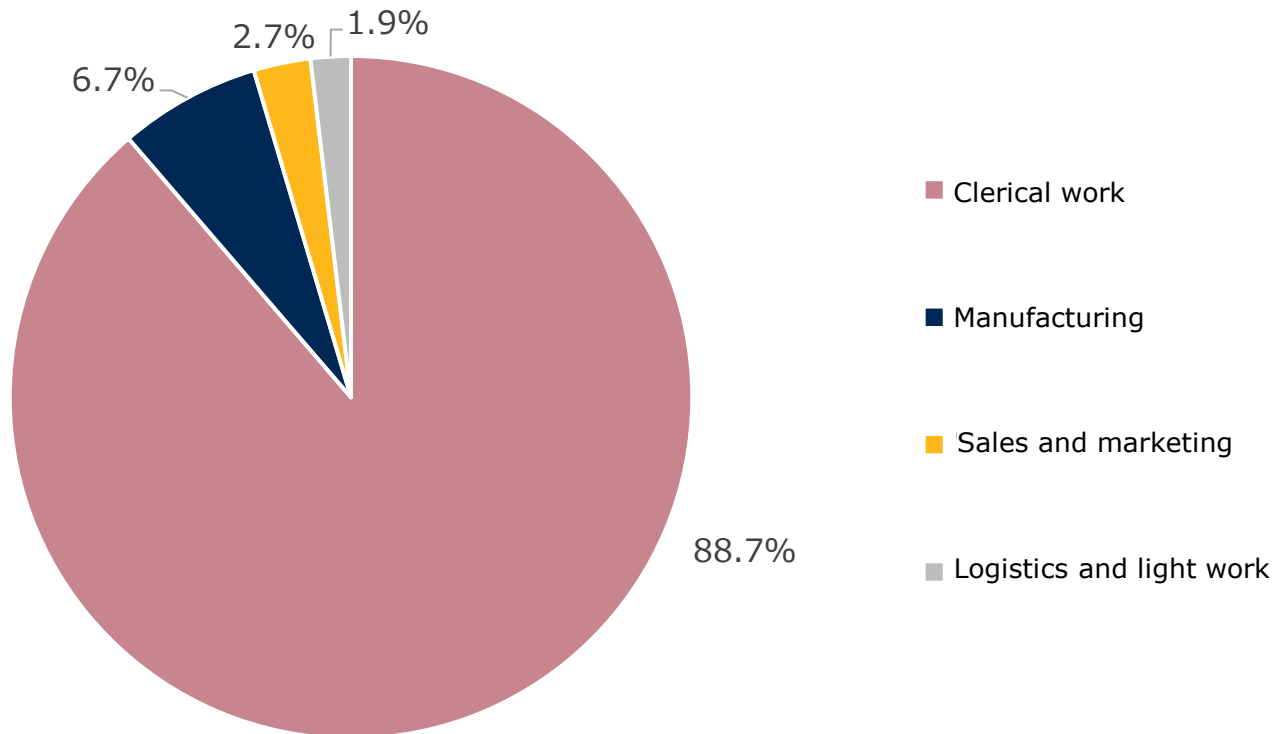
No. of dispatched temporary staff

Approx. 128,000 people (As of March 2024)

* In Niigata, Toyama, Ishikawa, Fukui, Tottori, Ehime, Kochi and Okinawa, services are provided by TEMPSTAFF FORUM under a franchise agreement.

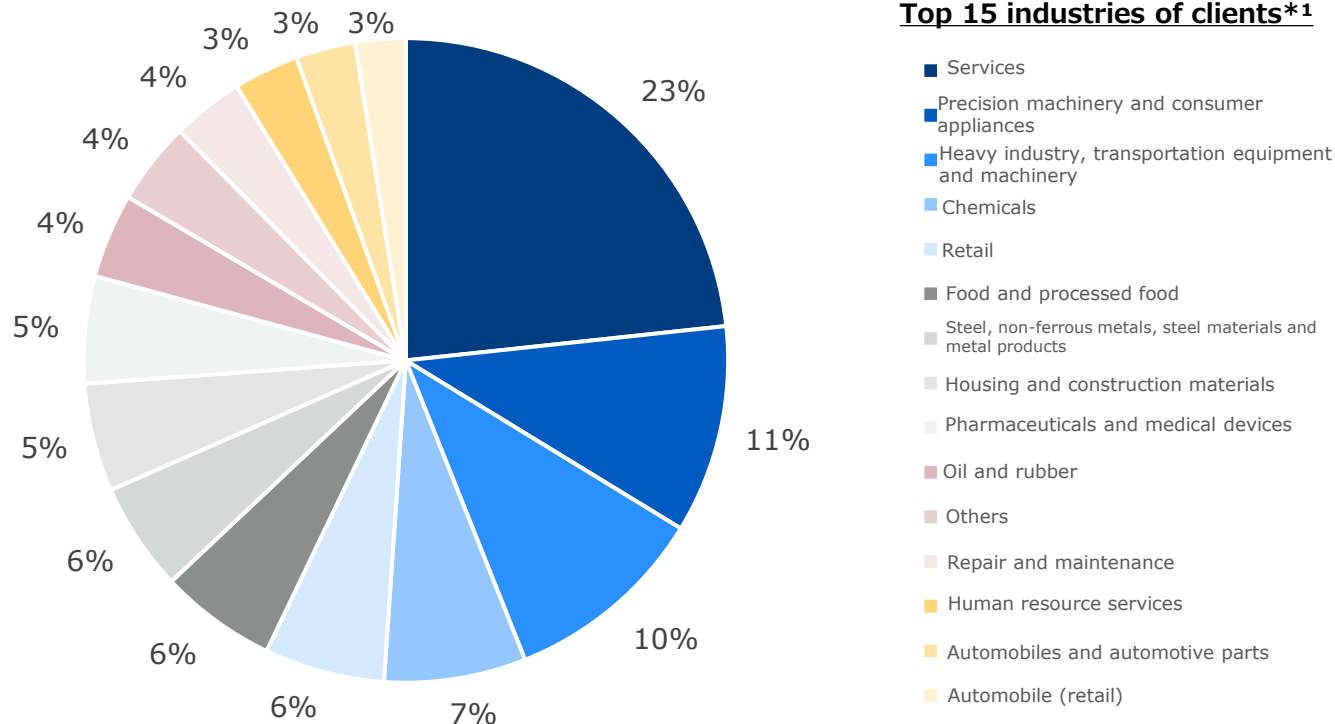
3. Staffing SBU: Revenue by Occupation

A breakdown of revenue shows that clerical work is the main source of revenue, with core company PERSOL TEMPSTAFF as the main revenue driver.



3. Staffing SBU: Clients by industries

Staffing SBU has built a client portfolio spanning a wide range of industries and has a solid operating base that is less susceptible to economic fluctuations.



*1 Only core company PERSOL TEMPSTAFF

4. Staffing SBU: Strengths

Staffing SBU leverages a 50-year track record as a comprehensive human resources service business and extensive business resources accumulated over this period to expand business.

01. Extensive business resource

- Domestic networks covering the entire country

* SSBU has 248 bases in Japan.

- No. of registered temporary staff:
approx. 1.4 million * PTS non-consolidated data
- No. of job openings: 250,000 per year
- Number of client companies:
25,000 companies

02. Diverse human resource solutions and services

- Service line-up that draws on group synergies -

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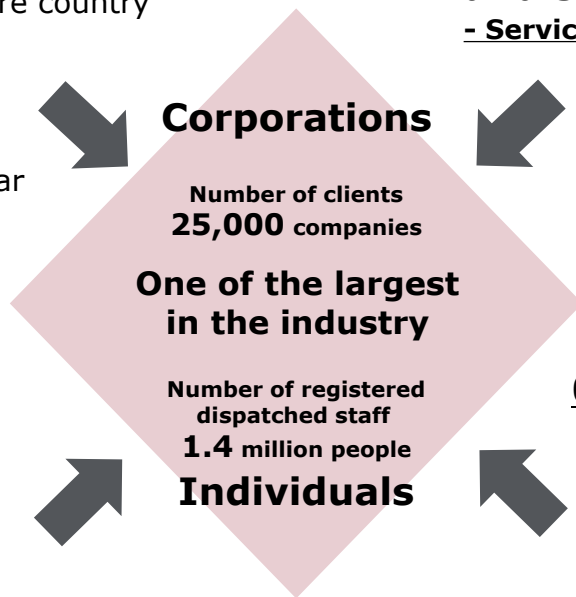
Work Switch

03. Unbroken 50-year track record

- High quality business operations
- Client-focused corporate culture

04. Sound operating system

- Appropriate system for the protection of information (Acquisition of P MARK)
- Certification as Excellent Worker Dispatching Business Operator for 9 consecutive years



4. Staffing SBU: Strengths

Staffing SBU has been ranked No. 1 for overall satisfaction in the “Performance in Worker Dispatching Business Operator Satisfaction Ranking surveyed by the Workplace Research Institute” for five consecutive years because it develops services that meet the needs of the times and meets the needs of both companies and individual.

SSBU service lineup

■ Catering for diverse workstyles



Home-based temporary staffing services, loan of notebook PCs and related equipment
Thorough implementation of labor management in the event of home-based working

Flexible CAREER

Service for the dispatch, placement, etc. of highly skilled human resources who prefer short working hours

Remote Tasker

Online clerical work support service through which business entrusted by companies is dealt with by fully remote human resources.

■ Development-type temporary staffing services



We dispatch high-potential human resources who we have employed indefinitely and continue to provide them with career development regularly even when they have a job.

■ DX and improvement of operational efficiency



We dispatch human resources with RPA and digital tool skills to improve the operational efficiency of clients.

■ Temporary staffing service for foreign nationals

Dispatch of foreign nationals

Temporary staffing and permanent placement services for foreign nationals

Performance in terms of satisfaction of dispatched staff

■ Performance in Worker Dispatching Business Operator Satisfaction Ranking

Ranked No. 1 for overall satisfaction for 5 consecutive years

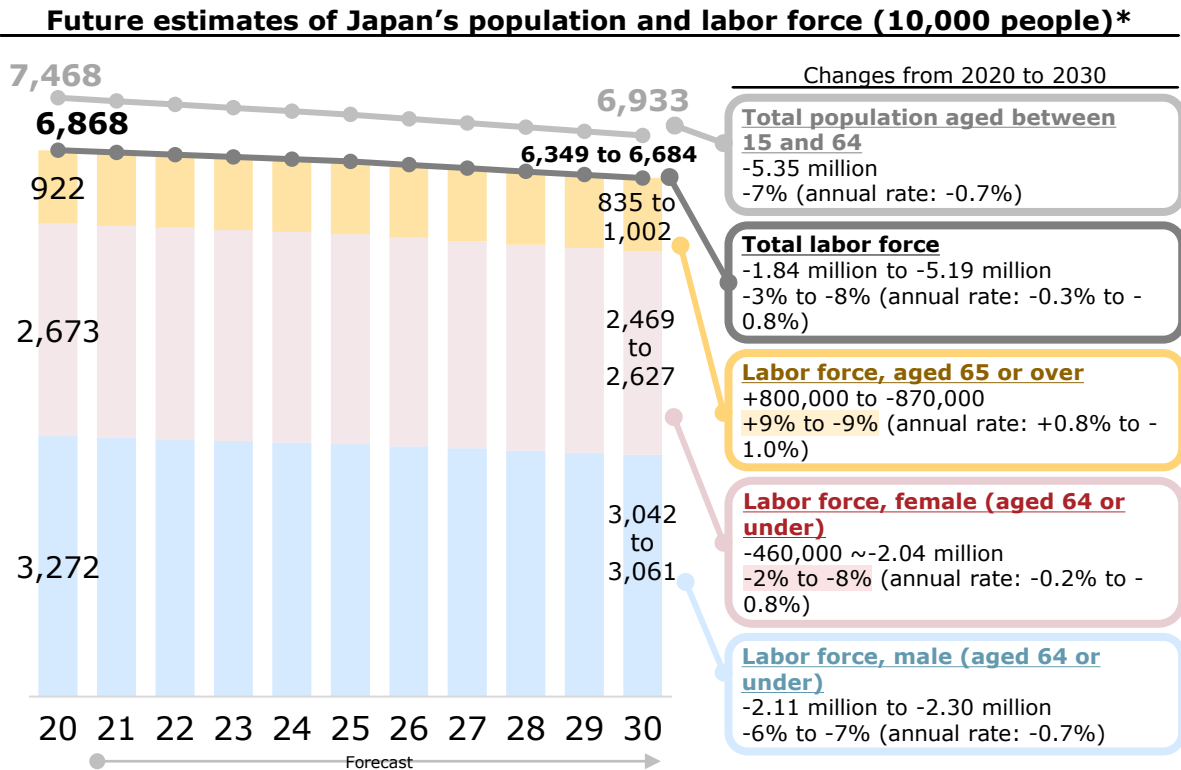


Survey target: Individuals who have registered with a dispatch company
Question: Which dispatch company was most satisfactory? (open answer; one answer only)
Calculation method: Percentage of respondents that name each dispatch company as the most satisfactory dispatch company
* Ranking includes only companies named by at least 100 respondents

Outlook of Staffing SBU

5. Labor Population Outlook

With the decline in the labor population, **women, the elderly** and Gen Z will make up increasing percentages of the workforce, and work styles and values are expected to become more and more **diverse**.

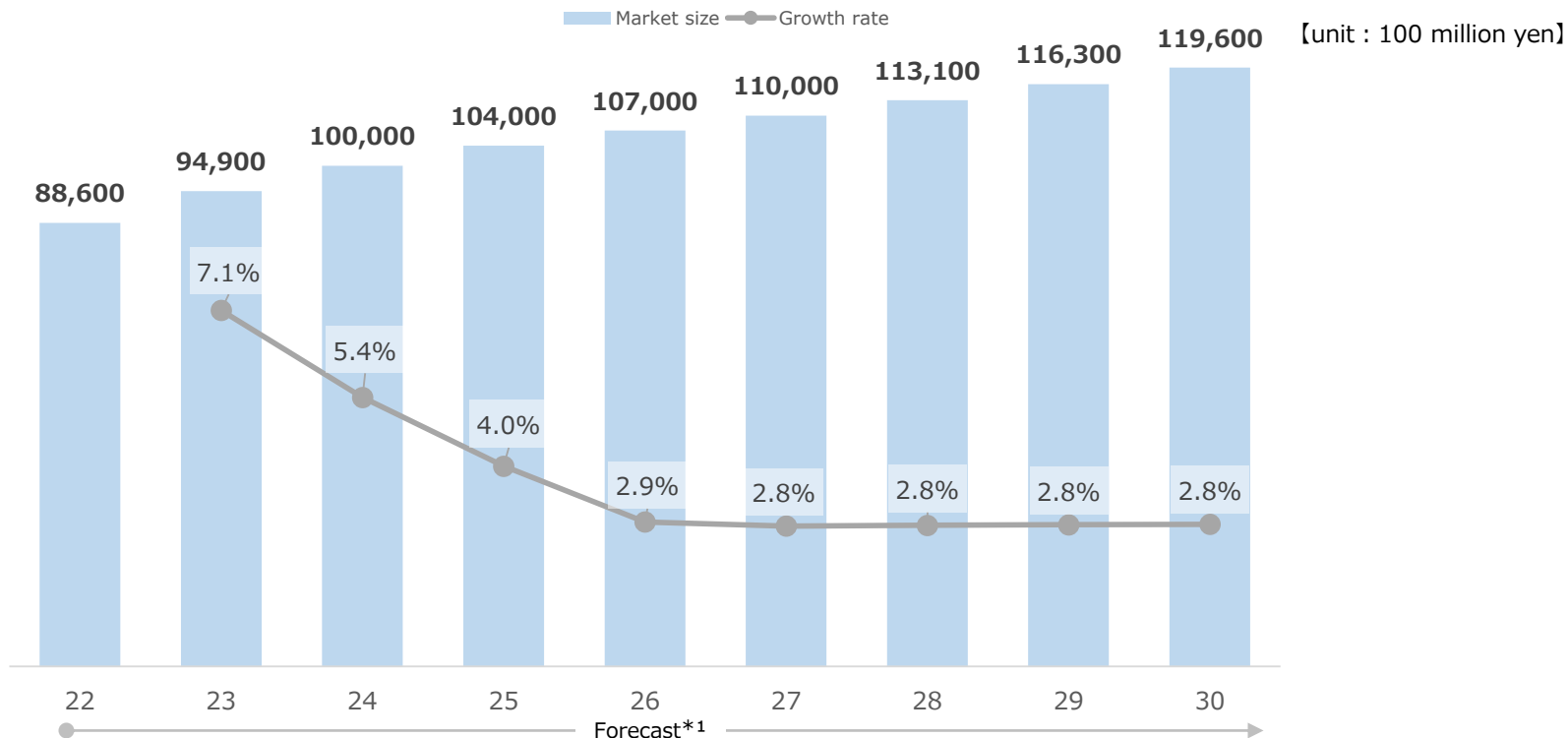


Assumed workforce changes

- The labor force participation of **women and the elderly** will **increase** and there will be **growing demand for diverse work styles**.
- The labor force participation of the digital-born workforce, also referred to as Generation Z (those aged between 11 and 21 as of 2021), will also increase, leading to greater diversification in values.

5. Outlook for the Temporary Staffing Market

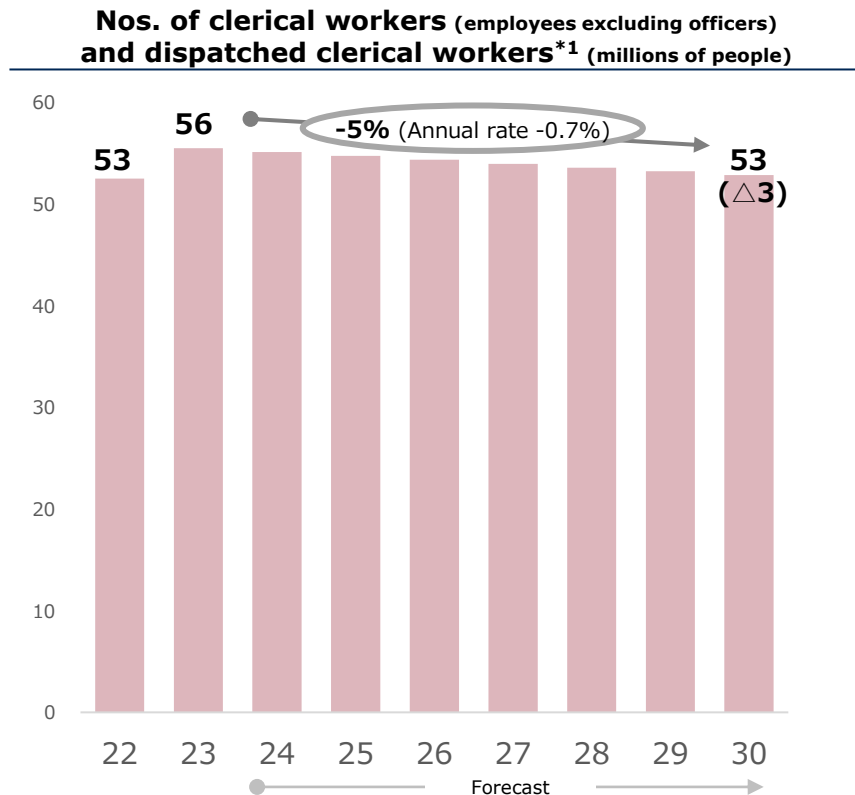
Future growth rate of the temporary staffing market is expected to continue in the lower single digits and move into a mature phase.



*1 Prepared based on "Current Situation and Outlook of the Human Resources Business in 2023" by Yano Research Institute for data to 2027, and prepared by applying the 2027 growth rate for data from 2028.

5. Outlook for Clerical Worker Market

Market demand for clerical work will shrink, but the temporary staffing market will remain mostly unchanged. Anticipate creation of new operations, increased direct employment replacement, and capture new opportunities.

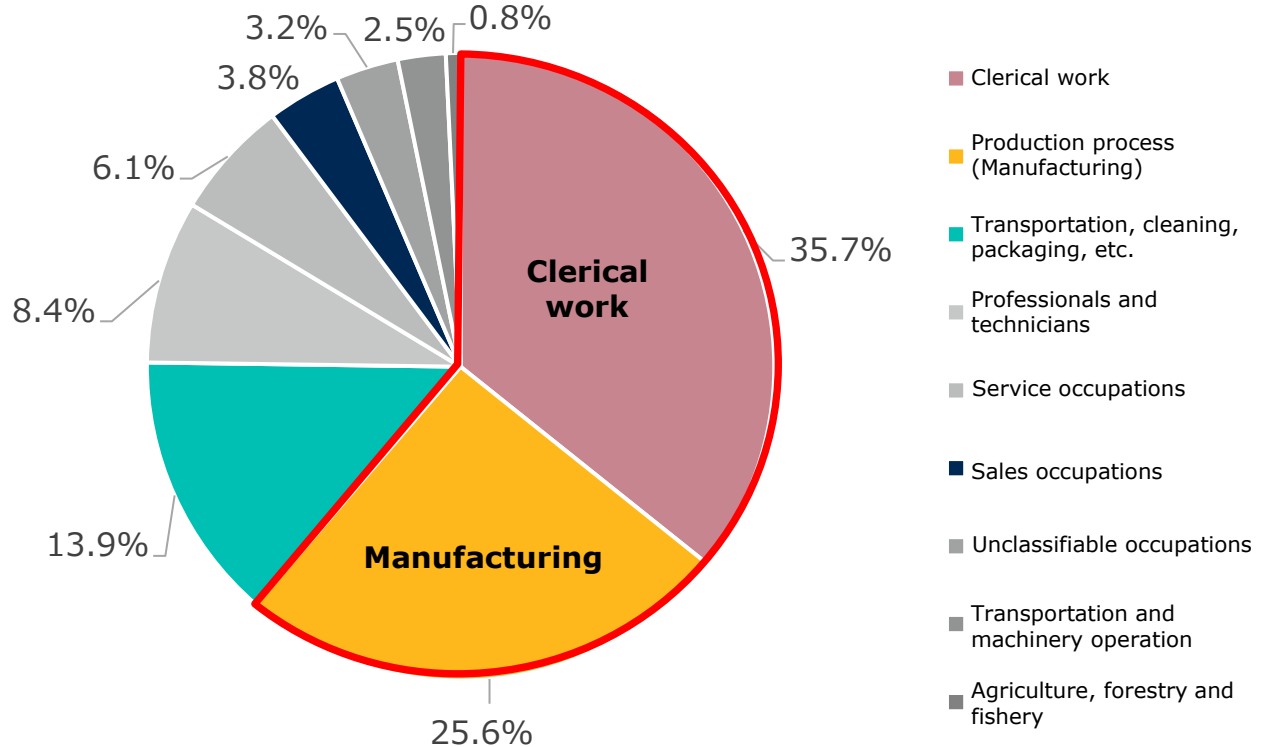


Assumed changes in dispatch of clerical workers		Impact
Decrease	• Recruiting from a shrinking labor force	–
	• Falling demand for clerical workers due to replacement with technology	–
Replacement	• Increased contracting out of clerical work (expansion of BPO demand)	–
	• Creation of new operations	+
Increase	• Increase due to replacement of direct employment	+

*1 Graph assumes same rate of increase/decrease for clerical workers market as for population ages 15-64. Source: "Labour Force Survey" released by Ministry of Internal Affairs and Communications.

5. Dispatched Workers by Job Type (FY2023)

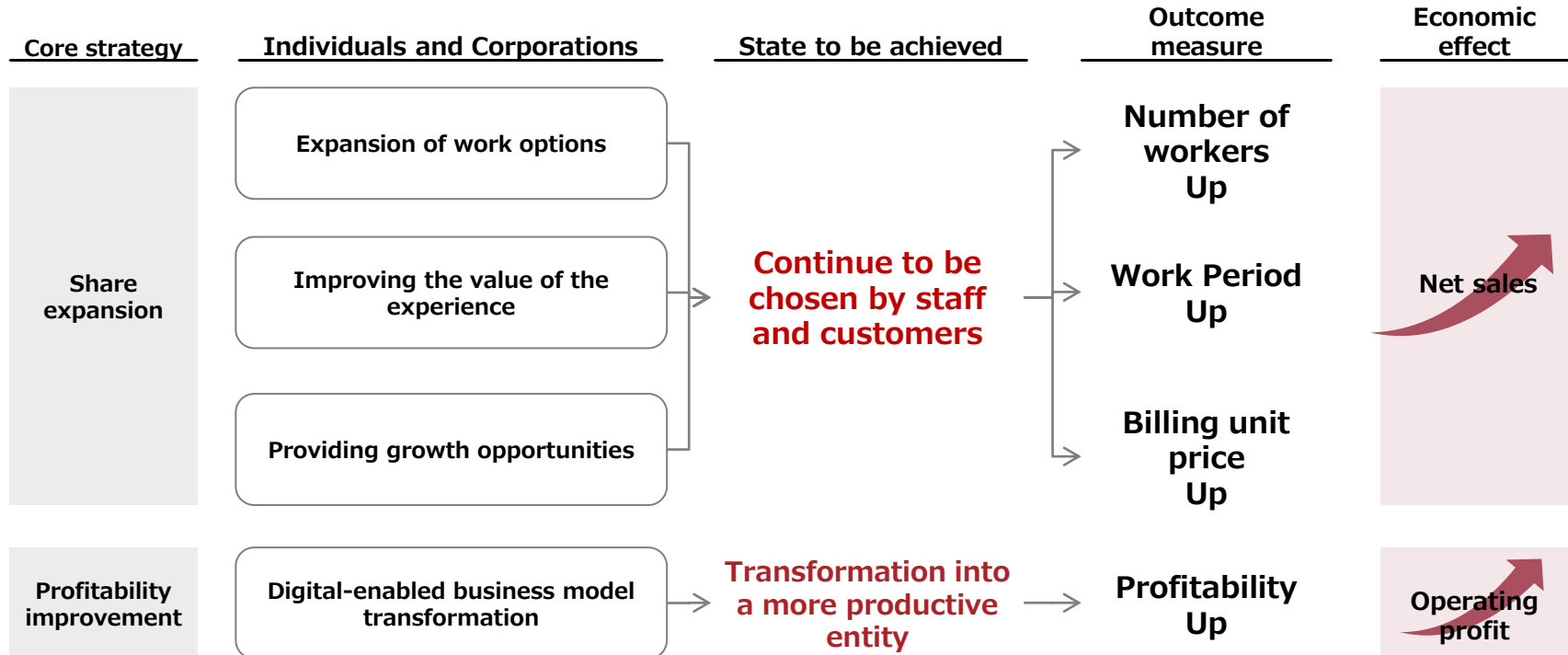
Staffing SBU aims to expand job categories by acquiring **share in the area of manufacturing**, which is its second largest business area after the core business area of clerical work (colored segments: areas covered by Staffing SBU)



Source: Prepared based on "Labour Force Survey" released by Ministry of Internal Affairs and Communications.

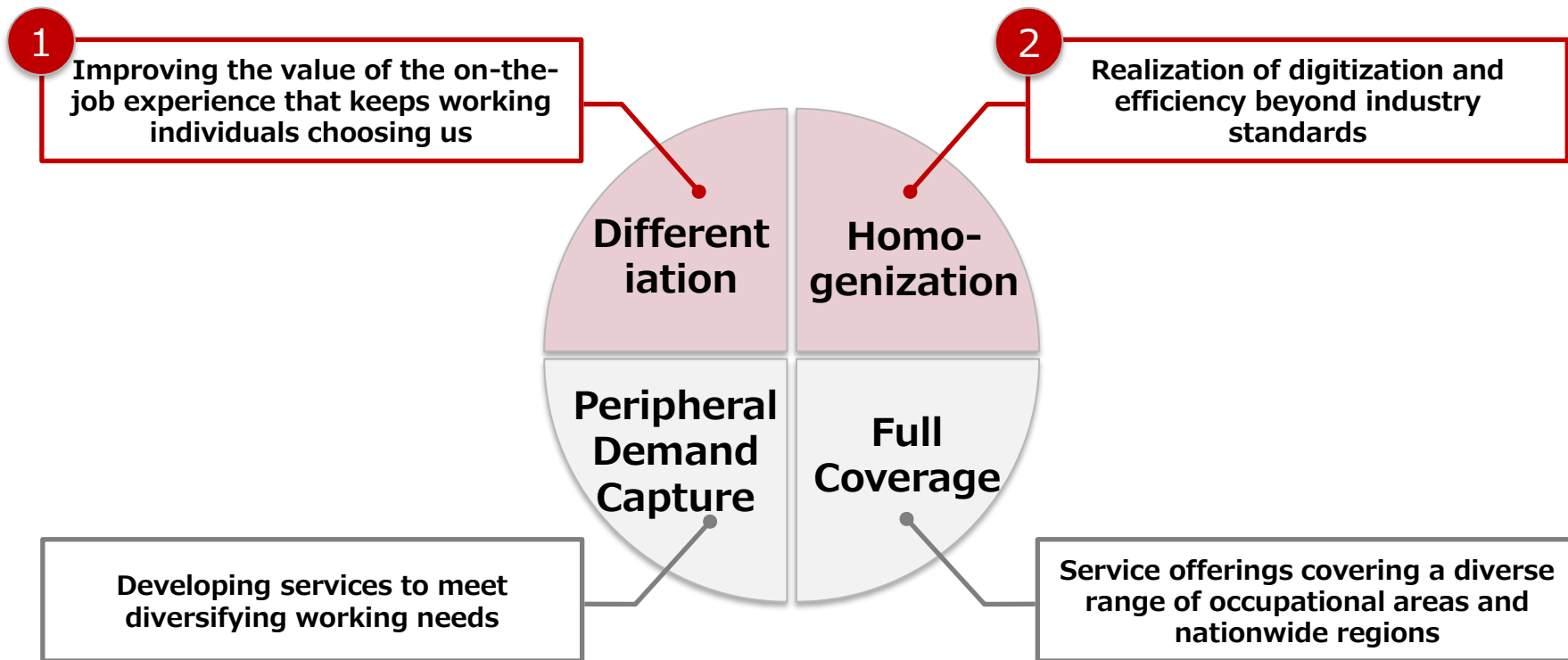
5. Future Management Strategy

With "market share expansion" and "profitability improvement" as our core strategies, we aim to be **"Partner that continues to be chose and makes working fun"** by being chosen by workers and providing a **stable supply** of excellent human resources to our customers.



5. Future competitive strategy

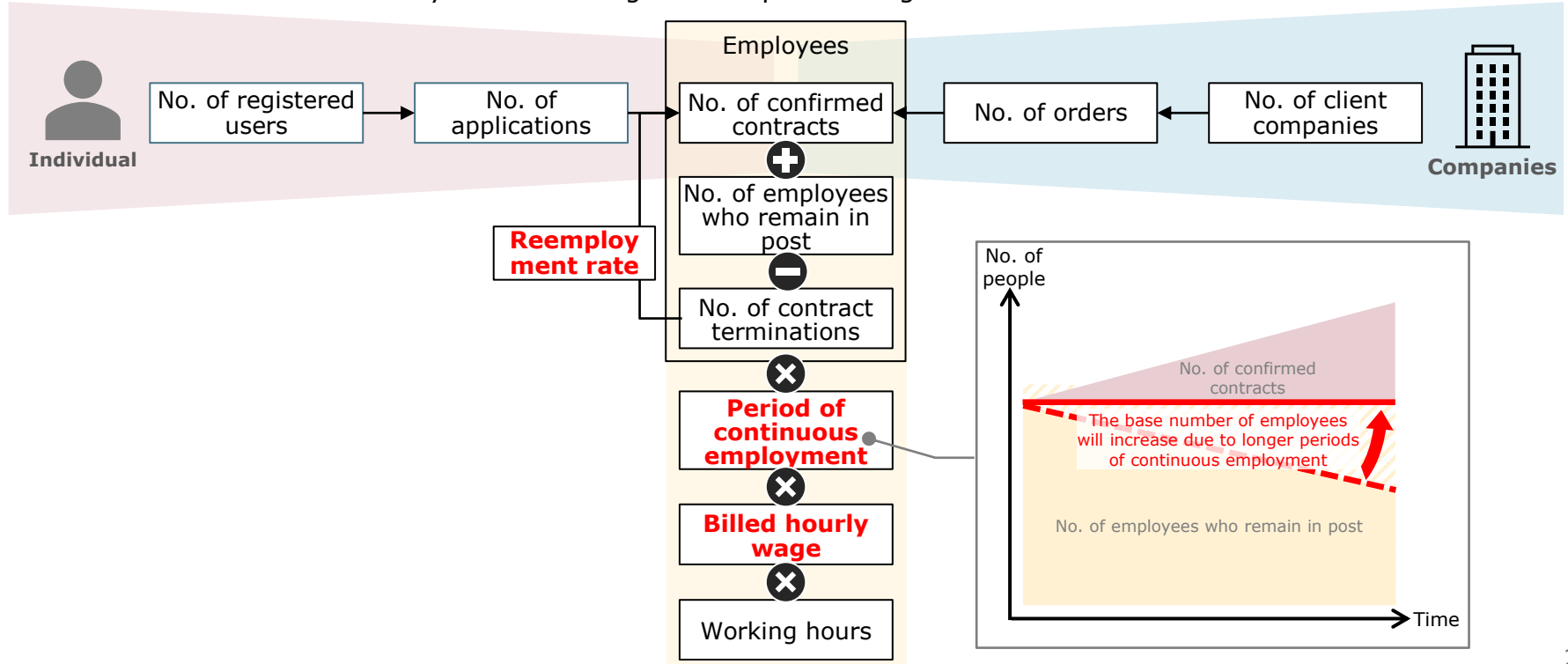
Maintain our existing strengths as a leading company, and **secure competitive advantage** by leveraging and **refining** our strengths



5. Future Strategy Pillars

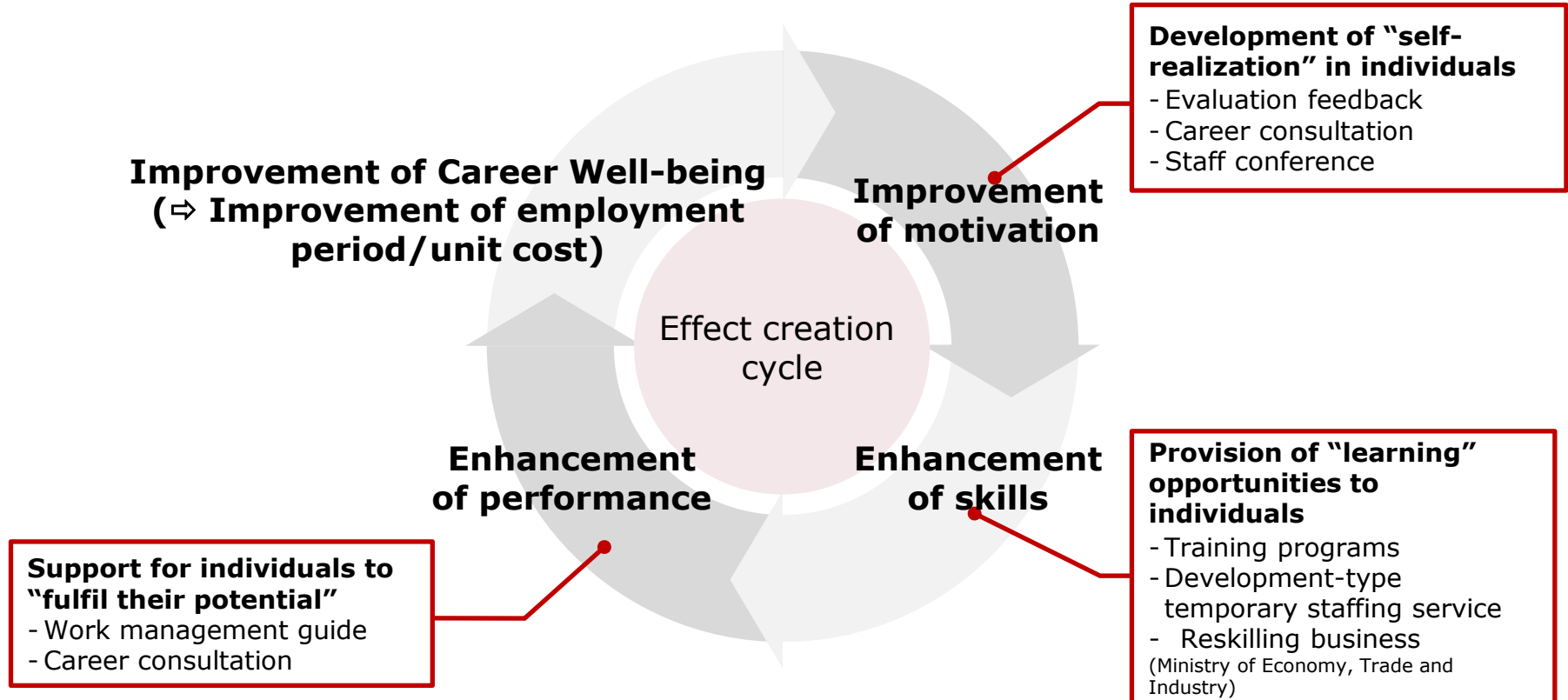
(1) Increased Focus on Individual Workers

The way to win in the market lies in “**continuing to be chosen by working individuals**”. We will put ourselves in the shoes of individual workers and **improve the value of their experience when in post** so that they **remain in their current post longer** or **return to the same post (repeat)** after their contract ends, and we will **increase our market share** by demonstrating this competitive edge.



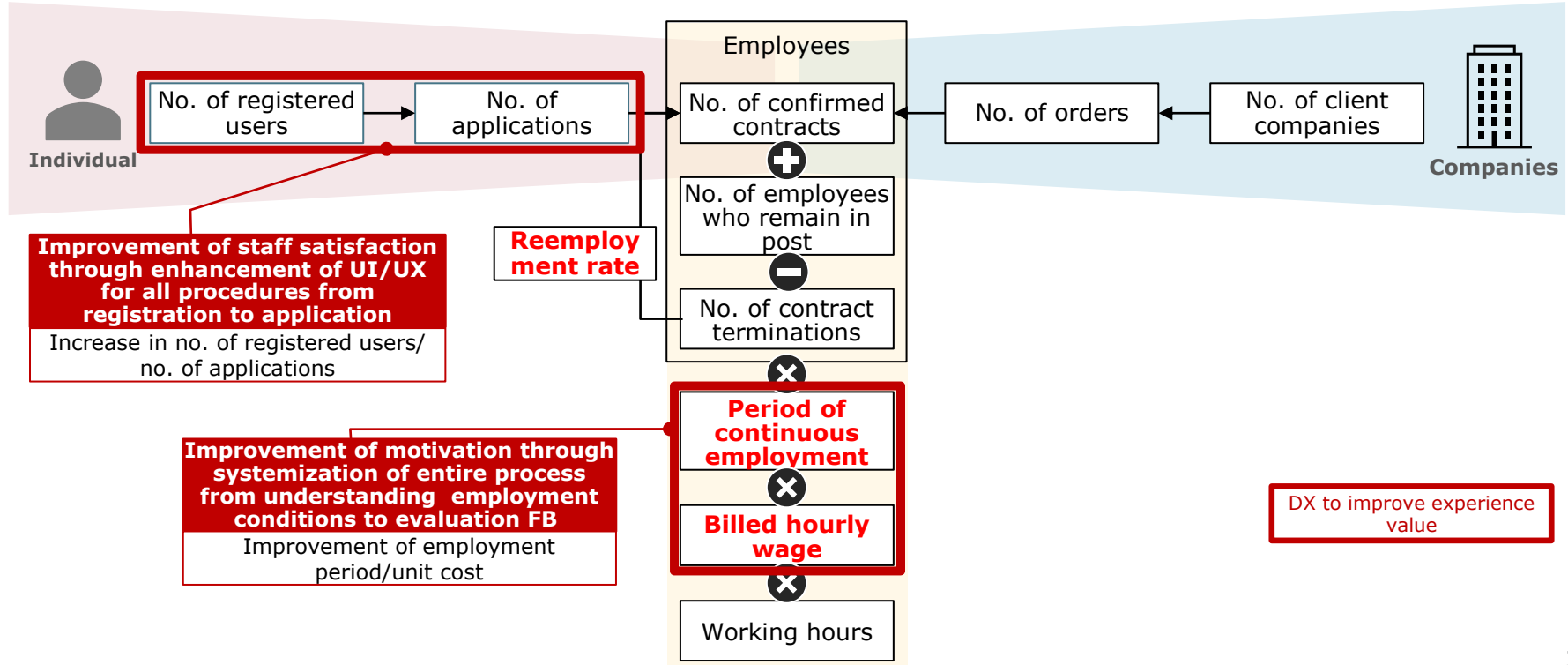
5. Initiatives to achieve “Career Well-being”

Keep being selected by working individuals through an effect creation cycle by promoting various initiatives in accordance with the steps to realization.



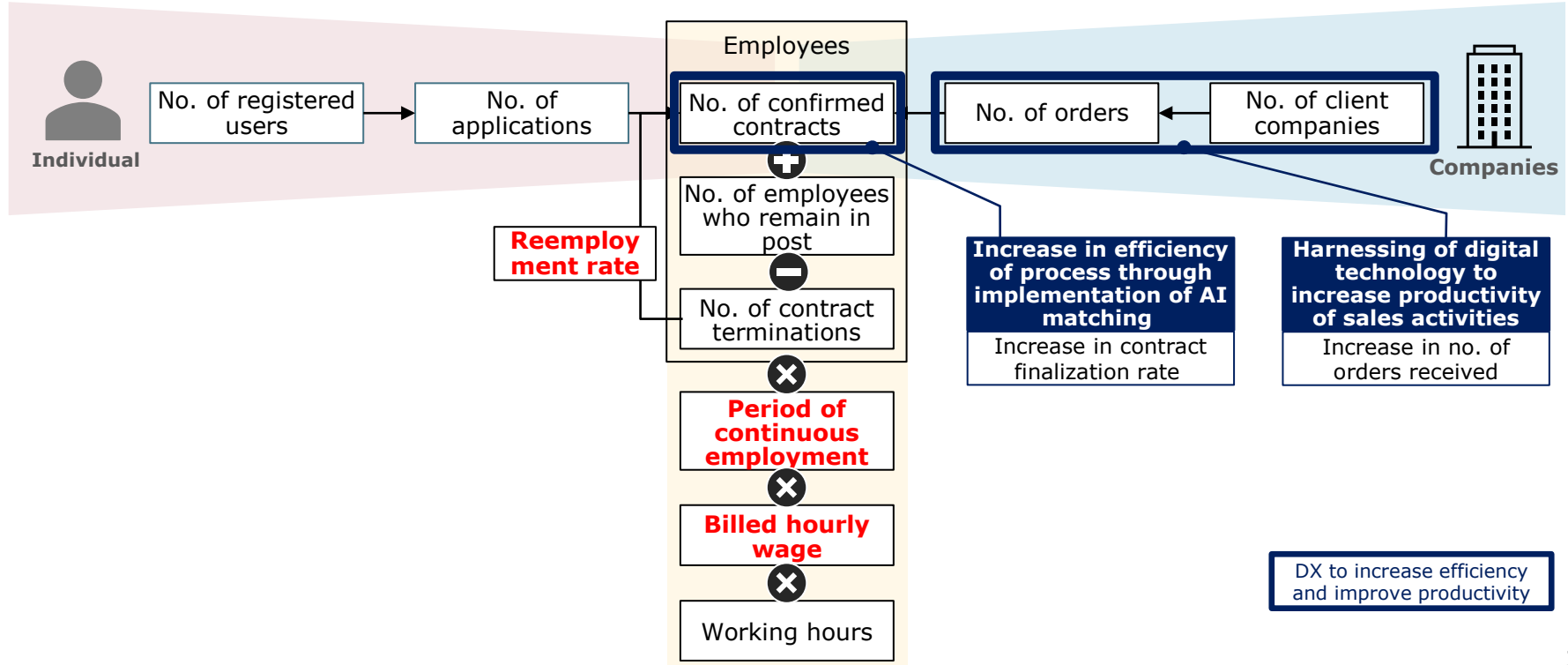
5. Future Strategy Pillars (2) Improvement of Profitability

Through **maximum deployment of digital technology to refine** operations and transform business processes, **we will not only improve experience value** but also achieve **higher levels of productivity** and **improve the LTV** of the worker dispatch business.



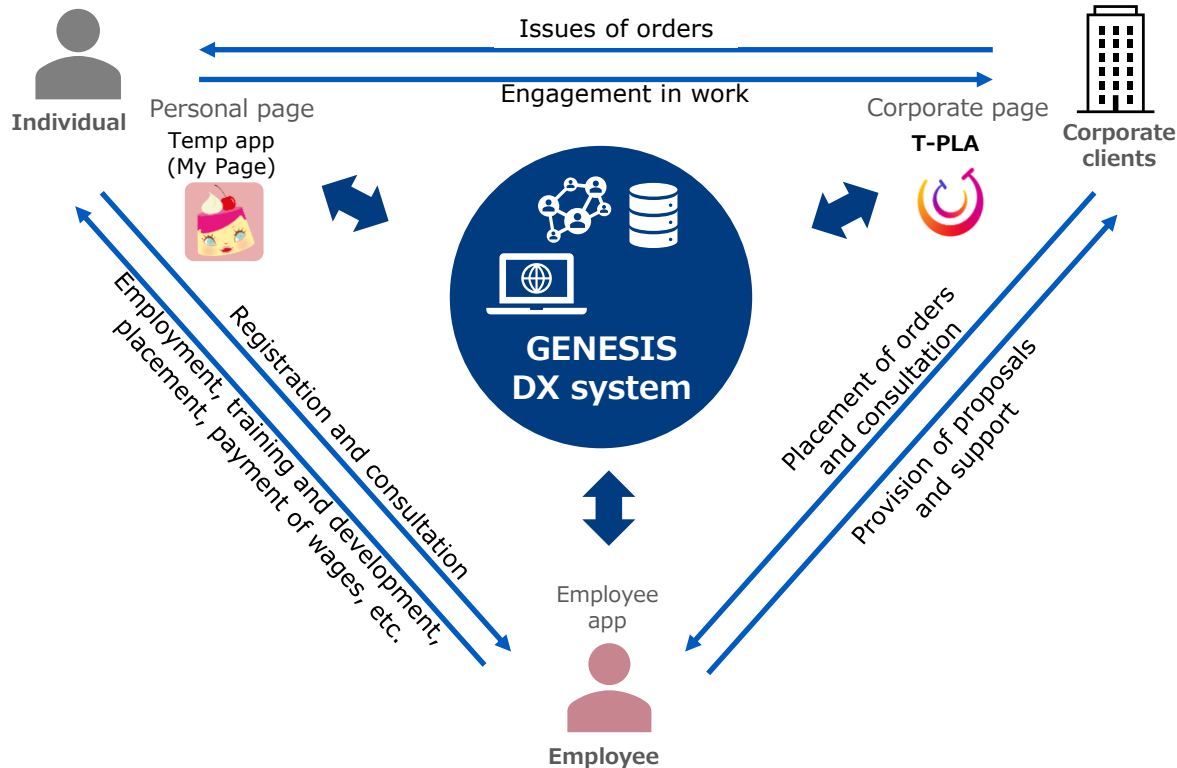
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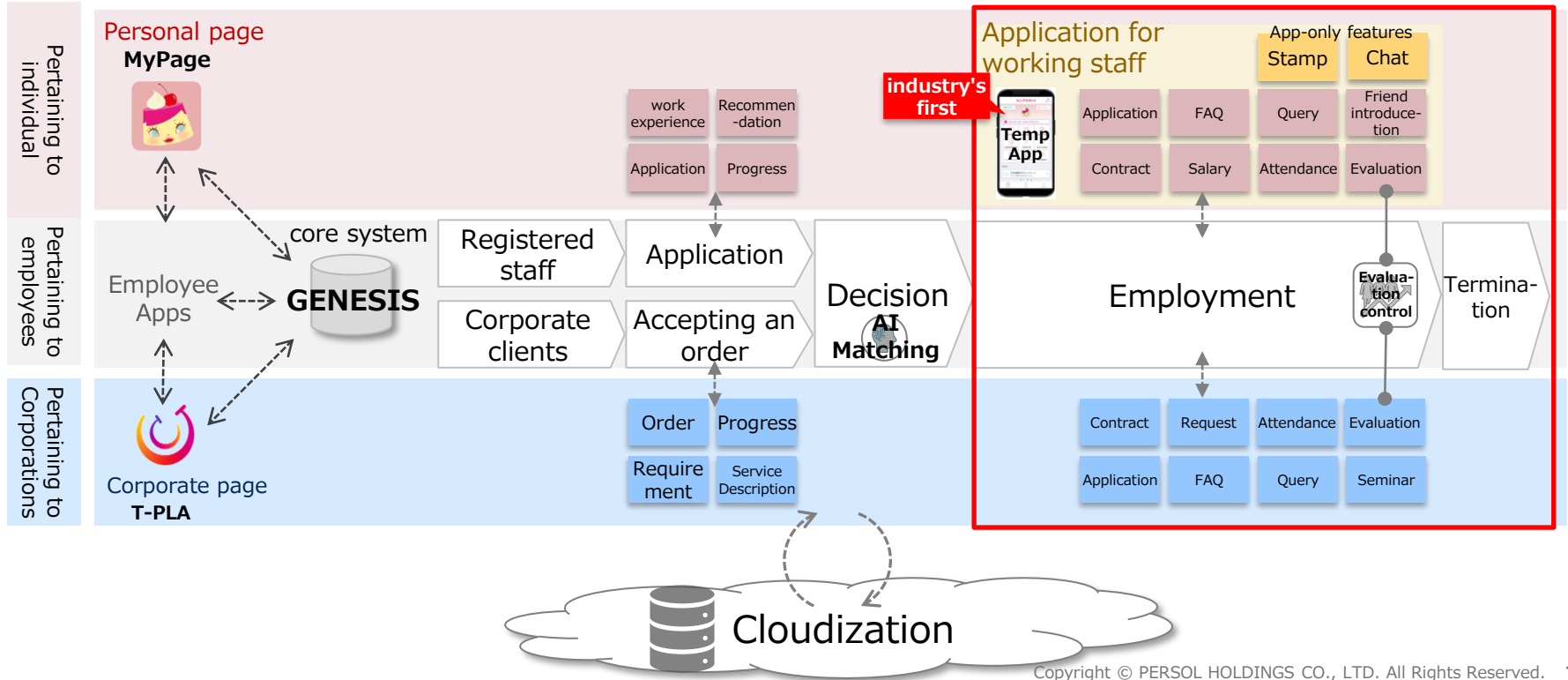
5. Digital Initiatives

Centered on the core system "GENESIS," with interfaces for each individual/corporation/employee. Interactively link information and utilize collected data in a timely manner to increase productivity



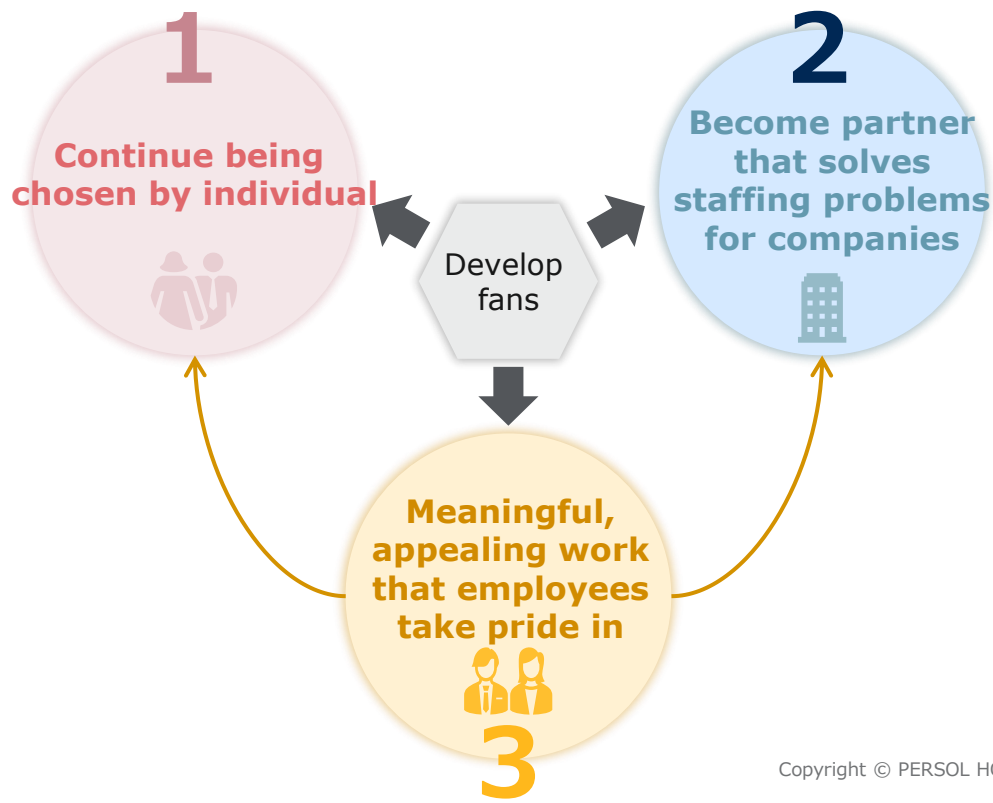
5. Digitalization initiatives

Increase and refine **digital touchpoints with** individuals/companies ⇒ Enhance **user experience** value
Rapid information linkage and **AI automation** ⇒ Increased **business productivity**
Promptly shift IT infrastructure **to the cloud** for more **efficient development**

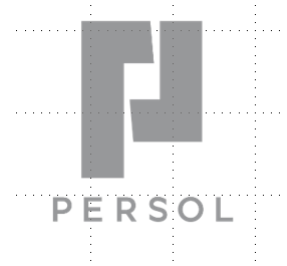


5. 2026 Vision

Partner that continues to be chosen and makes working fun



Work and Smile



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