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(Securities Code: 2181)
May 29, 2020

To all shareholders

Masamichi Mizuta
Representative Director, President and CEO
PERSOL HOLDINGS CO., LTD.
1-1, Yoyogi 2-chome, Shibuya-ku, Tokyo, Japan

NOTICE OF CONVOCAION OF THE 12th ORDINARY GENERAL MEETING OF SHAREHOLDERS

We would like to thank you for your continued sincere support.

This is to notify you that we will be holding the 12th Ordinary General Meeting of Shareholders as per the details listed below.

To avoid potential infection with the new coronavirus disease (COVID-19) at the Ordinary General Meeting of Shareholders, however, you are highly recommended not to attend the meeting in person but exercise your voting rights in writing or via the Internet. Please review the attached reference materials, indicate your approval or disapproval for each agenda item on the enclosed voting rights exercise form and return the form to us, or enter your approval or disapproval on the Company's designated website (<https://evote.tr.mufg.jp/>) no later than 6:00 p.m., Tuesday, June 23, 2020.

- | | |
|-------------------------|---|
| 1. Date and Time | 10:00 a.m., Wednesday, June 24, 2020 (Reception will open at 9:00 a.m.) |
| 2. Venue | “Ohgi,” 4F, South Tower, Keio Plaza Hotel Tokyo, 2-1, Nishi-Shinjuku 2-chome, Shinjuku-Ku, Tokyo |

* Please be advised that this venue may not be available due to COVID-19 related restrictions on the scheduled meeting date. If the venue is changed, we will inform you on our company website (<https://www.persol-group.co.jp>). Shareholders attending the Ordinary General Meeting of Shareholders in person are requested to check our website for meeting details in advance.

3. Meeting Agenda

- | | |
|-----------------------------|--|
| Items to be reported | <ol style="list-style-type: none">1. The Business Report, the Consolidated Financial Statements and the Reports by External Auditors and the Supervisory Committee on the audit results of the Consolidated Financial Statements, for the 12th term (from April 1, 2019 to March 31, 2020).2. The Non-Consolidated Financial Statements for the 12th term (from April 1, 2019 to March 31, 2020). |
|-----------------------------|--|

Items to be resolved

- | | |
|-----------------------|---|
| Agenda Item 1: | Appropriation of Surplus |
| Agenda Item 2: | Election of Six (6) Directors who are not Supervisory Committee Members |
| Agenda Item 3: | Election of Two (2) Directors who are Supervisory Committee Members |
| Agenda Item 4: | Election of One (1) Substitute Director who is a Supervisory Committee Member |
| Agenda Item 5: | Revision to amount of remuneration for External Directors who are not Supervisory Committee Members |

- Agenda Item 6:** Determination of amount and details of share-based remuneration for External Directors who are not Supervisory Committee Members
- Agenda Item 7:** Determination of amount and details of share-based remuneration for Directors who are Supervisory Committee Members
- 4. Instructions for Exercising Voting Rights** Please refer to Instructions Concerning Exercise of Voting Rights (Japanese only).

- * If you are attending the meeting, please submit the enclosed voting rights exercise form to the reception desk upon arrival.
 - * The following items are posted on the Company's website in accordance with laws, regulations and the provisions of Article 16 of the Articles of Incorporation of the Company, and not described in this convocation notice.
 - a. Notes to consolidated financial statements
 - b. Notes to non-consolidated financial statements
- Consequently, the documents attached to this convocation notice consist of part of the Consolidated Financial Statements and Non-consolidated Financial Statements that were audited by the Supervisory Committee in preparing their audit report and the External Auditors in preparing their audit reports.
- * If any revisions are made to Reference Materials for General Meeting of Shareholders, the Business Report, Consolidated Financial Statements or Non-Consolidated Financial Statements, the revised items will be posted on the Company's website.

The Company's website: <https://www.persol-group.co.jp>

Reference Materials for General Meeting of Shareholders

Agenda Item 1: Appropriation of Surplus

Regarding the return of profits to our shareholders as a priority issue, the Company has adopted a basic policy to maintain stable dividends according to the conditions of business performance, while striving to increase internal reserves and strengthening the corporate structure that enables a speedy and active expansion of business into growth fields.

Based on this basic policy, we would like to pay term-end dividends for the fiscal year under review as follows:

- (1) Type of dividend property
Cash
- (2) Allocation of dividend property and total amount of the allocation
15 yen per share of common stock
Total amount: 3,474,255,690 yen
- (3) Effective date of distribution of surplus
June 25, 2020

Agenda Item 2: Election of Six (6) Directors who are not Supervisory Committee Members

The terms of office of the five (5) current Directors who are not Supervisory Committee Members will expire at the conclusion of this General Meeting of Shareholders. At this juncture, the Company requests the election of six (6) Directors who are not Supervisory Committee Members.

The Company's Supervisory Committee has judged that all the candidates for Directors in this agenda item are the right people for the post of Director.

Under the governance policy whereby the Board focuses on the oversight of management, and thus, oversees Group Senior Executives effectively from an independent and objective standpoint (Chapter 2, Corporate Governance Guideline established on October 1, 2019), the Company will increase the number of External Directors who are not Supervisory Committee Members from one (1) to three (3). If the candidates in this Agenda Item and Agenda Item 3 are elected as originally proposed, five out of nine Directors or the majority of the Board members will be Independent External Directors, which will ensure that the Board provide effective oversight of Group Senior Executives from an independent and objective standpoint.

The candidates for Directors who are not Supervisory Committee Members are as follows:

| No. | Name | Position and business in charge in the Company | | | |
|-----|----------------------|---|-----------------|----------|-------------|
| 1 | Masamichi Mizuta | Representative Director, President and CEO | Reappointed | | |
| 2 | Takao Wada | Director, Deputy President and Executive Officer (Business Control Officer, Staffing SBU Lead) | Reappointed | | |
| 3 | Hirotoishi Takahashi | Director, Deputy President and Executive Officer (Function Control Officer, Solution SBU Lead) | Reappointed | | |
| 4 | Ryosuke Tamakoshi | External Director | Reappointed | External | Independent |
| 5 | Naohiro Nishiguchi | External Director (Member of Supervisory Committee) | Reappointed | External | Independent |
| 6 | Masaki Yamauchi | - | Newly appointed | External | Independent |

(Reference briefing materials for Agenda Items 2 to 4 are on page 16)

| Brief personal record, position, business in charge in the Company | | |
|--|-----------|---|
| Number of the Company's shares held: 430,947 shares (out of which, number of shares to be delivered based on share-based remuneration scheme: 10,647 shares) Number of years in office: 11 years 8 months Number of the Board meetings attended: 13/13 (100%) | Apr. 1984 | Joined Recruit Co., Ltd. |
| | Jul. 1988 | Joined Tempstaff Co., Ltd. |
| | Jun. 1995 | Director of Tempstaff Co., Ltd. (General Manager, Sales Division) |
| | Oct. 2008 | Executive Managing Director of the Company (General Manager, Group Sales Division) |
| | Aug. 2009 | Executive Managing Director of the Company (General Manager, Group Growth Strategy Division) |
| | Jun. 2010 | Vice President & Director of the Company (General Manager, Group Growth Strategy Division) |
| | Jun. 2012 | Vice President & Representative Director of the Company (General Manager, Group Growth Strategy Division) |
| | Jun. 2013 | President & Representative Director of the Company (General Manager, Group Growth Strategy Division) |
| | Jul. 2014 | President & Representative Director of the Company (General Manager, Group Management Division General Manager, Group Financial Division) |
| | Apr. 2015 | President & Representative Director of the Company |
| | Jun. 2016 | Representative Director, President and CEO of the Company (current position) |
| Important concurrent posts | | |
| Director (part-time) of PERSOL TEMPSTAFF CO., LTD. | | |
| Director (part-time) of PERSOL CAREER CO., LTD. | | |
| Director (part-time) of PERSOL Professional Outsourcing Co., Ltd. | | |
| Reasons for nomination as candidate for Director | | |
| Masamichi Mizuta has continued to oversee and lead the operations of the Group as President and Representative Director since June 2013, leveraging his experience and insight he had garnered through many years of his involvement in the human resources business industry, and thus, has contributed to increasing of the corporate value of the Company. The Company appointed him as a candidate for Director based on the conclusion that he will continue to fulfill his duties as a Director who is not a Supervisory Committee Member of the Company in light of his track record. | | |

| Brief personal record, position, business in charge in the Company | | |
|---|-----------|---|
| Number of the Company's shares held: 121,614 shares (out of which, number of shares to be delivered based on share-based remuneration scheme: 7,314 shares) Number of years in office: 11 years 8 months Number of the Board meetings attended: 13/13 (100%) | Feb. 1988 | Joined Sparrow Japan |
| | Sep. 1991 | Joined Tempstaff Co., Ltd. |
| | Jun. 2006 | Director of Tempstaff Co., Ltd. (General Manager, Sales & Planning Division) |
| | Oct. 2008 | Director of the Company (General Manager, Group Operations & IT Division) |
| | Aug. 2009 | Director of the Company (General Manager, Group Operations & IT Strategy Division) |
| | Apr. 2011 | Director of the Company (General Manager, Group Outsourcing Strategy Division) |
| | Jan. 2014 | Director of the Company (General Manager, Group Outsourcing Strategy Division General Manager, Group Human Resources Division) |
| | Apr. 2015 | Director, Executive Officer of the Company (Responsible for Temporary Staffing Segment, BPO Segment, and Sales Strategy) |
| | Jun. 2016 | Director, Senior Executive Officer of the Company (Sales Strategy Officer, Temporary Staffing/BPO Segment Lead) President & Representative Director of Tempstaff Co., Ltd. (current position) |
| | Apr. 2020 | Director, Deputy President and Executive Officer (Business Control Officer, Staffing SBU Lead) (current position) |
| Important concurrent posts | | |
| President and Representative Director of PERSOL TEMPSTAFF CO., LTD. | | |
| Director (part-time) of PERSOL CAREER CO., LTD. | | |
| Non-executive Director of PERSOL Asia Pacific Pte. Ltd. | | |
| Reasons for nomination as candidate for Director | | |
| Takao Wada has been involved in management of the Company, and helped expand and improve the earnings of the temporary staffing and other businesses as Director since October 2008, leveraging his extensive experience and insight he had garnered through many years of his involvement in the Group's mainstream temporary staffing business, and thus, has contributed to increasing of the corporate value of the Company. The Company appointed him as a candidate for Director based on the conclusion that he will continue to fulfill his duties as a Director who is not a Supervisory Committee Member of the Company in light of his track record. | | |

| Brief personal record, position, business in charge in the Company | |
|--|--|
| Number of the Company's shares held: 115,697 shares (out of which, number of shares to be delivered based on share-based remuneration scheme: 8,997 shares) Number of years in office: 7 years Number of the Board meetings attended: 13/13 (100%) | Apr. 1995 Joined Intelligence, Ltd. Apr. 1999 Director of Intelligence, Ltd. Dec. 2008 Representative Director & Chief Executive Officer of Intelligence, Ltd. Apr. 2012 Representative Director of Intelligence Holdings, Ltd. Jun. 2013 Vice President & Director of the Company (General Manager, Media and Career-related Business) Jan. 2014 Vice President & Director of the Company (General Manager, Group Corporate Strategy Division General Manager, Media and Career-related Business) Apr. 2014 Vice President & Director of the Company (General Manager, Group Corporate Strategy Division) |
| | Apr. 2015 Vice President and Executive Officer of the Company (Responsible for Recruitment Segment, Corporate Strategy, and Human Resources) Apr. 2016 Vice President & Director of the Company (Responsible for Corporate Strategy and Human Resources) Jun. 2016 Vice President, COO & Director of the Company (Responsible for Corporate Strategy and Human Resources) Apr. 2017 Vice President, COO & Director of the Company (Responsible for Corporate Strategy) Nov. 2017 Director, Deputy President and COO of the Company (Group Function Control Officer, Corporate Strategy Officer) Apr. 2018 Director, Deputy President and COO of the Company (Group Function Control Officer, ITO Segment Lead) Dec. 2018 President and Representative Director of PERSOL INNOVATION CO., LTD. (current position) Apr. 2019 Director, Deputy President and COO of the Company (Group Function Control Officer, PROGRAMMED Segment Lead) Apr. 2020 Director, Deputy President and Executive Officer (Function Control Officer, Solution SBU Lead) (current position) |
| | Important concurrent posts |
| | President and Representative Director of PERSOL INNOVATION CO., LTD. |
| | Reasons for nomination as candidate for Director |
| | Hirotoshi Takahashi has continued to build and display his management skills as corporate executives, including Representative Director & Chief Executive Officer of Intelligence, Ltd. from December 2008, and Vice President and Director of the Company, supporting the Group's management, since June 2013, by leveraging his experience and insight he had garnered in the human resources business sector for many years. The Company appointed him as a candidate for Director based on the conclusion that he will continue to fulfill his duties as a Director who is not a Supervisory Committee Member of the Company in light of his track record. |

| Brief personal record, position, business in charge in the Company | | |
|--|---|---|
| Number of the Company's shares held: – shares | May 1970 | Joined The Sanwa Bank, Limited (current MUFG Bank, Ltd.) |
| | May 1997 | General Manager, International Department of The Sanwa Bank, Limited |
| | Jun. 1997 | Director of The Sanwa Bank, Limited |
| Number of years in office: 4 years | Jun. 1999 | Managing Executive Officer of The Sanwa Bank, Limited |
| | Jan. 2002 | Senior Managing Executive Officer of UFJ Bank Limited (current MUFG Bank, Ltd.) |
| Number of the Board meetings attended: 13/13 (100%) | May 2002 | Deputy President and Executive Officer of UFJ Bank Limited |
| | Jun. 2002 | Deputy President, Representative Director, and Executive Officer of UFJ Bank Limited |
| | May 2004 | Chairman and Director of UFJ Bank Limited |
| | Jun. 2004 | President and Representative Director of UFJ Holdings, Inc. (current Mitsubishi UFJ Financial Group, Inc.) |
| | Oct. 2005 | Chairman and Representative Director of Mitsubishi UFJ Financial Group, Inc. |
| | Jun. 2010 | External Audit & Supervisory Board Member of the Company Senior Advisor of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (current position) (current MUFG Bank, Ltd.) |
| | Jul. 2011 | Director of Morgan Stanley |
| | Jun. 2016 | External Director of the Company (Member of Supervisory Committee) |
| | Jun. 2018 | External Director of the Company (current position) |
| | Important concurrent posts Senior Advisor of MUFG Bank, Ltd. | |
| | Reasons for nomination as candidate for External Director Ryosuke Tamakoshi has been contributing to the Company's management, by proactively providing opinions, suggestions, etc. at various meetings as External Director of the Company, and from June 2019, the Nomination and Compensation Committee Member, leveraging his wealth of experience and extensive global insight he had garnered for many years as a senior manager at financial institutions. The Company appointed him as a candidate for External Director based on the conclusion that he will fulfill his duties as a Director who is not a Supervisory Committee Member of the Company in light of his track record. | |

1. The Company has filed Ryosuke Tamakoshi as an Independent Director pursuant to the provisions of Tokyo Stock Exchange (TSE). If this proposal is approved, the Company intends to report his reappointment as Independent Director.
2. MUFG Bank, Ltd., where he holds the post of senior advisor, extends loans to and engages in other transactions with the Company. However, the role of senior advisor at the bank is not a role that is involved in the management, and he has not engaged in the execution of business for more than nine years. He therefore satisfies the requirements for an independent director stipulated by the Tokyo Stock Exchange and the standards of independence set forth by the Company (Reference 3 on page 16), and thus, we believe his independence has been maintained.

| Brief personal record, position, business in charge in the Company | | |
|--|---|--|
| Number of the Company's shares held: | Apr. 1986 | Joined The Long-Term Credit Bank of Japan, Limited |
| | Mar. 1998 | Joined The World Bank Group |
| Number of the Company's shares held: – shares | Nov. 2001 | Joined Mercer Japan Ltd. Representative Managing Director of Mercer Japan Ltd. |
| | Nov. 2009 | Joined Innovation Network Corporation of Japan Executive officer of Innovation Network Corporation of Japan |
| | Jan. 2014 | Established Japan Innovation Network Executive Managing Director of Japan Innovation Network |
| Number of years in office (Member of Supervisory Committee): 4 years | Jun. 2015 | Established Japan Bosai Platform President of Japan Bosai Platform (current position) |
| | Jun. 2016 | External Director, Member of Supervisory Committee of the Company (current position) |
| | Jan. 2018 | Senior Advisor on Innovation of United Nations Development Programme (UNDP) (current position) |
| Number of the Board meetings attended: 12/13 (92%) | Apr. 2018 | Specially-appointed professor, Sophia University (current position) |
| | Oct. 2019 | CEO of Japan Innovation Network (current position) |
| Important concurrent posts | | |
| Number of Supervisory Committee meetings attended: 12/13 (92%) | CEO of Japan Innovation Network | |
| | Senior Advisor on Innovation of United Nations Development Programme (UNDP) | |
| | Specially-appointed professor, Sophia University | |
| | President of Japan Bosai Platform | |
| Reasons for nomination as candidate for External Director | | |
| Naohiro Nishiguchi has been contributing to the Company's management, by proactively providing opinions, suggestions, etc. as an External Director who is a Supervisory Committee Member and a Nomination and Remuneration Committee Member at various meetings, leveraging his wealth of experience as a senior manager and extensive global insight in the innovation area. The Company appointed him as a candidate for External Director who is not Supervisory Committee Member based on the conclusion that he will continue to fulfill his duties as an External Director who is not a Supervisory Committee Member in light of his track record. | | |

1. The Company has filed Naohiro Nishiguchi as an Independent Director pursuant to the provisions of Tokyo Stock Exchange (TSE). If this proposal is approved, the Company intends to report his reappointment as Independent Director.
2. The Company does have transactions with Japan Bosai Platform, where he holds a concurrent post as President. The total revenue in any of the past three fiscal years, including the latest fiscal year, from transactions between the Company and Japan Bosai Platform, however, was less than 1% of each company's annual consolidated net sales. Also, the Company does have transactions with Japan Innovation Network, where he holds a concurrent post as CEO. The total revenue in any of the past three fiscal years, including the latest fiscal year, from transactions between the Company and Japan Innovation Network, however, was less than 1% of either company's annual consolidated net sales. He therefore satisfies the requirements for an independent director stipulated by the Tokyo Stock Exchange and the standards of independence set forth by the Company (Reference 3 on page 16), and thus, we believe that his independence has been maintained.

Brief personal record

| | | |
|--|-----------|---|
| Number of the Company's shares held: – shares | Apr. 1984 | Joined Yamato Transport Co., Ltd. |
| | Apr. 2005 | Executive Officer, President of Tokyo Branch of Yamato Transport Co., Ltd. |
| | Nov. 2005 | Executive Officer, General Manager of Human Resources and Administration of Yamato Transport Co., Ltd. |
| | Mar. 2007 | Executive Officer of Yamato Holdings Co., Ltd. |
| | Apr. 2008 | Executive Officer of Yamato Holdings Co., Ltd., and Representative Director and President of Yamato Logistics Co., Ltd. |
| | Apr. 2011 | Executive Officer of Yamato Holdings Co., Ltd., and Representative Director, President and Chief Executive Officer of Yamato Transport Co., Ltd. |
| | Jun. 2011 | Director and Executive Officer of Yamato Holdings Co., Ltd., and Representative Director, President and Chief Executive Officer of Yamato Transport Co., Ltd. |
| | Apr. 2015 | Representative Director, Executive Officer and President of Yamato Holdings Co., Ltd. |
| | Apr. 2019 | Chairperson of the Board of Yamato Holdings Co., Ltd. (current position) |

Important concurrent posts

Chairperson of the Board of Yamato Holdings Co., Ltd.

Reasons for nomination as candidate for External Director

Masaki Yamauchi has a wealth of experience and extensive insights, which he has garnered for many years as a key management member of a holding company and an operating company (including Representative Director and President). The Company appointed him as a candidate for External Director who is not a Supervisory Committee Member based on the conclusion that he can fulfill his duties as an External Director who is not a Supervisory Committee Member of the Company by providing opinions and suggestions on broad management issues.

1. If this proposal is approved, the Company intends to file Masaki Yamauchi as an Independent Director with Tokyo Stock Exchange.
2. The Company does have transactions with Yamato Holdings Co., Ltd., where he holds a concurrent post. The total revenue in any of the past three fiscal years, including the latest fiscal year, from transactions between the Company and Yamato Holdings Co., Ltd., however, was less than 1% of each company's annual consolidated net sales. He therefore satisfies the requirements for independent director stipulated by the Tokyo Stock Exchange and the standards of independence set forth by the Company (Reference 3 on page 16), and thus, we believe his independence has been maintained.
3. He has assumed the position of Director at Yamato Holdings Co., Ltd. since June 2011. Although the Yamato Group was striving to ramp up its transportation capacity in order to accommodate growing e-commerce related demand, the pace of growth was too fast to catch up. As a consequence, it was revealed, through an investigation into working conditions of the Group starting in February 2017, that many employees were working long hours without sufficient breaks, which the Company was not fully aware. Taking the matter seriously, the company has focused on a range of structural reforms, while promoting "workstyle reform" initiatives, including "through management and improvement of working hours and conditions" and "optimization of work-life balance." In addition, Yamato Home Convenience Co., Ltd. inappropriately billed corporate clients for moving-related services provided to their employees, and as a consequence, in January 2019, received administrative sanctions and business improvement orders from the Ministry of Land, Infrastructure, Transport and Tourism. Yamato Holdings Co., Ltd. has been working hard to build a structure that helps prevent Yamato Home Convenience from committing the same mistakes, as well as strengthening its governance in order to enhance the soundness of the management of the group.

- Notes: 1. Ryosuke Tamakoshi, Naohiro Nishiguchi and Masaki Yamauchi are candidates for External Director.
2. There is no special interest between any of the candidates and the Company.
3. The Company has entered into agreements with Ryosuke Tamakoshi and Naohiro Nishiguchi to limit their liability to the higher of either of 1.0 million yen or the minimum amount of liability stipulated in Article 425, Paragraph 1 of the Companies Act. If their reappointments are approved, the Company will continue the said limited liability agreement with each one of them. In addition, if the election of Masaki Yamauchi is approved, the Company will also enter into the same limited liability agreement with him.

Agenda Item 3: Election of Two (2) Directors who are Supervisory Committee Members

Of the five (5) current Directors who are Supervisory Committee Members, the terms of office for four (4) members, Hiroshi Shimazaki, Naoshige Shindo, Naohiro Nishiguchi and Chisa Enomoto, will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company requests the election of two (2) Directors who are Supervisory Committee Members.

The consent of the Supervisory Committee has been obtained for this proposal.

The candidates for Directors who are Supervisory Committee Members are as follows:

| No. | Name | Position and business in charge in the Company | | | |
|-----|-----------------|---|-----------------|----------|-------------|
| 1 | Chisa Enomoto | External Director (Member of Supervisory Committee) | Reappointed | External | Independent |
| 2 | Kazuhiko Tomoda | — | Newly appointed | External | Independent |

(Reference briefing materials for Agenda Items 2 to 4 are on page 16.)

If this proposal is approved as originally proposed, the number of Directors who are Supervisory Committee Members will be three, including Toshihiro Ozawa who was elected at the 11th Ordinary General Meeting of Shareholders (held on June 25, 2019).

No. 1

Chisa Enomoto (Date of birth: August 12, 1961)

Reappointed

External

Independent

| | | | |
|--|--|------|---|
| Number of the Company's shares held: – shares | Brief personal record, position, business in charge in the Company | | |
| | Apr. | 1984 | Joined Recruit Co., Ltd. |
| | Nov. | 2005 | Joined Philips Electronics Japan, Ltd. (current Philips Japan, Ltd.) (General Manager, Public Relations Department) |
| Number of years in office (Member of Supervisory Committee): 2 years | Jul. | 2012 | Joined Janssen Pharmaceutical K.K. (General Manager, Communication and Public Affairs Department) |
| | Jan. | 2014 | Joined Tokyo Electric Power Company Executive Officer of Tokyo Electric Power Company (Director, Social Communication Office) (current Tokyo Electric Power Company Holdings, Inc.) |
| Number of the Board meetings attended: 12/13 (92%) | Apr. | 2018 | Joined Hitachi, Ltd. Executive Communication Strategist of Hitachi, Ltd. (current position) |
| | Jun. | 2018 | External Director, Member of Supervisory Committee of the Company (current position) |
| Number of Supervisory Committee meetings attended: 12/13 (92%) | Sept. | 2018 | External Director of JOYFUL HONDA CO., LTD. (current position) |
| | Important concurrent post | | |
| | Executive Communication Strategist of Hitachi, Ltd. | | |
| | External Director of JOYFUL HONDA CO., LTD. | | |
| | Reasons for nomination as candidate for External Director | | |
| | Chisa Enomoto has extensive experience and insight, which she has garnered through many years of involvement in public relations strategy at several Japanese and international companies. As an External Director who is a Supervisory Committee Member and a member of the Nomination and Compensation Committee, she has contributed to the Company's management by proactively providing opinions, suggestions, etc. especially on strategies for improving brand value and reputation of the Company. The Company appointed her as a candidate for Director who is a Supervisory Committee Member based on the conclusion that she will continue to fulfill her duties as a Director who is a Supervisory Committee Member of the Company in light of her track record. | | |

1. The Company has filed Chisa Enomoto as an Independent Director with Tokyo Stock Exchange (TSE). If this proposal is resolved and approved, the Company intends to report her reappointment as Independent Director.
2. The Company does have transactions with Hitachi, Ltd., where she holds a concurrent post. The total revenue in any of the past three fiscal years, including the latest fiscal year, from transactions between the Company and Hitachi, Ltd., however, was less than 1% of each company's annual consolidated net sales. Also, the Company does have transactions with Tokyo Electric Power Company Holdings, Inc., where she had served as an Executive Officer until March 2018. The total revenue in any of the past three fiscal years, including the latest fiscal year, from transactions between the Company and Tokyo Electric Power Company Holdings, Inc., however, was less than 1% of each company's annual consolidated net sales. She therefore satisfies the requirements for an independent director stipulated by the Tokyo Stock Exchange and the standards of independence set forth by the Company (Reference 3 on page 16), and thus, we believe her independence has been maintained.
3. The name of Chisa Enomoto in the family register is Chisa Asano.

No. 2

Kazuhiko Tomoda (Date of birth: April 30, 1956)

Newly appointed

External

Independent

Brief personal record

Number of the
Company's
shares held:
– shares

| | | |
|-------|------|--|
| Mar. | 1979 | Joined Price Waterhouse Accounting Office. |
| Jul. | 1997 | Representative Partner of Aoyama Audit Corporation (former Price Waterhouse Accounting Office) |
| Sept. | 2006 | Representative Partner of Arata Audit Corporation (current PricewaterhouseCoopers Aarata LLC) |
| Jul. | 2012 | Executive Officer in charge of Manufacturing / Distribution / Services Division, Arata Audit Corporation |
| Jul. | 2013 | Executive Officer in charge of Risk Assurance Division, Arata Audit Corporation (concurrent) |
| Jul. | 2019 | President of Tomoda Certified Accountant Office (current position) |

Important concurrent post

President of Tomoda Certified Public Accountant Office
Outside Auditor, Hakuhodo DY Holdings Inc. (scheduled to assume office in June 2020)

Outside Auditor, Daiko Advertising Inc. (scheduled to assume office in June 2020)

Outside Auditor, INES Corporation (scheduled to assume office in June 2020)

Reasons for nomination as candidate for External Director

Kazuhiko Tomoda has deep insight, underpinned by his highly specialized knowledge and years of experience as a certified public accountant and a representative partner of major audit corporations in Japan. The Company appointed him as a candidate for External Director who is a Supervisory Committee Member based on the conclusion that he can fulfill his duties as an External Director who is a Supervisory Committee Member of the Company by providing opinions and suggestions on broad management issues at the Board meetings and the Supervisory Committee meetings.

Although he does not have experience contributing to the management of a company except as an external officer, he is deemed to be able to appropriately execute the duties of an External Director who is a Supervisory Committee Member due to the reasons above.

1. If this proposal is approved, the Company intends to file Kazuhiko Tomoda as Independent Director with Tokyo Stock Exchange.
2. The Company does have transactions with PricewaterhouseCoopers Aarata LLC, where he served as representative partner. The total revenue in any of the past three fiscal years, including the latest fiscal year, from transactions between the Company and PricewaterhouseCoopers Aarata LLC, however, was less than 1% of each company's annual consolidated net sales. He therefore satisfies the requirements for an independent director stipulated by the Tokyo Stock Exchange and the standards of independence set forth by the Company (Reference 3 on page 16), and thus, we believe his independence has been maintained.

Notes: 1. Chisa Enomoto and Kazuhiko Tomoda are candidates for External Director.

2. There is no special interest between any of the candidates and the Company.

3. The Company has entered into an agreement with Chisa Enomoto to limit her liability to the higher of either of 1.0 million yen or the minimum amount of liability stipulated in Article 425, Paragraph 1 of the Companies Act. If her reappointment is approved, the Company will continue the said limited liability agreement with her. In addition, if appointment of Kazuhiko Tomoda is approved, the Company will enter into the same limited liability agreement with him.

Agenda Item 4: Election of One (1) Substitute Director who is a Supervisory Committee Member

The Company requests the election of one (1) Substitute Director who is a Supervisory Committee Member to prepare for a situation where the number of Directors who are Supervisory Committee Members falls below the legally required number.

The consent of the Supervisory Committee has been obtained for this proposal.

The candidate for Substitute Director who is a Supervisory Committee Member is as follows:

Candidate Hideo Tsukamoto (Date of birth: July 25, 1980)

Newly appointed

External

Independent

| Number of the Company's shares held: – shares | Brief personal record, position, business in charge in the Company | |
|---|--|---|
| | Oct. 2004 | Completed the Legal Training and Research Institute of the Supreme Court of Japan (term 57), registered to the Daini Tokyo Bar Association, entered Anderson Mori (current Anderson Mori & Tomotsune) |
| | Nov. 2010 | The Ministry of Justice Civil Affairs Bureau (in charge of planning and drafting the 2014 revision to the Companies Act) |
| | Jan. 2013 | Appointed as a partner of Anderson Mori & Tomotsune (current position) |
| | Apr. 2014 | Part-time lecturer at The University of Tokyo Faculty of Law |
| | Jan. 2016 | Expert member of the Case Study Committee at the Japan Audit & Supervisory Board Members Association (current position) |
| | Dec. 2017 | Member of the Corporate Governance System (CGS) Research Society (term 2) of the Ministry of Economy, Trade and Industry |
| | Jun. 2018 | External Audit & Supervisory Board Member at JA MITSUI LEASING, LTD. (current position) |
| | May 2019 | Outside Director of YASKAWA Electric Corporation (Member of Supervisory Committee) (current position) |
| | Aug. 2019 | Member of the Study Group on Ideal Approaches to Processes Involving Shareholder Meetings in the New Era of the Ministry of Economy, Trade and Industry (current position) |
| Important concurrent posts | | |
| Partner of Anderson Mori & Tomotsune | | |
| External Audit & Supervisory Board Member at JA MITSUI LEASING, LTD. | | |
| Outside Director of YASKAWA Electric Corporation (Member of Supervisory Committee) | | |
| Reasons for nomination as candidate for External Director | | |
| Hideo Tsukamoto has a wealth of experience in corporate legal affairs as a lawyer and extensive knowledge particularly on governance. The Company appointed him as a candidate for External Director who is an Audit & Supervisory Committee Member based on the conclusion that he will fulfill his duties as an External Director who is a Supervisory Committee Member by providing opinions and suggestions, based on his expertise, at the Board meetings and the Supervisory Committee meetings. Although Hideo Tsukamoto does not have experience contributing to the management of a company except as an external officer, he is deemed to be able to appropriately execute the duties of an External Director who is a Supervisory Committee Member due to the reasons above. | | |

(Reference briefing materials for Agenda Items 2 to 4 are on page 16.)

- Notes
1. Hideo Tsukamoto is a substitute candidate for External Director who is a Supervisory Committee Member.
 2. There is no special interest between him and the Company.
 3. If he assumes office as an External Director who is a Supervisory Committee Member, the Company intends to enter into an agreement with him to limit his liability to the higher of either of 1.0 million yen or the minimum amount of liability stipulated in Article 425, Paragraph 1 of the Companies Act.
 4. The Company plans to report him as an independent director when he assumes office as External Director who is a

Supervisory Committee Member.

5. The Company does have transactions, including legal consulting, with the law firm he belongs to (with no advisory contract). The total revenue in any of the past three fiscal years, including the latest fiscal year, from transactions between the Company and the law firm, however, was less than 1% of the Company's annual consolidated net sales and the firm's annual net sales. He therefore satisfies the requirements for an independent director stipulated by the Tokyo Stock Exchange and the standards of independence set forth by the Company (Reference 3 on page 16), and thus, we believe his independence has been maintained.

(Reference 1) Policy and process for nominating candidates for Directors

In appointing Directors, the Nomination and Compensation Committee establishes the criteria for nomination, centered on the followings, and then nominates the candidates satisfying the criteria to the Board. The candidates for Director nominated to the Board undergo examination by the Supervisory Committee Members, and then, their appointment will be put up for resolution by the Board. With the resolution of the Board, the candidates are appointed unofficially, and their appointment is then determined by a resolution of the General Meeting of Shareholders. When a proposal for the appointment of Directors who are Supervisory Committee Members is submitted to the General Meeting of Shareholders, the prior consent of the Supervisory Committee is required.

<Director nomination criteria> (See “5-2. Nomination of Directors” under “Corporate Governance Guideline”)

- (1) Directors, as elected by shareholders and a trustee of the Company, must have qualities needed to fulfill a duty of loyalty and a duty of care in the execution of their duties and to contribute to the Company’s sustainable growth and the mid- to long-term increase of corporate value.
- (2) Independent Directors must have a high level of expertise and a wealth of experience in the fields of corporate management, technology, finance & accounting, corporate legal affairs, etc., as well as the qualities needed to supervise the performance of duties by the Group Senior Executives from an independent and objective standpoint, and meet the independence standards of the Company.

(Reference 2) Explanation on the number of shares scheduled to be delivered based on share-based compensation scheme

The number of Company shares held by each candidate includes the number of shares to be delivered at the time of retirement (as of March 31, 2020), under the share-based compensation scheme (the “Scheme”) introduced by the Company.

The Scheme is composed of performance-linked mid- to long-term incentive compensation, determined in accordance with the evaluation of the level of achievement versus the financial performance measures of the Mid-term Management Strategy as well as non-financial measures (“Performance Share”); and fixed mid- to long-term incentive compensation intended to be linked to shareholder value (“Restricted Stock”). The number of shares to be delivered to the candidates under the Scheme includes Restricted Stock in the form of a fixed number of Company shares that will be delivered to the candidates in the future. The Performance Share varies within a range of 0 to 210% and cannot be fixed at present, so it is not included in the number of shares to be delivered under the Scheme.

Voting rights for shares to be delivered under the Scheme will not be exercised until such shares are delivered to the candidates. In addition, 50% of such shares will be sold in the stock market to secure the necessary funds for tax payments and the proceeds thereof will be provided to each candidate.

(Reference 3) Independence Criteria for External Directors

Please refer to page 17 for details of the Company’s independence criteria for External Directors.

(Reference 4) Changes of trade names of Group companies (those relevant to the agenda)

1. On July 1, 2017, Tempstaff Co., Ltd. changed the trade name to PERSOL TEMPSTAFF CO., LTD.
2. On July 1, 2017, Intelligence, Ltd. changed the trade name to PERSOL CAREER CO., LTD.

Independence Criteria for External Directors

The Company has established Independence Criteria for External Directors as follows and deems that any External Director who does not fall under any of the following items possess independence from the Company.

1. Major business partner and lender

- (1) Major business partners of the Group whose transaction amounts with the Group in any of the past three fiscal years including the latest fiscal year exceed 2% of the Company's consolidated annual net sales for that fiscal year, or persons who perform executive roles therein;
- (2) Parties for whom the Group is a major business partner and whose transaction amounts with the Group in any of the past three fiscal years including the latest fiscal year exceed 2% of their consolidated annual net sales for that fiscal year, or persons who perform executive roles therein; or
- (3) Persons who perform executive roles in financing institutions, their parent companies or subsidiaries, from which the Group makes borrowing and the balance of borrowings at the end of any of the past three fiscal years including the latest fiscal year exceeds 2% of the Company's consolidated total assets at the end of that fiscal year.

2. Specialist who receives significant money and other property from the Group

- (1) Attorneys at law, certified public accountants, tax accountants or other consultants who, on average over the past three fiscal years including the latest fiscal year, receive more than 10 million yen in monetary and other property benefits except for executive compensation from the Group; or
- (2) Persons belonging to law firm, accounting firm, tax accountant corporation, consulting firm or other specialized advisory firm (except for supplementary staff) which, on average over the past three fiscal years including the latest fiscal year, was paid by the Group in excess of 2% of its consolidated annual net sales.

3. Major shareholder

- (1) Major shareholders of the Company (i.e. those who possess directly or indirectly the voting rights of 10% or more of the total voting rights. The same shall apply hereinafter) at the end of the latest fiscal year, persons who perform executive roles therein, or their directors who do not perform executive roles.
- (2) Persons who perform executive roles at the Company's major shareholder's subsidiary at the end of the latest fiscal year; or
- (3) Persons who perform executive roles at a party for whom the Group is a major shareholder at the end of the latest fiscal year.

4. Person who receives a large amount of donations or subsidies from the Group

- (1) Persons who annually receive more than 10 million yen of donations or subsidies from the Group in any of the past three fiscal years including the latest fiscal year; or
- (2) Persons who perform executive roles in a corporation, union or other organization which receives donations or subsidies from the Group in excess of 2% of its annual gross income in any of the past three fiscal years including the latest fiscal year.

5. External auditor

- (1) Certified public accountants who are the external auditors of the Group, or certified public accountants who belong to an audit firm which is the external auditor of the Company.

6. Person who belongs to entities which are counterpart of mutual appointment of officers

- (1) Person who perform executive roles in the companies which accept directors or audit & supervisory board members (both full-time and part-time) from the Group, their parent companies or subsidiaries.

7. Person who had been applicable in the past

- (1) Persons to whom any of items 1. through 6. applied in the past three years.

8. Close relative

- (1) Spouse or relatives in second degree or less, of persons who are applicable to the above 1. through 7. or who performed executive roles in the Group (except those who are not significant (Note)) in past three years.

Note: Persons who are not significant refers to: (i) persons who are not directors or executive officers (or officers who perform executive roles at an organization that is a corporation other than a stock company or other entity) if such persons perform executive roles; and (ii) persons who are not owners or partners of a professional advisory firm (i.e., associates and employees).

<Summary of Agenda Items 5, 6 and 7>

Agenda Item 5 proposes a revision to the cash Compensation scheme for External Directors who are not Supervisory Committee Members, while Agenda Items 6 and 7 propose a payment of share-based Compensation to non-executive directors (i.e. External Directors who are not Supervisory Committee Members and Directors who are Supervisory Committee Members), aside from cash Compensation.

With the resolution at the 8th Ordinary General Meeting of Shareholders held on June 17, 2016, the Company has transitioned to a company with a Supervisory Committee. Following the transition, the Company established a non-statutory Nomination and Compensation Committee, the majority of whose members, including the chairperson, are External Directors, to enhance fairness, objectivity and transparency of the composition of Compensation.

Recently, with the aim to promote sustainable corporate growth, increase corporate value over the mid- to long-term and solve social issues through its businesses, the Company reviewed its corporate governance and has established its Corporate Governance Guideline as of October 1, 2019. As stated in Chapter 2 of the Guideline, the Board focuses on the oversight of management and oversees the Group's senior management effectively from an independent and objective standpoint.

Based on the governance policy above, the Company has decided that, in order to further enhance the functions of the Nomination and Compensation Committee, it is appropriate to increase the number of Independent Directors who are not Supervisory Committee Members.

Also, the Company has come to believe that for non-executive directors to help promote sustainable growth of the Company and contribute to the mid- to long-term increase of corporate value, it is important that they align their interests with those of shareholders of the Company. Based on the conviction, the Company has decided to revise the Compensation scheme.

Agenda Items 5, 6 and 7 are put up for resolution at this General Meeting of shareholders for the reasons above.

(Reference) Relation between the composition of Compensation for Directors and Agenda Items for this General Meeting of Shareholders

| | Directors who are not Supervisory Committee Members | | Directors who are Supervisory Committee Members |
|---------------------------------|--|--|--|
| | Internal Directors | External Directors | |
| Basic Compensation | Basic Compensation | Basic Compensation ⇒ To be revised in accordance with Agenda Item 5 | Basic Compensation |
| Short-term incentive | Bonus | — | — |
| Mid- to long- term incentive | Share-based Compensation (performance-linked + fixed) | Share-based Compensation (fixed only) ⇒ To be paid in accordance with Agenda Item 6 | Share-based Compensation (fixed only) ⇒ To be paid in accordance with Agenda Item 7 |

Agenda Item 5: Revision to amount of Compensation for External Directors who are not Supervisory Committee Members

1. Reasons for the proposal

It has been approved at the 8th Ordinary General Meeting of Shareholders held on June 17, 2016 that the amount of Compensation for Directors who are not Supervisory Committee Members shall be no more than 500 million yen annually (including no more than 30 million yen of Compensation for External Directors).

Given recent circumstances surrounding the Company, including the proposed increase in the number of External Directors who are not Supervisory Committee as per Agenda Item 2 and potential further reform of its corporate governance in the future, the Company proposes to revise the amount of Compensation for External Directors who are not Supervisory Committee members as shown below.

2. Details of the revision

The total amount of Compensation for Directors who are not Supervisory Committee Members shall be unchanged at 500 million yen annually, while the amount of Compensation for External Directors who are not Supervisory Committee Members shall be revised upward to 60 million yen annually.

Please note that the number of Directors who are not Supervisory Committee Members is five (5) (of which one (1) is an External Director) at present but will be increased to six (6) (of which three (3) are External Directors) if the Agenda Item 2 is approved as originally proposed.

In addition, this proposal has passed through the deliberation process of the Nomination and Compensation Committee. The Company's Supervisory Committee has deemed the details of said compensation to be suitable after considering the amount of compensation, and the purpose for revision.

| Amount of Compensation at present | Amount of Compensation after revision (amount after revision is indicated with underline) |
|--|---|
| No more than 500 million yen annually (including no more than 30 million yen for External Directors) | No more than 500 million yen annually (including no more than <u>60 million yen</u> for External Directors) |

Agenda Item 6: Determination of amount and details of share-based Compensation for External Directors who are not Supervisory Committee Members

1. Reasons for the proposal and why the amount is considered fair

The purpose of this Agenda Item is to seek your approval concerning the determination of the amount of Compensation under the share-based Compensation scheme for External Directors who are not Supervisory Committee Members (hereinafter, the "Scheme"). It has been approved at the 8th Ordinary General Meeting of Shareholders held on June 17, 2016 that the amount of Compensation for External Directors who are not Supervisory Committee Members shall be no more than 30 million yen annually. This Agenda Item proposes the payment of share-based Compensation to Directors, aside from the maximum amount above. For details of the revision to the amount of cash Compensation for External Directors who are not Supervisory Committee members, please refer to Agenda Item 5.

The purpose of the Scheme is to further motivate External Directors who are Supervisory Committee Members to contribute to the mid- to long-term increase of corporate value, and align their interests with those of shareholders. Given that External Directors who are not Supervisory Committee Members are responsible for overseeing the management of the Company from an objective standpoint, thereby evaluating whether the performance of duties by the key management is appropriate, the number of shares granted to them shall not be linked to performance but fixed. For the above reason, we believe the introduction of the Scheme is fair and reasonable.

If this agenda item is approved as originally proposed, the Compensation for External Directors who are not Supervisory Committee Members shall consist of two elements: "Basic Compensation" and "Share-based Compensation."

If the Agenda Item 2 "Election of Six (6) Directors who are not Supervisory Committee Members" is approved as originally proposed, the number of External Directors who are not Supervisory Committee Members eligible for this Scheme shall be three (3).

This agenda item has undergone deliberations by the Nomination and Compensation Committee before being put up for resolution. The Supervisory Committee also has deemed the composition of the Compensation reasonable, in view of the fairness of the calculation method of the amount of Compensation under the Scheme, as well as the rationality of the purpose, etc. of its introduction.

2. Amount and details of Compensation under the Scheme

(1) Outline of the Scheme

The Scheme is a share-based Compensation scheme under which the Company's shares are acquired by a trust using the amount of Compensation for External Directors who are not Supervisory Committee Members as funds, and the Company's shares or cash equivalent to the amount of the Company's shares converted into cash ("Company shares etc.") shall be delivered to Directors who are not Supervisory Committee Members via the trust ("delivery, etc."). For details, see (2) and below.

Please note that the Scheme shall use the fund that the Company set up at the time the Company introduced the share-based Compensation scheme for Directors who are not Supervisory Committee Members (excluding External Directors) (the "Trust" in this agenda item).

| | |
|--|--|
| (i) Persons eligible for the delivery of Company shares etc. under this agenda | <ul style="list-style-type: none"> External Directors who are not Supervisory Committee Members |
| (ii) Impact of the Company shares subject to this agenda on the total number of shares issued | |
| Maximum amount of money contributed by the Company (as described in (2) below) | <ul style="list-style-type: none"> A maximum of 33 million yen for three fiscal years in total * Equivalent to the amount of share-based Compensation per person of 2 million yen annually |
| Maximum number of the Company's shares etc. to be delivered to External Directors who are not Supervisory Committee Members from the trust and the method of acquisition of the Company shares (as described in (2) and (3) below) | <ul style="list-style-type: none"> The maximum total number of the Company shares etc. to be delivered to External Directors who are not Supervisory Committee Members shall be 360,000 shares in each trust period (approximately three years), which accounts for approximately 0.02% of the total number of shares issued (as of April 30, 2020, excluding treasury stock). The Company shares will not be diluted, as they will be obtained from the stock market. |
| (iii) Details of the terms of achieving performance targets (as described in (3) below) | <ul style="list-style-type: none"> None (to be granted in a fixed manner) |
| (iv) Timing of delivery of the Company shares, etc. to External Directors who are not Supervisory Committee Members (as described in (4) below) | <ul style="list-style-type: none"> After retirement |

(2) Maximum amount of money contributed by the Company

The Scheme targets three consecutive fiscal years (the “target period”) and imposes an upper limit of a total of 33 million yen for the whole of the target period in terms of contributions to Compensation for External Directors who are not Supervisory Committee Members, setting up a trust (the “Trust”) with a 3-year trust period or extending the trust period if it is already set up.

The amount of share-based Compensation for External Directors who are not Supervisory Committee Members under the Scheme shall be equivalent to 2 million yen per year.

At the expiry of the trust period of the Trust, the Company may continuously operate the Trust by means of amendments to the trust agreement and additional contributions to the Trust. In that event, the trust period of the Trust shall be extended by three years and the three fiscal years from the extension of the trust period shall be the target period.

For each extended trust period, the Company shall make an additional contribution of up to 33 million yen in total, as Compensation, etc. for External Directors who are not Supervisory Committee Members. However, if, at the time of such additional contributions, there remain the Company shares (excluding the Company shares etc. corresponding to the points awarded to Directors who are not Supervisory Committee Members but not yet delivered) and money (“Residual shares etc.”) in the trust assets on the last day of the trust period prior to the extension, the Residual shares, etc. shall be transferred to the trust whose period has been extended; the total amount of Residual shares etc. and additional trust money contributed by the Company shall be no more than 33 million yen.

If any of the Directors who are not Supervisory Committee Members in office meet the beneficiary requirements, although no points shall be awarded to them after the expiry, the trust period of the Trust may be extended for a period of up to ten years until the retirement of such Directors who are not Supervisory Committee Members and the completion of delivery of the Company shares etc. to such Directors.

- (3) Calculation method for the number of the Company shares etc. delivered to Directors who are not Supervisory Committee Members and the upper limit of the number of such shares, etc.

The number of the Company shares etc. delivered to External Directors who are not Supervisory Committee Members shall vary depending on the cumulative number of fixed points (the “number of cumulative points”) granted to them during their term of office; one point is deemed to be worth one share of the Company. Furthermore, in the event that a stock split, a reverse stock split or the like of the shares of the Company is carried out during the trust period, the number of shares of the Company per point and the upper limit of the number of shares to be delivered will be adjusted in line with the ratio of such stock split, reverse stock split, etc. of the Company shares.

<Fixed point calculation formula>

2 million yen ÷ The average acquisition price of the Company's shares by the Trust

* In the event the trust period of the Trust is extended due to amendments to the trust agreement and additional contributions to the Trust, the average purchase price shall be the average price of the shares of the Company purchased by the Trust after the extension of the trust period.

The total number of the Company shares etc. delivered to External Directors who are not Supervisory Committee Members by the Trust shall be a maximum of 36,000 shares per trust period (approximately three years). The maximum number of shares to be delivered has been set with reference to the recent share price etc., based on the maximum amount of money contributed by the Company in (2) above.

- (4) Timing of delivery of the Company shares etc. to External Directors who are not Supervisory Committee Members

External Directors who are not Supervisory Committee Members satisfying the beneficiary requirements shall, after retiring from the post of External Directors who are not Supervisory Committee Members, receive the Company shares etc. commensurate with the number of cumulative points calculated based on (3) above. At that time, External Directors who are not Supervisory Committee Members in question shall receive the number of the Company shares corresponding to a certain proportion of their cumulative points, and then receive the remainder in the form of cash equivalent to the value of the shares converted within the Trust. However, in cases where an External Director who is not a Supervisory Committee Member does not have a securities account that can handle Japanese shares, all of the cumulative points shall be converted within the Trust, and the amount of cash equivalent to the value of the converted shares shall be paid.

Moreover, in the event that an External Director who is not a Supervisory Committee Member dies during the trust period, as a rule, the number of the Company shares corresponding to the number of cumulative points calculated at that point in time shall be converted within the Trust and the amount of cash equivalent to the value of the converted shares shall be paid to the inheritor of the estate of the Director who is not a Supervisory Committee Member. In addition, in cases where an External Director who is not a Supervisory Committee Member is transferred overseas, the External Director who is not a Supervisory Committee Member may receive the number of the Company shares corresponding to a certain proportion of the cumulative points or all of the cumulative points calculated at that point in time and/or the amount of cash equivalent to the value of the shares converted within the Trust.

- (5) Voting rights for the Company shares held in the Trust

For the purpose of ensuring neutrality in management, no voting rights shall be exercised for the Company shares held in the Trust during the trust period.

- (6) Handling of dividends of surplus of the Company shares held in the Trust

Dividends of surplus of the Company shares held in the Trust shall be received by the Trust and assigned to the Trust fees and expenses.

(7) Other details of the Scheme

Other details concerning the Scheme shall be specified at a meeting of the Board each time the Trust is set up, the trust agreement is amended, and additional contribution to the Trust is made.

Agenda Item 7: Determination of amount and details of share-based Compensation for Directors who are Supervisory Committee Members

1. Reasons for the proposal and why the amount is considered fair

The purpose of this Agenda Item is to seek approval for the determination of the amount of Compensation under the share-based Compensation scheme for Directors who are Supervisory Committee Members (hereinafter, the “Scheme”). It has been resolved at the 8th Ordinary General Meeting of Shareholders held on June 17, 2016 that the amount of Compensation for Directors who are Supervisory Committee Members shall be no more than 100 million yen annually. This Agenda Item proposes the payment of share-based Compensation to Directors who are Supervisory Committee Members, aside from the maximum amount above.

The purpose of the Scheme is to further motivate Directors who are Supervisory Committee Members to contribute to the mid- to long-term increase of corporate value, and align their interest with those of shareholders. Given that Directors who are Supervisory Committee Members are responsible for overseeing the management of the Company from an objective standpoint, thereby evaluating the performance of duties by the key management, the number of shares granted to them shall not be linked to performance but fixed. For the above reason, we believe the introduction of the Scheme is fair and reasonable.

If this agenda item is approved as originally proposed, the Compensation for Directors who are Supervisory Committee Members shall consist of two elements: “Basic Compensation” and “Share-based Compensation.”

If the Agenda Item 3 " Election of Two (2) Directors who are Supervisory Committee Members" is approved as originally proposed, the number of Directors who are Supervisory Committee Members eligible for this Scheme shall be three (3).

This agenda item has undergone deliberations by the Nomination and Compensation Committee before being put up for resolution. Also, expressions of opinion were received from all Directors who are Supervisory Committee Members stating that there are no matters requiring special mention.

2. Amount and details of Compensation under the Scheme

(1) Outline of the Scheme

As in Agenda Item 6, the Scheme is a share-based Compensation scheme under which the Company's shares are acquired by a trust using the money contributed by the Company as funds, and the Company's shares, etc. are delivered to Directors who are Supervisory Committee Members via the trust. For details, see (2) and below.

Please note that, as in Agenda Item 6, the Scheme shall use the fund that the Company has set up (the "Trust" in this agenda item).

| | |
|---|---|
| (i) Persons eligible for the delivery of Company shares etc. under this agenda | <ul style="list-style-type: none"> • Directors who are Supervisory Committee Members |
| (ii) Impact of the Company shares subject to this agenda on the total number of shares issued | |
| Maximum amount of money contributed by the Company (as described in (2) below) | <ul style="list-style-type: none"> • A maximum of 33 million yen for three fiscal years in total * Equivalent to the amount of share-based Compensation per person of 2 million yen annually |
| Maximum number of the Company's shares etc. to be delivered to Directors who are Supervisory Committee Members from the trust and the method of acquisition of the Company shares (as described in (2) and (3) below) | <ul style="list-style-type: none"> • The maximum total number of the Company shares etc. to be delivered to Directors who are Supervisory Committee Members shall be 360,000 shares in each trust period (approximately three years), which accounts for approximately 0.02% of the total number of shares issued (as of April 30, 2020, excluding treasury stock). • The Company shares will not be diluted, as they will be obtained from the stock market. |
| (iii) Details of the terms of achieving performance targets (as described in (3) below) | <ul style="list-style-type: none"> • None (to be granted in a fixed manner) |
| (iv) Timing of delivery of the Company shares, etc. to Directors who are Supervisory Committee Members (as described in (4) below) | <ul style="list-style-type: none"> • After retirement |

(2) Maximum amount of money contributed by the Company

The Scheme targets three consecutive fiscal years (the “target period”) and imposes an upper limit of a total of 33 million yen for the whole of the target period in terms of contributions to Compensation for Directors who are Supervisory Committee Members, setting up a trust (the “Trust”) with a 3-year trust period or extending the trust period if it is already set up.

The amount of share-based Compensation for Directors who are Supervisory Committee Members under the Scheme shall be equivalent to 2 million yen per year.

At the expiry of the trust period of the Trust, the Company may continuously operate the Trust by means of amendments to the trust agreement and additional contributions to the Trust. In that event, the trust period of the Trust shall be extended by three years and the three fiscal years from the extension of the trust period shall be the target period.

For each extended trust period, the Company shall make an additional contribution of up to 33 million yen in total, as Compensation, etc. for Directors who are Supervisory Committee Members. However, if, at the time of such additional contributions, there remain the Company shares (excluding the Company shares etc. corresponding to the points awarded to Directors who are Supervisory Committee Members but not yet delivered) and money (“Residual shares etc.”) in the trust assets on the last day of the trust period prior to the extension, the Residual shares, etc. shall be transferred to the trust whose period has been extended; the total amount of Residual shares etc. and additional trust money contributed by the Company shall be no more than 33 million yen.

If any of the Directors who are Supervisory Committee Members in office meet the beneficiary requirements, although no points shall be awarded to them after the expiry, the trust period of the Trust may be extended for a period of up to ten years until the retirement of such Directors who are Supervisory Committee Members and the completion of delivery of the Company shares etc. to such Directors.

- (3) Calculation method for the number of the Company shares etc. delivered to Directors who are Supervisory Committee Members and the upper limit of the number of such shares, etc.

The number of Company shares etc. delivered to Directors who are Supervisory Committee Members shall vary depending on the cumulative number of fixed points (the “number of cumulative points”) granted to them during their term of office; one point is deemed to be worth one share of the Company. Furthermore, in the event that a stock split, a reverse stock split or the like of the shares of the Company is carried out during the trust period, the number of shares of the Company per point and the upper limit of the number of shares to be delivered will be adjusted in line with the ratio of such stock split, reverse stock split, etc. of the Company shares.

<Fixed point calculation formula>

2 million yen ÷ The average acquisition price of the Company's shares by the Trust

* In the event the trust period of the Trust is extended due to amendments to the trust agreement and additional contributions to the Trust, the average purchase price shall be the average price of the shares of the Company purchased by the Trust after the extension of the trust period.

The total number of the Company shares etc. delivered to Directors who are Supervisory Committee Members by the Trust shall be a maximum of 36,000 shares per trust period (approximately three years). The maximum number of shares to be delivered has been set with reference to the recent share price etc., based on the maximum amount of money contributed by the Company in (2) above.

- (4) Timing of delivery of the Company shares etc. to Directors who are Supervisory Committee Members

Directors who are Supervisory Committee Members satisfying the beneficiary requirements shall, after retiring from the post of Directors who are Supervisory Committee Members, receive the Company shares etc. commensurate with the number of cumulative points calculated based on (3) above. At that time, Directors who are Supervisory Committee Members in question shall receive the number of the Company shares corresponding to a certain proportion of their cumulative points, and then receive the remainder in the form of cash equivalent to the value of the shares converted within the Trust. However, in cases where the Director who is a Supervisory Committee Member in question does not have a securities account that can handle Japanese shares, all of the cumulative points shall be converted within the Trust, and the amount of cash equivalent to the value of the converted shares shall be paid.

Moreover, in the event that a Director who is a Supervisory Committee Member dies during the trust period, as a rule, the number of the Company shares corresponding to the number of cumulative points calculated at that point in time shall be converted within the Trust and the amount of cash equivalent to the value of the converted shares shall be paid to the inheritor of the estate of the Director who is a Supervisory Committee Member. In addition, in cases where a Director who is a Supervisory Committee Member is transferred overseas, the Director who is a Supervisory Committee Member may receive the number of the Company shares corresponding to a certain proportion of the cumulative points or all of the cumulative points calculated at that point in time and/or the amount of cash equivalent to the value of the shares converted within the Trust.

- (5) Voting rights for the Company shares held in the Trust

For the purpose of ensuring neutrality in management, no voting rights shall be exercised for the Company shares held in the Trust during the trust period.

- (6) Handling of dividends of surplus of the Company shares held in the Trust

Dividends of surplus of the Company shares held in the Trust shall be received by the Trust and assigned to the Trust fees and expenses.

- (7) Other details of the Scheme

Other details concerning the Scheme shall be specified at a meeting of Supervisory Committee each time the Trust is set, the trust agreement is amended, and additional contribution to the Trust is made.

Compensation Policy for officers

(1) PERSOL Group's value creation story

(i) A world PERSOL aspires to (Group Vision)

“Work, and Smile” describes the world PERSOL wants to achieve.

Labor market is witnessing an ongoing shift from the era of “Organization” to the era of “Individuals,” giving rise to a renewed question about what should be the roles and the meaning of existence of the personnel service industry.

Here at PERSOL, each one of us is committed to bringing the Group Vision to life by actually “Work, and Smile” ourselves so we can achieve the world where “work” brings smile to all people across sexuality, age, nationality and other boundaries.

(ii) PERSOL's commitment to society

We are now witnessing drastic changes in “work” environments, including “prolonged working life” and “technology-led shifts in work practices.” Our vision is to enrich society so that all “work” leads to lives of happiness. To achieve this vision, we will improve engagement for all people by proposing new workstyles and providing a diversified range of employment opportunities in the age of 100-year life.

(iii) Sources of value creation

Our sources of value creation lie in “people or human resources,” which we have treasured and cared about in accordance with our corporate philosophy and action guidelines; broad customer base and social credibility, which we have garnered through years of business activities; a wealth of HR information concerning personnel and client companies; and our sound financial base.

(iv) Business activities

To solidify our “commitment to society” stated in (ii) above, the Group is determined to “focus on individuals,” “leverage technologies” and “deliver values globally,” as the Group's key strategies. We will accelerate our business activities through SBU (Strategic Business Unit) business strategy and corporate strategies, built on the Group's key strategies and business domains.

(v) Results of business activities

To assess the results of our commitment to “Work, and Smile,” we implement a “Work, and Smile” measure. We believe assessing the results based on this “Work, and Smile” measure will also help achieve our financial targets.

In addition, we have selected and pursue the following five SDGs, as the goals the Group can contribute to through its activities: “4. Quality education to all people,” “5. Gender equality,” “8. Decent work and economic growth,” “9. Industry, innovation and infrastructure” and “10. Reduced inequalities.” We will materialize our initiatives through activities towards the Group Vision and continued dialogues with our stakeholders.

(2) Basic policy for officers’ Compensation

The Compensation scheme for key management executives and Directors of the subsidiaries central to the Company’s SBU business strategies (hereinafter, “core SBUs”) is designed to clearly reflect not only the short-term financial performance of the PERSOL Group but also the contribution made towards enhancing mid- to long-term financial performance, so that they can help substantiate the Group’s value creation story. Accordingly, officers’ Compensation of the Group is positioned as an incentive to realize sustainable medium- to long-term growth, and its basic policy is embodied in the following three perspectives.

(i) Linked to the short-term, and mid- and long-term financial performance and the corporate value of the PERSOL Group

- A scheme that is linked not only to short-term financial performance but also to mid- to long-term financial performance and corporate value

(ii) Linked with shareholder value

- Aligns profit awareness with that of shareholders and raises awareness of shareholder-oriented management
- Ensures transparency and objectivity of the Compensation determination process

(iii) Sets competitive level of Compensation

- Makes Compensation levels competitive with domestic companies of the same size and in the same industry, and is instrumental in securing high-quality human resources
- Provides a stronger incentive to the Company's officers with regard to improving financial performance and corporate value

(3) Level of Compensation

Officers' Compensation is determined at a level deemed reasonable and fair based on the basic policy for officers' Compensation stated above. More specifically, we determine the level of Compensation for officers by studying and analyzing the Compensation levels of a group of benchmark companies (20 - 30 companies) selected utilizing external database, etc. and based on the business circumstances for the Company. In determining officers' Compensation for FY2020, we selected 22 companies, as a group of benchmark companies, out of peer companies (in the personnel service industry) and other major companies of comparable size.

(4) Composition of Compensation

The Compensation of the Company's Directors who are not Supervisory Committee Members (excluding External Directors) and executive officers consist of the following three elements: "basic Compensation" appropriate to the role of each officer, a "bonus" that provides a short-term Compensation incentive, and "share-based Compensation" that provides a mid- to long-term Compensation incentive. Officers' bonus is designed to be equivalent to 30% of the basic Compensation, while share-based Compensation is designed to be equivalent to 26% of the basic Compensation (based on the assumption that set goals are 100% achieved). The same Compensation composition applies to the Compensation for Directors of the core SBU companies.

The Compensation for the Company's External Directors who are not Supervisory Committee Members and Directors who are Supervisory Committee Members (hereinafter, "non-executive directors") consists of "basic Compensation" and "share-based Compensation" providing a mid- to long-term Compensation incentive. The aim of the share-based Compensation for non-executive directors is to further incentivize these Directors to contribute to the mid- to long-term increase of corporate value and align their profit awareness with that of shareholders. Therefore, in order to prevent them from taking excessive risks and oversee these Directors appropriately from the viewpoint of shareholders, their share-based Compensation is not linked to operating performance. Instead, a fixed number of shares are granted as share-based Compensation.

(i) Summary of Compensation items

- Basic Compensation

The amounts of basic Compensation for Directors and executive officers are determined based on their roles and duties defined in accordance with the level of expertise, complexities, decision-making difficulties; the geographical area to be covered; and the degree of their responsibility for achievement, required of such roles and duties. This method provides the Compensation determination process with a high level of transparency and objectivity. The basic Compensation is paid as a fixed monthly Compensation.

- Bonus

Bonus is a short-term incentive paid depending on the level of performance milestone achieved towards the Mid-term Management Strategy. Qualitative targets taken into consideration in bonus amounts include net sales and operating income, which reflect the earnings capacity of the Company's businesses; and the employee engagement index and the percentage of women in managerial positions, which the Company has placed special emphasis in terms of the increasing of corporate value over the mid- and long-term; the amounts of bonuses are determined based on the level of achievements on these targets. In addition to the level of achievement of earnings targets, the evaluation excluding external environmental factors is reflected in the amounts of bonuses; the

Company derives the evaluation excluding external environmental factors through relative comparison of growth potential with rivaling companies both in Japan and abroad. Aside from the above, qualitative evaluation of how each Director and executive officer have made efforts to improve earnings and enhance corporate value are taken into consideration.

The amount of bonuses generally varies between 0% and 200%.

| | Evaluation method | Evaluation weight |
|------------------------|---|-------------------|
| Financial measures | Evaluated in accordance with the levels of achievement of (1) net sales and (2) operating income by the entire Company and each SBU, as well as the comparison of growth rates with competitors. | 80% |
| Non-financial measures | Evaluated in accordance with the levels of achievement of (1) the employee engagement index and (2) the percentage of women in managerial positions for the entire Company and each SBU. | 10% |
| Theme-based evaluation | Evaluated based on how they have worked on the themes set with the aim of improving operating performance and corporate value, and through interviews with evaluators (evaluation of Directors who are not Supervisory Committee Members (excluding External Directors) lies with the Nomination and Compensation Committee). | 10% |

- (*1) Evaluation weights for the entire Company and SBUs are determined in accordance with the scope of responsibilities of Directors and executive officers.
- (*2) In cases where the level of contribution was especially significant or they committed a material violation of the executive service or other agreements, their points are added or subtracted.

- Share-based Compensation

The aim of share-based Compensation is to award incentives to improve the corporate value and mid- to long-term financial performance of the PERSOL Group, as well as further motivate officers to align their profit awareness with that of shareholders. Share-based Compensation is basically paid at the time of retirement (provided, however, for those transferred overseas, the share-based Compensation is paid in the amount of cash linked to market prices (virtual share-based Compensation) at the end of each target period during the Mid-term Management Strategy period.) In addition, the Company basically recommends that Directors who are not Supervisory Committee hold the number of shares of the Company that is equivalent to one or more times the amount of their basic Compensation (annual amount), including potential shares to be delivered at the time of retirement.

Share-based Compensation for Directors who are not Supervisory Committee Members consists 70% performance-linked mid- to long-term incentive Compensation (Performance Share), which depends on the level of achievement versus the targets in the Mid-term Management Strategy; and 30% fixed mid- to long-term incentive Compensation (Restricted Stock), which is aimed at incentivizing these Directors to improve shareholder value.

Share-based Compensation for non-executive Directors consists solely of the fixed mid- to long-term incentive Compensation (Restricted Stock) above.

<Performance-linked mid- to long-term incentive Compensation (Performance Share)>

Performance Share is designed to vary depending on the level of achievement of financial targets in the Mid-term Management Strategy towards the fiscal year ending March 31, 2023 (i.e. consolidated net sales, consolidated operating income, TSR and ROIC), as well as non-financial measures. With regard to non-financial measures, in particular, a number of ESG targets are included with the aim to further strengthen our efforts to promote “value creation story.”

The amount of this Compensation generally varies between 0% and 200%.

| | Measure | Evaluation weight |
|------------------------|---|---|
| Financial measures | Consolidated net sales | 30% |
| | Consolidated operating income | 30% |
| | TSR | 20% |
| | ROIC | -10% (When the target is not achieved) |
| Non-financial measures | Employee engagement index Percentage of women in managerial positions Ratio of investment in technology ESG rating | 20% |

(*) Target values for financial targets in the Mid-term Management Strategy will be announced immediately after the development of the Mid-term Management Strategy is completed.

<Fixed mid- to long-term incentive Compensation (Restricted Stock)>

A fixed number of shares is delivered as share-based Compensation to further increase linkage with shareholder value.

(*) Share-based Compensation is paid via a trust-type treasury stock Compensation scheme. The Scheme awards units (points) to recipients every year and, when the recipient retires, the number of shares commensurate with the number of units (number of points) are delivered. Management of treasury stock is delegated to Mitsubishi UFJ Trust and Banking Corporation.

(ii) Standard Compensation composition model

- Directors who are not Supervisory Committee Members (excluding External Directors) and executive officers (assuming that each of the measures is largely fully achieved)

| |
|---|
| Basic remuneration Bonus Share-based remuneration |
|---|

- Non-executive directors

| |
|--|
| Basic remuneration Share-based remuneration |
|--|

(*) The value of share-based Compensation for non-executive directors is fixed at 2 million yen per Director; as the amount of basic Compensation varies among non-executive directors depending on their roles, the actual Compensation composition may not be identical with that shown above.

(5) Compensation governance

(i) Determination process for Compensation

The amount of Compensation, etc. for officers of the Company, their determination process, and the policy for determining details of Compensation for each officer shall be decided by the Board, following thorough deliberations at the Nomination and Compensation Committee, which is an independent advisory body to the Board. The amount of Compensation, etc. for Directors who are Supervisory Committee Members shall be decided through consultations among the Supervisory Committee Members.

Officers' Compensation, etc. shall be paid within the maximum amount of Compensation, etc. resolved at an Ordinary General Meeting of Shareholders.

| | Date of resolution at the Ordinary General Meeting of Shareholders | Details | Number of Directors on the date of resolution at the Ordinary General Meeting of Shareholders |
|--|--|--|---|
| Amount of Compensation, etc. for Directors who are not Supervisory Committee Members | 12th Ordinary General Meeting of Shareholders scheduled for June 24, 2020 (plan) | No more than 500 million yen annually, including no more than 60 million yen for External Directors, excluding employees serving concurrently as Directors | 6 (including three (3) External Directors) (plan) |
| Amount of Compensation, etc. for Directors who are Supervisory Committee Members | 8th Ordinary General Meeting of Shareholders held on June 17, 2016 | No more than 1 million yen annually | 4 |

(*) Aside from the amounts above, it has been resolved at the 9th Ordinary General Meeting of Shareholders held on June 27, 2017 that, in connection with the share-based Compensation scheme for Directors who are not Supervisory Committee Members (excluding External Directors) and executive officers, up to 460,000 shares shall be delivered to these Directors and Officers, with a contribution of up to 990 million yen by the Company, for a period of three fiscal years. On the date of resolution, the number of Directors was 5 and that of executive officers was 10. In addition, it has been resolved that, in connection with the share-based Compensation scheme for External Directors who are not Supervisory Committee Members, up to 36,000 shares shall be delivered to these External Directors, with a maximum contribution of 33 million yen by the Company, for a period of three fiscal years, under the Agenda Item 6; and that, in connection with the share-based Compensation scheme for Directors who are Supervisory Committee Members, up to up to 36,000 shares shall be delivered to these Directors, with a maximum contribution of 33 million yen by the Company, for a period of three fiscal years, under the Agenda Item 7. If the Agenda Item 2 and 3 are approved as originally proposed, the number of External Directors who are not Supervisory Committee Members eligible for the scheme shall be three, while the number of Directors who are Supervisory Committee Members eligible for the scheme shall be also three.

(ii) Role of the Nomination and Compensation Committee

As an independent advisory body to the Board the Company has established a Nomination and Compensation Committee, the majority of whose members, including the chairperson, are External Directors, and consisting three or more members, to enhance fairness, objectivity and transparency of the composition of Compensation.

The Nomination and Compensation Committee deliberates on matters related to the basic policy for officers' Compensation and the Compensation scheme for officers, and provide advice and opinions to the Board based on the results of the deliberation.

In addition, in order to obtain an objective external perspective and specialist knowledge regarding the Compensation scheme for officers, external Compensation consultants will be appointed. With their support, the details of the Compensation scheme will be considered, taking into account such factors as external data, economic circumstances, industry trends and the business condition of the Company.

<Main matters for consideration by the Nomination and Compensation Committee>

The Nomination and Compensation Committee meets at least four times a year and provide advice and opinions based on the results of the deliberation, primarily on the following items:

- (i) Matters concerning determination of candidates for Directors and members of the Headquarters Management Committee (hereinafter, “HMC”)
 - Determination of a draft policy concerning appointment and dismissal of Directors
 - Determination of a draft proposal concerning appointment and dismissal of Directors put up for resolution by General Meeting of Shareholders
 - Determination of a draft proposal concerning election and dismissal of Representative Director, President and CEO (rights of representation and post as CEO)
 - Deliberation on a draft proposal concerning the constituent members of HMC
 - Deliberation on a succession plan for Representative Director, President and CEO
- (ii) Matters concerning the determination of Compensation for Directors and HMC members
 - Development of Compensation criteria for Directors and HMC members
 - Evaluation of Directors (excluding Directors who are Supervisory Members)
- (iii) Other matters deemed necessary by the Board

(*) The Headquarters Management Committee is a meeting body that serves as an assistant body to Representative Director, President and CEO and discusses basic management policies of the Group and the decisions on the execution of important operations.

(6) Forfeit of Compensation, etc. (Clawback/Malus)

In the event significant restatements of financial statements due to material accounting errors or accounting fraud has been resolved by the Board, or the Board has deemed that there was a significant breach of executive service and/or other agreements by officers during their term of office, the Nomination and Compensation Committee shall deliberate, at the request of the Board, whether or not to confiscate the whole or part of their rights to receive bonus and/or share-based Compensation or confiscate the whole or part of the bonus and/or share-based Compensation they had received, and provide the Board opinions and suggestions based on the results of the deliberation.

The Board shall put on agenda for resolution a possible forfeit of the whole or part of their rights to receive bonus and/or share-based Compensation or the whole or part of the bonus and/or share-based Compensation they had received based on the opinions and suggestions by the Nomination and Compensation Committee.

(7) Policy on Information Disclosure etc.

The details of the Compensation scheme for officers will be communicated promptly to the shareholders of the Company by means of securities reports, reference materials for general meeting of shareholders, business reports, corporate governance reports and the Company website, created and disclosed in accordance with applicable laws and regulations etc.

In addition, the Company shall have constructive dialogues with shareholders and investors based on clear objectives, to help deepen their understanding our value creation story; and share feedback obtained from shareholders and investors through the constructive dialogues at the Board meetings and other opportunities, to ultimately enhance corporate value of the Company.

End of document