

June 2, 2022

To Our Shareholders

PERSOL HOLDINGS CO., LTD.

PERSOL HOLDINGS CO., LTD.'s Views on ISS Recommendation Against
"Proposal No. 2: Partial Amendment to the Articles of Incorporation (i)"
at the 14th Ordinary General Meeting of Shareholders

PERSOL HOLDINGS CO., LTD. ("PERSOL") understands that Institutional Shareholder Services Inc. ("ISS"), a proxy advisory firm, is recommending against "Proposal No. 2: Partial Amendments to the Articles of Incorporation (i)" that will be voted on at the 14th Ordinary General Meeting of Shareholders scheduled for June 21, 2022 (the "Proposal").

The following is a supplementary explanation of PERSOL's views on the Proposal. Shareholders are kindly requested to read the following prior to exercising their voting rights.

ANNOUNCEMENT

1. ISS's Recommendation Against the Proposal and PERSOL's Basic Views

ISS recommends against the Proposal based on the following points. PERSOL believes that ISS's recommendation against the Proposal is unfounded, as explained in detail in Section 2.

- (i) Passage of this proposal will authorize the company to hold virtual only meetings permanently, without further need to consult shareholders, even after the current health crisis is resolved.
- (ii) The proposed language fails to specify situations under which virtual meetings will be held, raising concerns that meaningful exchange between the company and shareholders could be hindered, especially in controversial situations such as when shareholder proposals are submitted.

2. PERSOL's Views

- (i) From the perspective of PERSOL's risk management, it is important to be able to select a fully virtual shareholders' meeting to ensure that a shareholders' meeting can be held and business can continue in an emergency. Further, a fully virtual shareholders' meeting will only be held if PERSOL judges it inappropriate to hold a shareholders' meeting at a physical location due to circumstances such as the occurrence of a pandemic or a large-scale disaster, including a natural disaster.

PERSOL believes that it will be beneficial to its shareholders to include fully virtual meetings as an option and expand the options for the method of holding general meetings of shareholders to prepare for emergencies. Even after the current COVID-19 pandemic is under control, companies in Japan are always exposed to disaster risks such as earthquakes and floods. PERSOL must ensure that it can hold general meetings of shareholders and continue its business even in the event of a large-scale disaster that may occur at any time. For this reason, we believe it is important from the perspective of corporate risk management to make it possible to select a fully virtual general meeting of shareholders as soon as possible.

Moreover, even if the Proposal is approved, we do not plan to hold fully virtual shareholders' meetings indefinitely. Our policy will be to hold a fully virtual shareholders' meeting only if our Board of Directors decides that due to circumstances such as the occurrence of a pandemic or a large-scale disaster, including a natural disaster, and also taking shareholders' interests into consideration, it is inappropriate to convene a shareholders' meeting to be held at a physical location.

Going forward, we intend to continue choosing the meeting format that is in the best interests of shareholders whilst asking a wide range of shareholders for their opinions.

- (ii) Fully virtual shareholder meetings do not limit the rights of shareholders, and the law does not allow companies to operate arbitrarily.

Even in the case of a fully virtual shareholders' meeting, a company is required to accept questions, motions, and voting rights from shareholders as per the principles of the Japanese Companies Act, just as in the case of a conventional shareholders' meeting held at a physical location. Therefore, the fully virtual shareholders' meeting does not restrict these rights of shareholders.

In addition, fully virtual shareholders' meetings sometimes raise concerns such as "the company will not take up inconvenient questions." However, under the Japanese Companies Act, there is no room for such arbitrary management, as it is considered unfair and a reason for rescinding a resolution of a shareholders' meeting.

Further, even if the Proposal is approved, in order to hold a fully virtual shareholders' meeting, it is necessary, at the time of the decision to convene the meeting, to meet the requirements stipulated in the Ordinance of the Ministry of Economy, Trade and Industry and the Ordinance of the Ministry of Justice as a case that contributes to strengthening industrial competitiveness while giving consideration to ensuring the interests of shareholders, and it is not permissible for PERSOL to arbitrarily hold a fully virtual shareholders' meeting.

- (iii) Fully virtual shareholders' meetings are actually conducive to meaningful dialogue with shareholders.

Unlike conventional shareholders' meetings, fully virtual shareholders' meetings remove restrictions for shareholders who are unable to travel to the meeting venue for reasons such as travel time and costs and provide an opportunity for anyone to attend. We believe that a fully virtual shareholders' meeting will enable more shareholders to participate in discussions and reflect their opinions in the general meeting of shareholders, even in the situations ISS is concerned about where shareholder proposals and other controversial issues are raised.

As such, we believe that fully virtual shareholders' meetings will not hinder, but rather facilitate meaningful dialogue between PERSOL and its shareholders.

PERSOL intends to proactively incorporate developments in information technology, without being bound by conventional methods, in order to build an optimal dialogue with shareholders in this new era.

As described above, PERSOL believes that ISS's opinion may not sufficiently take into account the situation in which PERSOL is required to continue its business in Japan, a country prone to natural disasters, and the nature of dialogues with shareholders in the new era. ISS's opinion may prevent PERSOL from selecting the most appropriate method of holding the meeting in order to realize meaningful dialogue with shareholders, and is different from PERSOL's view.

We kindly request that shareholders read the above supplementary explanation and understand the reasoning behind the Proposal.