

PERSOL HOLDINGS Co., LTD.

For Immediate Release

February 14, 2022

Notification of a Change to a Business and Capital Alliance

PERSOL HOLDINGS CO., LTD. (the "Company") announced that a meeting of the Board Directors held today passed resolutions about a revision to the business and capital alliance in the Asia Pacific region formed with the Company's subsidiary PERSOL ASIA PACIFIC PTE. LTD. (Singapore; Takayuki Yamazaki, CEO; "PAPAC") and Kelly Services Inc. (Michigan, the United States; Peter W. Quigley, CEO; "Kelly")(the "Revision to the Business and Capital Alliance") and the mutual selling off of cross-shareholdings between the Company and Kelly as follows.

1. Reason for the Revision to the Business and Capital Alliance

The Company and Kelly entered into the Business and Capital Alliance agreement in 2012. After establishing a joint venture in the Asia Pacific region, the joint venture company has been providing comprehensive human resource services in the region. In recent years, the business environment surrounding the human resource service industry has seen remarkable changes, including DX investment, and the more rapid promotion of the investment and business management framework is required. While the Company continues to focus on the Asia Pacific region as a growth market, Kelly has shifted to a focus on penetration into fast-growing specialty markets as evident by their recent acquisitions in North America. In response, the allocation of management resources of each other was considered, which has resulted in the decision to revise the business and capital alliance. The Company and Kelly have confirmed with each other that they will maintain friendly relations regardless of the revision.

2. Details of the Revision to the Business and Capital Alliance

PAPAC and Kelly have established the following joint venture company and been operating business in the Asia Pacific region.

(1) Outline of the joint venture company

a. Name	PERSOLKELLY PTE. LTD.
b. Location	8 Marina View, #11-01 Asia Square Tower 1, Singapore
c. Title and name of representative	Francis Koh
d. Business	Comprehensive human resource services business
e. Capital	SGD 229,000,000
f. Date of establishment	June 20, 2017
g. Fiscal year-end	December 31
h. Net assets	SGD 222,805,000
i. Total assets	SGD 247,576,000
j. Investment ratio	PAPAC: 51%, Kelly: 49%

(2) Changes to the ratio of investment in PERSOLKELLY Pte. Ltd. ("PERSOLKELLY")

At present, PERSOLKELLY is owned by PAPAC and Kelly, which hold 51% and 49% stakes, respectively. PAPAC will additionally acquire 46.5% of shares in PERSOLKELLY held by Kelly with an acquisition cost of USD 119 million (approx. 14.0 billion yen), and thereafter will hold 97.5% of shares in PERSOLKELLY. Kelly will continue to hold 2.5% of shares in PERSOLKELLY.

a. Use of the brand name in the Asia Pacific region

Even after the Revision to the Business and Capital Alliance, PERSOLKELLY will continue to use the brand name, PERSOLKELLY, for a period of time.

b. Non-Compete Obligations of Kelly and PERSOL Group in the Asia Pacific region

After the Revision to the Business and Capital Alliance, Kelly will have non-compete obligations not to engage in any business that competes with the business of PERSOLKELLY in the Asia Pacific region for a period of time. However, PERSOL Group will not have any non-compete obligations.

(3) Mutual selling off of cross-shareholding

At present, the Company holds 1,576,169 shares of Kelly's Class A common stock and 1,475 shares of its Class B common stock while Kelly holds 9,106,800 shares of the Company's common stock. The Company decided that the Company and Kelly will sell off the cross-shareholding as a result of the Revision to the Business and Capital Alliance.

a. Method and time of the mutual selling off of cross-shareholding

Regarding the 1,576,169 shares of Kelly's Class A common stock and 1,475 shares of its Class B common stock held by the Company, the Company and Kelly will enter into share purchase agreement of the shares in Kelly today. As a result of the sales of such shares, the Company will receive proceeds of approx. 3.0 billion yen. Kelly will sell off 9,106,800 shares of the Company's common stock via a financial institution today or thereafter.

b. Shares in the Company held by Kelly

Common stock 9,106,800 shares

3.92% of the total number of shares outstanding (excluding treasury shares)

3. Overview of the partner to the Revision to the Business and Capital Alliance

a. Name	Kelly Services Inc.	
b. Location	999 West Big Beaver Road Troy, Michigan United States	
c. Title and name of representative	Peter Quigley, President and Chief Executive Officer	
d. Business	Comprehensive human resource services business	
e. Capital	USD 40,100,000	
f. Date of establishment	October 7, 1946	
g. Major shareholders and their shareholding ratios	BlackRock Institutional Trust Company, N.A.	15.02%
	The Vanguard Group, Inc.	10.33%
	Dimensional Fund Advisors, LP	7.63%
	Fidelity Management & Research Company	4.03%
	BWM AG	3.92%
	State Street Global Advisors	3.22%
	LSV Asset Management	2.74%
	Norges Bank Investment Management (NBIM)	1.84%
	JP Morgan Asset Management	1.76%
	Invesco Advisers, Inc. (IA)	1.70%

h. Relationships with the listed company	Capital relationship	As of September 30, 2021, Kelly holds 9,106,800 shares of the Company, which are equivalent to 3.92% of the total number of shares outstanding.		
	Personal relationship	There is no personal relationship that is required to be stated between the Company and Kelly.		
	Business relationship	The Company and Kelly provide comprehensive human resource services to global companies in a collaborative manner.		
	Status as related party	Kelly does not constitute a related party of the Company.		
i. Consolidated operating results and consolidated financial position of Kelly for the past three years (Millions of US Dollars)*				
Fiscal year-end	Fiscal year ended December 30th, 2018	Fiscal year ended December 29th, 2019	Fiscal year ended January 3rd, 2021	
Consolidated net assets	1,159	1,264	1,203	
Consolidated total assets	2,314	2,480	2,561	
Consolidated Net sales	5,513	5,355	4,516	
Consolidated operating profit	87	81	- 93	
Net Profit	22	112	- 72	

* Based on disclosed information that was created in accordance with international accounting standards

4. Schedule (Japan time)

a. Date of resolution by the Board of Directors	February 14, 2022
b. Date of agreement	February 14, 2022 (plan)
c. Additional acquisition of shares in PERSOLKELLY	March 1, 2022 (plan)

5. The impact of this revision on the Company's consolidated financial results for the current fiscal year is expected to be minor. The Company will promptly disclose any matters requiring disclosure.

(References) Consolidated financial forecasts for the current fiscal year (announced on November 11, 2021) and consolidated financial results for the previous fiscal year
(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Net profit*
Consolidated financial forecasts for the fiscal year ending March 31, 2022	1,060,000	48,000	48,600	27,700
Consolidated financial results for the fiscal year ended March 31, 2021	950,722	25,724	28,453	15,341

* Net profit attributable to owners of parent company

(Note) Effective in the three months ended December 31, 2021, the accounting policy was changed at an overseas subsidiary where the International Financial Reporting Standards (IFRS) are applied, based on the Configuration or Customization Costs in

a Cloud Computing Arrangement (IAS 38), an agenda decision by the IFRS Interpretations Committee (IFRIC) that was announced in April 2021. Accordingly, the values for the previous fiscal year were corrected retroactively by reflecting the said change of the accounting policy.