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Work and Smile



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Creating better work opportunities for one million people by 2030 by expanding human possibilities

At the PERSOL Group, we are guided by our corporate philosophy of “Providing Opportunity, Individual Growth, and Social Contribution.” As “Career Well-being” Creation Company, our objective is to expand human possibilities and create one million better work opportunities by 2030, thereby achieving our Group Vision of “Work and Smile.”



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Work and Smile

Working life is a journey of growth and creation.
 We all have big dreams, and there are many different paths to success. Thus, we need to make our own choices from a range of diversified work opportunities.

Our vision is to enrich society so that all work leads to lives of happiness.

Group Vision

(The society the PERSOL Group wants to realize)

Group Vision

Work and Smile

Who we want to be

A "Career Well-being" Creation Company

Expanding the possibilities of each individual and the freedom of working, and increasing the happiness for both individuals and society.

Who we want to be

(What the PERSOL Group aims to be like as a company)

A "Career Well-being" Creation Company

Five Core Principles

(The values that the PERSOL Group seeks all employees to act and deliver on)

Authentic Customer-Focus Professional
 Teamwork Innovative

Corporate Philosophy

(Significance of the PERSOL Group's existence)

Providing Opportunity Individual Growth Social Contribution

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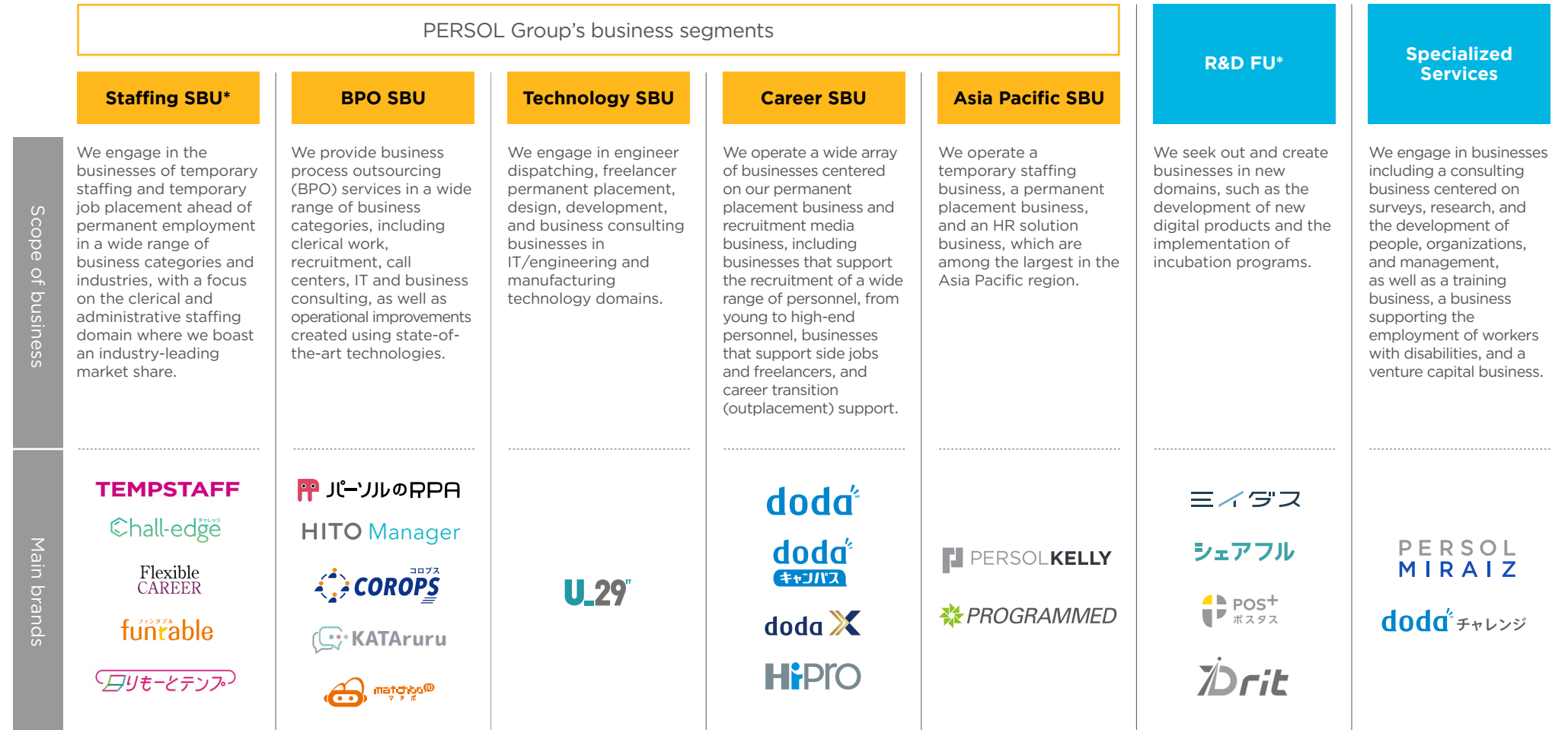
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The PERSOL Group provides diverse services related to both people and organizations, including temporary staffing services, career change services, IT outsourcing, design and development, and more. We aim to realize our vision of “Work and Smile” by sincerely and carefully assisting working individuals and leveraging customer contacts

and trust that have been created with our people as the starting point. Moreover, we are actively working on developing next-generation innovations through the fusion of people and technology, and expanding our services overseas, mainly in the Asia Pacific region.



* SBU: Strategic Business Unit, FU: Function Unit

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Editorial policy

This report is a communication tool based on the theme of human capital, which is the PERSOL Group's greatest asset and the source of value creation.

It summarizes the details and results of our initiatives in specific and quantitative terms, along with the approaches and ideas we deem important based on the human capital policy set forth in PERSOL Group Mid-term Management Plan 2026.

We hope it will help our shareholders, investors, and a wide range of other stakeholders gain a better understanding of the PERSOL Group's human capital initiatives. At the same time, as a company engaged in

comprehensive HR services, we hope to see significant progress worldwide in disclosures focused on human capital. We would be pleased for this report to be used as a practical example.

In addition to this report, more detailed information for some topics may be found in our securities and integrated reports and on the PERSOL Group website (<https://www.persol-group.co.jp/en/>). Please refer to these in conjunction with this report.

The feedback we receive on the report will be used to further enhance our activities.

Reporting period and scope

This report covers the fiscal year ended March 2023 (April 1, 2022 to March 31, 2023).

However, it also mentions periods before and after this period when necessary.

Referenced guidelines and reports

- Human Capital Visualization Guidelines (Cabinet Secretariat)
- Report of the Study Group on Improvement of Sustainable Corporate Value and Human Capital (Ministry of Economy, Trade and Industry)
- Report of the Study Group toward Achieving Human Capital Management (Ministry of Economy, Trade and Industry)

We will promote Group human capital management based on the “Advanced HR Showcase” policy.

Providing opportunity and supporting individual growth

The PERSOL Group has set forth a commitment to social contribution through providing opportunity and supporting individual growth in our corporate philosophy. We are developing various services related to both people and organizations as we engage in our business activities.

Seeking to become a “Career Well-being” Creation Company

This year marks 50 years since the founding of Tempstaff Co., Ltd. We announced our Mid-term Management Plan 2026 (the “Plan 2026”) as a new step for the next 50 years of the Group’s operations and put forward becoming a “Career Well-being” Creation Company as our vision for 2030. Having both diverse businesses and human resources as our strengths, we will work to create value for the future as we strive to create better work opportunities by expanding the possibilities of working individuals. Through these efforts, we hope to realize the Group Vision of “Work and Smile.”

Accelerating human capital management as the engine of business growth

We believe that ensuring our employees and temporary staff can “Work and Smile” is paramount for achieving the Group Vision. As such, we have positioned human capital as the engine for business growth within the Plan 2026 as well.

To promote Group-wide human capital management, we have established the “Advanced HR Showcase” as HR policy shared across the Group. As the source of a company’s competitiveness shifts to people, human capital initiatives are growing in importance and degree of difficulty. When it comes to difficult challenges, we will study the results based on our hypotheses and utilize them in our next pursuit. We believe it is our mission as an industry leader to work on and communicate experimental personnel management, and we have incorporated that into the policy.

The publication of this Human Capital Report is one of the initiatives of the Advanced HR Showcase. We hope it will provide an opportunity for investors and various stakeholders to learn about the PERSOL Group’s human capital initiatives.



Hiroataka Mino

Executive Officer and CHRO, PERSOL HOLDINGS Co., Ltd. Joined Intelligence (now PERSOL CAREER Co., Ltd.) in 1999. In 2013, he assumed the position of general manager of the company’s HITO Division, where he brought about reform of the HR Division, training, hiring, and personnel system and promoted principle-based management. In 2017, he became an executive officer (in charge of human resources) of Temp Holdings Co., Ltd. (now PERSOL HOLDINGS Co., Ltd.). He has served in his current position since April 2020.

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Advanced HR Showcase Since 2016

The PERSOL Group Vision of “Work and Smile” focuses on working individuals and respects their diverse values. The aim is to realize a society in which individuals make their own choices from a range of diversified work opportunities and all careers bring smiles.

In the worldview of the PERSOL Group, each and every employee is nothing less than this concept of a “working individual.” To make this worldview a reality, we continue to work on forward-thinking personnel systems and measures.

When people are seen as individuals, they forge relationships of mutual trust and mutual contribution with the companies and organizations they belong to and work together in a highly engaged manner to realize a management vision. To make this happen, we observe the states of people and organizations, make them visible, and proceed with scientific analysis.

Furthermore, as we move toward individual values in this age of uncertainty, we will continue to support individuals and organizations that aspire to grow while sincerely communicating the need to continue adapting to the changes of the times and embracing those changes.

We believe it is our mission as an industry leader to conduct, propose, and disseminate experimental HR solutions to the employment and labor challenges faced not only in Japan but also across the world. We aim to lead society as an advanced HR showcase and carry out sincere and scientific HR policies that we can introduce to our customers.

HR policies based on the Five Core Principles

Authentic

Fair and just HR that respects diversity and complies with the law

Customer-Focus

HR that recruits and develops employees who are trusted by customers

Professional

Development of highly specialized and autonomous employees

Teamwork

Realization of optimal hiring, placement, and training for the entire Group

Innovative

HR that is not bound by precedent, grasps reality, and reasons from a clean slate

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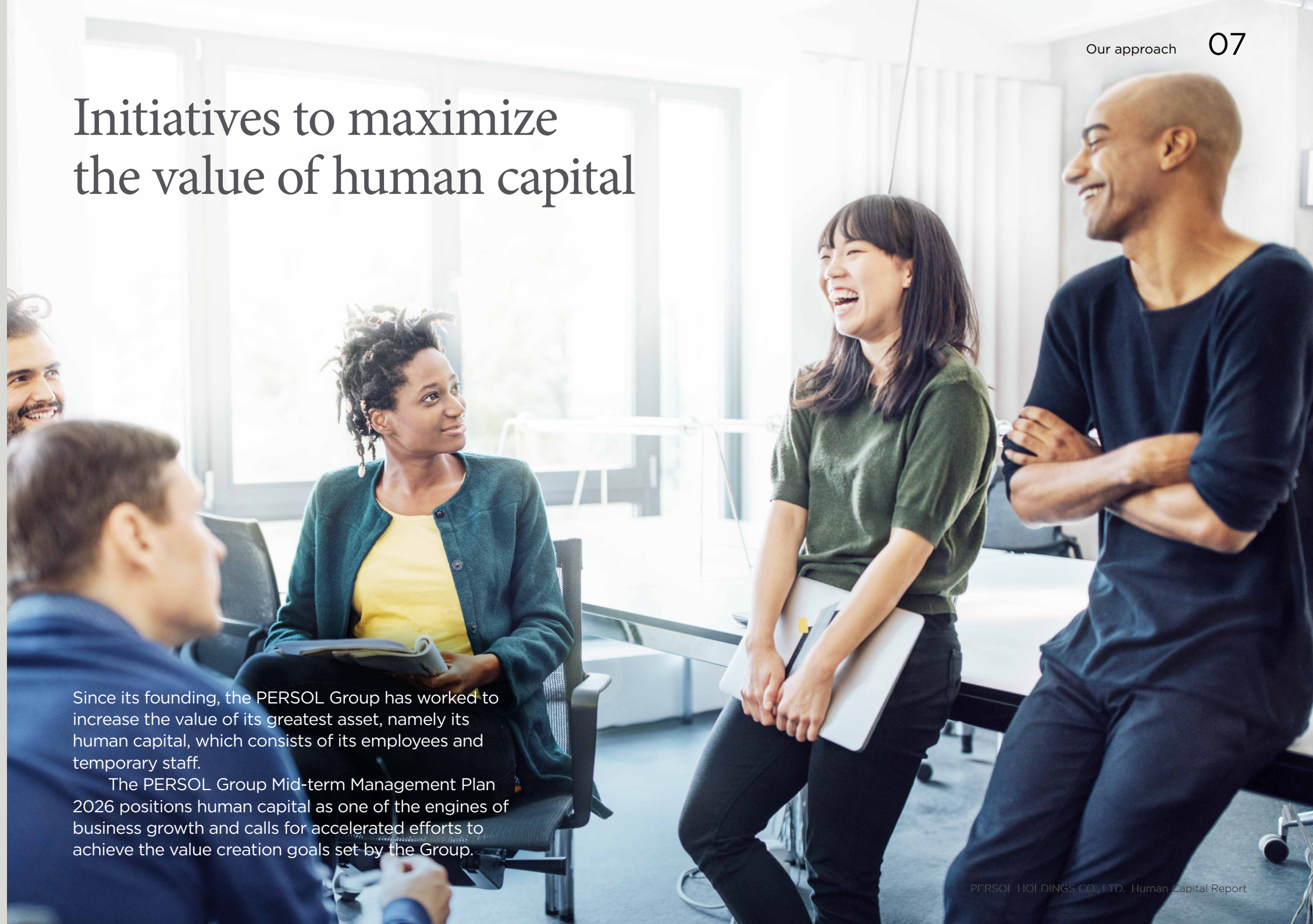
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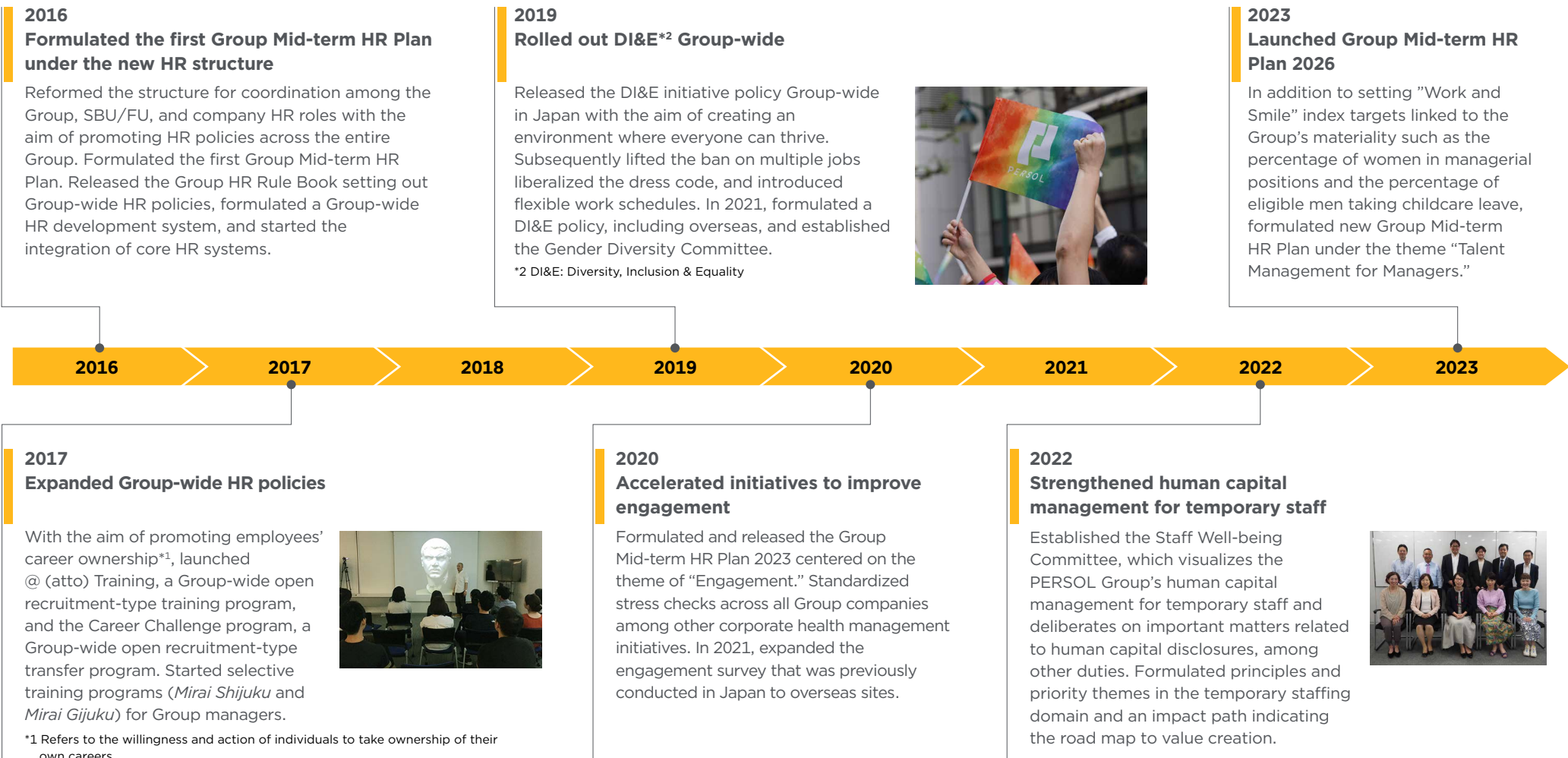


Since its founding, the PERSOL Group has worked to increase the value of its greatest asset, namely its human capital, which consists of its employees and temporary staff.

The PERSOL Group Mid-term Management Plan 2026 positions human capital as one of the engines of business growth and calls for accelerated efforts to achieve the value creation goals set by the Group.

In 2016, the PERSOL Group established a structure for Group companies to work together to promote human capital management, and since that time, we have advanced our human capital initiatives under the slogan, “Advanced HR Showcase.”

Going forward, in response to changes in social structures and values around personal work styles, we will drive value creation by becoming a Group where diverse human resources, including temporary staff, can achieve Career Well-being.



*1 Refers to the willingness and action of individuals to take ownership of their own careers.

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The PERSOL Group has drawn up a Value Creation Story for 2030 to provide even greater value and achieve business growth in anticipation of future changes in the environment. At the same time, we formulated PERSOL Group Mid-term Management Plan 2026 (fiscal year ending March 2024 to fiscal year ending March 2026) backcasted from this story.

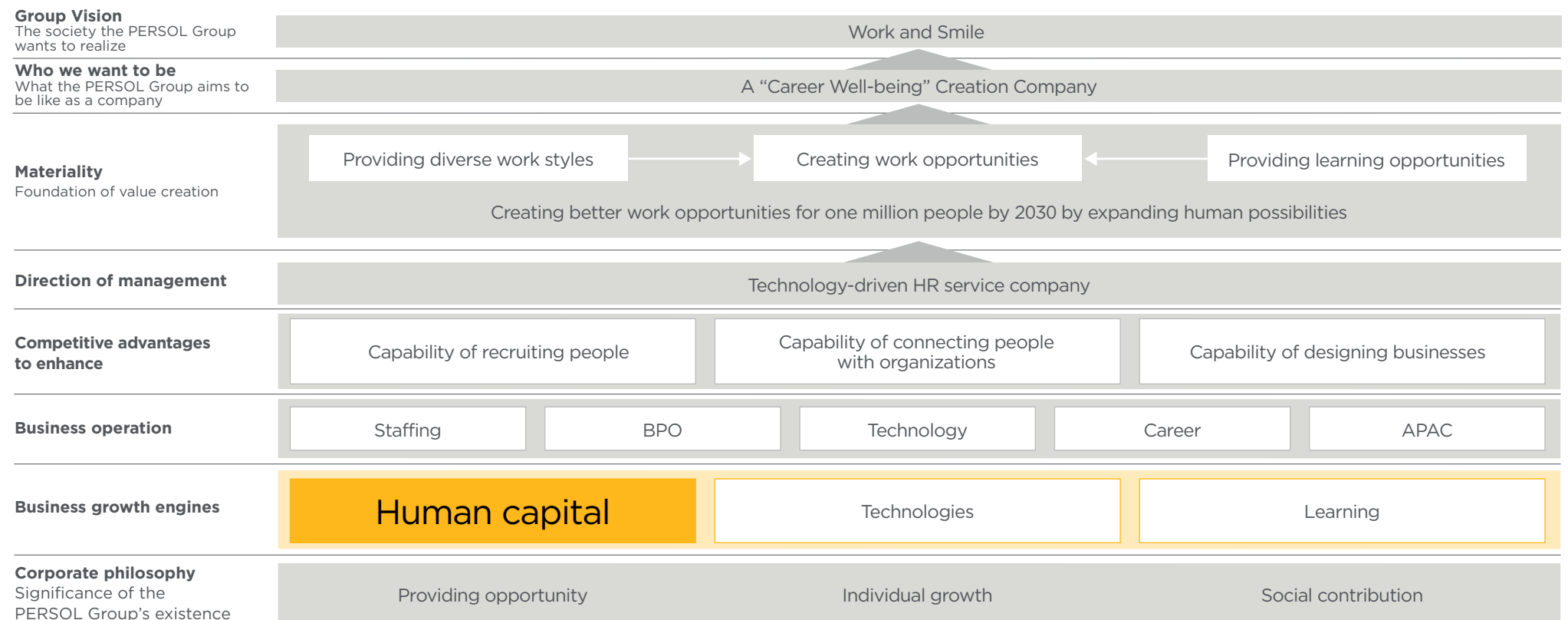
We are guided by our corporate philosophy of “Providing Opportunity, Individual Growth, and Social Contribution.” As a “Career Well-being” Creation

Company, our objective is to expand human possibilities and create one million better working opportunities by 2030, thereby achieving our Group Vision of “Work and Smile.”

To achieve this, our management direction is to evolve into a technology-driven HR service company. In line with this management direction, we have identified three capabilities as our competitive advantage: the capability of recruiting people through digital media, the capability of connecting people

with organizations by matching job seekers with job openings, and the capability of designing businesses, as exemplified when designing overall business operations, such as in our BPO business.

We will continue to strengthen our efforts with human capital, technologies, and learning positioned as the engines that will accelerate our business growth.



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Human capital strategy

In the PERSOL Group’s Mid-term Management Plan 2026, we have positioned human capital as one of our business growth engines, and we have identified the following three strategy components for accelerating our efforts: (1) achieving career well-being, (2) enhancing technology-oriented human resources, and (3) building the foundations for diverse human resources to lead active roles.

In the “achieving Career Well-being” component, we will focus even more on improving employee engagement through measures to advance career ownership and health, as well as improving the well-being of temporary staff to help them realize their own way of working.

In the “enhancing technology-oriented human resources” component, we will build a comfortable work environment for specialized human resources (personnel systems, etc.), enhance our hiring capabilities through improved recruitment branding, promote reskilling/upskilling through a wide range of specialist programs, and increase the number of technology-oriented human resources to more than 2,000 people.

We believe that advancing these two initiatives will create a virtuous cycle, since they are in a mutually reinforcing relationship: increasing engagement strengthens recruitment and retention, and increasing the number of technology-oriented

human resources will improve operational efficiency and engagement.

Underpinning these two initiatives is the third component, “building the foundations for diverse human resources to lead active roles.” Our efforts here include further advancing DI&E measures, increasing the percentages of women in managerial positions and eligible men taking childcare leave, and taking on the challenge of cultivating top leaders through diverse talent management measures.

Through these three components, we will strive to drive value creation by being an organization where diverse human resources including temporary staff achieve Career Well-being.

Human capital policy

We will drive value creation by becoming a Group where diverse human resources including temporary staff achieve Career Well-being.



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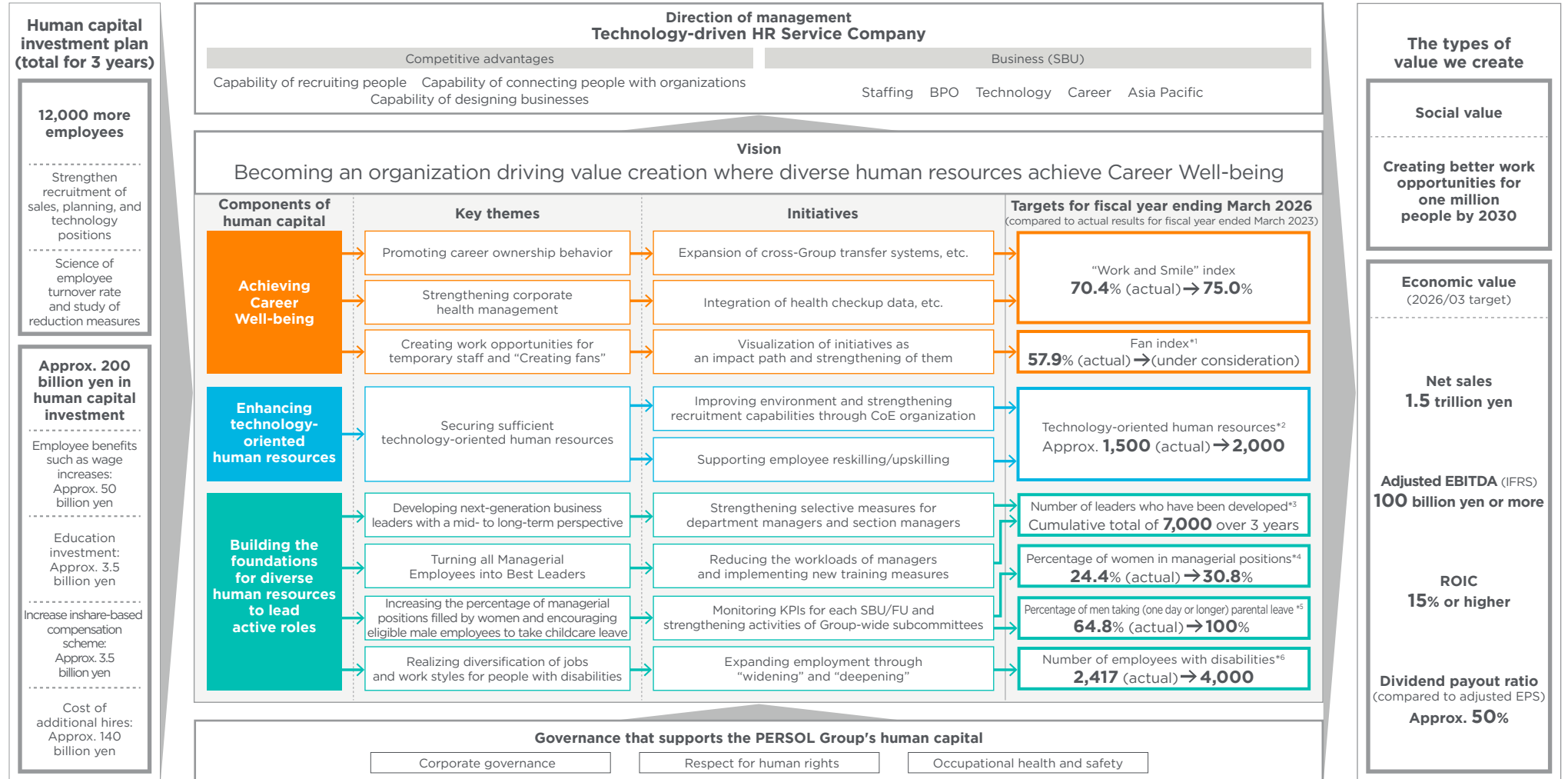
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*1 Actual results for the fiscal year ended March 2023 are calculated using figures tabulated by PERSOL TEMPSTAFF Co., Ltd.

*2 Targets are set for employees of Group companies in Japan, and actual results are tabulated.

*3 The number of leaders who have been developed indicates the total number of those who received the training for managers provided across Group companies in Japan. It does not include the number of those who received training for managers that is provided individually at each SBU/FU or company.

*4 Targets are set for employees of Group companies in Japan, and actual results are tabulated. However, some companies that have not yet completed the introduction of a common human resource management system for Group companies in Japan are excluded. Actual results for the fiscal year ended March 2023 are as of April 1, 2023, and targets for the fiscal year ending March 2026 are as of April 1, 2026.

*5 Targets are set for employees of Group companies in Japan, and actual results are tabulated. Indicates the percentage of employees whose spouses gave birth to or opted for adoption during the relevant fiscal year who used childcare leave or used the program of leave for childcare purposes during that fiscal year.

*6 This is the number of persons with disabilities included in the Group's report on the employment status of persons with disabilities in accordance with the procedures of the special-purpose subsidiary system. The target value may be revised in the future in consideration of changes in the number of companies covered in the statistics (22 companies as of May 2023), changes in the number of employees of the overall Group, and changes in the statutory employment rate.

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State of human capital that supports the PERSOL Group

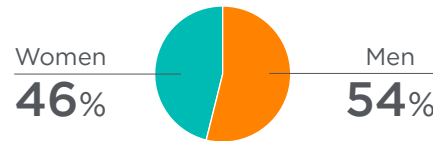


Number of consolidated employees*1

66,944

Number of employees in Japan

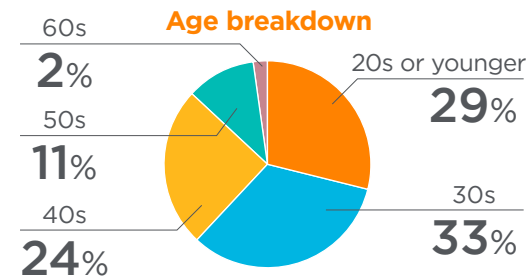
33,206



Average age

37

Age breakdown



Number of temporary staff*2

PERSOL TEMPSTAFF Co., Ltd.

Approx. 143,500

PERSOL CROSS TECHNOLOGY Co., Ltd.

Approx. 4,600

Hiring and separation



Number of hires (new graduates and mid-career by gender)

New graduates 1,012
(557 men, 455 women)

Mid-career 6,161
(2,832 men, 3,329 women)

Rate of turnover*3

10%

Building the foundations for diverse human resources to lead active roles



Vision empathy index*4

79%

Career ownership index*5

51%

Percentage of remote work*6

57%

Average hours of overtime

17

Number of persons with reduced working hours

972

HR development



Total number of participants in training

68,565

Training hours per person

17

Presenteeism*7

21.8%

Number of approved applications for multiple jobs*8

1,010

*1 The figures include employees at the Asia Pacific SBU.

*2 Estimated number of workers per month

*3 Unlimited term employees only

*4 The figure shows an average ratio of respondents answering either of the two highest choices on a five-point scale regarding a question on empathy with the PERSOL Group Vision of "Work and Smile."

*5 The figure shows an average ratio of respondents answering either of the two highest choices on a five-point scale regarding a question over employees' career ownership (intention and action).

*6 The figure shows the percentage of employees who replied that they engage in remote work at least once a week. (As of September 2022)

*7 Percentage of decline in performance due to poor health. The figure is calculated

by subtracting from 100% an average percentage of performance estimated by survey subjects in the past four weeks in a survey using the Single-Item Presenteeism Question (SPQ) with a single question developed by the University of Tokyo on the assumption that 100% means the level of performance without diseases or injuries.

*8 The figure indicates the number of applications for multiple jobs approved during the fiscal year concerned.

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Achieving Career Well-being



Striving to improve the Career Well-being of all our employees and temporary staff

We define Career Well-being as the happiness and satisfaction a person feels through their own work. We are working on initiatives with the aim of enabling employees and temporary staff at PERSOL to experience this Career Well-being. Based on the belief that engagement is important for improving Career Well-being, we have established five themes and are rolling out measures accordingly. For our temporary staff, we have established the Staff Well-being Committee to enhance our initiatives based on the two priority themes of “Creating work opportunities” and “Creating fans”

- We have established the “Work and Smile” index (employee engagement index) as the most important HR index of the entire Group. Management, work sites, and human resources are working together to implement a PDCA cycle.
- We have established a target of raising the average score of the entire Group on the “Work and Smile” index to 75% by the fiscal year ending March 2026. This target has also been incorporated into the evaluation index for each officer.
- We launched a Group-wide scouting-type transfer system in 2023 to strengthen support for employee career ownership*, which is key to improving employee engagement. We will also focus on improving health, which serves as the foundation for engagement.
- The Staff Well-being Committee established and disclosed an impact path, which visualizes the connection between initiatives to improve the well-being of temporary staff and the Group’s financial value.

* Refers to the willingness and action of individuals to take ownership of their own careers.

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Basic approach

In our Mid-term Management Plan 2026 (“the Plan 2026”), the PERSOL Group defined its vision for the Group as a “Career Well-being” Creation Copmany. In conjunction with this, we newly positioned five items as the key indicators of the Group (the “Work and Smile” index), consisting of the engagement indicators we previously emphasized plus the “Career Well-being” indicator jointly developed with Gallup, Inc. We use our own engagement survey to monitor their status and work to improve them. In 2022, the “Work and Smile” index reached 70.4%, three points higher than the previous fiscal year. We believe this was the result of our Group-wide efforts to visualize the status of our employees and organization based on our engagement survey, analyzing issues, and implementing an action plan for improvement.

For 2025, our target is to raise the average score of the entire Group on the “Work and Smile” index to 75%. All this is incorporated into the evaluation indicators for each officer to ensure that management is united in its commitment.

Initiatives to improve engagement

The PERSOL Group has identified five key drivers as important elements for enhancing engagement and Career Well-being—health, relationships, autonomy, self-efficacy, and shared Group Vision—and has reflected them in the HR strategy and HR measures. To measure these conditions, we conduct an annual engagement survey in the form of an online questionnaire. In 2023, approximately 36,000 employees of domestic Group companies and 5,000 employees of overseas subsidiaries in 12 countries were surveyed.

We have also come up with creative ways to use the survey results. For example, the results not only provide scores for each survey item but also offers a tool to analyze the relationship between the “Work and Smile” index and the five key drivers. In addition, using a text mining tool that classifies open response items according to their content allows the survey results to be utilized to identify issues for both the Group as a whole and each company.

In addition to each company’s human resources, the reports are provided to work site managers, creating an environment in which managers can use the reports to understand and improve conditions in their own organizations. We are also expanding the use of the survey by holding lectures for our human resources to learn how to read results and analyze issues.

The PERSOL Group’s engagement drivers



“Work and Smile” index results and targets

Survey item	Positive responses		Targets		
	2021	2022	2023	2024	2025
“Career Well-being” index					
I enjoy the work I do in my job every day.	63.5%	66.9%	70.1%	71.7%	73.3%
I think the work I do in my job significantly improves the lives of other people outside of my own household.	80.2%	81.0%	81.2%	81.3%	81.4%
I, personally, have many choices in regard to the type of work I can do in my life.	57.8%	62.9%	66.6%	68.4%	70.2%
Engagement index					
My job provides me great motivation.	61.1%	62.0%	65.9%	67.8%	69.8%
I would like to make a positive contribution to my organization.	75.2%	79.1%	79.7%	80.0%	80.4%
Average for five survey statements (“Work and Smile” index)	67.5%	70.4%	72.7%	73.9%	75.0%

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PDCA cycle for action plan

Every year, management, human resources, and work sites establish and implement specific actions to improve engagement based on the survey results.

At the Human Resources Committee, which discusses the Group's important personnel matters, the officers in charge of each business present specific action plans for improving engagement in the organization for which they are responsible, and they engage in deep discussions by sharing ideas. Human resources takes the lead at each company in identifying issues by organization and questions according to the aforementioned report and linking them to measures. Some individual companies have created opportunities for managers to share survey results with their team members and discuss issues and improvement measures for their own organizations. In these and other ways, the entire Group is working to improve engagement.

Initiatives at each SBU/FU* (Excerpt)

* SBU: Strategic Business Unit, FU: Function Unit

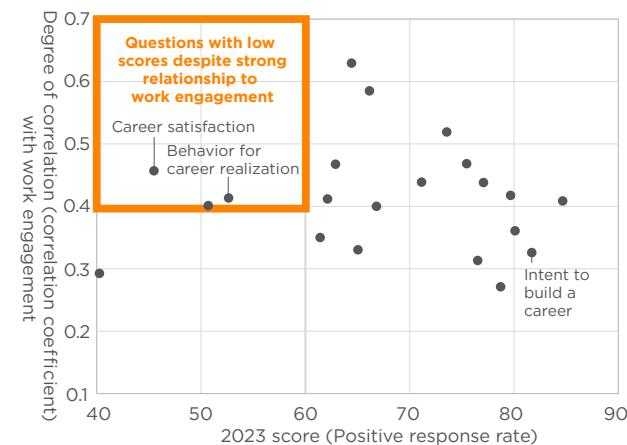
- Staffing**
 - Implement career training with the aim of personalizing work and career, and form member-led organizational improvement teams.
- BPO**
 - Establish project plans linking the project vision and targets to the individual goals of the team members.
- Technology**
 - Integrate goal setting and career design, promote transfers at the request of the individual, and establish various career support systems, such as those for multiple jobs.
- Career**
 - Hold career training and managers' roundtables to provide career development opportunities and foster the desire to take on management positions.
- R&D**
 - Provide support for acquiring advanced specialist knowledge and introduce new tools to facilitate cross-departmental communication.

Example survey analysis Analysis of relationship between employee career ownership* and engagement

One of the issues from the survey results was improving work engagement. Our analysis showed that it correlated with employees' career ownership. Further analysis has also revealed that the key to increasing career ownership is behavioral support. We have developed various initiatives up to now to support employee career ownership, including an open recruitment-type internal Group transfer system and an environment that supports multiple jobs. Based on the results of a series of analyses, we established a new scouting-type transfer system in 2023 to better support employees' career behavior. We are increasing employees' career ownership while utilizing engagement surveys in our initiatives.

* Refers to the willingness and action of individuals to take ownership of their own careers.

Correlation between employee career ownership survey item and engagement



Note: Each dot in the graph represents an individual question asked in the survey.

Establishment of behavior indicators for managers to increase engagement

Based on the hypothesis that daily managerial behaviors affect team member engagement, we interviewed a total of more than 80 organizations over a three-year period to clarify the difference between managerial behaviors at organizations that have high engagement and organizations that do not.

As a result, we were able to identify managerial behaviors that may be effective in improving member engagement, such as verbally communicating growth expectations and providing feedback that focuses on strengths. We also incorporated questions asking whether these behaviors exist (behavioral indicators) into the survey and performed an analysis. We found that statistically, there is evidence that these managerial behaviors contribute to increased engagement.

We communicate these results to managers in Group-wide managerial training to develop leaders that increase engagement.

Managerial behaviors that increase engagement (Engagement indicators)

Sharing of vision	Informing their team members of what is important in their work on a daily basis
Communication of growth expectations	Verbally communicating expectations for team members' growth
Communicating work purpose	Thoroughly explaining what meaning the work has for team members
Setting aside time for consultation	Devoting adequate time for consultation with team members
Resolving issues through dialogue	Engaging in dialogue with team members to help resolve any problems they might face
Feedback on strengths	Providing feedback that focuses on team members' strengths
Moral support	Giving considerate words of encouragement to team members when they are stressed or have a heavy workload
Self-disclosure by manager	Sharing their concerns and thoughts

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Basic approach

We have established autonomy as one of the key drivers to improve employee engagement. We value the approach of making our own choices regarding work and define career ownership as the willingness and action of each employee to take ownership of their own careers. We also believe it is important for people to have career ownership and develop a career that suits them. This approach is reflected in the various career ownership measures that we have implemented to date. We provide a wide range of support for each employee to expand their possibilities and develop their career independently.

In 2023, we also introduced a new scouting-type internal Group transfer system to broaden the career options of employees and draw out their potential for

further success. As a corporate group that creates “work,” we will continue to support the career ownership of each of our employees.

“Smyle,” a career design training program

We offer “Smyle,” an open recruitment-type training program, to provide employees with opportunities for career design. “Smyle” is a portmanteau of “Smile” and “My Style” and is meant to embody the concept of doing “Work and Smile” in your own style.

Career design support at the PERSOL Group is based on the notion that the three elements of “WILL,” “CAN,” and “MUST” overlap and then increasing that overlap.

With Smyle, the aim is to help people work enthusiastically by having them look back on their

life (career) and verbalize what they will do, what they can do, and what they must do. Furthermore, we have prepared different programs for different generations, focusing on the fact that each generation tends to have different concerns and thoughts about their career.

We also conducted training over a four-year period from the fiscal year ended March 2020 to the fiscal year ended March 2023 to provide all managers with the opportunity to learn about career design support. Starting in the fiscal year ending March 2024, we are providing opportunities to learn the attitude and methods of addressing team members’ career design through career design training that incorporates the Smyle program.

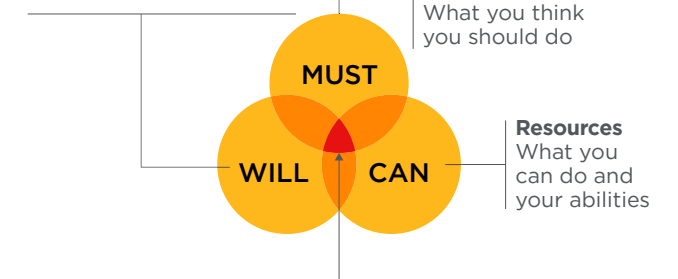
Group-wide employee career ownership support programs and measures

Program/measure	Description	Year started	Total number of users (through 2023/3)
Smyle	A training program in which employees look back on their own lives (careers), verbalize their personal “WILL,” “CAN,” and “MUST,” and create a vision for their future.	2019/3	1,193 (for team members)
@ (atto) Training	A training program supporting autonomous learning to promote employee career ownership and HR exchange across organizations (revamped in the fiscal year ended March 2022).	2018/3	264 (since 2022/3)
Career Challenge	A Group open recruitment-type transfer system that allows transfers between companies within the Group.	2018/3	410 (transferees)
Job Trial	A program that allows employees to experience working at a different department within the Group.	2021/3	684 (participants)
Career Counseling	A measure to allow those interested in career consultation to speak with a consultant.	2019/3	687
Career Scouting	A program that allows employees to register their career history and transfer wishes in the internal system and be scouted directly by other departments within the Group.	2024/3	—

Concept of career design support

Interests: What you are interested in
Values: What you value
Desires: What you want to do

Expectations: What you are required to do
Duties: What you have to do
Role: What you think you should do



Resources: What you can do and your abilities

Connection to missions

A situation where the things that you are required to do are aligned with the things that you want to do and the things that you are able to do

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@ (atto) Training

The @ Training program includes the acronym for Adventure Training (AT or *atto* in Japanese) program and also has the double meaning of training that brings about personal change going forward and astonishes (*atto iwaseru* in Japanese) the world. This training program is designed to promote career ownership and create connections among employees across the organization, supporting autonomous learning. In the fiscal year ended March 2023, 12 programs were implemented with a total of 143 participants.

We have received feedback from employees who have participated in this program and they have reported that it has led to a change in their awareness. For example, in the *Shi no Taiken Ryoko* (A Death-experiencing Journey), a monk serves as an instructor for a program dealing with the theme of death. It was a valuable opportunity for the participants to think about what they really want to leave behind when they die. We have heard from

Examples of past programs

Program/Description	Participation rate
A program for envisioning the future through Neuro-Linguistic Programming (NLP) Experience "an approach to the deep structure of the unconscious" utilizing NLP, a psychological approach known as "the user manual for the brain and the mind." Explore the ideal future of your true self.	5.2x
A three-day, two-night forest retreat program in Yamanakako, Yamanashi Get in touch with your mind and body in a pristine, untouched forest. Have a dialogue with yourself and reflect on the source of your values and what you hold dear by surrendering yourself to the forest.	9.7x
A three-day, two-night educational island program on Osakikamijima Island in the Seto Inland Sea This program involves dialogues and exchanges with island residents and high school students on Osakikamijima Island, Hiroshima. There you can explore your core values.	5.1x

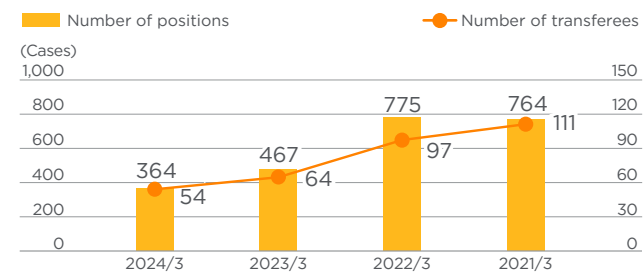
participants that it helped them realize the importance of having the courage to choose and provided a good opportunity to deepen their self-understanding and accept themselves.

We will continue to provide opportunities to develop new perspectives on the future and careers by creating many different programs that enable participants to holistically reconsider their careers from various angles that are out of the ordinary. This includes advanced and unique workshops, cross-industry exchange programs for resolving social and regional issues, and unique regional cross-border experience programs.

Career Challenge

Career Challenge is a Group-wide open recruitment-type transfer program. Employees can apply for open positions within the Group outside of their company or job title, and if they pass the selection process, they are transferred to a new position. Employees can transfer across the Group to companies in Japan or overseas. This system allows employees to have a sense of ownership to develop their own careers and move to action when they want to take on new challenges or change jobs. Since the program was launched in 2017, the number of transferees has increased yearly. In 2023, there were 111 transfers.

Number of positions and transferees

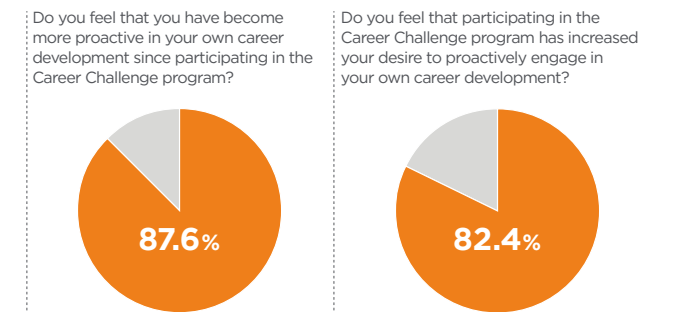


Many employees have taken on the challenge of positions they have no experience in. In this way, we are supporting diverse career development. One employee who transferred from a sales position to a marketing position at a Group company said, "I feel confident working within the Group, knowing that I can grow (in other positions) even without prior experience." Additionally, for recruiting organizations, this program is effectively utilized as a means to internally source human resources who exhibit a high affinity for the company or organization.

At the PERSOL Group, we have developed our own internal system for supporting employees' career ownership called CareerMill. It is one of the ways we support such initiatives. It facilitates operations such as posting positions, applying for positions, and managing the selection process.

The PERSOL Group consists of various companies, businesses, and job types, providing a wide range of opportunities for diverse human resources to take on active roles. We will continue to provide opportunities for each employee to take on the challenge of transferring to a new position to support them in their own unique career development.

Sense of career ownership after using the program (Percentage of respondents, including transferees and non-transferees, answering "Yes" on the 2024/3 applicant survey)



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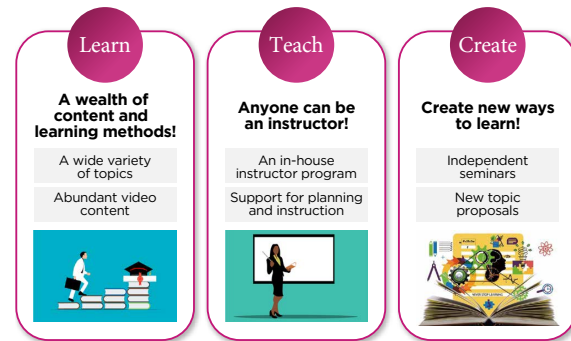
Case study PERSOL TEMPSTAFF Co., Ltd. (SBU: Staffing)

A place of learning where employees teach and learn from each other and co-create In-house university: Temp University

There is a deeply rooted culture of teaching and learning from each other at PERSOL TEMPSTAFF Co., Ltd. This includes employees voluntarily conducting training and workshops with each other. In-house university Temp University was opened in April 2022 to support the learning and growth of employees, utilizing this culture.

Most of the courses are online, and anyone who wishes can serve as an in-house instructor. In-house instructors teach 80% of the courses being offered. Some are filled immediately after sign-ups are opened, and some have more than 100 participants. They also have high satisfaction rates with realistic content that only a practitioner could provide. In the year and a half since its opening, a total of 3,000 participants have taken more than 50 courses. The participants have predominately been in their 20s and 40s. In part because there have not been many training programs available to those in their 40s and up to date, many have expressed their appreciation for having more opportunities to learn.

While there is a growing enthusiasm for learning, often referred to as “reskilling,” there are also quite a few individuals who are unsure of what to learn, where to learn it from, and how to learn it. At PERSOL TEMPSTAFF, we will continue to work on providing support to help employees think for themselves, make choices, and take action in their lives for their lives and learning through this place for mutual learning called Temp University.



Temp University concept



Yasuto Furuta
 Manager
 Temp University Promotion Office,
 HR Division
 PERSOL TEMPSTAFF Co., Ltd.

Case study PERSOLKELLY (SBU: Asia Pacific)

Asia Pasific learning platform — ONE Platform

PERSOLKELLY (PSK) believes that its employees are its greatest asset, and in order for them to grow, continuous development is the key strategy.

In 2020, PSK started to build a training framework to develop competencies to cater to every individual level and need, with eight virtual workshops and programs addressing common learning needs to enhance individual performance.

PSK officially launched PSK Learning Journey in 2021 as part of its “Learning and Growing Together” project.

It is a structured platform with a clear framework where employees of different functions and levels can acquire competencies and standardizes their recruitment process. On top of that, PSK Learning Journey offers a variety of topics relevant to our industry, such as Subject Matter Experts (SME) sharing, Legal, IT, interpersonal skills, and leadership modules for employees to further enhance their business acumen and skillset.

In 2022, PSK leveled up to the Learning Management System (LMS) — ONE Platform.

PSK Learning Journey has elevated the learner’s experience to not only include virtual workshops but also e-learning modules with bite-sized videos for employees to learn anytime, anywhere.

PSK Learning Journey — ONE Platform is now available across Asia Pacific, meeting the learning needs of 2,400 employees as of September 2023. PSK Learning Journey now offers a total of close to 90,000 contents, including internally developed contents, in ONE Platform.

This progress also allows us to increase the ROI on Learning and Development year on year.

PSK values each employee and places great importance on continuous learning. As the business is growing rapidly, we believe people have to continue to grow and develop simultaneously.

We focus not only on evaluating their current contributions but also on nurturing their potential for future growth.



Scene from a training program

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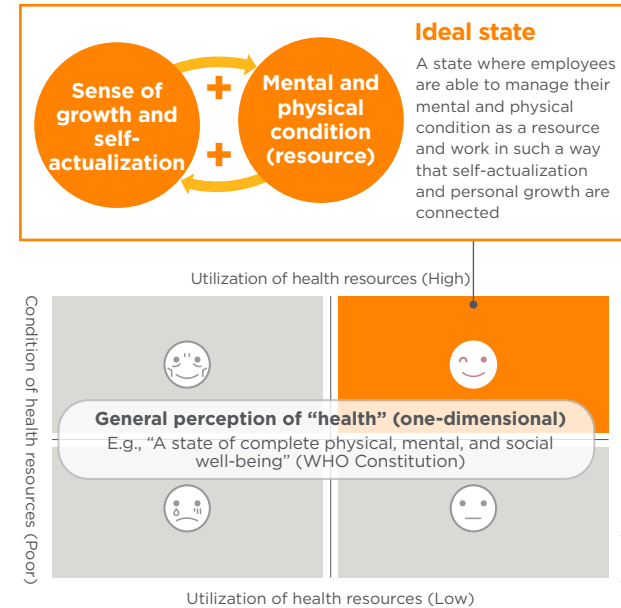
Basic approach

The PERSOL Group has positioned health as one of the foundations of engagement, launching a Group-wide initiative in 2020. When launching the initiative, we engaged in discussions with human resources at each company. We put together a shared vision that states what we want to achieve is not merely good mental and physical health but a state in which every employee working for PERSOL manages their mental and physical condition as a resource and works toward self-actualization and personal growth to realize the Group Vision.

Health promotion initiatives

Over a three-year period starting in 2020, we first standardized the stress check system used throughout the Group so that we can keep track of the mental health of employees based on uniform Group criteria. Moreover, in light of the increase in mental health disorders within the Group since the spread of remote work prompted by the COVID-19 pandemic, we are developing a digital wellness program for learning about mental health measures and health maintenance methods for working from home and digital work. In addition, since 2022, we have been using an engagement survey to identify presenteeism and create an environment where Group companies can monitor the status of their employees' health. Group companies are promoting measures in accordance with their own circumstances. PERSOL FIELD STAFF Co., Ltd., PERSOL FACTORY PARTNERS Co., Ltd., PERSOL WORKS DESIGN Co., Ltd., and PERSOL TEMPSTAFF Co., Ltd. have been certified as Organizations Selected under the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program, marking four, three, two, and two consecutive years, respectively.

Approach to health



In addition, PERSOL NEXTAGE Co., Ltd., which provides employment support services for persons with disabilities, has introduced VR-based digital health content to support the employment and mental health of persons with disabilities, focusing on improving their Career Well-being.

Going forward, we will continue working to integrate the Group's health checkup data and begin analyzing the relationship between mental health (stress checks), physical health (regular health checkups), and the connection to one's work and organization (engagement) to further enhance health management as a Group. We will also collaborate with outside companies and introduce experimental health measures that utilize technology.

Case study PERSOL FIELD STAFF Co., Ltd. (SBU: Staffing)

Promoting physical and mental health through the united efforts of employees

PERSOL FIELD STAFF has been certified as an excellent health and productivity management corporation for four consecutive years since 2020. It strategically promotes health management based on the belief that maintaining and promoting employee health is an investment that leads to increased individual and organizational vitality and contributes to future profitability. The representative director is the person responsible for health management and, coordinating with the promotion committee, external advisors, and the health insurance union, promotes care for the physical and psychological work environment to prevent and address both presenteeism and absenteeism.

One of the initiatives is to reduce the smoking rate among employees. Every year, the company sets a target of 0%, holding non-smoking days and conducting e-learning training for employees to learn about the health effects of smoking.

[Our actions \(in Japanese only\)](#)

PERSOL FIELD STAFF employee target and actual smoking rates

	2019	2020	2021	2022
Target smoking rate	0%	0%	0%	0%
Actual smoking rate*1	25.0%	22.0%	31.8%	22.5%
[Reference] Adult smoking rate in Japan*2	18.3%	—	—	16.1%

*1 Calculated once a year

*2 Excerpted from Comprehensive Survey of Living Conditions conducted by the Ministry of Health, Labour and Welfare. Smoking rate not surveyed in 2020 or 2021

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Basic approach

As part of our efforts to create an environment where diverse human resources can thrive, the PERSOL Group is working to create an atmosphere where each employee can work autonomously without being restricted by time or location. Group-wide initiatives include the promotion of remote work, the introduction of a flextime system, the in-principle liberalization of dress codes, and the introduction of a multiple jobs program. To enhance the feasibility of these initiatives, we also improved the environment by introducing a Group-wide collaboration platform and revamping various corporate systems.

In addition, each Group company is working to establish an environment and system that allow employees to choose their work styles based on the characteristics of their respective businesses and job descriptions. The score for the sense of self-determination

Initiatives at each Group company (Excerpt)

Operational optimization	Core system repairs and transition to fully remote work
Environmental improvement	Provision of cell phones and elimination of restrictions on area of residence
Allowance	Provision of remote work allowance and introduction of a workcation system (covering travel and lodging expenses)
Attendance	Introduction of a flextime system with no core hours and paid leave by the hour
Promotion of communication	Implementation of organizational sharing meetings for engagement survey results and Community Conditioning Program field tests

in work styles in our annual engagement survey is also on an upward trend. We have made solid progress in creating an environment where diverse human resources can play an active role.

Multiple jobs program

We lifted the ban on multiple jobs for all Group employees in the fiscal year ended March 2020 to provide employees with opportunities for personal growth and to allow them to return their experience and skills to society and the Group. The term multiple jobs embodies our desire to provide multiple environments where employees who want to utilize the external environment for growth and use their personal skills to benefit society while fulfilling their role at PERSOL without distinguishing between their main job and multiple jobs can thrive and play an active role. During the fiscal year ended March 2023, 1,010 applications for multiple jobs were approved, and the number of users is increasing yearly.

As the number of users increases, we have also discovered new issues. We have heard from some employees who say that they are unable to start multiple jobs even if they have the requisite skills due to difficulties in building relationships with the companies they would be working for and negotiating contract work and compensation. In response, we established a new program that allows IT human resources to work multiple jobs within the Group (with compensation paid separately from their salary based on an outsourcing contract) in November 2021 and began trial implementation at some Group companies. In addition, in April 2023 we developed a multiple jobs platform system that allows for the posting of and application to multiple jobs projects within the Group, making it widely available to the Group's IT human resources. This allows

employees to be involved in the operations of another Group company while still working for their own company and provides an opportunity for employees who are hesitant to do multiple jobs outside their company to confidently take on a new challenge.

In the future, we will expand the scope of employees eligible for multiple jobs within the Group so that non-IT human resources can use this program more widely.

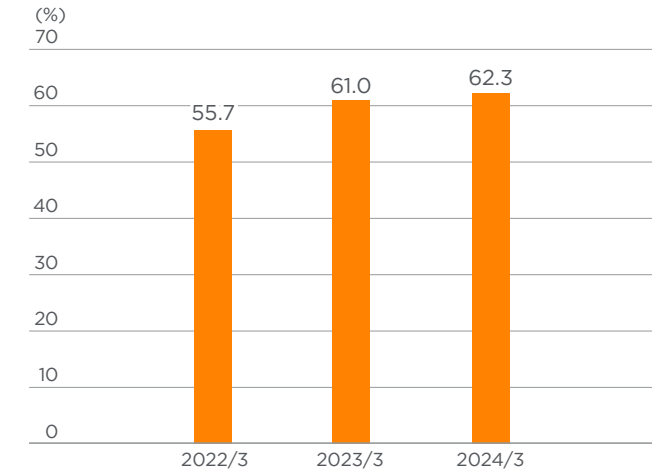
Number of approved applications for multiple jobs

	2020/3	2021/3	2022/3	2023/3
Annual number of approved applications for multiple jobs	185	508	712	1,010

Note: People with multiple jobs renew their applications annually.

Percentage of respondents with a sense of self-determination in regard to their work styles

Q3 I, personally, have many choices in regard to the type of work I can do in my life.



Note: Career Well-being indicator within PERSOL Group engagement survey

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Basic approach

At the PERSOL Group, we believe a Shared Group Vision is pivotal to improving engagement. Understanding the meanings and thoughts behind our corporate philosophy, Five Core Principles, who we want to be, and our vision to pursue the common goal of what kind of world we want to create helps us unlock organizational achievements and individual potential.



Tsunagu, a magazine for Group communication

We communicate the sentiments embedded in our vision structure through our internal portal site, company newsletters, and a monthly all-company email newsletter called “Work and Smile” sent out by President Wada for the Group, events, and other mediums.

Joint entrance ceremony

We hold a Group-wide entrance ceremony to deepen new employees’ understanding of the PERSOL Group and allow them to sense their own potential and that of the Group. In April 2023, approximately 1,500 new employees from the Group’s 15 domestic companies hiring new graduates participated in an online entrance ceremony streamed from the Minami

Aoyama Office at offices and external venues across Japan. Five representatives of the new employees gave a presentation called “My Will” that included topics such as what they want to do, what kind of working adult they want to be, and what kind of challenges they want to take on at the PERSOL Group. In addition, all new employees who participated shared with each other what kind of world they want to pursue and what they want to be as members of the PERSOL Group to embody “Work and Smile.” Gathering at each company’s office or an outside venue and connecting the locations via live streaming made for an entrance ceremony that was easy for everyone to participate in and built a sense of unity as a Group.

We also implement programs for mid-career hires that instill in them our corporate philosophy when they join the company, thereby giving all employees the opportunity to have a shared understanding of our vision.



New employees watching the streaming of the joint entrance ceremony

PERSOL GROUP All Meeting

We hold a PERSOL GROUP All Meeting once a year to share the Group’s philosophy centered on the Group Vision of “Work and Smile” and to foster a sense of unity within the Group. In 2023, we divided it into three parts under the key message of “Learning from the past and going forward the future.” The first was on the past, with founder Yoshiko Shinohara covering the 50-year history of TEMPSTAFF (now PERSOL TEMPSTAFF Co., Ltd.) from its founding to today. The second was on the present and included the PERSOL Group Awards recognizing employees and their work that embody “Work and Smile,” with MVPs selected from each SBU and other units giving presentations. The third was on the future and featured a presentation by the president on the Plan 2026 and content for sharpening the clarity of the Group’s future.



Scene from the streaming of the PERSOL GROUP All Meeting

Basic approach

We implement a range of initiatives to help improve staff's well-being so that all temporary staff can work with their values respected and live their lives in their own ways. The Staff Well-being Committee, established under the HMC* in 2023, is in charge of strengthening and enhancing operations related to temporary staff and submits reports and proposals to the HMC on important matters.

* Headquarters Management Committee: An assistant body to the Representative Director, President and CEO. Discusses basic management policies and decisions on the execution of important operations of the PERSOL Group.

Priority themes and initiatives

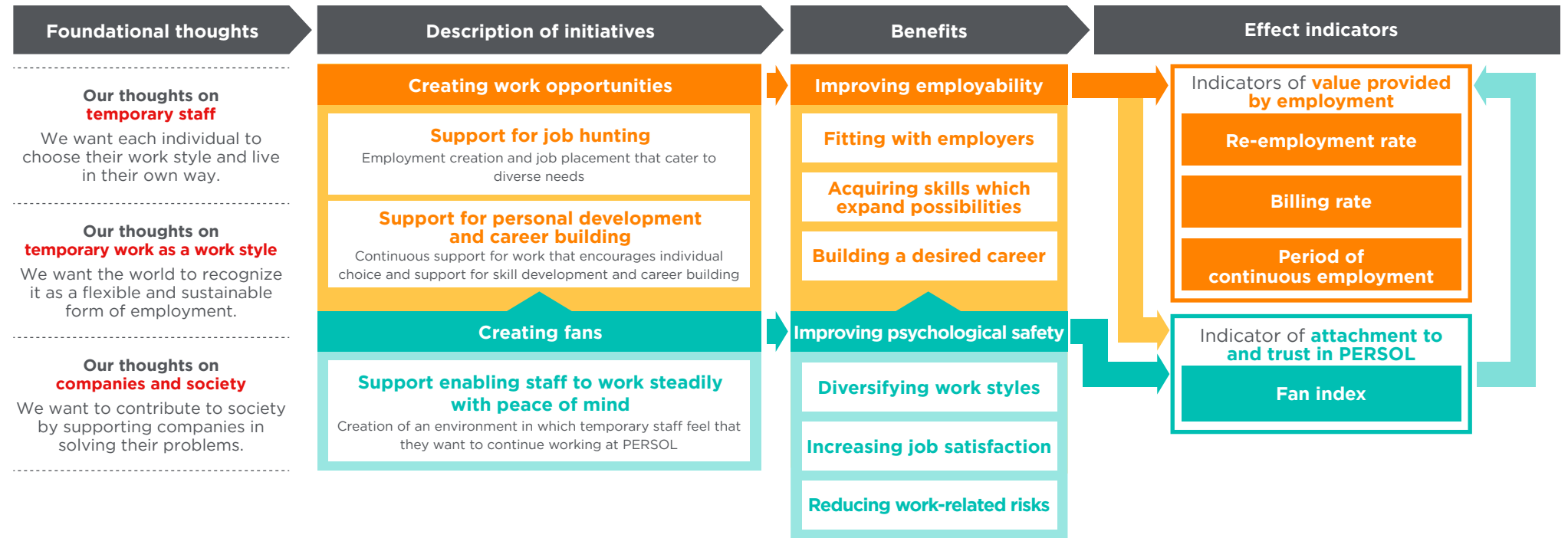
Creating work opportunities

To cater to the diverse needs of temporary staff, we attach importance to three points: (1) the creation of diverse jobs, (2) the introduction of an idea called "fitting," which combines job placement and continuous support for work, and (3) HR development. Through these initiatives, we enable temporary staff to continue working with good relationships with customers.

Creating fans

We will enable temporary staff to increase their trust in and attachment to PERSOL through support that improves their psychological safety at work, aiming to make more temporary staff want to continue working because they are from PERSOL. It is this relationship of trust between the Company and staff that helps in creating work opportunities.

Impact path: Path to value creation



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Support for job hunting

We provide various services to help employees find and choose work styles that are appropriate for the environment and the values of individuals as well as their desired jobs any time on their own.

“Job Checkit,” a portal site for searching jobs based on various criteria

Job Checkit, which has one of the largest numbers of job postings in the industry, allows users to search for jobs based not only on job requirements but also on various other information such as job description, employer characteristics, and required skills. Temporary staff can find a job that suits them from a variety of standpoints.

In the fiscal year ended March 2023, the portal site pages were viewed approximately 180 million times, representing an increase of roughly 10% over the previous fiscal year.

[Job Checkit \(in Japanese only\)](#)

**Job Checkit portal site
(PERSOL TEMPSTAFF Co., Ltd.)**

Total number of page views
in fiscal year ended March 2023

Approx. **183.01** million

Total number of users visiting the site
in fiscal year ended March 2023

Approx. **7.91** million

“Temp App,” a job support app

We released Temp App for temporary staff to support them in working as temporary staff and finding jobs for temporary staff. The app facilitates smooth employment-related procedures. In addition, to help temporary staff find better jobs, we combine the use of technology, such as that for the accumulation and analysis of skill and preference data, with human support that includes counseling interviews and tailored job offers aligned with the employer’s needs.

[Temp App \(in Japanese only\)](#)

Support for personal development and career building

We will proactively invest in HR development to support knowledge enhancement and skill development, which are necessary for individuals to achieve their desired career, and work to implement educational measures and visualize skills.

Initiatives to boost the personal development and career building of temporary staff

We provide temporary staff with free e-learning courses in various fields, from Microsoft Office software such as Word, Excel, and PowerPoint, business etiquette, and basic knowledge of languages, trade, and accounting to career and employment support, information security, and financial literacy. We also provide training for temporary staff who wish to acquire more specialized knowledge or learn a broader range of fields, offer programs such as outside language schools, and subsidize the cost of acquiring specific certifications.

Initiatives to expand possibilities for those without experience

PERSOL TEMPSTAFF offers a service called “funtable,” which allows people to pursue full-time employment at the client company while earning stable income based on an indefinite temp contract with PERSOL, even if they do not have any experience. During the process of pursuing full-time employment, we provide tailored training based on each individual’s challenges and goals and conduct regular career-related interviews. “funtable” is an independent initiative of PERSOL, and the number of workers in the fiscal year ended March 2023 was up approximately 70% from the previous fiscal year.

[funtable \(in Japanese only\)](#)



In addition, PERSOL CROSS TECHNOLOGY Co., Ltd. offers a service called “U_29,” which provides basic online IT training and hands-on training to temporary staff in their 20s, including those without IT experience. The aim is to help them choose the employment type and workplace that suits them, including full-time engineers. The number of people hired in the fiscal year ended March 2023 was up approximately 10% from the previous fiscal year.

[U_29 \(in Japanese only\)](#)

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Support enabling staff to work steadily with peace of mind

We will create a better work environment for temporary staff by providing diverse options regarding work hours and places of work, handling risks and compliance matters, and taking other measures.

System allowing for flexible work hours and locations

PERSOL TEMPSTAFF has a system called “FlexibleCAREER” that allows people to choose the working hours that suit them best according to their desired income and the timing or length of employment, such as three to four days a week or five to seven hours a day.

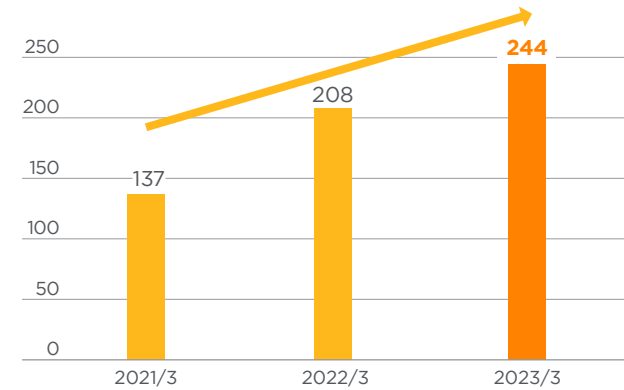
[FlexibleCAREER \(in Japanese only\)](#)

Moreover, if the infrastructure at the temporary staff’s workplace is not adapted for remote work, we provide support as necessary by lending them PCs and peripherals so they can work remotely. Outsourcing staff* can also reduce the burden of commuting by utilizing a Job Share Center where they can work close to their homes.

* Staff engaged in outsourcing services, regardless of employment type or job title

[Job Share Centers \(in Japanese only\)](#)

Average monthly number of workers at Job Share Centers



Health support for people to enjoy a stable mental and physical condition at work

PERSOL CROSS TECHNOLOGY has introduced an online healthcare service that checks the mental health condition of temporary staff and provides care as needed. PERSOL TEMPSTAFF also has a function on its Temp App for temporary staff that allows them to easily discuss any problems they may come up against while working.

In addition, both PERSOL TEMPSTAFF and PERSOL CROSS TECHNOLOGY have partnered with a service that provides house calls and after-hours care. The service provides free medical consultations to temporary staff and their families. This system ensures follow-up care is available in the event of an illness.

Creating a system to ensure people are glad they work for PERSOL

Recognition of temporary staff that embody “Work and Smile”

PERSOL TEMPSTAFF holds the Staff Awards to recognize temporary staff from all over Japan that embody “Work and Smile,” the vision that PERSOL hopes to attain.



Hosts of online awards ceremony held in April 2023

[Staff Awards \(in Japanese only\)](#)

Initiatives to enhance time and life outside of work

We hold online dialogue events to share information from temporary staff with children and provide a forum for discussing concerns. We also organize events such as cooking and yoga classes, where staff members can connect while enjoying their hobbies, and offer tickets to private performances of the Takarazuka Revue or games for Pacific League baseball / Women Empowerment League soccer so that they can enjoy leisure time with family and friends and feel refreshed.

Aiming for a world where all temporary staff can work in their own way

The Staff Well-being Committee implements various initiatives so that temporary staff can work with their values respected and live their lives in their own ways. Committee members, who are in charge of different projects on a daily basis, gather to discuss the world they hope to realize through committee activities, the thoughts they put into the activities, and future challenges.



Chiaki Nakatsubo
General Manager of Online Marketing Division
PERSOL TEMPSTAFF Co., Ltd.

Tatsuya Ando
General Manager of Career Promotion Division I
PERSOL TEMPSTAFF Co., Ltd.

Shigeko Goto
General Manager of Staffing Planning Division
PERSOL TEMPSTAFF Co., Ltd.

Kiyoshi Maeda
Executive Officer
General Manager of BPO Business Planning & Management Division
PERSOL TEMPSTAFF Co., Ltd.

Asuka Yamakawa
Executive Officer
General Manager of Service Strategy Division
PERSOL CROSS TECHNOLOGY Co., Ltd.

Akiyo Tsuchimoto
Expert, HR Planning Department
Group HR Division
PERSOL HOLDINGS Co., Ltd.

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Dialogue 1: Staff Well-being Committee roundtable

Purpose of establishing the Staff Well-being Committee

Promoting the worldview of working in your own way

Tsuchimoto: What was the background behind establishing the cross-SBU Staff Well-being Committee in January 2023, and what is its purpose?

Goto: The services of each company of the PERSOL Group are centered on people. We aim to create a society where people can achieve well-being through their work. At PERSOL, this envisioned future also applies to our temporary staff. This desire has been implicitly understood throughout the Group for some time, but until recently



Facilitator

Akiyo Tsuchimoto

Expert, HR Planning Department, Group HR Division PERSOL HOLDINGS Co., Ltd. Joined the Company in 2023. Centered on her work in the Staff Well-being Committee, she is in charge of human capital investment, promotion of Group-wide measures, and information disclosure at the PERSOL Group.

it had not been verbalized. The term “human capital management” has recently been the focus of much attention. The beliefs we have held as a matter of course and the services we have provided embody precisely what human capital management means. This committee was established to visualize and communicate PERSOL’s human capital management both internally and externally, thereby expanding a shared understanding and accelerating PERSOL’s further growth.

Ando: The significance of this committee lies in visualizing the invisible asset of human capital, specifically temporary staff. It also serves as a guiding force for translating the guidelines of the entire Group into action. What PERSOL must communicate and provide is a worldview where each individual can work in their own way by increasing the number of options for work styles and workplaces. For the entire Group to move in that direction, this committee must take the lead in involving the company and urging action.

Nakatsubo: To work in your own way is a PERSOL-esque worldview, isn’t it? All employees share the desire passed down from our founder Yoshiko Shinohara of wanting people to experience happiness and enrich their lives through their work. With the attention placed on human capital management today, PERSOL will

communicate a message that will help many people gain a correct understanding of the temporary staffing work style. This will allow them to choose the temporary staffing work style as an option for working in their own way. I hope we can take the lead in fostering such a worldview.

Yamakawa: I feel the same way. Recently, there has been growing interest in job-based employment, even in Japan, where the job description is clearly defined in the contract between companies and human resources. I think one of the options for work styles is that of temporary staff, where you can choose where to work and improve your skills while utilizing your expertise. In fact, the level of compensation for temporary engineering staff is comparable to that of full-time employees. Through the activities of this committee, I hope to create a society where choosing temporary staffing is seen in a more positive light.

Results of committee activities

Producing a road map showing that well-being leads to corporate value

Tsuchimoto: The committee established two priority themes: “Creating work opportunities” and “Creating fans” Why did you choose these themes?

Ando: PERSOL aims to realize the Group



Shigeko Goto

General Manager of Staffing Planning Division PERSOL TEMPSTAFF Co., Ltd. Joined the PERSOL Group in 1992. She joined the company as a coordinator and then became a sales representative, accumulating roughly 20 years of sales experience. Today, she is involved in a wide range of operations, including educational services and engagement enhancement.

Vision of “Work and Smile” not only by providing places to work but also by providing career support such as educational programs. These themes were established as priorities for that (please refer to page 22). Under “Creating work opportunities” we are developing various service domains to make choosing the most suitable work style easier. Also, “Creating fans” refers to building lasting relationships by ensuring psychological safety during employment and creating attachment to PERSOL. By putting these two things into practice, we aim to increase the number of people who want to work with PERSOL. **Nakatsubo:** PERSOL TEMPSTAFF is focused on “Creating fans.” Up to now, we have been introducing jobs based on matching work conditions and skills.



Tatsuya Ando

General Manager of Career Promotion Division I
PERSOL TEMPSTAFF Co., Ltd.
Joined the PERSOL Group in 2005.
As a coordinator, he was mainly involved in temporary staffing services. He now utilizes that experience in his work of introducing jobs to job seekers all over Japan.

However, we now place importance on including the values that job seekers find important in their work as an element of the matching process. With this, we aim to introduce jobs that allow people to work steadily with a sense of fulfillment over the long term. If temporary staff members play an active role in their workplaces, it will ultimately lead to the business growth of the client company and, by extension, contribute to society. I also think that “Creating fans” is an important theme for creating a virtuous cycle where people choose PERSOL TEMPSTAFF when they want to consult with someone about work.

Tsuchimoto: The committee visualized the assumption that human capital initiatives aligned with the two priority themes would lead to financial value and disclosed it as an impact path

(please refer to page 22). What was the response to this?

Maeda: I believe we have received a certain level of positive feedback. I would say that PERSOL has shown that a firm commitment to the concept of well-being, which at first glance is difficult to link to corporate or financial value, will produce a road map leading to business growth.

Yamakawa: It’s also important to note that linking human capital to financial value has made it easier for PERSOL to make human capital investment decisions. We were also mindful of the connection with non-financial value in the impact path. For example, at PERSOL CROSS TECHNOLOGY, to which I belong, we support individuals who want to become engineers without prior experience and also assist senior citizens who want to keep working as engineers even after retirement age. The engineer population itself is small, and there is a shortage of human resources at every company, so increasing the number of outstanding engineers is appreciated by companies. These initiatives bring smiles to both the working individuals and companies. These efforts are good examples of non-financial value supporting the expansion of our share in the temporary staffing market or the creation of financial value.

[Detailed impact path](#)

Ando: It would be great if other companies besides PERSOL would also follow this kind of disclosure and help revitalize the industry, wouldn’t it? Also, if job seekers could look at the impact path of each company and choose the company they want to work for based on the differences, I think the staffing industry would become more vibrant. That, too, would be good. I believe there is significant value in PERSOL having taken the lead in this.

Emerging issues

Change in mindset essential for both working individuals and companies

Tsuchimoto: The committee has been doing activities for about a year now. Are there any issues that have come to the surface?

Maeda: I believe there’s still a lot more that PERSOL can do to create a place where people who can only work for a limited number of days or hours due to various circumstances can work in their own way. In the case of outsourcing, which I am in charge of, the subcontractor operates and manages everything from work procedures to allocation of personnel and training. In other words, people can create their own work style. In other words, people who could not work before can now work. That means we can create new

employment opportunities. This is an area in which we excel, so I hope to focus efforts here.

Yamakawa: We also have to change mindsets in addition to creating new employment opportunities. If companies still have the perception that temporary staffing equals cheap labor, then I would like to cultivate a mindset where they pay appropriate compensation for the results and value generated by people working, regardless of whether they are temporary staff or not.

Goto: That mindset is also necessary for temporary staff themselves to have. Objectively recognizing where your skills and achievements are being manifested will also give you a better



Asuka Yamakawa

Executive Officer
General Manager of Service Strategy Division
PERSOL CROSS TECHNOLOGY Co., Ltd.
Joined the PERSOL Group in 2002. After working in permanent placement operations, she worked in the temporary staffing business for roughly 10 years. In the temporary staffing business, she is in charge of a wide range of operations, including IT, marketing, and temporary staffing-related human resources.

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Dialogue 1: Staff Well-being Committee roundtable

idea of your salary goals. I believe it's important to communicate the significance of having a future-oriented career perspective.

Ando: This is very important if we want people to continue working for PERSOL. Without trust and confidence in PERSOL, finding out what values and career views people have would be difficult. I feel that we need to not only listen but also build relationships based on mechanisms such as fitting (please refer to page 22) and career support.

Nakatsubo: Another issue is that temporary staff have had few opportunities to think about their career paths, so I'm trying to create digital touchpoints where they can easily seek advice. Also, as with this disclosure of human capital, I think the fact that there are so many temporary



Chiaki Nakatsubo

General Manager of Online Marketing Division PERSOL TEMPSTAFF Co., Ltd. Joined the PERSOL Group in 2004. After working in IT operations since 2015, she was appointed to head the Online Marketing Division, which oversees the planning and management of digital services.

staff around who have a vision for their own careers provides a positive stimulus. We need to increase opportunities for temporary staff to share values and thoughts with each other to create an environment and atmosphere where perceptions can change. I want to create an environment where people want to take on new challenges with our encouragement.

Future aspirations

Changing social values concerning temporary staffing

Tsuchimoto: What are your aspirations for the future as the committee continues its activities?

Nakatsubo: We decided to disclose the current situation with the impact path disclosure. So, we're disclosing not just the good figures but also the slightly lagging ones, such as the return-to-work rates for childcare and nursing care leave, which need improvement. This also reflects our determination to earnestly work on improving these figures, so I want to work steadily on them, tackling them one step at a time.

Goto: When considering business advantages and competitiveness, showing our hand posed risks, such as imitation by other companies or new entries into the market. We only disclosed this information after much discussion in the committee, and now

that we have done it, we must be prepared to work on making the necessary improvements.

Ando: To realize PERSOL's vision of "Work and Smile," we need to expand a shared understanding and involve people both inside and outside the company. Toward that end, I think there was a desire to start with self-disclosure or taking action ourselves. I believe we must expand understanding of the committee's activities to the next generation so that this committee can continue in the long term.

Yamakawa: We should continuously communicate the results and figures showing how much progress has been made on the items disclosed. I hope to grow the committee so that it is influential enough to change society's values concerning the work style of temporary staff. It would be great if this committee were able to make proposals to the national government when laws are being revised and at other such times.

Maeda: That's the stuff of big dreams, isn't it? I know this is an internal matter, but I think it's challenging to continuously engage in committee activities across SBUs while each member handles their core work. At the same time, though, discussing the long-term vision of the Company is a very meaningful activity. It's hard work, but I think keeping up these activities without stopping is essential.



Kiyoshi Maeda

Executive Officer General Manager of BPO Business Planning & Management Division PERSOL TEMPSTAFF Co., Ltd. Joined the PERSOL Group in 2001. After participating in the launch of PERSOL PROCESS & TECHNOLOGY Co., Ltd, which specializes in outsourcing, he transferred to PERSOL TEMPSTAFF. He is currently in charge of back office divisions in the BPO business.

Goto: You're exactly right. I think it was great that the launch of the committee allowed conversations with people from other SBUs, which led to us realizing a lot of things. I think we were able to broaden our horizons through dialogue with committee members who have different perspectives from our own. I hope active discussions like this committee's will spread throughout the Group.

Tsuchimoto: Being able to come together and share our ideas has been a memorable experience for me. I believe that growth will come out of passionate desires about the kind of world we want to strive for and create. Let's engage in dialogue with each other and grow this committee into one that has a significant impact on society.

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Our thoughts on Career Well-being

Of the five categories of well-being, the PERSOL Group places particular emphasis on career well-being, defined as the happiness and satisfaction a person feels through their own work.

In working to improve people’s career well-being, our aim is to create a society in which all people have work opportunities and choices and are able to make decisions on their own, as well as a world in which all careers bring well-being and smiles—both to the faces of people who work and those around them.

Domains of Well-being*

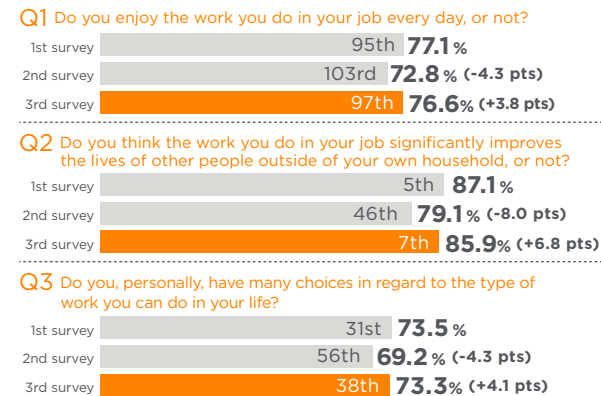
Physical Well-being	Act freely in good mental and physical health.
Financial Well-being	Receive adequate compensation that satisfies your expectations. Manage your assets on your own.
Career Well-being	Achieve happiness in your career based on the understanding that not only work but also your life constitutes part of your career.
Social Well-being	Build lasting, considerate human relationships.
Community Well-being	Build a community, such as in your neighborhood, with your relatives or friends, and at school or your workplace.

* As defined by Gallup, Inc., the U.S. company that conducts the world’s largest public opinion poll

“Work and Smile” global survey

In 2020, we began to conduct the “Work and Smile” global survey every year via the Gallup World Poll,* a public opinion poll, jointly with the Well-being for Planet Earth Foundation. In this survey, we ask questions about three elements which we have defined as Career Well-being indicators—work experience (pleasure and fun), the evaluation of work (social contribution and a feeling of meaningfulness), and self-determination in work—to measure and visualize the degree of achievement of “Work and Smile.” This survey and other research demonstrate that a subjective feeling of enrichment in one’s work contributes to improving individual work engagement and performance. As the importance of human capital grows, we continue to recognize the importance of improving people’s Career Well-being, and we will continue to promote initiatives to foster it in society.

Survey results in Japan (Percentage of respondents who answered “yes” and global ranking)



Note: Survey periods were February 2020 to March 2021 (1st survey), June 2021 to March 2022 (2nd survey), and June 2022 to June 2023 (3rd survey).

Career Well-being AWARDS 2023 by PERSOL

We held the Career Well-being AWARDS 2023 by PERSOL. The awards recognize people who envisioned and selected their career voluntarily, took action, and, as a result, embodied Career Well-being most successfully in the past fiscal year. The footage of the award presentation ceremony was shown nationwide via YouTube as well as on a television program.

Launching a postdoctoral fellowship with the University of Oxford in the UK

The PERSOL Group has partnered with the University of Oxford to launch a postdoctoral fellowship in 2022. Fellows use the “Career Well-being” index in research to gain a deeper understanding of Career Well-being. Dr. George Ward, who also serves as a Junior Research Fellow at the University of Oxford’s Somerville College, has been selected as the current postdoctoral fellow. The fellowship is supervised by Dr. Jan-Emmanuel De Neve, Professor of Economics and Behavioral Science, who is leading the Oxford University Wellbeing Research Centre. Dr. De Neve also serves as an editor for the *World Happiness Report*, an annual publication by the UN’s Sustainable Development Solutions Network. Additionally, Dr. Alden Lai, Assistant Professor at the New York University School of Global Public Health and Executive Advisor to the Well-being for Planet Earth Foundation, also serves as an advisor in this program.

* The world’s largest public opinion poll, carried out annually by the U.S. company Gallup, Inc. since 2005. The survey was conducted in approximately 150 countries, representing 99% of the world’s population, targeting approximately 1,000 people aged 15 and over per country. The report is used for basic data of the United Nations (UN) Sustainable Development Goals (SDGs) as well as the *World Happiness Report*.

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Enhancing technology-oriented human resources



Aiming to evolve into a technology-driven HR service company

HR services is an industry where people play the leading role, as people expand their potential through the power of others. We regard technology as one of the means to expand people’s potential. To make the most of technology, we will work to enhance our technology-oriented human resources, aiming to become an HR service company that can achieve discontinuous growth through our products and digitalization. To achieve this, we have set a goal of securing 2,000 technology-oriented human resources across the Group by the fiscal year ending March 2026. To meet this goal, we will improve our ability to hire technology-oriented human resources, establish a comfortable work environment for them, and promote in-house training.

- We established a CoE* organization at PERSOL HOLDINGS Co., Ltd. In addition to pooling technology-oriented human resources and strategically assigning them to each Group business, the CoE also consolidates the HR functions of technology-oriented human resources.
- In the fiscal year ended March 2023, seven non-technical personnel selected through internal recruitment participated in an in-house security HR development program and were subsequently officially assigned as security personnel.
- In April 2023, we embarked on a fundamental revision of our personnel system, including the establishment of a new Product Engineer System (PE System) at PERSOL HOLDINGS for technology-oriented human resources.

* CoE: Center of Excellence

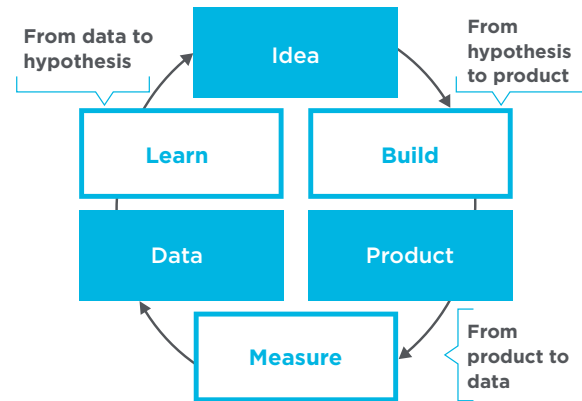
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Basic approach

PERSOL Group Mid-term Management Plan 2026 sets the Group's direction as a "Technology-driven HR Service Company." Aiming to evolve into a digital platform-type company, we define ourselves as an HR service company that can achieve discontinuous growth through our products and digitalization, while emphasizing the intervention value of people.

To achieve this, we believe it is necessary to secure a sufficient number of technology-oriented human resources working within the Group. We are therefore stepping up efforts aimed at increasing the number of technology-oriented human resources and have set a desired headcount of 2,000 people by the fiscal year ending March 2026.

BML model



Source: E. Ries, *The Lean Startup*

Establishment of a technology CoE*1 organization

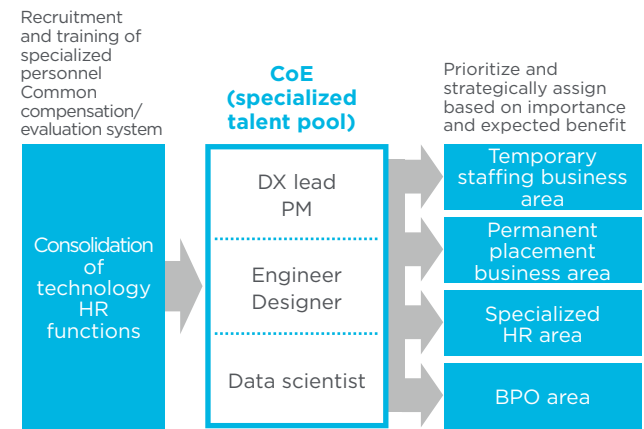
As part of our efforts to enhance technology-oriented human resources, we established a CoE at the PERSOL HOLDINGS' Group Technology Promotion Division with the goal of consolidating the specialized talent and know-how that will play an important role in promoting digitalization.

The goal of the CoE is to provide speedy support for technology utilization at the SBUs/FUs*2 by pooling technical professionals and strategically assigning them to various Group business areas.

As a result of the launch of this system, requests for support from each business site have steadily increased. Currently, the CoE is working on optimizing assignments to achieve better results and developing a system to improve planning accuracy.

*1 CoE: Center of Excellence
*2 SBU: Strategic Business Unit, FU: Function Unit

CoE organization



These functions are handled by the PERSOL HOLDINGS' Group Technology Promotion Division.

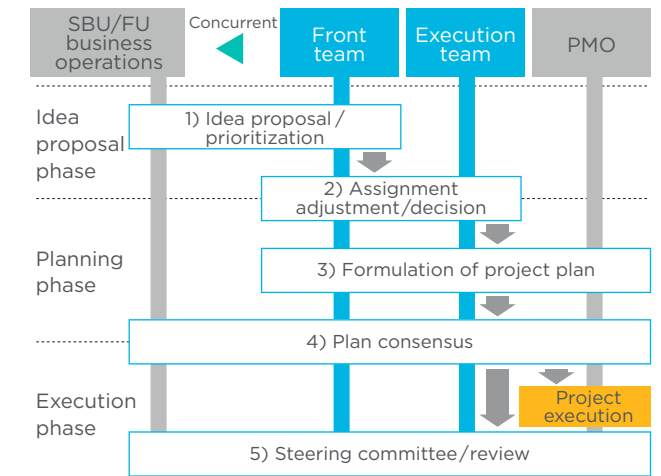
Initiatives to enhance hiring capabilities and establish corporate culture

In conjunction with the establishment of the CoE, we have also consolidated the HR functions for technology-oriented human resources within the Group Technology Promotion Division. This has facilitated the establishment of compensation and evaluation systems and other features of a more comfortable work environment for technology-oriented human resources.

In the fiscal year ending March 2024, we embarked on a fundamental revision of our personnel system, including the establishment of a new PE System at PERSOL HOLDINGS for technology-oriented human resources.

Furthermore, we are now able to consistently and systematically execute each policy from hiring to training, placement, and retention, which has also led to stronger onboarding of technology-oriented human resources.

Duties from idea proposal to execution



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PE System

The Product Engineer System (PE System) is a newly established personnel system for technology-oriented human resources involved in product development.

Traditional personnel systems for career-track employees have a strong tendency to evaluate employees based on sales targets and their degree of contribution to business growth, but this is not suitable for evaluating technology-oriented human resources assigned to long-term projects or projects where quantitative results cannot be measured.

To resolve such issues, we abandoned the traditional performance-linked bonus and created a system that focuses on individual growth and market value.

We are also working to create an environment that is comfortable for technology-oriented human resources to work in. We have created an

Features of the PE System

1. Evaluation and compensation system optimized for technology-oriented human resources

We comprehensively evaluate the clearly defined responsibilities and abilities for each job type and position grade, as well as the extent to which employees achieved the goals they set for themselves. To produce the greatest results, the system is designed with the highest emphasis on the achievement of skill and ability development goals, and rewards employees who achieve loftier goals, even within the same job type and position grade.

2. Location-independent/fully remote work

In principle, employees who do not need to come to the office and whose work performance is not affected* can live anywhere in Japan and work fully remotely.

* Approval is necessary. Employees outside of Japan are not eligible.

3. Other arrangements (Dual-track career paths, etc.)

For employees at the managerial level or above, we have established a dual-track career path consisting of an expert track for honing one's own expertise and a management track for utilizing technical knowledge to manage technology-oriented human resources. Group executives and managers/experts are eligible for a share-based compensation scheme, and to aggressively promote investment in human capital, we will simultaneously raise the base pay and the share-based compensation levels for participants.

environment where work can be carried out almost exclusively through remote work and where employees are free to live anywhere within Japan (a location independent system), and we have set up a Group internal multiple jobs system that allows for diverse work styles.

Currently, the PE System has been implemented for approximately 200 employees at PERSOL HOLDINGS Co., Ltd. and approximately 600 employees at PERSOL CAREER Co., Ltd., but we plan to expand the implementation to the entire Group in the future. As more companies implement the PE System, it will become possible for employees to transfer between Group companies while maintaining the same personnel and compensation systems. Allowing employees to gain wide-ranging work experience and improve their skills without having to change jobs outside the Group will facilitate placing the right people in the right positions while expanding the career path possibilities for technology-oriented human resources.

Owned media “TECH DOOR”

We are also working on measures to establish our brand image and corporate culture as a technologically advanced company both internally and externally. In April 2023, we launched TECH DOOR, our owned media, to actively communicate what the PERSOL Group's technology department is thinking about and what kinds of work are done by our technology-oriented human resources. We are also increasing the number of opportunities for key personnel within the company to



TECH DOOR

appear or speak on stage at external media events to directly highlight the Group's initiatives and the benefits of a career with us.

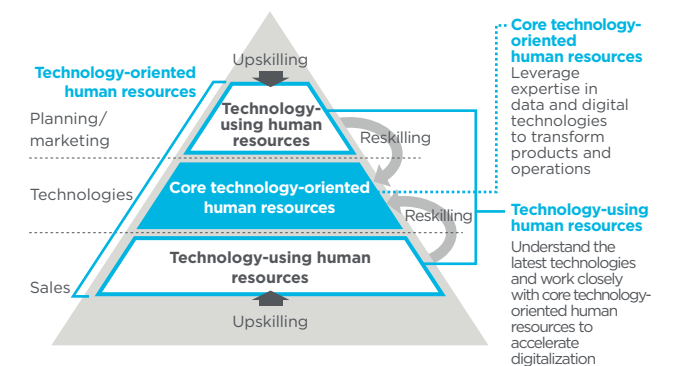
In-house training of technology-oriented human resources

Along with improving our hiring capabilities, we are also working systematically to train technology-oriented human resources.

The PERSOL Group defines two categories of technology-oriented human resources: “core” and “technology-using.” Core technology-oriented human resources leverage their expertise in data and digital technologies to transform products and operations, while technology-using human resources understand the latest technologies and work closely with core technology-oriented human resources to accelerate digitalization.

We conduct two types of in-house training—“reskilling” and “upskilling”—of both core and technology-using human resources in order to deepen the Group's talent pool of technology-oriented human resources.

Diagram of in-house training of technology-oriented human resources



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Reskilling

Reskilling is a measure to help employees acquire skills in fields in which they have no experience so that they can be redeployed to technology roles.

In the fiscal year ended March 2023, we implemented a security HR development program for non-technical personnel with no previous experience in security. Using an internal recruitment system, we solicited employees from throughout the Group to participate in the program, from which seven were selected to participate. We have customized and updated the training services administered by Group companies and introduced them into the program. The most important feature of this program is that participants have no other work responsibilities for half a year, allowing them to concentrate on learning and training. Participants acquired security qualifications through the program, underwent on-

the-job training, and were then officially assigned as security personnel. In the fiscal year ending March 2024, we will expand the program to include fields other than security.

We will also launch an IT in-house HR development program in the fiscal year ending March 2024. This will expand the technical areas that our Group's engineers can handle and train them so that they can meet in-house development needs. The program aims to develop full-stack engineers who can play an active role as in-house developers within their companies.

In the course of working on these measures, we have also come to understand the four requirements for successful reskilling. We will continue to focus on these requirements as we proceed with our initiatives going forward.

Upskilling

Upskilling is a measure to develop human resources who can use technology to advance business operations in non-technical occupations.

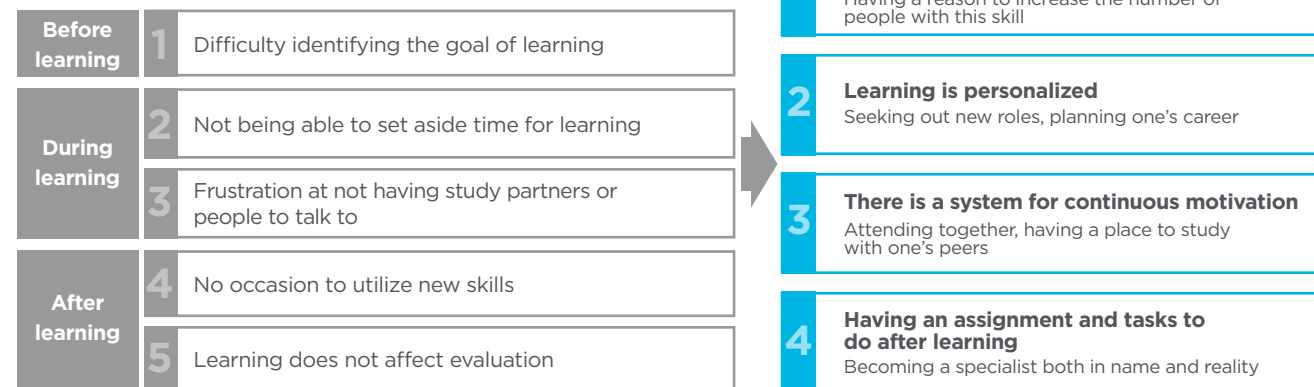
Our Project Planning Human Resource Training, which is scheduled to begin in the fiscal year ending March 2024, will provide a place for planning-related (non-technical) employees who belong to Group companies to learn about project planning in a workshop format. The aim is to gain an essential understanding of how to solve problems using technology, rather than to learn system development itself.

Employees can also learn from each other at our lively *Minna no Juku* ("Everyone's School"), at which students voluntarily take leadership and give lectures. More than 120 lectures are held every month at eight *Minna no Juku* events, where employees are free to attend lectures on any topics they want to learn. To date, a total of approximately 30,000 people from 36 Group companies have participated in the program.

In the future, we aim to systematize our menu of reskilling and upskilling offerings, for example by adding a Technology Bootcamp (tentative name) for new graduates with the goal of quickly assigning new hires to technical positions.

Four requirements for successful reskilling

Barriers that prevent IT human resources from learning (Redeployment issues)



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Building the foundations for diverse human resources to lead active roles



Toward the evolution of managerial talent management and promotion of DI&E*1

We will strengthen talent management of persons in managerial positions, who are key to improving organizational engagement and customer satisfaction, by taking on the challenge of new measures under the themes of developing next-generation business leaders and turning all managerial employees into best leaders. Furthermore, to create an environment where diverse human resources can thrive, the Gender Diversity Committee will promote DI&E in the three areas of commitment from top management, institution building, and corporate culture building.

- To develop next-generation business leaders who will lead for the next 10 to 20 years, we will work to provide them with opportunities by strengthening the development of skills for managers and implementing measures to reassign employees across SBUs/FUs*2.
- To develop the best leaders, we have developed a new skill development program (Management 3.0 Training) to teach “leadership that forcefully drives business” and “leadership that increases employee engagement.”
- To help all managers in the PERSOL Group to grow into top leaders, we are starting to create mechanisms to reduce the workloads of increasingly busy managers so they can work on self-improvement and skill acquisition.
- In addition to our target of 37% women in managerial positions by the fiscal year ending March 2030, we have also set new targets of 100% of eligible men taking childcare leave (one day or more) and employing 4,000 people with disabilities by the fiscal year ending March 2026.

*1 DI&E: Diversity, Inclusion & Equality

*2 SBU: Strategic Business Unit, FU: Function Unit

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Basic approach

The PERSOL Group engages in talent management as a mechanism to support future management, and is pursuing a number of measures while keeping an eye on the challenges facing the Group.

With the aim of achieving more effective talent management, the PERSOL Group Mid-term Management Plan 2026 (the “Plan 2026”) calls for initiatives aimed at cultivating business leaders with a Company-wide perspective that transcends their SBU or FU*, as well as new measures for employees in managerial positions aimed at developing next-generation business leaders and turning all managerial employees into best leaders.

With regard to developing next-generation business leaders, we will strengthen measures for employees in managerial positions with the goal of

preparing them for future management participation, based on the idea that it is important to develop the next generation of business leaders who will lead the Group 10 or 20 years from now so that the Group can continue to contribute to society in a sustainable manner and to realize its vision of “Work and Smile.”

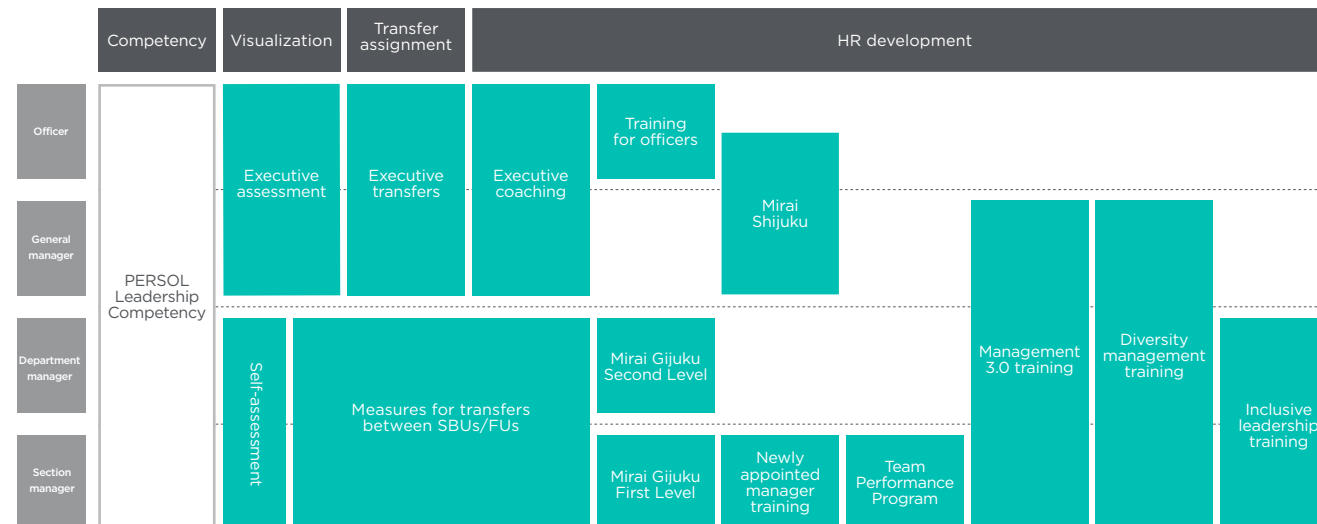
In addition, for managers, who are key to improving organizational engagement and client and customer satisfaction, we will roll out new experimental measures in response to the changing times.

Previously, the role of managers shifted from the “Management 1.0” era, when KPI management was the focus, to the “Management 2.0” era, when improved organizational engagement was demanded. However, we believe that today’s era, which is subject to sudden changes in the external environment, calls for leadership that is a fusion of Management 1.0 and

Management 2.0; in other words, leadership that increases organizational engagement while maximizing results and vigorously pursuing business development. We regard this situation as the “Management 3.0” era, in which the goal is to turn all managerial employees into best leaders by taking on the challenge of developing the ability of managers to use different leadership skills appropriately according to the situation.

At the same time, the environment surrounding managers has changed over the past few years, and the increasing workload of managers is becoming a problem. When aiming to become the best leader, it is important for managerial employees to have time for self-improvement and opportunities for growth. In response to this problem, we have begun efforts to reduce managerial workloads, and will continue to create mechanisms that can provide managers with more energy and time.

Overview of Group-wide talent management measures



Clarification of PERSOL Leadership Competency

The PERSOL Leadership Competency is a document that clearly lays out the requirements and leadership attributes common to senior management of the PERSOL Group.

In the past, it laid out requirements for the abilities and qualities required of individual SBU/FU Leads and CxOs. We integrated these requirements into common Group-wide competencies, so that the document can be used for assessment, promotion of intra-Group exchanges, and Group-wide HR development.

* SBU: Strategic Business Unit, FU: Function Unit

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Strengthening management human resources

We conduct executive assessments based on the PERSOL Leadership Competency so that executives can understand their own strengths and challenges. By using the assessment results as the basis for strategic reassignments, and by providing coaching to help ensure success post-reassignment, we have systematized the development of management human resources with a bird’s-eye view of the entire Group and a Company-wide perspective.

In addition, as an opportunity for skill development,

we host training at Mirai Shijuku, a forum that aims to stretch perspectives through learning in fields outside of business.

Executive assessment

The executive assessment consists of a 360-degree review, an interview assessment conducted by external consultants, and interviews with executives. It is designed to reveal an executive’s strengths and challenges based on the PERSOL Leadership Competency.

The assessments promote the development of management human resources by supporting self-

reflection through the provision of continuous feedback and dialogue about one’s future career and growth.

Executive transfers

We conduct strategic transfers based on our belief in the importance of experiencing multiple businesses and functions in order to become a manager with a Company-wide perspective.

In addition, PERSOL HOLDINGS and its core subsidiaries have established a Nomination and Compensation Committee to discuss succession plans and transfer assignments. The committee decides on transfer assignments after careful discussions based on an individual’s development plan, which is compiled from the results of their executive assessment.

Executive coaching

We provide coaching for eight months to transferred employees with the aim of helping them get up and running at their new location and supporting their leadership development and strengthening of management skills.

Through dialogue with their coaches, transferred employees deepen their self-understanding and develop skills, leading to positive changes.

Mirai Shijuku

Mirai Shijuku provides training in thinking in fields outside of business, with a focus on liberal arts fields such as political science and religious studies, for the purpose of cultivating senior executives and building relationships. The setting provides an opportunity to encourage changes in viewpoints and perspectives. In a post-class questionnaire, the question “Has there been a change in your way of thinking?” received a positive response from 91% of the participants.

PERSOL Leadership Competency list*

Broad category	Sub-category	Individual competency
Business leadership	Vision development	Envision the business/function from a long-term perspective of 10–20 years and broad understanding of the industry and communicate the vision
		Define business issues that need to be addressed by listening to the voices of the frontline staff and customers/business partners
		Show commitment toward creating social value and identify social issues that should be addressed
	Business execution	Drive change
		Promote growth
		Integrate IT into business strategies and operations
Respond swiftly to changes in the environment/market and remain unfazed by emergencies and ambiguity		
People leadership	Organization development	Develop talent and create organizations
		Influence beyond the boundaries of their organization
	Diversity	Understand and value diversity, and embrace and leverage diversity within their organization
		Communicate with people from different languages and cultures
	Character	Be a respected individual with high ethical standards and acceptance
		Demonstrate altruism and humility

* For CxOs, in addition to the common requirements above, the focus is on whether they have the required specialized skills and knowledge for the job and are putting them to good use.

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Developing next-generation business leaders

To promote the development of next-generation business leaders who will support the Group 10 or 20 years from now, we conduct training for managerial employees and roll out new measures with the goal of preparing them for future management participation.

Mirai Gijuku Second Level

Mirai Gijuku Second Level is an eight-month selective training program for department managers that aims to develop leadership and management skills for the entire organization. By using action learning methods and putting what they learned in group training into practice in their own organizations, participants connect their learning with their workplace experience.

Overview of Mirai Gijuku

Mirai Gijuku Second Level

Target: Department managers

- Purpose**
- Learning leadership and management styles, knowledge, and skills to engage one's organization and enhance value creation
 - Hands-on learning of key points to increase engagement under uncertain situations and create a culture in one's organization that leads to value creation for society

Mirai Gijuku First Level

Target: Section managers

- Purpose**
- Learning leadership and management styles, knowledge, and skills required to engage oneself and others
 - Hands-on learning of key points to increase engagement in one's own workplace

The program starts with leadership development through the exploration of purpose for oneself and one's organization, and then deepens with instruction and practice on how to increase engagement across the organization while incorporating strategies for decision-making and organizational development in uncertain times.

The training also uses cross-boundary learning opportunities to transform participants' mindsets and encourage them to explore, from the perspective of social issues, the value that their own organization or company provides to its customers and society.

The program offers practical learning opportunities that help participants execute their day-to-day duties. As one participant commented, "I was able to objectively view incidents as they really happened, which was a learning experience that I'll be able to apply to my future work."



Mirai Gijuku Second Level

Mirai Gijuku First Level

Mirai Gijuku First Level is a nine-month selective training program for section managers that aims to develop their leadership and management skills to increase engagement while collaborating with their team members.

Participants explore the vision they want to achieve and develop leadership skills while taking into account the values that are important to their team members. The program also offers instruction and practice on how to increase engagement in one's own organization. In addition to learning about global trends regarding engagement and motivation, participants practice actual "teaming" based on several different techniques and then work to improve engagement in their own organization. From the perspective of social issues, participants reexamine the value they provide to customers in their daily work through dialogue with their team members.

The program serves as an opportunity for improving organizational relationships. As one participant commented, "Through the experience of finding answers by trial and error together with my team members, we were able to build relationships of trust in the truest sense."

Measures for transfers between SBUs/FUs

To achieve the Group Vision of "Work and Smile," we have begun engaging in "experience design" and developing study programs for Group managers with the goal of further enhancing synergies among Group companies and developing next-generation business leaders who can think about businesses and organizations from a cross-Group perspective.

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Turning all managerial employees into “best leaders”

We help all managerial employees play an active role as “best leaders” from the perspective of skill development and system building.

From the perspective of skills development, we will develop and launch a new pilot training program, Management 3.0 Training, as an addition to our existing programs.

From the perspective of system building, we will start to leverage technologies to reduce the workloads of busy managers.

Newly appointed manager training

We operate a one-year joint training program for newly appointed managers from Group companies that teaches the knowledge, skills, and mindset necessary for management work.

The training, which is intended to help participants play active roles as Group managers, consists of three parts: startup training upon appointment, follow-up training six months later, and step-up training one year later.

More than 1,400 managers have participated so far, and each training session has been highly rated in terms of satisfaction. In particular, the 360-degree review conducted during the step-up training offers an opportunity to look back on one’s own management tendencies and reflect more deeply on the type of manager one aspires to be. As one participant commented, “I learned how I was perceived by those around me and got tips for better behavior in the future.”

There have also been many positive comments from participants about how the program deepened their understanding of the Group beyond their individual company and fostered connections with other participants. This feedback demonstrates how the program serves to instill the basic mindset and basic skills required of Group managers.

Team performance program

We provide action learning training that focuses on the relationships within the team and aims to bring out the autonomy that is intrinsic to the team by increasing psychological safety. The target audience is section managers who lead organizational development, and they participate in the program with their own team.

At the beginning of the program, the team develops an action plan for creating the future. This is followed by a three-month practical training period in which they implement the plan.

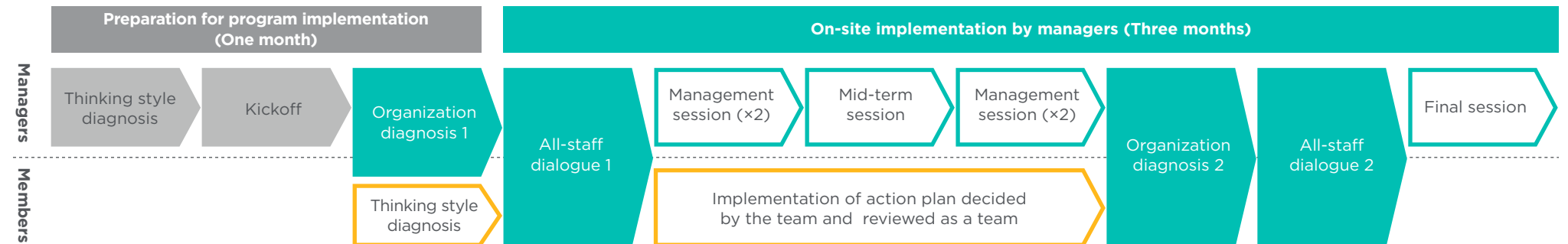
During the practical training period, we provide assessments to understand the characteristics of employees and how to draw out their autonomy and independence, support for self-reflection by organizational development facilitators, and other forms of support for organizational leadership.

Among the managers, there were observed changes in behavior and an increased awareness of how to engage with colleagues in a way that aligns with their preferences and aptitudes. Changes were also observed in teams, with members taking more ownership of organizational goals and becoming more autonomous in their behavior.

In the post-program survey, there was a 100% positive response rate to the items “My team relationships have improved” and “I am now able to manage employees according to their characteristics and circumstances.”

We aim to have all section managers complete this training by 2030, thus supporting them in building organizations in which learning can be done in teams.

Overview of team performance program



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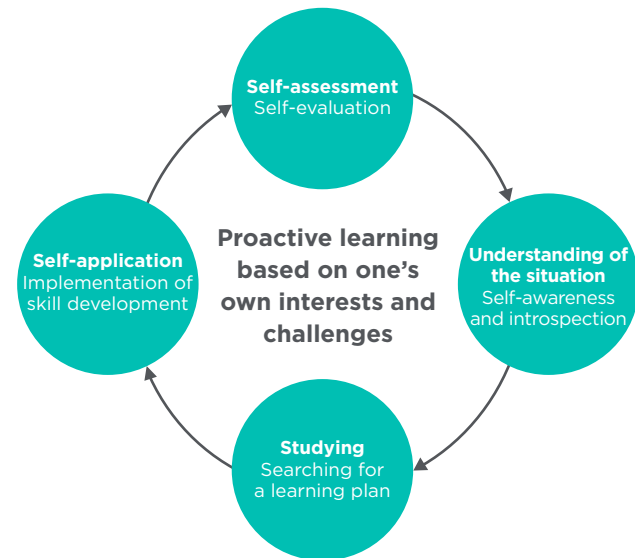
Management 3.0 Training

This is a new experimental training program we are launching in the fiscal year ending March 2024. The aim is to build a self-directed learning cycle in which managers deepen their self-understanding and self-reflection through annual self-assessments based on the PERSOL Leadership Competency and then select their own training programs, cafeteria style, according to their own interests and challenges.

We also rolled out training to improve feedback skills in everyday management situations to enhance growth potential, as well as training to develop one's own leadership skills through enlightenment-based study, *zazen*, and meditation techniques developed by the founders of traditional Buddhism.

Going forward, we will continue work to create mechanisms that encourage people to want to learn

Skill development cycle for turning all managerial employees into best leaders



independently and to provide forward-thinking and unique training programs.

Creating mechanisms to reduce managerial workloads

The roles demanded of managers have expanded in recent years, aggravating managerial workloads. In response to this situation, we are starting to implement measures to reduce managers' workloads, with the aim of providing support that frees up their time and gives them psychological space.

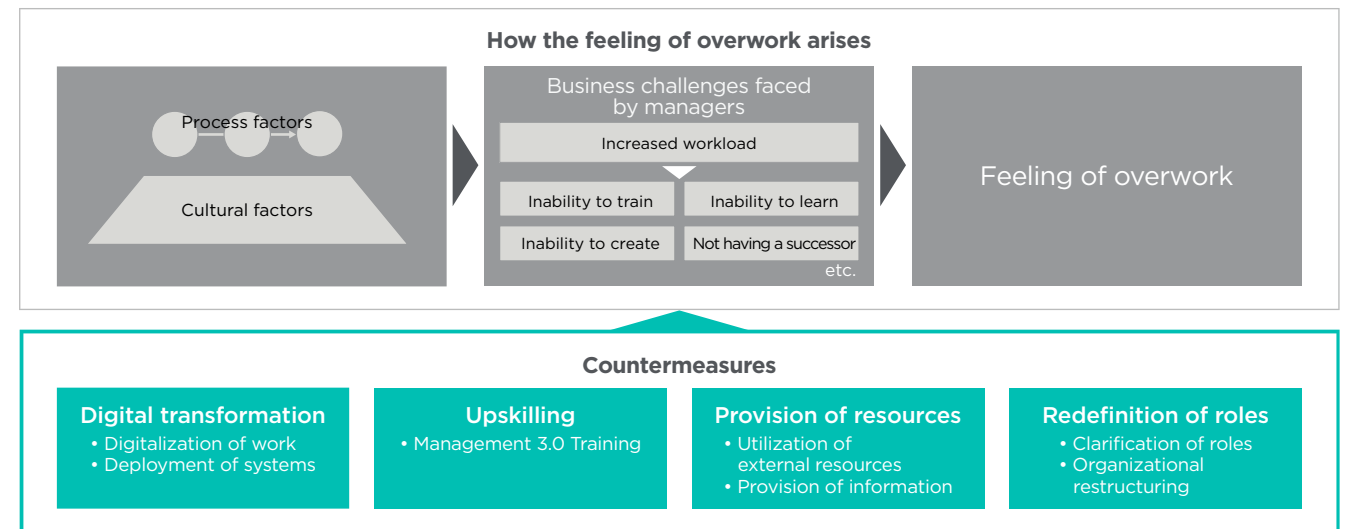
We conducted a questionnaire survey of persons in managerial positions at all Group companies to identify the current state of their feeling of overwork and the factors responsible for it. The survey results identified some of the factors responsible for their business challenges and feelings of overwork. These

factors included process factors such as the analog nature of management work itself as well as cultural factors such as the demand for "two-handed" management that focuses on both the organization's performance and the well-being of its members.

Going forward, to address the process and cultural factors that are making managers feel overworked, we will implement Management 3.0 Training, actively use technology to encourage the digital transformation of business processes, and actively provide managers with the resources they need to carry out their work, among other countermeasures.

Furthermore, in order to create more fundamental changes, we will coordinate with Group companies to take on the challenge of reexamining the roles of managers.

Managers' feeling of overwork and our countermeasures



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Basic approach

To ensure circumstances where diverse human resources are able to pursue successful careers, the PERSOL Group promotes DI&E*1*2 as a Group-wide policy. Furthermore, we have defined our basic approach to DI&E as the DI&E SPIRAL, and are working to embody this spiral by focusing on commitment from top management, institutional and environmental improvements, and building a corporate culture.

To promote DI&E with gender as a starting point, in September 2021 we established a Gender Diversity Committee, a Group-wide organization under the direct supervision of management. The committee holds monthly discussions with the HR heads at each SBU, the CEO, the CHRO, and the chairperson appointed by the CEO to speed up decision-making and implementation regarding DI&E.



Kyoko Kida

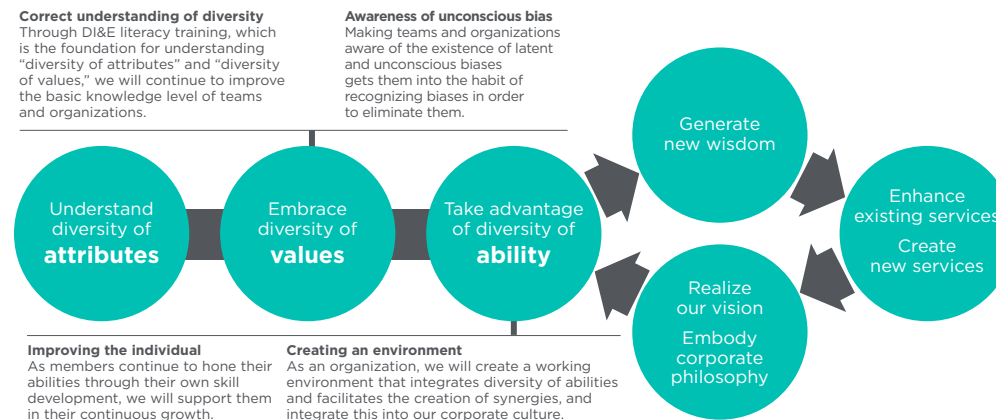
Chairperson, Gender Diversity Committee, PERSOL Group Director and Executive Officer, PERSOL CAREER Co., Ltd.

DI&E initiatives in the Group

Commitment from top management	<ul style="list-style-type: none"> • Establishment and monitoring of key metrics; bonuses for officers; establishment of STI*3 evaluation metrics • Gender Diversity Committee, etc.
Institutional/ environmental improvement	<ul style="list-style-type: none"> • Introduction and monitoring of systems related to diverse work styles (flextime, remote work, etc.) • Support for diverse career development (multiple jobs system, inter-Group transfer and work experience system, training, etc.)
Building a corporate culture	<ul style="list-style-type: none"> • DI&E literacy training and management training • Holding events such as “Let’s All Think about DI&E”

*1 DI&E: Diversity, Inclusion & Equality
 *2 Because the PERSOL Group aims for inclusion and equality based on equity, we use the term “diversity, inclusion & equality.” “Diversity” refers to equal employment opportunities and diverse work styles. “Inclusion” refers to respect for each individual. “Equality” refers to equal rights and benefits.
 *3 STI: Short-term Incentive

DI&E SPIRAL (Basic approach to DI&E in the PERSOL Group)



PERSOL Group DI&E Policy

We, PERSOL Group, have our group vision of “Work and Smile”, and we are working to realize a society where anyone in the world can “Work and Smile”.

With the diversification of individual values and advancement of technology, the surrounding environment and how the world perceives work have reached a major turning point. The labor market is also changing more than ever with the rapid advancement of technology. For sustainable societal and corporate growth in this rapidly changing environment, there is a need for flexibility and creativity, to create new values, as well as respond to change through the utilization of synergies of diverse abilities. We believe that the basis of this is the diversity of employees.

In order to realize a society where anyone in the world can “Work and Smile”, it is indispensable for us to not only have employees who can recognize and appreciate the feelings, ways of thinking, and perspectives of different individuals, but also to let them contribute their abilities and realize their achievement and satisfaction in their work.

We value diversity in all forms and ways to bring the best ideas and value to our customers, stakeholders and employees. To draw on the strengths in the diversity of our employees, we will endeavor to create a culture of inclusiveness where all individuals believe they can be themselves, where we respect their various differences such as culture, background, beliefs, and abilities. Therefore, we have launched DI&E actions to realize our group vision that recognizes intersectionality and maximize the potential of employees through equal opportunity.

That is our challenge.

This policy applies to all directors, senior managers and employees of PERSOL Group.

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Metrics and targets

The PERSOL Group previously set a target of 37% women in managerial positions by the fiscal year ending March 2030,*1 and has been pursuing this target with the goal of including women’s perspectives in management and important decision-making. Non-financial evaluation metrics and theme-based metrics are used when evaluating officers, and these include materiality-related factors such as the ratio of women in managerial positions. We also believe that achieving a higher percentage of women in managerial positions will help reduce the gender wage gap and encourage men’s participation in domestic work and community activities.

Additionally, starting in the fiscal year ending March 2024, we have set a new target for the percentage of eligible men taking childcare leave. As of March 2023, the rate is 64.8%*2 of eligible men taking one day or more of childcare leave, and we aim to reach 100% by the fiscal year ending March 2026. We are also looking at trying to understand the situation and create an environment that encourages more men to take at least one month of leave in the future. We will also continue to work to reduce overtime hours as part of our efforts to improve the

Our vision for DI&E

Transforming the organization into an environment where everyone can thrive

Metrics of diversity in decision-making



percentage of women in managerial positions and the percentage of eligible men taking childcare leave.

Furthermore, the Gender Diversity Committee, which is under the direct supervision of management, aims to create an organization and society where all careers bring smiles, regardless of gender, age, nationality, and all other restrictions. In addition to monitoring our target percentages of women in managerial positions and eligible men taking childcare leave, the Gender Diversity Committee has also instituted four subcommittees for the purpose of

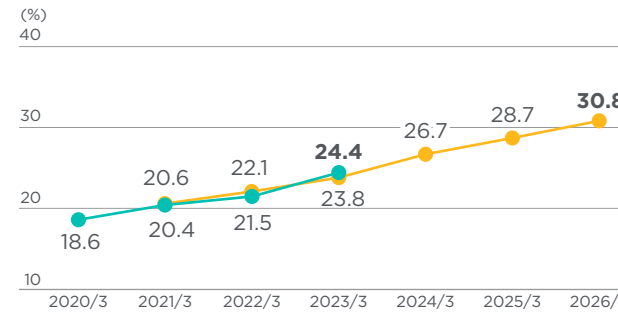
implementing its goals. The subcommittees, which are led by committee members who are responsible for HR administration at their respective SBUs, are responsible for planning and implementing Group-wide initiatives.

*1 The percentage of people in career positions in the Group companies that are women is taken into account when targets are decided. Targets and results for the relevant fiscal year ending March 31 are monitored as of April 1 of the following year.

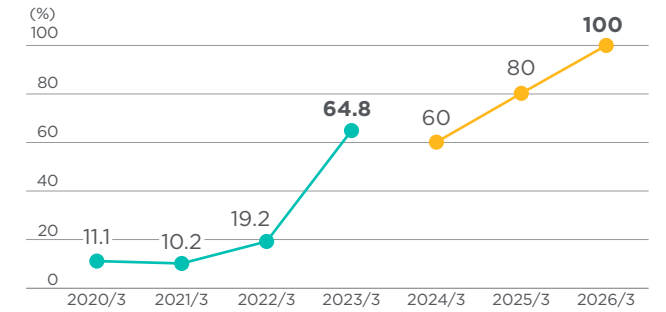
*2 From the fiscal year ended March 2023 onward, the percentage of employees taking childcare leave or using the program of leave for childcare purposes during the fiscal year concerned among employees whose spouse has initiated a birth or adoption in the fiscal year is calculated. (Until the fiscal year ended March 2022, the percentage of those who start taking childcare leave in the same fiscal year as the year of childbirth or in a later fiscal year was calculated.)

Key DI&E metrics: Targets and results (Group companies in Japan) ● Targets ● Results

Percentage of women in managerial positions*1



Percentage of eligible men taking childcare leave (One day or more)*2



Overview of subcommittees

Subcommittee	Description
Change Begins with Management	Top management must understand and be prepared for DI&E, change its words and actions, and inspire the organization
Make a “New Normal” Way of Working	Change the institutions and arrangements that are considered “normal” and create an environment that embodies DI&E
Farewell to Workplace Hardships	Change the culture and perception related to workplace hardships, especially long working hours
Foster a Culture of Safe Speaking	Further enhance the organizational culture of mutual respect and easy exchange of views

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The importance of learning for leaders

Deepening the learning of Group senior executives

In the fiscal year ending March 2024, CxOs and SBU/FU Leads of PERSOL HOLDINGS Co., Ltd. took the Level 3 Universal Manners Test. This test certifies that one has studied and systematically acquired the “mindset and actions needed to deal with diverse people.” Through the training, the executives deepened their learning about daily behavior and communication.

Management training for managers

We offer two types of training for persons in managerial positions. DI&E training, which targets all management levels, including executives, is intended to cultivate a better understanding of changes in the macro environment and the goals and methods of DI&E management, in particular the key points for promoting women and young employees into management positions. As of the fiscal year ending March 2024, approximately 2,600 persons in managerial positions have participated in the training. As the next step, in the fiscal year ended March 2023 we started inclusive leadership training for department managers and section managers. In this training, participants learn leadership behaviors that are important for managing diverse human resources, including but not limited to women, and formulate action plans. Both types of training provide opportunities for exchanging opinions and working with managers at Group companies, with whom it is otherwise difficult to have contact on a daily basis, and create opportunities for networking and exposure to diverse business models, organizational cultures, and values.

Promoting understanding of and fostering a culture of DI&E

DI&E Literacy Training

Once a year, we conduct training for all Group employees in Japan to learn about the PERSOL Group’s approach to DI&E, the mindset and knowledge required to understand and accept diversity, and unconscious bias. Approximately 30,000 people attended the training in the fiscal year ending March 2024, and a cumulative total of approximately 120,000 people have attended the training in the five years since the start of the fiscal year ended March 2020.

[🔗 DI&E Literacy Training \(in Japanese only\)](#)

“Let’s all think about DI&E” event

Since the fiscal year ended March 2021, we have been holding a DI&E-related event called “Let’s All Think about DI&E” at least once a month with the aim of deepening employees’ understanding about DI&E so that they feel it as their own issue. The event was held for the 55th time in August 2023. Participation is increasing year by year, and we even hold joint events with other companies and open them to the public, demonstrating that there has been broadening of awareness and coordination related to DI&E.

Event themes (Partial list)

- Business Needs DI&E Awareness!
Creating a Workplace Where Everyone Can Thrive
- What is “Inclusive Leadership” that Harnesses Diversity?
- The Future and Female Managers at PERSOL
- Let’s Talk Honestly! Disability × Career Well-being
- Learn from Practitioners How to Find a Career that Suits You
- Today’s Male Parenting Situation! Lessons from Scandinavia, which Boasts the World’s Top Gender Gap Index

Volunteer community activities and coordination

There are several volunteer communities across the PERSOL Group where like-minded employees come together to carry out initiatives from the bottom up. These communities cover a wide range of themes including empowerment of female employees, balancing work with childcare and medical treatment, promotion of multiple jobs, and LGBTQ allies. In addition to holding regular workshops and study sessions, these communities coordinate with HR organizations to co-host “Mindy” events and manage sponsored events.

At Tokyo Rainbow Pride 2023, one of the largest LGBTQ-related events in Asia, community and volunteer employees contributed to manning booths and interacted with more than 2,000 visitors over two days. The PERSOL Group has sponsored the event for four consecutive years. Going forward, we will continue to support the ideas and voluntary actions of our employees and work together as a Group to promote DI&E.



Tokyo Rainbow Pride 2023 parade

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Case study PERSOL CAREER Co., Ltd. (SBU: Career)

Reducing the anxiety of employees on childcare leave and supporting a smooth return to work: "Welcome Back from Childcare Leave System" provides employment opportunities during childcare leave

With the revision of Japan's Act on Childcare Leave/Caregiver Leave in 2017, it is now possible to extend childcare leave up to the child's second birthday. However, many employees who take long-term childcare leave feel psychologically isolated and anxious about returning to work.

To alleviate this sense of isolation and smooth employees' return to work, PERSOL CAREER has introduced a "Welcome Back from Childcare Leave System" that provides employment opportunities during childcare leave.

Under this system, the HR department provides employees who wish to work during their childcare leave period the opportunity to work temporarily within the company by matching them with a host department provided they meet the requirements such as the necessary experience and skills. The work format is mainly remote work, and the number of working days and hours can be flexibly adjusted as long as they do not exceed certain maximums.

After a trial period of over a year, including legal vetting, the system was officially introduced in October 2022, and as of the end of September 2023, a total of 63 employees in 13 departments have used it. The system seems to be working well, with employees who took advantage of it expressing feedback such as "I was lonely during childcare leave, and this let me connect with other people," and "Actually experiencing how to balance work with childcare increased my desire to do my best as a manager when I returned."

In the future, we will expand the system by expanding the number of slots at host departments so that more people who wish to work can do so. Furthermore, since the number of male employees taking long-term childcare leave is increasing, we will focus on promoting the use of the system to eliminate both men and women's anxiety about returning to work after a long absence.



Naoko Yokoyama (Left) Life Support Group, HR Service Promotion Department, HR Management Department, HR Division, PERSOL CAREER Co., Ltd.
Miyo Son (Right) Manager, Life Support Group, HR Service Promotion Department, HR Management Department, HR Division, PERSOL CAREER Co., Ltd.

Case study Programmed (SBU: Asia Pacific)

Supporting First Nation businesses

Programmed is committed to promoting equality and providing First Nation-owned businesses equal opportunities. We offer ongoing support and training to help them grow and provide sustainable employment opportunities to the surrounding communities. We have established relationships with over eight First Nation businesses and continue collaborating with additional suppliers.

Programmed Staffing and PERSOLKELLY Australia produced its first Reconciliation Action Plan (RAP) in 2023. Based around the core pillars of relationships, respect, and opportunities, the RAP provides tangible and substantive benefits, increasing economic equity and supporting First Nations self-determination.

Our organization values diversity, inclusion, and equality in our workforce, as we aim to reflect the communities we serve, live, and work in. We believe that these partnerships are vital to building outstanding people, strong customers, and great communities.

[RAP: Reconciliation Action Plan](#)

Ozchild Aboriginal Services ACT

Programmed Facility Management in partnership with Ozchild aims to improve living standards of First Nation families through maintenance and repairs. This program, in conjunction with Ozchild's therapy, is crucial for addressing housing asset needs and family engagement and resolving practical environmental concerns. According to Darren Singh, Team Leader at Ozchild, this collaboration is essential for supporting First Nation families. "Your program has been described by our clients as an answered prayer," he said. "It has given them hope, making families feel like they are not forgotten and offering a new start."



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Employment of persons with disabilities

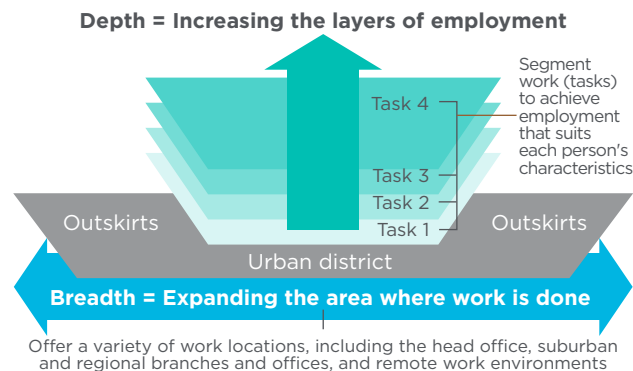
Current status and targets for the number of employees with disabilities

The PERSOL Group as a whole currently employs 2,417 people with disabilities (as of the fiscal year ended March 2023). As well as complying with the legally mandated employment rate, we are working to provide work and workplaces that enable people with disabilities to “Work and Smile.” Our goal is to employ 4,000 people with disabilities by the fiscal year ending March 2026.

Creating an environment where everyone can thrive

When it comes to the employment and active participation of people with disabilities, we focus on both “breadth” and “depth.” Breadth refers to expanding the area where work is done. This means we create employment opportunities not only at the head office, but also through remote work and branch work. Depth refers to increasing the number of layers of employment. Rather than categorizing people as simply “disabled,” we divide them into groups based on their ability, desire to work, and necessary accommodations, and then create tasks and ways of working that suit each person.

PERSOL’s employment model for persons with disabilities



Case study PERSOL DIVERSE Co., Ltd. (SBU: Specialized Services) / PERSOL NEXTAGE Co., Ltd. (SBU: Specialized Services)

1. PERSOL DIVERSE (Special subsidiary company)

At PERSOL DIVERSE, more than 1,600 employees with disabilities play an active role. Because it emphasizes each employee’s customer and team contributions and ability to work in good physical and mental health, PERSOL DIVERSE segments its work into tasks, documents the tasks in process manuals, maintains a retention support system, and provides health management.

It also enters into ventures in cooperation with the local community with the goal of creating opportunities for the active participation and growth of people with disabilities living in the community. At the Tomioka Cocoon Workshop, which opened in 2017 in Tomioka City, Gunma Prefecture, employees with disabilities engage in sericulture and silk product production. Through the segmentation and standardization of specialized tasks and meticulous work, the workshop is able to produce high-quality cocoons while allowing anyone to engage in the work, thereby allowing each employee to experience a sense of fulfillment in their work and growth. Furthermore, at the Yokosuka-Miuramisaki Workshop in Yokosuka City, Kanagawa Prefecture, employees with disabilities work on behalf of local farms to harvest vegetables and prepare them for shipment.

Thanks to the workshop’s efforts to ensure that people with disabilities with diverse characteristics and abilities can work stably and thrive over the long term, its workplace retention rate exceeds 90% after one year’s employment. For people with disabilities, engagement in work leads to social participation, community interaction, and better physical and mental health. As one worker said, “For the first time, I found a place where I can work with confidence.” Such employment also presents an opportunity for businesses and society to advance their understanding of disability welfare.

2. PERSOL NEXTAGE (Type A Continuous Employment Support Office)

Offering welfare services classified as Type A Continuous Employment Support, PERSOL NEXTAGE celebrates its third anniversary since its establishment and has grown to include 10 offices employing approximately 200 workers with disabilities. The office has adopted a hot desking system, and by interweaving remote work and commuting to the office, the company has achieved a 96.8%* attendance rate, with an 87.3%* rate of working from home.

PERSOL NEXTAGE’s personnel system uses a grading system in which evaluation points lead to improved self-esteem, and when problems arise, they are taken on as a challenge for daily improvement with staff support. In addition, the promotion system, which includes hourly wage increases based on one’s work, creates an environment where employees can work with high motivation. In order to eliminate regional wage disparities, the minimum hourly wage for people with disabilities living in rural areas was set at no less than 1,000 yen. The company has also deployed occupational physicians and introduced digital health (through the metaverse and VR) to strengthen its support system. On the work side, PERSOL NEXTAGE utilizes aptitude tests to match individual skill sets with more than 60 types of computer work. In this way, the company has put in



place a forward-looking system that puts workers on a path to general employment.

* Results for October 2023

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Systems and structures that support the Group's human capital



To promote human capital management, the PERSOL Group is working to strengthen its foundation of corporate governance.

In addition, the Group's HR personnel will work together as one team, for us as a Group to maximize the value of human capital and aim to realize the vision of "Work and Smile" for PERSOL's employees and temporary staff.

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Management structure

We have introduced an executive officer system to separate management supervision and execution and to clarify where executive responsibility lies. With respect to business execution, the Headquarters Management Committee (HMC) was established to assist the CEO in making decisions. The HMC deliberates on the Group's basic management policy

and important operations.

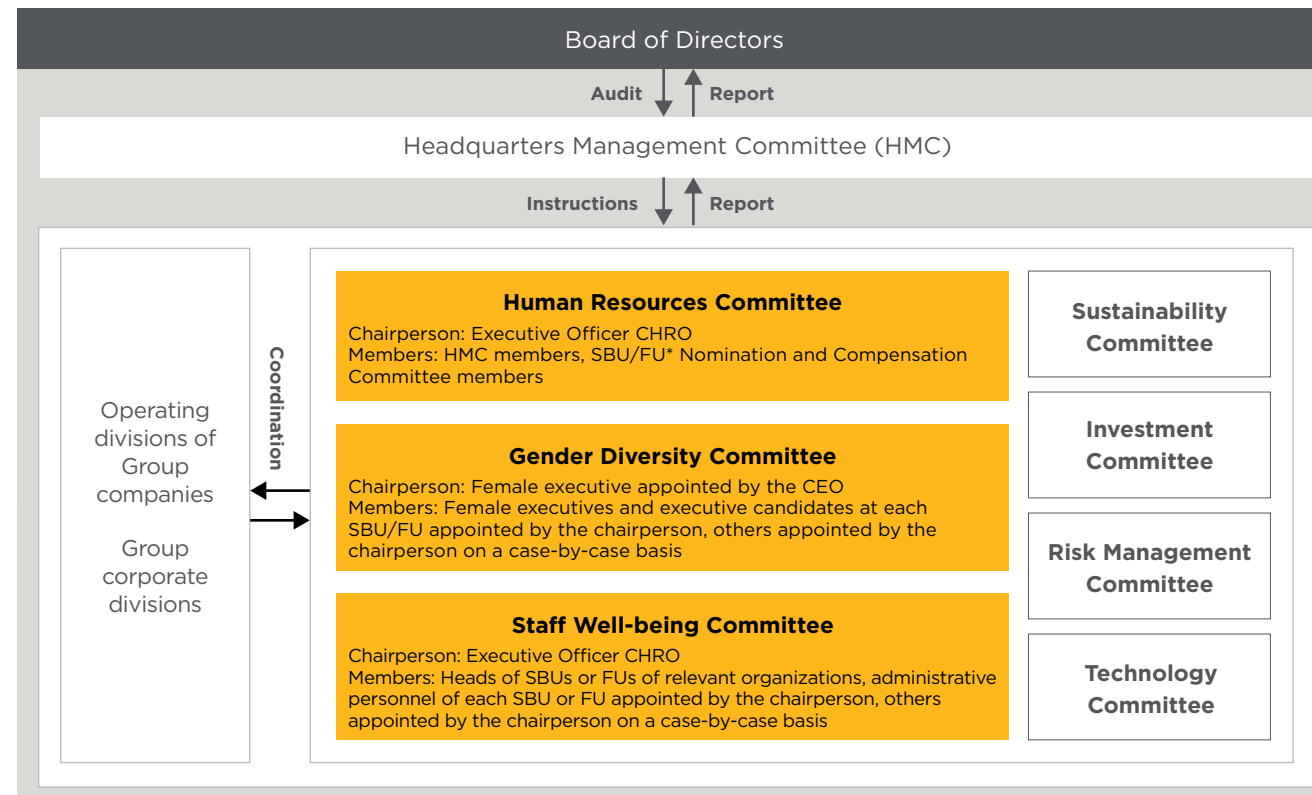
We have also set up the Human Resources Committee, Gender Diversity Committee, and Staff Well-being Committee under the HMC.

The Human Resources Committee mainly deliberates on the PERSOL Group's HR strategy and succession planning for key talent. The Gender Diversity Committee mainly deliberates on the

Group's strategies to promote the advancement of women and related key strategies. The Staff Well-being Committee deliberates on human capital management of the Group's temporary staff.

Through deliberations in these various committees, we promote and disseminate initiatives aimed at maximizing the value of human capital.

Corporate governance structure for human capital



* SBU: Strategic Business Unit, FU: Function Unit

Human Resources Committee

The Human Resources Committee, which is under the HMC, deliberates on the PERSOL Group's HR strategy and succession planning for key talent. It met eight times in the fiscal year ended March 2023.

Major activities in the fiscal year ended March 2023

- Reported on the effectiveness evaluation of the Human Resources Committee and reported on its activities for the fiscal year
- Discussed SBU/CxO succession planning
- Summarized and discussed executive assessment results
- Discussed measures to develop next-generation business leaders
- Shared information on the SBUs' action plans to improve engagement

Gender Diversity Committee

The Gender Diversity Committee, which is under the HMC, deliberates on the PERSOL Group's strategies to promote the advancement of women and related key strategies. It met 12 times in the fiscal year ended March 2023.

Major activities in the fiscal year ended March 2023

- Reported on the current percentage of women in managerial positions and percentage of eligible men taking childcare leave and discussed action plans
- Planned and implemented Group-wide measures through four subcommittees

Staff Well-being Committee

The Staff Well-being Committee, which is under the HMC, deliberates on human capital management of the PERSOL Group's temporary staff. It met three times in the fiscal year ended March 2023. (It is a new committee established in January 2023.)

Major activities in the fiscal year ended March 2023

- Conceptualized well-being measures for temporary staff and decided on core initiatives
- Decided on the scope of information disclosure regarding temporary staff
- Decided on the key messages in the Integrated Report
- Discussed the unique character of the PERSOL Group's initiatives

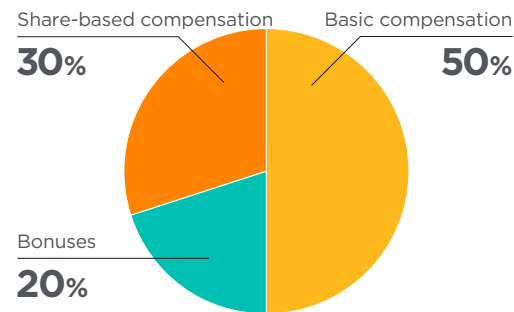
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Director and executive compensation system

The PERSOL Group has established an approach to remuneration for directors (and other officers) and corresponding policies, and it determines the remuneration for directors (and other officers) based on this approach. The approach is designed to incorporate, in a transparent manner, not just the short-term performance of the PERSOL Group, but also officers' contributions to company performance and corporate value improvement over the mid- to long-term with the goal of realizing PERSOL's value creation story.

The compensation structure has been revised based on the value creation story, and the proportion of variable compensation, which includes bonuses and share-based compensation, has been increased to 50% for executive directors. In particular, we have significantly increased the proportion of share-based compensation linked to company performance and corporate value improvement over the mid- to long-term (under the previous system, the percentages were basic compensation:bonuses:share-based compensation = 64:19:17, with the bonuses and share-based compensation weighted 80:20 in favor

Standard compensation composition model (Executive directors)



of financial indicators over non-financial indicators; this ratio was changed to 60:40). We have established a compensation structure, evaluation weights, and evaluation indicators to realize both the economic value and social value created through our business activities.

Evaluation indicators for bonuses and share-based compensation

Indicator	Target value	Evaluation weight
Financial indicators		
TSR	—*	20%
Adjusted EBITDA	100 billion yen	20%
ROIC	17% or higher	20%
Non-financial indicators		
Goal for value creation	Set for each indicator	20%
Employee engagement index		20%

* Since the evaluation is a relative one with respect to comparable companies and TOPIX, no target value for the TSR itself is set.

[PERSOL's policy on remuneration for directors \(and other officers\) \(in Japanese only\)](#)

Share-based compensation scheme

With the aim of creating a more competitive compensation package for managers, we have introduced two types of share-based compensation scheme.

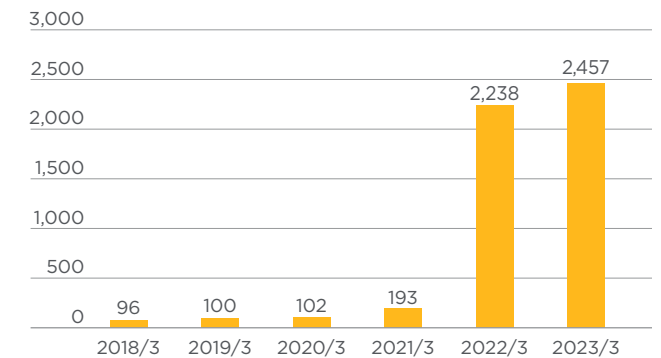
The trust-type share-based compensation scheme (BIP/ESOP), which was introduced in the fiscal year ended March 2018, is available to directors and executive staff of PERSOL HOLDINGS Co., Ltd. and PERSOL Group subsidiaries. The scheme is linked to the mid-term management plan period, and the eligible persons, compensation amounts, and other details are reviewed for each mid-term management plan. Currently, share-based compensation is equivalent to

approximately 3 million yen per eligible employee per year.

In the fiscal year ended March 2022, in order to significantly expand the number of eligible employees, we also introduced a restricted stock compensation scheme, primarily intended for employees in managerial positions in PERSOL HOLDINGS and PERSOL Group subsidiaries. Currently, more than 2,000 employees are eligible for this system, and each eligible employee receives share-based compensation worth approximately 1 million yen per year.

The amount of money per person was increased in the fiscal year ending March 2024 for both schemes. The number of people eligible for the system continues to increase.

Number of persons eligible for the share-based compensation scheme



Note: The figures represent the number of employees eligible for the trust-type share-based compensation scheme (BIP/ ESOP) and the restricted stock compensation scheme. (Through the fiscal year ended March 2021, the figures represent only the number of employees eligible for the trust-type share-based compensation scheme.)

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Group HR structure

The PERSOL Group employs approximately 700 HR personnel Group-wide in Japan. They fall under three main categories based on their roles: Group HR, who plan and promote Group-wide HR policies; SBU/FU HR, who plan and promote HR policies to address the issues at each SBU/FU; and individual company HR, who plan and promote HR policies to address the issues at each company. Under their respective roles, they work together as a Group to promote initiatives related to human capital.

Group HR Conference / Grand HR Conference

The Group HR Conference brings together senior Group HR and SBU/FU HR managers to deliberate on Group-wide issues and initiatives related to human capital. It is held twice a month. The intense discussions at the conference have led to the planning and improvement of effective measures for employees engaged in a variety of occupations within the Group.

We also hold a yearly Grand HR Conference, which brings together HR personnel from each Group company. At the conference, progress on the mid-term HR plan is reported, initiatives are shared, and awards are presented, among other activities. In this way, we have created a framework that enables coordination among HR personnel throughout the Group.

PERSOL HR Rule Book

Our in-house Group-wide rule book, which is more than 200 pages long, was created to serve as a reference point when considering the introduction or revision of personnel systems and as a standard or guideline for carrying out HR work at Group companies.

By formulating their new personnel systems in accordance with the rule book, Group companies can ensure that their initiatives stay in alignment across the Group.

Group HR portal site

The Group HR portal site serves as a communication platform to achieve smooth coordination among Group, SBU/FU, and individual company HR personnel.

The Group HR portal site lists the duties of all HR personnel at each Group company and makes it possible for Group companies to operate in alignment by centrally managing information such as materials from Group HR meetings, Group-wide system manuals, and schedules for Group training and events.

The portal site creates an environment that allows all HR personnel at each Group company to access the system and share information, thereby advancing cross-company coordination.

HR metric BI tool

We are promoting “data-driven HR,” which considers HR data accumulated at Group companies as an asset, and combines insights obtained from data analysis with HR experience and on-site knowledge to make better plans and policies.

As part of this initiative, we developed a BI tool for use by HR personnel in Group companies and began using it in Group companies in 2023. This tool enables HR personnel to quickly and conveniently obtain metrics that form the basis of the Group’s human capital management, such as the number of employees, labor productivity, and salary increase rates.

What the HR metric BI tool can do

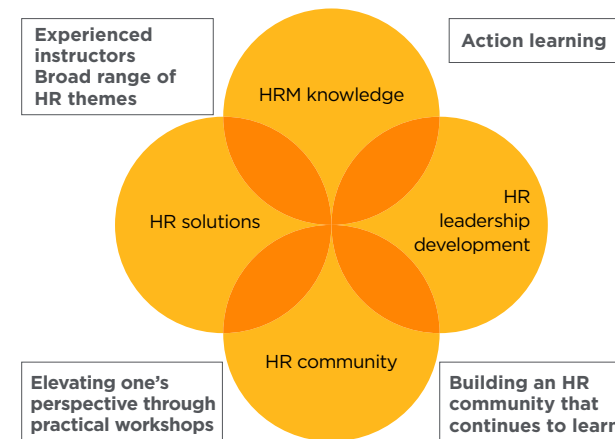


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Selective training for HR managers

Each year, the PERSOL Group selects one person from among the HR managers of each Group company to participate in the HR Leaders Forum, an HR leadership development program sponsored by PERSOL RESEARCH AND CONSULTING Co., Ltd. The HR Leaders Forum brings together next-generation HR leaders from major Japanese companies in the spirit of *taryu jiai* (mixing with outsiders to test oneself) with the goal of training the next generation of HR leaders who will become future HR directors and CHROs. In 2023, a total of 15 sessions were held over eight months. By continuously providing such opportunities, we are working to raise the level of HR functions throughout the Group.

HR Leaders Forum curriculum structure



Talent training in data utilization

To secure the talent necessary to promote data-driven HR, we have been developing our own training program in-house since 2020 and providing it to a total of more than 200 HR personnel at Group companies. The program continues to evolve every year. Among other initiatives, we are currently offering three courses: an Elementary course that teaches basic data literacy, an Advanced course that teaches various analysis methods using statistical software, and a Managerial course that teaches interpretation of analysis results and data-driven talent management.

Data utilization training framework



PERSOL HR Academy

Since 2022, we have been holding a study session called "PERSOL HR Academy" for the Group's HR employees. For some time, HR personnel at Group companies had been requesting a forum to gain HR knowledge and to learn about a wide range of HR operations beyond their own areas of responsibility. This program was therefore set up as a forum for the Group's HR personnel to share what they have learned with each other. All HR personnel within the Group are eligible to participate. The instructors, who are HR employees at Group companies, use case studies from Group companies to disseminate HR knowledge throughout the Group.

Curriculum themes (Partial list)

- Basic knowledge of labor laws and regulations
- Revisions to laws that are important to keep in mind
- Regarding wages and social insurance
- HR career development
- PERSOL's HR development, education and training

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Human capital management that accelerates innovation

Human capital management has become a major trend in recent years, but we have always aimed to realize our Group Vision, “Work and Smile.” We invited Dr. Akie Iriyama, a Professor at Waseda Business School (Graduate School of Business and Finance) who has been involved in research on global standards of business administration, to participate in a conversation with Tatsuyoshi Oba, General Manager of the Group HR Division, about the challenges and possibilities of human capital management in Japan.

Tatsuyoshi Oba

General Manager,
Group HR Division

“I hope to contribute to maximizing human capital by coming up with bold hypotheses and pursuing experimental initiatives.”
—Oba

Dr. Akie Iriyama

Professor, Waseda Business School
(Graduate School of Business
and Finance)

“Updating management and HR administration with a long-term perspective will lead to innovation at Japanese companies.”
—Iriyama



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Japanese companies have not been able to update their concept of management that values people

Oba: First, let me ask you about trends in human capital management in Japan as seen from a global perspective.

Iriyama: Companies around the world have come to a major turning point with respect to human capital in terms of their perception of corporate value and their growth strategies. However, my impression is that Japanese companies are behind those of other advanced countries by four to five laps.

Oba: What are the factors behind the delay in their initiatives?

Iriyama: The most significant factor is the lifetime employment system established after World War II.



Tatsuyoshi Oba General Manager, Group HR Division, PERSOL HOLDINGS Co., Ltd.

Joined Intelligence (now PERSOL CAREER Co., Ltd.) in 2007 after working in human resources at a leading life insurance company. He is involved in various areas of human resources, including HR planning, HR development, and HR management and administration. In 2015, he studied abroad at an HR research institute in England, transferring to PERSOL HOLDINGS upon his return. He has served in his current position since April 2020.

Rather than spoiling employees, this system has actually spoiled companies. For example, there is an arrogant assumption that the employee will not quit even if they are given unreasonable transfer or relocation assignments that do not contribute to their growth. So, overly relying on that system and not taking employee growth seriously has had consequences.

Oba: As seen in the “three-way satisfaction” or “good for everyone” philosophy of the Omi merchants of old, Japanese companies have always been inclined to earnestly engage with their employees. However, it may be that the lifetime employment model has given management a sense of security, and the successes experienced prior to the collapse of the bubble economy may be perpetuating certain management behaviors.

Iriyama: Exactly. And management has not been updated to reflect the times. The essence of human capital management is for employees to work energetically. And for employees to resonate with the company’s ideals and direction so that the company and its employees grow together. I believe a situation where you have plenty of developed human resources that have the potential to deliver results at other companies still stay because they like the company is a testament to management that values people. It takes time to create such an organization, though. That’s why a long-term perspective is needed in management. Progressive managers overseas update their business policies and measures over a long period. This is because they understand that there can be no innovation otherwise.

Oba: Indeed, the vision we’re pursuing for people and organizations is closely tied to innovation. What do you think are the challenges for Japanese companies to catch up?

Iriyama: The first is governance. Speaking in extremes, wouldn’t you agree that a P/B ratio* at or below 1x is disqualifying for management? Of course, P/B ratio isn’t the be-all and end-all, but the reason a company’s stock price is low is because people think the company has no future. I would go even further and say that if the external directors cannot have such a president replaced, then they have no reason to exist. On the other hand, a president trying to improve business efficiency and maximize the value of human capital should be supported over the long term. Based on the importance of such governance, I feel that Japanese companies face three challenges in human capital management. The first is, as I mentioned earlier, it takes time. The second is that there are significant differences between individual companies. Cultures and histories differ, so you have to understand your own company and have the patience to customize case studies of success from other companies and slowly transform your company. The third is that it’s difficult to accurately measure employee growth and engagement. Human capital management is at a turning point, so I hope that the PERSOL Group, which has various solutions to offer, will take the lead in addressing these challenges, bringing about innovation in your internal HR affairs to foster widespread change in Japan.

Oba: In that regard, our Group has long upheld the vision of “Work and Smile,” and in our Mid-term Management Plan 2026 announced in March 2023, we declared our intent to become a “Career Well-being” Creation Company. President Wada is also strongly committed to this.

* Price-to-book value ratio

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Fostering culture and increasing engagement over the long term is a shortcut to growth

Oba: I've worked in the HR administration domain for about 20 years. I have recently come to believe that fostering a long-term-oriented culture within the Company is another crucial mission of HR administration.

Iriyama: Take, for example, the pharmaceutical Company where I serve as an external director. For around 30 years, the current CEO has committed to using a consistent approach toward administrating and developing human resources. This has resulted in the development of human resources, leading to its current strong business performance and stock price. The culture at this company, however, is one where the employees are not particularly interested in the company's business performance or stock price. Instead, they are focused on seriously contemplating and putting into practice what is good for the world.

Oba: I've reviewed the integrated report and various disclosures. It's impressive to see how that company's management vision and purpose explicitly outline measures that contribute to the well-being of all individuals and society as a whole.

Iriyama: I see that the PERSOL Group has introduced a Career Challenge program where employees can proactively choose their own careers.

Oba: Yes, we launched the program in 2017. Our regular internal engagement surveys also revealed a relationship where the higher the career ownership, the greater the enthusiasm toward work and desire to contribute to the organization. We hypothesize that playing an active role in a job or workplace that employees have chosen on their own also allows them to contribute to customers. This creates a cycle where the employees themselves develop a fondness for

the Company and want to work with us long-term.

Iriyama: So that means the supervisors of those employees transferred as part of the program have developed such a high level of human resources that they are headhunted. I think rewarding the former supervisors would make the program even more interesting.

Oba: You're right. A system that gives high marks to a supervisor that produces quality human resources is a new concept, isn't it? At the same time, the challenge for the Group is that there are significant differences among Group companies in terms of resources for the HR function, which supports human capital. To further expand the human capital of the entire Group, we will need to increase the number of human resources capable of utilizing HR data and further strengthen the HR network among Group companies.

Accelerating innovation strategy by tasking the DX Division with digital technology-oriented HR matters

Iriyama: Based on what you've said, I would like to see the PERSOL Group create a program to train CHROs. If you want to change your company, the first thing you run into is challenges for HR administration. That's why the importance of CHROs has gained attention of late. Companies are comprised of people, so the CHRO holds a position on par with the president. But there are few such companies in Japan. The development of individuals and organizations is also closely linked to business strategy. Just having two or three individuals who can work with the president to come up with such strategies and handle programs, labor management, and other matters join listed companies would bring about significant change in Japan.

Oba: In the case of the PERSOL Group, the CHRO coordinates closely with the CFO, CSO, and CIO/CDO



Dr. Akie Iriyama Professor, Waseda Business School (Graduate School of Business and Finance)

After graduating from Keio University, he completed the Master's program at the Keio University Graduate School of Economics. He then went into consulting at Mitsubishi Research Institute, Inc. before obtaining his Ph.D. from the Graduate School of Business of the University of Pittsburgh in 2008. He became an Assistant Professor at State University of New York at Buffalo in the same year. In 2013, he became an Associate Professor at Waseda Business School (Graduate School of Business and Finance). In 2019, he became a Professor. He specializes in business administration.

to promote corporate strategies. Furthermore, in 2023 PERSOL HOLDINGS transferred the authority related to digital technology-oriented HR matters and functions such as recruitment and information systems from the HR Division to the DX Division. This has allowed the DX Division to take the lead in overseeing matters related to digital technology-oriented human resources. We believe that designing HR functions and authority beyond the existing framework will also have a significant impact on promoting strategies.

Iriyama: In Japan, the only function of HR divisions has been to execute top-down instructions. Today, however, strategy equals innovation, and HR functions are indispensable in that context. You have to

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Dialogue 2: Conversation with an expert

intentionally create an HR division that thinks about strategy. So, I believe the strategic idea to put the DX Division in charge of matters related to digital technology-oriented human resources is great. In fact, the top executives in charge of DX at several major companies I'm familiar with hold considerable authority in HR matters.

Sharing HR failures to provide lessons to Japanese companies

Oba: In 2016, the PERSOL Group put forward a HR policy called "Advanced HR Showcase." This policy demonstrates our desire to take on the challenge of experimental personnel systems and policies and to share our successes and even failures with the world. By making sure to share even the measures that do not go well, we hope to become a presence that accelerates HR pursuits all over Japan.

Iriyama: Showcasing personnel measures that could potentially fail and are so unconventional they almost seem crazy, is a genuinely groundbreaking initiative!

Oba: Cultures and histories differ from company to company, so it can be quite challenging to adapt successes. On the other hand, failures can serve as food for thought for companies facing similar challenges. It might also be interesting to hold something like the HR Failure Awards.

Iriyama: HR Failure Awards...now that's a good idea! I mean, you can't bring about innovation without failure, can you?

Oba: Precisely, and the younger generation isn't bound by the lifetime employment model. They've been working remotely and doing multiple jobs from the start, so that has brought about a significant shift in perceptions of the value of work in society. These are the times we live in, so I believe we have come to an era where human resources should make and test

bold hypotheses without fear of failure and revamp conventional approaches.

Iriyama: The era of human capital is, indeed, the time for failure-friendly HR. That's the biggest takeaway from this conversation. Going forward, the PERSOL Group's promotion of more innovative and interesting

measures is sure to directly contribute to overall improvement in Japan.

Oba: It's a big responsibility. But that also makes it very rewarding. As a strong advocate, I hope you will continue to support us in our future pursuits.



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The ideal Japanese companies should pursue for achieving human capital management



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After working for Recruit Co., Ltd. consulting on matters such as HR development and organizational transformation and being involved in the HCM business, he joined Hay Consulting Group (now Korn Ferry) as a business manager in the domain of HR development related to selecting and developing next-generation leaders. In July 2013, he was appointed General Manager of the Consulting Division and Executive Officer of PERSOL RESEARCH AND CONSULTING and has been in his current position since April 2020. He also serves as a visiting professor at Rikkyo University Graduate School.

Human capital management attracting attention in Japan and other countries

Human capital management is rapidly gaining attention as a result of world trends and the efforts of Japanese government officials. Japanese companies are now being pushed on how they will approach human capital management and what they will prioritize amid demands for disclosure of human capital information.

Transitioning from shareholder capitalism to stakeholder capitalism

The slowdown in economic growth that began in the early 1990s following the collapse of the bubble economy, the deterioration of the international competitiveness of Japanese companies, and the decline in worker engagement have all contributed to a growing sense of crisis. The concern is that a lost period of no growth could persist for 40 or 50 years if there continues to be a lack of policy in corporate management.

In the context of economic revitalization, human capital management aims to create a mechanism where funds are drawn to companies that invest in intangible assets such as people and are proactive in disclosing this information, thereby raising the level of competitiveness. As such, investors play a significant role. It is self-evident, both theoretically and structurally, that disclosure of information on human capital cannot take place without considering the perspective of investors.

However, this does not mean a return to the shareholder primacy of the past. In the United States, prompted by reflection on excessive shareholder capitalism and a growing urgency regarding climate change, management lobby groups declared this an era of stakeholder capitalism in 2019. This approach emphasizes

the interests not only of shareholders but also of customers, employees, business partners, communities, and other stakeholders.

We must not forget that human capital management is not just for shareholders. Rather, it is about building relationships with all stakeholders, including customers who value and support a company's products and services, job seekers who are attracted to the company, long-term business partners, and employees who work for the company. This is where human capital management is realized and how companies give back.

Companies must disclose mandatory (if listed) and unique matters. Rather than simply disclosing the ratio of managerial positions, it is essential to provide problem-solving disclosures by disclosing pipelines and goals. Companies should look at matters that are disadvantageous to them and disclose matters that are unique to them based on a story of value creation for growth.

Rewarding stakeholders and maintaining a win-win relationship with them by understanding the issues at hand, disclosing initiatives for addressing them to attract investment, and achieving growth will create a sustainable virtuous cycle. Surely, this is the essence of human capital management.



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