



**Consolidated Financial Results
for the 2nd Quarter of the
Fiscal Year Ending March 31,
2024 (FY2023 Q2)**

PERSOL HOLDINGS CO., LTD.
November 10, 2023

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PERSOL HOLDINGS CO., LTD.

Held from 16:00 to 16:45 on Friday, November 10, 2023

Script of Financial Results Presentation for the 2nd Quarter of FY2023

Highlights



1

Summary for the 1st Half of FY2023* (IFRS) *FY2023 is the fiscal year ending March 31, 2024 (the same applies hereinafter).

- Revenue for the 1st half was 654.8 billion yen (up 7.8% year on year). Operating profit was 26.3 billion yen (down 22.6% year on year). Adjusted EBITDA stood at 35.0 billion yen (down 19.0% year on year).
- Gross profit was strong, up 6.8% year on year. Continuing investments needed to achieve growth in the next fiscal year and beyond, including investment in doda X.
- Progress in operating profit in the 1st half (as compared to full-year forecast) was 48.4%. The impacts of external factors, such as business confidence, should be carefully watched. Company-wide efforts will be made to further strengthen cost control in the 2nd half.

2

Placement market and mid- to long-term growth strategy of Career SBU

- The high-end market of the placement business will grow at the highest rate towards 2030.
- Aiming for the next phase for doda and doda X by improving the capability of recruiting people.

3

FY2023* interim dividend and year-end dividend forecast

- Interim dividend is 43 yen as expected
- The forecast amount of year-end dividend is 4.3 yen, reflecting the 10-for-1 split of common stock effective October 1, 2023.

【President and CEO Wada】 Hello, everyone. My name is Wada of PERSOL Holdings. Thank you very much for taking time out of your busy schedules to join us today.

There are three points I would like to share with you today.

The first is an overview of the first half results, and the second is an explanation of the placement market, which is a particular focus of our Mid-term Management Plan 2026, as well as the initiatives of Career SBU. The third is the interim dividend. The interim dividend is 43 yen, as forecasted, and the year-end dividend will be 4.3 yen. Since we have conducted a 10-for-1 stock split, we will pay out 50% of adjusted EPS at the same level as the interim dividend. In this highlight, revenue was 654.8 billion yen, and adjusted EBITDA was 35 billion yen. Gross profit was 6.8% year on year, and is continuing to grow steadily. Although our performance is almost in line with the plan, we believe we have to closely monitor future market trends. In particular, the market is expected to change somewhat from the extremely prosperous market at and after the COVID-19 period. While closely monitoring these factors, we will manage the entire company in the second half including cost control. Details will be explained by Mr. Tokunaga, CFO. Please go ahead, Mr. Tokunaga.

Summary of the Consolidated Financial Results for the 1st Half of FY2023

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I am Tokunaga, in charge of finance. I will now give an overview of the financial results for the first half.

Financial Results for the 1st Half of FY2023 (Consolidated)



Steady growth in both revenue and gross profit

(million yen)	FY2022 1st Half*3	FY2023 1st Half	YoY	FY2023 Full-Year Forecasts	Progress Rate
Revenue	607,256	654,887	+7.8%	1,340,000	48.9%
Gross profit	139,231	148,645	+6.8%	-	-
Operating profit	34,092	26,379	-22.6%	54,500	48.4%
<i>OP margin (%)</i>	5.6%	4.0%	-1.6pt	4.1%	-
EBITDA	49,146	40,771	-17.0%	-	-
<i>EBITDA margin (%)</i>	8.1%	6.2%	-1.9pt	-	-
Adjusted EBITDA	43,285	35,039	-19.0%	75,500	46.4%
<i>Adjusted EBITDA margin (%)</i>	7.1%	5.4%	-1.7pt	5.6%	-
Profit*1	22,025	16,768	-23.9%	33,500	50.1%
Adjusted profit	24,154	19,004	-21.3%	39,000	48.7%
Adjusted EPS (yen) *2	10.48	8.35	-20.3%	17.14	48.7%

*1 Profit for the quarter attributable to owners of the parent

*2 Values reflecting the stock split effective on October 1, 2023 *3 Based on IFRS

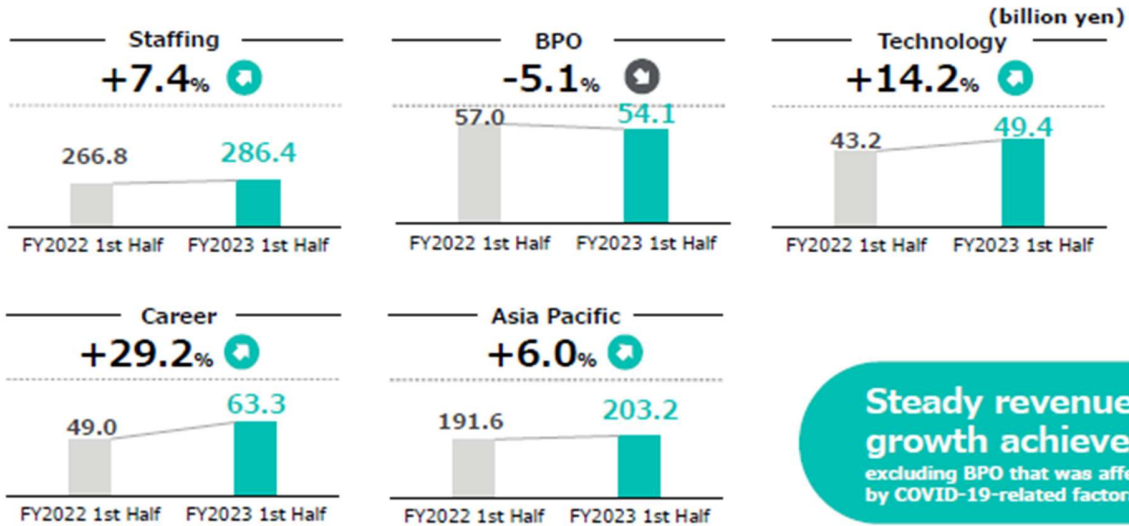
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First, let me give you an overview. The revenue increased 7.8% year on year to 654.8 billion yen. The operating profit was 26.3 billion yen, down 22% from the previous year. Adjusted EBITDA, which we consider important, was down 19% to 35 billion yen. Quarterly profit was 16.7 billion yen, down 23%.

As for the progress toward the full-year forecast, the revenue is at 48%, and the operating profit is at 48% as well.

FY2023 1st Half Revenue by SBU

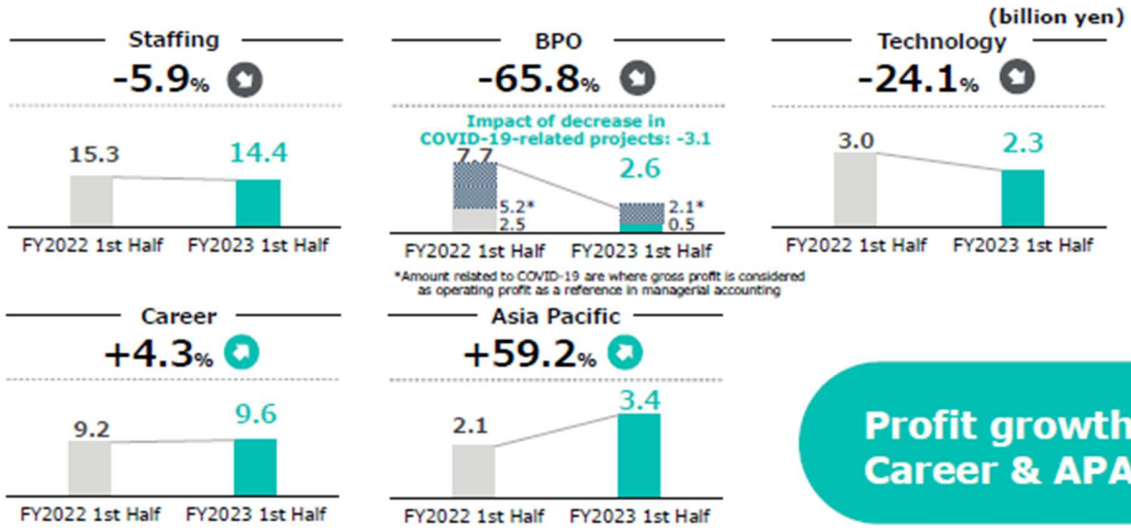


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Next, I would like to show you revenue by SBU. As you can see, BPO SBU saw a decline in revenue due to a large drop in COVID-19-related revenue, but the other SBUs achieved significant revenue growth. I will explain the details in the latter half of this presentation.

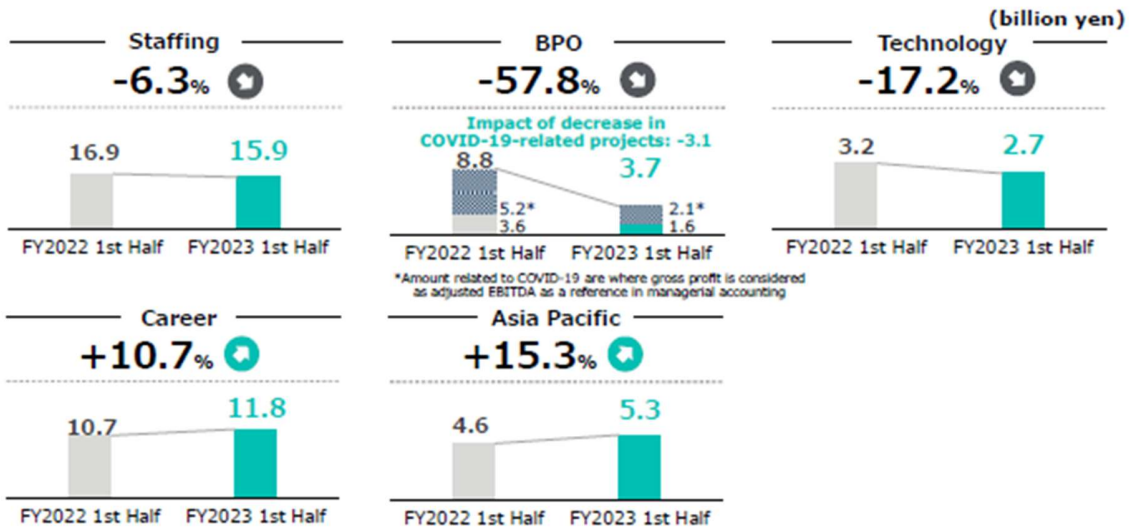
FY2023 1st Half Operating Profit by SBU



*Amount related to COVID-19 are where gross profit is considered as operating profit as a reference in managerial accounting

Next, I would like to show you operating profit by SBU. With the Mid-term Management Plan 2026, we have implemented a policy of spending strategic investments appropriately from the 1st quarter, so the operating profit of Staffing SBU, BPO SBU, and Technology SBU decreased year-on-year. However, the Career SBU, which is the main pillar of growth for this fiscal year, increased by 4.3%, and Asia Pacific with an increase of about 60%.

FY2023 1st Half Adjusted EBITDA by SBU

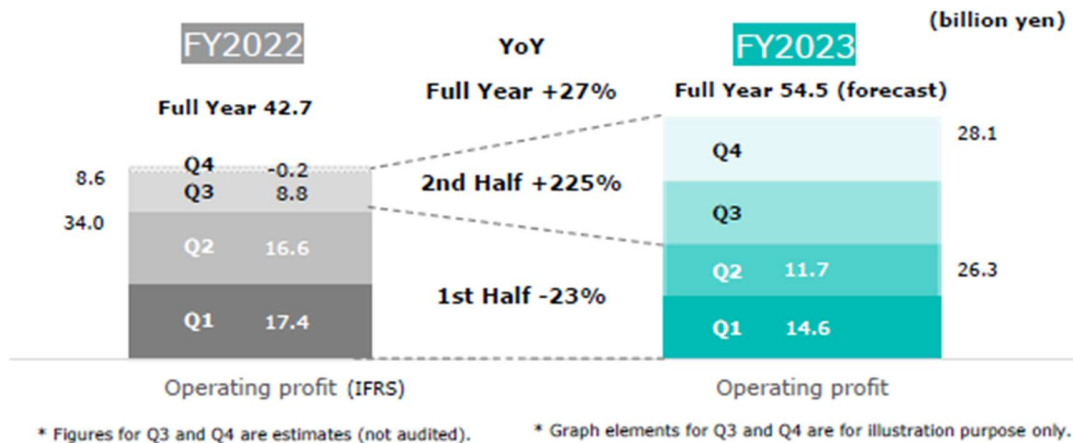


Adjusted EBITDA by SBU is almost the same as that of operating profit, so let me skip the explanation.

Progress in Operating Profit



Operating profit declined 23% YoY in the 1st half of FY2023 but is expected to increase YoY in the 2nd half.



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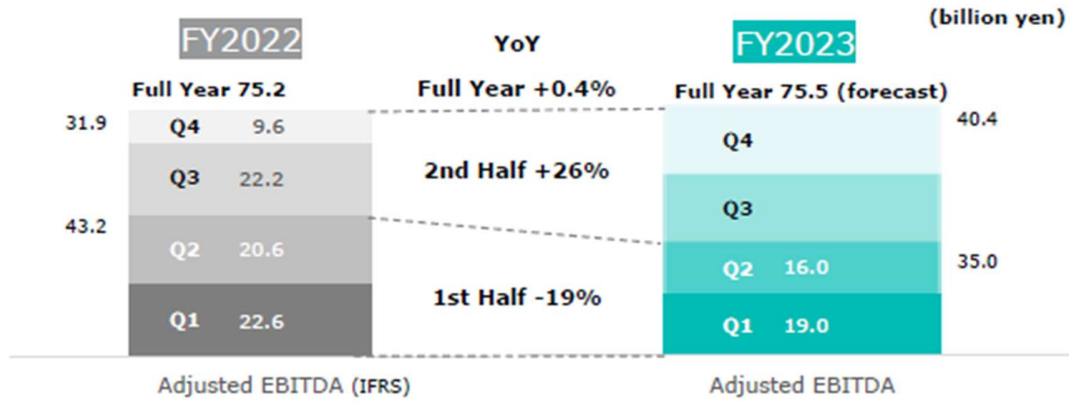
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Next is the forecast of operating profit in the second half. Last year, our strategy was to generate a large profit in the first half and make strategic investments in the second half. From the Mid-term Management Plan 2026, we are implementing strategic investments from the 1st quarter aiming to achieve almost an equal quarterly operating profit. In the second half, we are aiming to increase profits compared to the first half.

Progress in Adjusted EBITDA



Adjusted EBITDA declined 19% YoY in the 1st half of FY2023 but is expected to grow YoY in the 2nd half.



* Figures for Q3 and Q4 are estimates (not audited).

* Graph elements for Q3 and Q4 are for illustration purpose only.

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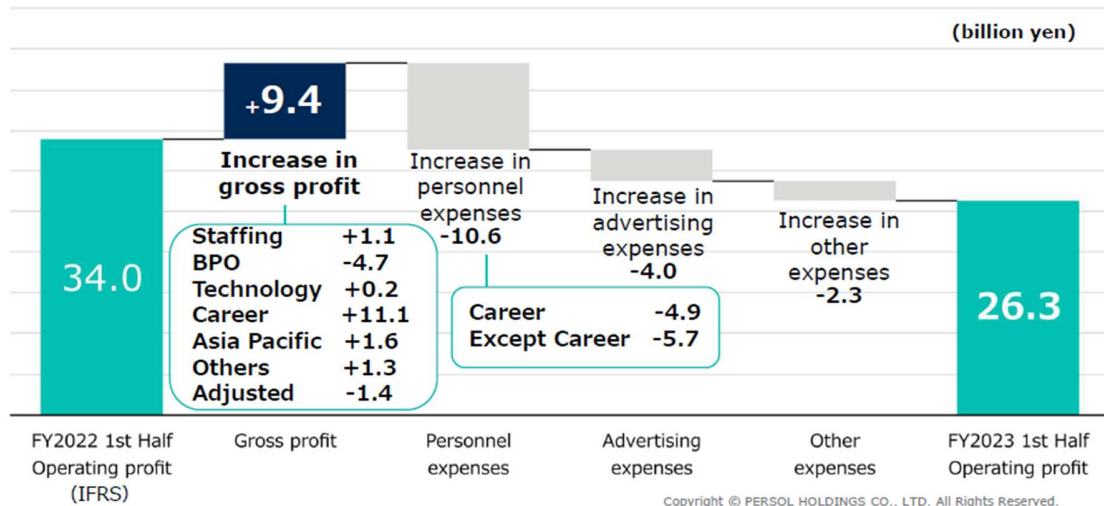
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As for adjusted EBITDA, as was the case for the operating profit in the previous section, we are to make a steady profit in the second half.

Analysis of Increase/Decrease in Operating Profit in FY2023 1st Half



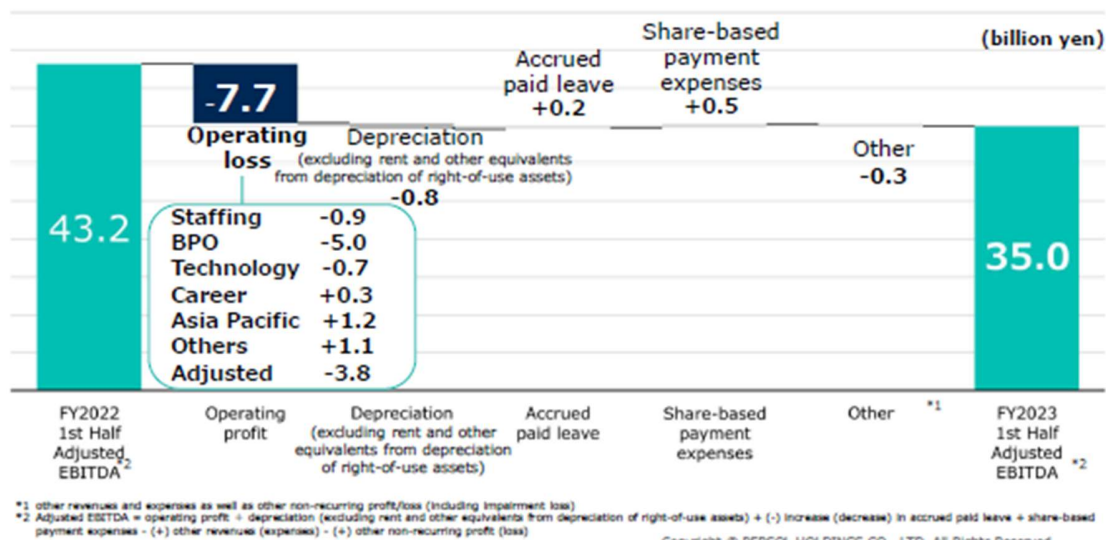
**Gross profit grew steadily.
Investments in human capital & marketing continued.**



Next is an analysis of the increase and decrease in operating profit compared to the first half of the previous year.

First of all, gross profit increased by 9.4 billion yen compared to the previous year. In particular, Career SBU achieved a large increase in gross profit of 11.1 billion yen year-on-year. As for expenses, personnel expenses including investments in human capital increased by 10.6 billion yen, and advertising expenses increased by 4 billion yen.

Analysis of Increase/Decrease in Adjusted EBITDA in FY2023 1st Half



The following is a comparison of adjusted EBITDA with the previous year. In addition to the increase and decrease in operating profit as I explained earlier, there was an increase in accrued paid leave and an adjustment for share-based payment expenses, but there were no major changes from the previous year.

(Reference) FY2023 1st Half Revenue by SBU



(IFRS, million yen)

	FY2022 1st Half Results	FY2023 1st Half Results	YoY	FY2023 Full-Year Forecasts	Progress Rate
Consolidated	607,256	654,887	+7.8%	1,340,000	48.9%
Staffing	266,808	286,459	+7.4%	597,000	48.0%
BPO	57,064	54,137	-5.1%	104,000	52.1%
Technology	43,259	49,415	+14.2%	102,000	48.4%
Career	49,070	63,388	+29.2%	137,000	46.3%
Asia Pacific*	191,650	203,223	+6.0%	399,000	50.9%
Others	15,094	16,550	+9.6%	39,000	42.4%
Adjusted	-15,692	-18,287	-	-38,000	-

Exchange rates [USD (PERSOLKELLY)] FY2022 1st Half: 134.0 yen, FY2023 1st Half: 141.1 yen/ [AUD (Programmed)] FY2022 1st Half: 93.6 yen, FY2023 1st Half: 93.3 yen

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The following is the status of revenue by SBU for the first half. First, the overall progress is 48.9%.

(Reference) FY2023 1st Half Operating Profit and OP Margin by SBU



(IFRS, million yen)

	FY2022 1st Half Results	FY2023 1st Half Results	YoY	FY2023 Full-Year Forecasts	Progress Rate
Consolidated	34,092 5.6%	26,379 4.0%	-22.6% -1.6pt	54,500 4.1%	48.4% -
Staffing	15,322 5.7%	14,420 5.0%	-5.9% -0.7pt	26,800 4.5%	53.8% -
BPO	7,736 13.6%	2,644 4.9%	-65.8% -8.7pt	7,200 6.9%	36.7% -
Technology	3,080 7.1%	2,339 4.7%	-24.1% -2.4pt	5,200 5.1%	45.0% -
Career	9,234 18.8%	9,629 15.2%	+4.3% -3.6pt	21,800 15.9%	44.2% -
Asia Pacific*	2,175 1.1%	3,464 1.7%	+59.2% +0.6pt	6,800 1.7%	50.9% -
Others	-2,049	-867	-	-2,900	-
Adjusted	-1,407	-5,251	-	-10,400	-

Exchange rates [USD (PERSOLKELLY)] FY2022 1st Half: 134.0 yen, FY2023 1st Half: 141.1 yen/ [AUD (Programmed)] FY2022 1st Half: 93.6 yen, FY2023 1st Half: 93.3 yen

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Next, I would like to show you the status of operating profit and OP margin by SBU. Overall, the progress was 48.4%.

The progress of Staffing SBU and Asia Pacific SBU exceeded 50%. On the other hand, the progress of BPO SBU and Technology SBU is slightly low in the first half, but due to the nature of the business, we expect to see an increase in profits in the second half. As for Career SBU, as Mr. Wada explained earlier, progress in the first half was 44% due in part to the business climate. In the second half, we would like to achieve an increase in profit by controlling costs.

**(Reference) FY2023 1st Half
Adjusted EBITDA and Adjusted EBITDA Margin by SBU**



(IFRS, million yen)

	FY2022 1st Half Results	FY2023 1st Half Results	YoY	FY2023 Full-Year Forecasts	Progress Rate
Consolidated	43,285 7.1%	35,039 5.4%	-19.0% -1.8pt	75,500 5.6%	46.4% -
Staffing	16,993 6.4%	15,931 5.6%	-6.3% -0.8pt	31,100 5.2%	51.2% -
BPO	8,834 15.5%	3,729 6.9%	-57.8% -8.6pt	9,600 9.2%	38.9% -
Technology	3,279 7.6%	2,713 5.5%	-17.2% -2.1pt	6,800 6.7%	39.9% -
Career	10,741 21.9%	11,893 18.8%	+10.7% -3.1pt	27,100 19.8%	43.9% -
Asia Pacific*	4,638 2.4%	5,347 2.6%	+15.3% +0.2pt	10,200 2.6%	52.4% -
Others	-902	-936	-	-600	-
Adjusted	-299	-3,639	-	-8,600	-

Exchange rates [USD (PERSOLKELLY)] FY2022 1st Half: 134.0 yen, FY2023 1st Half: 141.1 yen/ [AUD (Programmed)] FY2022 1st Half: 93.6 yen, FY2023 1st Half: 93.3 yen

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Next is adjusted EBITDA by SBU. It showed a similar progress as the operating profit mentioned earlier, so I will omit the explanation.

FY2023 Q2 Consolidated Statement of Financial Position



(IFRS, million yen)

	FY2022 Q4	FY2023 Q2	Changes		FY2022 Q4	FY2023 Q2	Changes
Current assets	301,445	299,804	-1,641	Current liabilities	249,552	247,821	-1,730
(Major breakdown)				(Major breakdown)			
Cash and cash equivalents	101,233	102,753	+1,519	Trade and other payables	93,688	95,021	+1,332
Trade and other receivables	162,853	160,684	-2,168	Bonds and borrowings	21,174	15,782	-5,392
Non-current assets	187,283	197,265	+9,982	Non-current liabilities	55,647	49,996	-5,650
(Major breakdown)				(Major breakdown)			
Goodwill	58,465	60,258	+1,793	Bonds and borrowings	30,117	20,000	-10,117
Intangible assets	35,250	37,345	+2,094	Total liabilities	305,199	297,818	-7,381
Right-of-use assets	28,168	31,685	+3,517	Equity	183,529	199,251	+15,722
Total assets	488,728	497,069	+8,341	Total liabilities and equity	488,728	497,069	+8,341

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The following is the status of the balance sheet. The slide shows the status in September compared to the end of March, and there were no big changes. Looking at the liabilities section, we have repaid 15 billion yen in both short-term and long-term borrowings. In addition, the equity increased by 15.7 billion yen compared to the end of March.

Balance of Goodwill



(million yen)

SBU	As of March 31, 2023	As of Sept. 30, 2023
Staffing	8,177	8,177
BPO	6,362	6,362
Technology	1,988	1,988
Career	16,712	16,712
Asia Pacific	23,526	25,319
PERSOLKELLY	1,805	1,947
Programmed Staffing	5,898	6,317
Programmed Property Services	1,282	1,374
Programmed Facility Management	11,507	12,342
Programmed Others	1,160	1,242
Others	1,870	2,095
Other than the above	1,698	1,698
Total	58,465	60,258

Exchange rates [USD (PERSOLKELLY)] FY2022Q4: 133.5 yen, FY2023Q2: 149.6 yen
[AUD (Programmed)] FY2022Q4: 89.7 yen, FY2023Q2: 96.1 yen

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Regarding goodwill, there was a slight increase in Asia Pacific SBU due to the effect of exchange rates, but overall, there were no major changes.

FY2023 Q2 Consolidated Cash Flow Statement



Cash flows from operating activities increased YoY as income from changes in receivables and payables exceeded the decrease in profit before tax. Free cash flow increased significantly YoY due to increases in cash flows from operating activities and cash flows from investing activities.

(million yen)	FY2022 Q2 Cumulative	FY2023 Q2 Cumulative	Changes
Cash flows from operating activities	26,709	40,867	+14,158
(Major breakdown)			
Profit before tax	33,992	25,982	-8,009
Decrease (increase) in trade and other receivables	3,016	6,414	+3,398
Cash flows from investing activities	-13,871	-7,781	+6,090
(Major breakdown)			
Purchase of intangible assets	-4,640	-5,562	-922
Payments for acquisition of businesses	-1,453	-	+1,453
Free cash flow	12,838	33,086	+20,248
Cash flows from financing activities	-21,131	-33,609	-12,478
(Major breakdown)			
Redemption of bonds	-	-10,000	-10,000
Net increase (decrease) in short-term borrowings	729	-5,968	-6,697
Cash and cash equivalents at end of period	88,585	102,753	+14,167

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Next, I would like to explain the status of cash flow.

Operating cash flow for the first half was 40.8 billion yen, a significant increase. In addition, investment cash flow was negative 7.7 billion yen due to no business transfers or M&A in the first half, and free cash flow was 33 billion yen compared to 12.8 billion yen last year, which is a significant improvement.

Financial Results by SBU for the 1st Half of FY2023

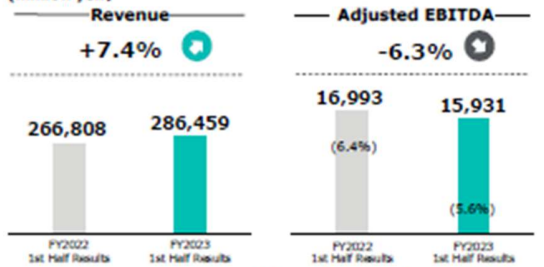
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Next, I will give an overview of financial results by SBU for the first half as well as the current situation.

Financial Results by SBU for the 1st Half -Staffing SBU-



FY2023 1st Half
(million yen)



* Figures in the parentheses indicate adjusted EBITDA margin.

Comments on the quarter (July to September 2023)

- Revenue increased 7.4% year on year.
- Adjusted EBITDA decreased by 6.3% as a result of cost increases due to changes in the social insurance system, etc.

Analysis of increases/decrease in sales (YoY)	Unit	FY2023 Quarterly result			
		Q1	Q2	Q3	Q4
Revenue	%	+5.4%	+5.3%		
Revenue from temporary staffing	%				
Number of persons employed	%	+5.4%	+5.1%		
Average billing rate	%	+2.6%	+2.7%		
Working days	%	+1.5%	-		
Working hours*	%	-0.1%	+0.3%		
Other revenue changes, etc.	%	-2.0%	-1.0%		
Revenue from outsourcing	%	-0.5%	-0.6%		
Others	%	-1.5%	-1.2%		

KPI	Unit	FY2023				FY2022 (Reference)			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Staffing KPI									
Number of persons employed	Thousand people	121	122			113	116	119	121
Average billing rate	Yen	2,263	2,267			2,201	2,202	2,204	2,215
Working days	Day	62	59	61	58	61	59	60	60
No. of orders YoY*	%	-5.1%	-5.4%			-	-	-	-
No. of confirmed contracts YoY*	%	-3.1%	-9.2%			-	-	-	-
No. of contract terminations YoY	%	-3.6%	-1.9%			-	-	-	-

Number of persons employed: Average number of long-term temporary workers as of the first business day of each month.
* Long-term: Contract over 3 months

Average billing rate: Average billed unit price of the dispatch contract during the respective period (long term/short term/one-off)
(Common across Staffing SBU)

Working days: No. of opening days - No. of planned paid days

Working hours*1: Average actual hours worked (total number of hours including hours worked overtime) under dispatch contracts (long term/short term/one-off) in the subject months at PERSOL TEMPSTAFF CO., LTD.

No. of orders*2: Number of persons involved in orders for temporary staffing that were placed in the subject months

No. of confirmed contracts*2: Number of dispatch contracts which have initial contract start date in the subject months

No. of contract terminations: Number of dispatch contracts which have date of termination in the subject months
* Aggregated numbers of long-term contracts (= contracts over 3 months)

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First, our main business of Staffing SBU, the revenue increased by 7.4% year-on-year. As for adjusted EBITDA, as shown in the lower left, it decreased by 6.3% due to changes in the social insurance system from last October and in the rate of premiums from this April, but we believe other expenses were under control. Regarding current sales KPIs, the number of persons employed increased by 5.1% in the 2nd quarter year-on-year, and the billing rates also increased by approximately 3%.

Regarding the current sales performance, both the number of orders and confirmed contracts are slightly weak year-on-year. However, the number of contract terminations is improving, as you can see, and the number of persons employed has increased to 122,000.

Business Topics: Staffing SBU



Career Development Support Project by the Ministry of Economy, Trade and Industry

▶ Use of a subsidy from the Ministry of Economy, Trade and Industry for reskilling

-- Some courses of GLOBIS Manabi Houdai are also subsidized --

The company began to accept applications for courses subsidized under the Career Development Support Program in August 2023. In addition to unique reskilling courses, some of the **GLOBIS Manabi Houdai** (GLOBIS unlimited learning) courses, which are provided by **GLOBIS Corporation**, are also subsidized.



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リスキリングを通じた
キャリアアップ支援事業

The company is proactive in providing reskilling opportunities, including the development of digital human resources, thus supporting career development of individuals.

Details are available [here](#). (Only available in Japanese)

Financial Well-being

▶ Enhancement of career support programs

-- Helping to eliminate future financial concern --

In addition to career support, the company began to provide staff with support for using online asset management services on October 2, 2023 under the concept of helping staff build up assets, eliminate future financial concerns, and enrich their lives. This initiative was realized through a collaboration between **Minna Bank** and **Daiwa Connect Securities**, with which the company formed a partnership.



The services are provided to make it easier to take the first step to build up assets in accordance with the trend of shifting from deposit to investment.

Details are available [here](#). (Only available in Japanese)

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As part of Staffing SBU initiatives, we offer reskilling opportunities to our staff members, and we also offer finance-related services to help them achieve well-being. Due to time constraints, I will skip the details.

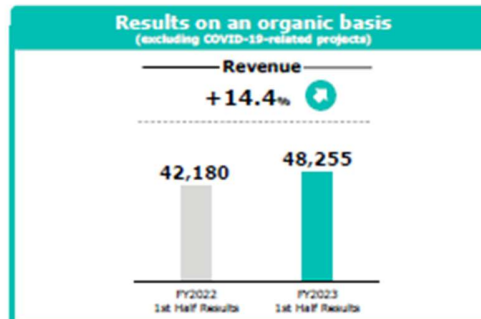
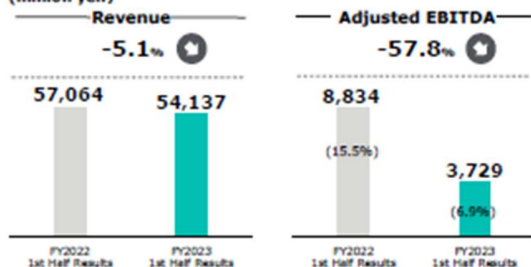
Financial Results by SBU for the 1st Half

-BPO SBU-

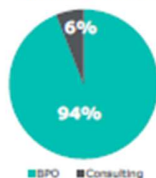
Demand is strong. Adjusted EBITDA margin also increased from Q1 due to an increase in the number of active staff. (Q1 6.2% → Q2 7.5% +1.3pt)



FY2023 1st Half
(million yen)



Composition of revenue
Business area



Organic business performance	Unit	FY2022				FY2023			
		Q1	Q2	Q3 ^{*1}	Q4 ^{*1}	Q1	Q2	Q3	Q4
Revenue	M.JPY	28,132	28,931	30,540	29,379	26,520	27,617		
Organic ²⁾	M.JPY	20,378	21,802	22,941	24,905	23,505	24,749		

*1 FY2022 Q3-Q4 Unaudited

*2 Calculated by subtracting the estimated values for COVID-19-related projects

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The second SBU is BPO SBU. As I explained at the beginning of this presentation, both revenue and adjusted EBITDA are negative as in the 1st quarter because of the drop in revenue due to COVID-19. On the other hand, the organic businesses other than the pandemic-related ones are performing well, with a 14.4% increase compared to the previous year.

Business Topics: BPO SBU



<p>[1. Women + Development of digital human resources] FY2023 Project to Promote Development of Female Digital Human Resources Commissioned by Saitama Prefectural Government ~ More than 1,000 applicants in one month since applications began to be accepted ~</p> 	<p>[2. Coordination with local governments] Kobe Myodani Work Lab SUMAile (pronounced smile), a place for working close to home, opened in coordination with the city government of Kobe</p> 	<p>[3. Childcare support] "Kurumin" certification acquired as a company supporting childcare</p> 
<p>[4. GX initiatives for decarbonization] Providing companies with one-stop optimal solutions, including support for calculation of GHG emissions, formulation of a reduction plan, and support for practical operations aimed at decarbonized management</p> 	<p>[5. Healthcare field] Launch of services in the Program for Tackling Diabetes in the Early Stage, implemented by using AI nutritionist</p> 	<p>[6. Social contribution activities] ~ A special class on ICT given using drones to approx. 150 sixth graders of Toyosu Kita Elementary School on the Disaster Prevention Day ~</p> 

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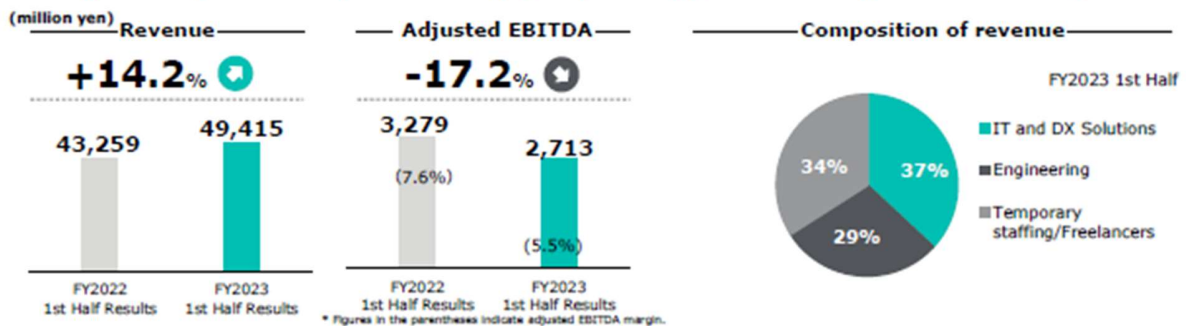
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Let me briefly explain the major initiatives at BPO SBU. The top middle shows the Work Lab in Kobe Myodani that we opened in collaboration with the city of Kobe, and the bottom left shows the carbon neutrality initiatives that we are supporting for the enthusiastic efforts made by various companies

Financial Results by SBU for the 1st Half -Technology SBU -



Gross profit margin was steady at 21.8% in Q2 (+4.8pt over Q1). 100% of new graduates were assigned in Oct.



Comments on the quarter (July to September 2023)

- | | |
|--|--|
| <p>IT and DX Solutions</p> <ul style="list-style-type: none"> ■ The performance was strong due to brisk demand for DX. ■ No. of engineers (end of period): 3,010 (Up 11.8% YoY) ■ Operating rate (end of period) : 85.3% ■ Q2 average unit price/month (including BP, 3 months): 1,070 thousand yen <p>Temporary staffing/Freelancers</p> <ul style="list-style-type: none"> ■ Strong results in both IT area and engineering area. ■ Number of dispatched engineers (employed, end of period): 4,840 (Up 4.5% YoY) ■ Q2 average billing rate (3 months): 3,870 yen | <p>Engineering</p> <ul style="list-style-type: none"> ■ Demand remains strong. ■ No. of engineers (end of period): 3,260 (Up 4.1% YoY) ■ Operating rate (end of period) : 93.5% ■ Q2 average unit price/month (including BP, 3 months): 764,000 yen <p>Hiring of engineers (overall SBU)</p> <ul style="list-style-type: none"> ■ 100% of new graduates were assigned in October. ■ The number of persons hired in the 1st half was 788 (up 69.8% YoY; including 481 new graduates). ■ Secured new graduates and mid-career engineers as planned. |
|--|--|

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The third SBU is Technology SBU, which is performing well with a 14% increase in revenue compared to the previous year. This SBU has three major KPIs including the number of engineers, the operating rate and the billing rate. As I explained at the announcement of the 1st quarter financial results, we hired 480 new graduates, and as of today, all of them have been assigned to their respective positions. As a result, the operating rate of the IT department improved to 85%, and the operating rate of the engineering department has grown to 93.5%. We would like to further improve the operating rates to around 95% in the 3rd and 4th quarters.

Business Topics: Technology SBU

- Stepping up development of digital human resources further
- Basic agreement on establishment of a JV with Serverworks
(See the press release dated August 31.)



Persol Cross Technology Co., Ltd.

Head office: Shinjuku-ku, Tokyo
 Representative: Shinji Masaki, President and Representative Director
 Capital: 495 million yen
 Shareholder: Persol Holdings Co., Ltd. **100%**



- Scope of business: Technology solution business
- An extensive customer base and track record and expertise in the temporary staffing business
- Ability to recruit human resources

Serverworks Co., Ltd.

Head office: Shinjuku-ku, Tokyo
 Representative: Ryo Oishi, Representative Director and President
 Capital: 3,250 million yen



- Listed on TSE Standard Market Code number: **4434**
- Scope of business: System planning, development, and operation using cloud computing, and others
- Technological competence held as an AWS Premier Tier Services Partner
- Firm system for supporting use of cloud computing

Scheduled to start service in April 2024*

Persol & Serverworks Co., Ltd.

Head Office: Shinjuku-ku, Tokyo
 Representative: Junya Ueki, Representative Director

Capital (including capital reserve): 900 million yen
 Investment ratio (planned): Persol Cross Technology Co., Ltd. **66.6%**
 Serverworks Co., Ltd. **33.4%**

Scope of business:

Promotion of customers' strategies and DX, introduction, design, and development of cloud services, operation and maintenance, etc.

Developing excellent human resources
 Securing AWS engineers

*Assumption to acquire license of worker dispatching business

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As for the Technology SBU initiatives, we have already announced that we have established a joint venture called "PERSOL & SERVERWORKS" together with SERVERWORKS, a very leading AWS building service provider. We are currently preparing for the launch of the service in April next year.

Business Topics: Technology SBU

- Exhibition of PARTNER MOBILITY ONE, a bench-type, self-driving mobility vehicle, at JAPAN MOBILITY SHOW 2023



What is PARTNER MOBILITY ONE?

A self-driving mobility vehicle that was developed jointly* by assuming use in large theme parks, parks, stations, medical institutions, and other facilities

*PERSOL CROSS TECHNOLOGY, which has a wealth of technologies and knowledge related to transportation equipment including automobiles, was in charge of the design and development of the vehicle. Kurume Institute of Technology planned and supervised the vehicle development while Le DESIGN designed the vehicle body.

Two to three persons can ride on it side-by-side with their baggage. It provides a new mobility style under the concept: Travel time spent together enjoying not only conversation but also the same landscape from the same viewpoint.



Outline of the exhibition

Japan Mobility Show

Hosted by: Japan Automobile Manufacturers Association, Inc.

Date: Thursday, October 26 to Sunday, November 5, 2023

Venue: Tokyo Big Sight

The Company's Booth:

LIFE & MOBILITY, Tokyo Future Tour
 (West Hall 1 and 2, West Exhibition Halls)

Official website: <https://www.japan-mobility-show.com/>



* Scene of the exhibition 25

We also exhibited a mobility system that we were involved in at the Japan Mobility Show.

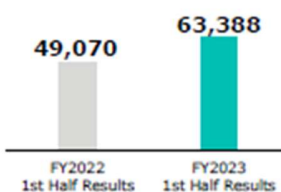
Financial Results by SBU for the 1st Half –Career SBU–



(million yen)

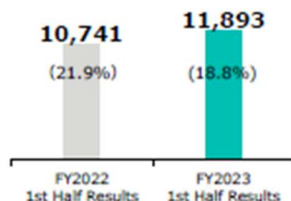
Revenue

+29.2%



Adjusted EBITDA

+10.7%



* Figures in the parentheses indicate adjusted EBITDA margin.

Composition of revenue



Comments on the quarter (July to September 2023)

Placement business

- Revenue increased approx. 30% YoY.
- The Head Count (HC)* remained strong, up 25% YoY to 2,261 on average
- Productivity (revenue ÷ HC) remained unchanged (+0% YoY), at 2,730 thousand yen on average in the Q2 under review.

Job recruitment media

- Revenue increased approx. 20% YoY.

Trends in the job-change market

- While some companies curbed hiring, demand for recruiting industry-ready and high-class human resources remained brisk and is expected to remain in the 2nd half and onward.

* Total number of Career Advisors, Recruiting Advisors, Project Agents, etc.

The fourth SBU is Career SBU. This SBU is the pillar of our growth in the current mid-term management plan and this fiscal year. First, the revenue increased by 29%. We have announced a forecast of 30% for the full year, but for the first half, the revenue increased by 29%. Adjusted EBITDA increased by approximately 10% because we made strategic investments. Looking at the breakdown, the placement business increased by approximately 30%, and the job recruitment media increased by approximately 20%. While keeping a close eye on business conditions and controlling costs, we will control Career SBU in the second half of the year.

Business Topics: Career SBU



Japan Alumni Award 2023 Winner of the Grand Prize in the "Design for Aspiration" category

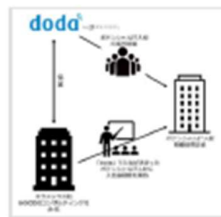
- The Grand Prize was awarded in recognition of the fact that the company's initiatives, including the establishment of the Alumni Community to create opportunities for reemployment and outsourcing, are consistently aligned with its aspiration to help people seize the "work" that they seek on their own volition.



Details are available [here](#)
(Only available in Japanese)

Formed a business alliance with three IT engineer training companies, aiming to produce the next generation of IT human resources

- As a first step in a collaborative effort, the job search service "doda" held a seminar for individuals aiming to become IT human resources in October 2023, together with Yahoo! Tech Academy (*Currently, LINE Yahoo Tech Academy) operated by KIRAMEX and Yahoo Japan, and div's Tech Camp.



Details are available [here](#)
(Only available in Japanese)

HiPro, a comprehensive support service for the utilization of professional human resources, begins the second "Skill Return" project in Yamagata Prefecture

- HiPro's second "Skill Return" project is underway in Yamagata Prefecture. HiPro aims to bring about a society in which individuals and companies grow together, with individuals giving back their skills to more companies without being hired. In other words, a "skill-circulating society."



Details are available [here](#)
(Only available in Japanese)

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As for the Career SBU initiatives, we believe that the shortage of IT engineers is a major issue in Japan, so we have formed business alliances with other companies and we are training IT engineers.

Financial Results by SBU for the 1st Half –Asia Pacific SBU–



(million yen)

— Revenue —

+6.0%

191,650 203,223

FY2022 FY2023
1st Half Results 1st Half Results

— Adjusted EBITDA —

+15.3%

4,638 5,347

(2.4%) (2.6%)

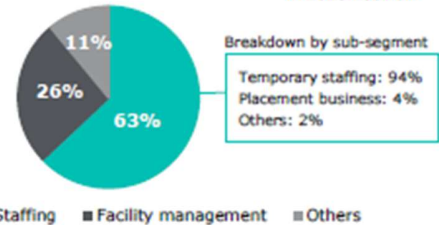
FY2022 FY2023
1st Half Results 1st Half Results

* Figures in the parentheses indicate adjusted EBITDA margin.

— Composition of revenue —

* Changed from revenue by company to revenue by business from FY2023

FY2023 1st Half



■ Staffing ■ Facility management ■ Others

Comments on the quarter (July to September 2023)

Staffing

- While the placement business was sluggish in some countries, temporary staffing basically remained strong in all countries.
- HC (number of consultants) in the placement business was 1,166 on average in the Q2 under review.
- The cost was reduced steadily in accordance with the Mid-term Management Plan 2026, partly reflecting progress in the use of the shared services center in Malaysia.

Facility management

- Steady growth was achieved in the facility management business, in which we manage, maintain, and repair a wide range of facilities including airports, waterworks facilities, and schools.

Notes 1. The previously three-month lag in the incorporation of consolidated financial statements was changed to the same timing in FY2023, taking the opportunity of the transition to IFRS.
2. Exchange rates [USD (PERSOLKELLY)] FY2022 1st Half: 134.0 yen, FY2023 1st Half: 141.1 yen/ [AUD (Programmed)] FY2022 1st Half: 93.6 yen, FY2023 1st Half: 93.3 yen

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The last SBU is Asia Pacific SBU. We have increased revenue by 6% and adjusted EBITDA by 15%. We disclosed the Asia Pacific SBU's medium-term management plan in August last year ahead of time, and the performance is on track. Let me explain some details. Staffing, which accounts for about 60%, is now returning to the level of pre-COVID-19 in most countries, although there are some sluggish countries in Asia. We have established a shared service center in Malaysia where we are working to reduce costs. Our second business, facility management, which manages facilities at airports, waterworks, and schools, is also performing steadily, so we were able to achieve an overall increase in both revenue and profit.

(Reference) Breakdown of Asia Pacific SBU Results by PERSOLKELLY and Programmed



(million yen)

	FY2022 Q2	FY2023 Q2	YoY	FY2022 1st Half	FY2023 1st Half	YoY
Revenue	97,759	100,954	+3.3%	191,650	203,223	+6.0%
PERSOLKELLY	23,374	26,348	+12.7%	46,487	52,074	+12.0%
Programmed	74,382	73,984	-0.5%	145,160	150,069	+3.4%
Operating profit	1,245	1,624	+30.4%	2,175	3,464	+59.2%
PERSOLKELLY	833	719	-13.7%	1,436	1,398	-2.7%
Programmed	639	1,187	+85.6%	1,097	2,811	+156.1%
Adjusted EBITDA	2,486	2,751	+10.7%	4,638	5,347	+15.3%

Notes 1: This SBU consists of an administrative department overseeing businesses and other organizations in addition to PERSOLKELLY and Programmed. Results of the said department, etc. are not included in the above, so the total values for each item differ from the sum of PERSOLKELLY and Programmed

2: Exchange rates [USD (PERSOLKELLY)] FY2022 1st Half: 134.0 yen, FY2023 1st Half: 141.1 yen/ [AUD (Programmed)] FY2022 1st Half: 93.6 yen, FY2023 1st Half: 93.3 yen

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This is a breakdown of revenue and operating profit of PERSOLKELLY and Programmed in Asia Pacific SBU. The first half results of Programmed who operates mainly in Australia and New Zealand, were 2.8 billion yen, compared to 1 billion yen in the first half of the previous year, so we believe the business is favorably progressing.

Business Topics: APAC SBU

Programmed wins Business Partner of the Year at the 2023 Melbourne Airport Excellence Awards Gala



Programmed Facility Management AU

Programmed Facility Management was awarded "Business Partner of the Year" at the 2023 Melbourne Airport Excellence Awards Gala, which took place at the Ritz Carlton on June 16th.

Despite the challenges posed by the pandemic, the team persevered and emerged even stronger. This win is a testament to their hard work and dedication in working on the Melbourne Airport Partnership.

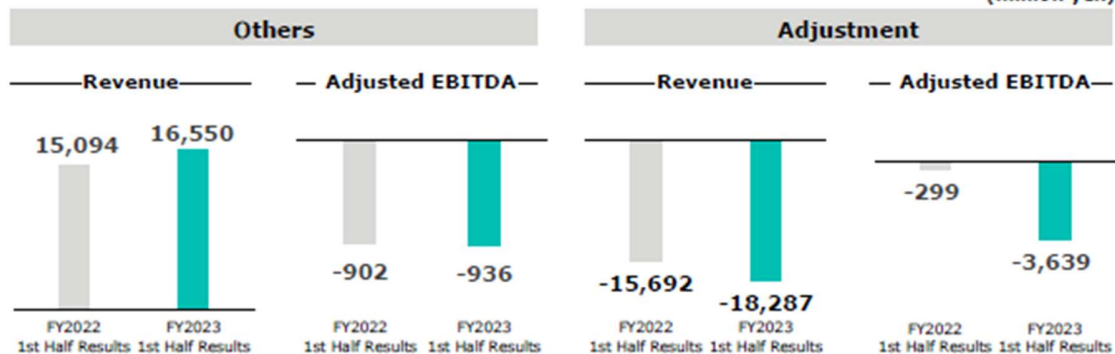


In Australia, we are in charge of facility management at Melbourne Airport, and this time we were able to win an award. I would like to skip the details, due to time constraints.

Financial Results by SBU for the 1st Half -Others and Adjustment-



(million yen)



Comments on the quarter (July to September 2023)

- In R&D FU, revenue from core businesses increased basically
- The operating loss decreased in R&D FU due to the effect of the above revenue increase. On the other hand, the operating loss slightly increased in other businesses due to an increase in expenses.

Comments on the quarter (July to September 2023)

- Increase in adjustments due to intersegment transactions with SBUs
- An increase mainly in personnel expenses and outsourcing expenses for corporate measures, etc.

Note: For details of Others and Adjustment, please refer to notes on segment information, etc. in the Consolidated Financial Results.
*FU: Function Unit

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Lastly, I will touch upon the status of Others and Adjustment which are not part of any SBU. As for Others, the R&D Function Unit increased its revenue, while adjusted EBITDA was almost flat. Regarding Adjustment, as shown on the slide, inter-segment adjustments with SBUs increased, resulting in a large negative figure, but we believe that the actual increase in expenses is being controlled at around 600 to 700 million yen.

This concludes my explanation about the overview of the first half of the fiscal year.

Placement market and mid- to long-term growth strategy of Career SBU

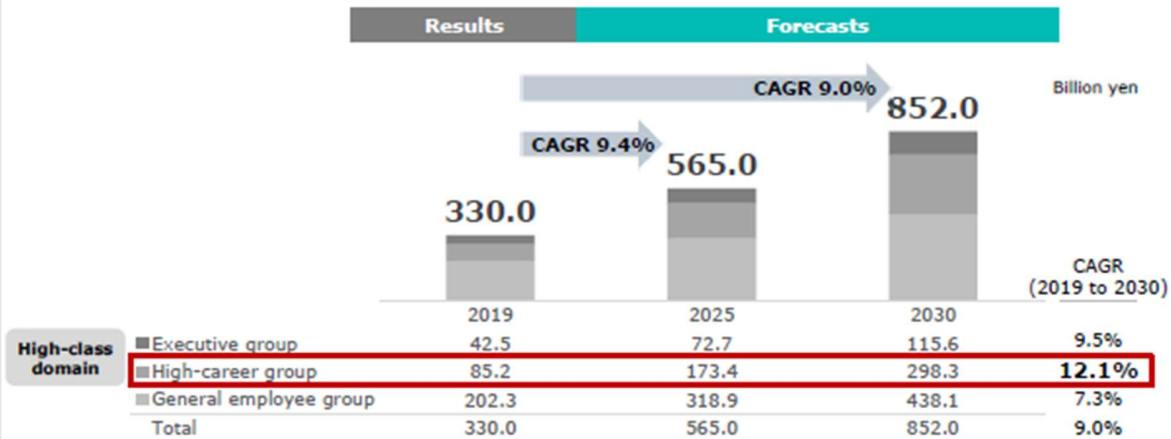
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【Wada】 Now I would like to explain about the placement business, the mid- to long-term strategy of the Career SBU.

Mid- to Long-term Growth Prospects of Placement Market



- The average annual growth rate of placement market in the period until 2030 is assumed to be 9%.
- By area, the average annual growth rate of high-career group was highest, at approx. 12%, and the market size is expected to peak at approx. 300.0 billion yen in 2030.



Source: Yano Research Institute Ltd., *Jinzai Business-no Genjo-to Tenbo (Current State and Prospects of Human Resources Business)*/ Forecast values were calculated based on past CAGR.

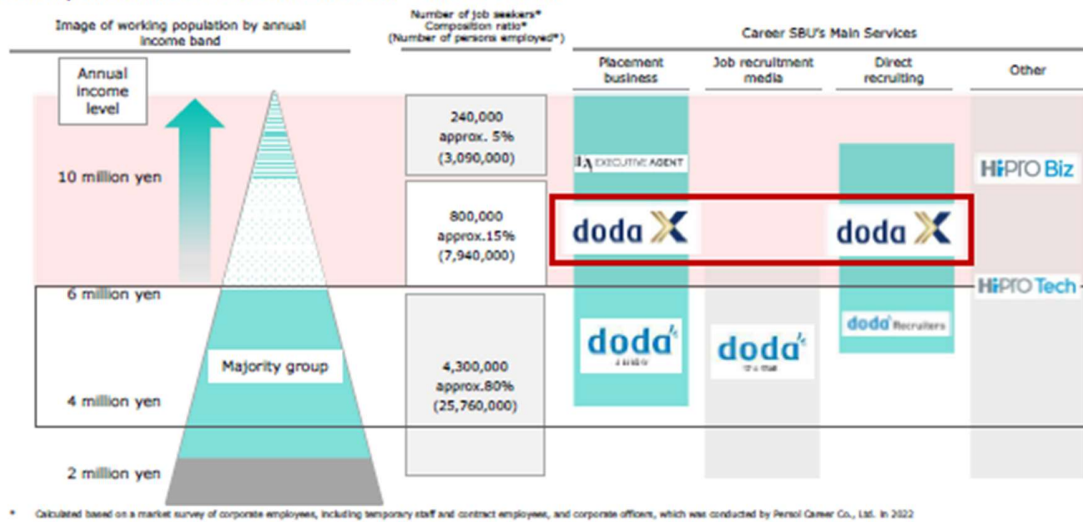
33

First, let me talk about the market. We have been working on various initiatives for 2030, and we expect the placement market will continue to grow significantly toward 2030. In particular, we see this market growing at a CAGR of more than 9%, and we believe that it will continue to be very promising. Particularly, the growth of the high-career group, which is highlighted in red, is expected to be greater than that of the other general employee group and the executive group. We therefore see the market as increasing the number of job changes and the willingness to change jobs among this high-career group.

Targeted Annual Income Group of Career SBU's Main Services



- The main target of *doda*, our representative brand, is the majority group with annual income range of 4 to 6 million yen.
- In addition, PERSOL will aim to broaden the high-class domain with new services, including *doda X*, which has been rebranded in October 2022.



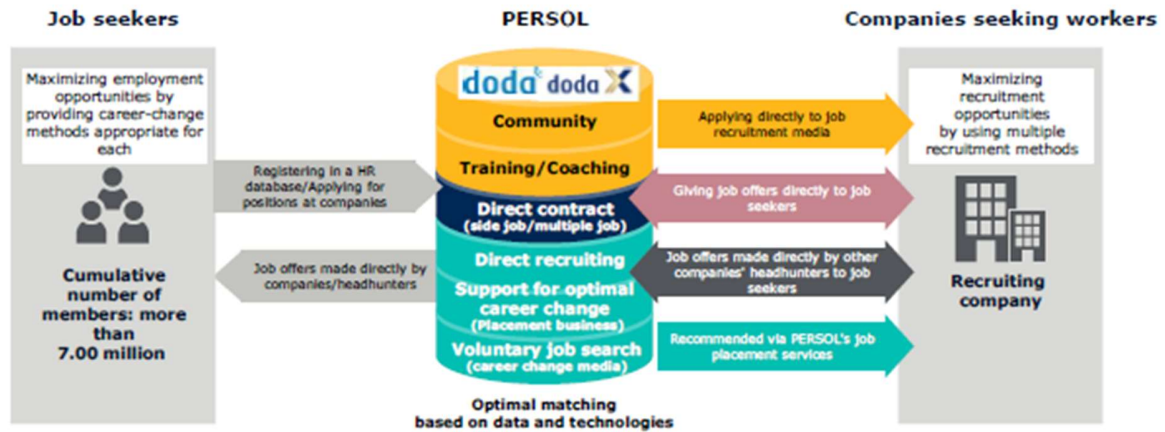
34

As you can see on the next page, our specialty is in this volume zone, the general employee group. The annual salary range of 4 to 6 million yen is the largest volume zone. and we have a wide coverage. On top of this, we are targeting the high-career group where the market will be growing, and so we are working to grow this group as well. As you can see, we are now promoting *doda X*. In this domain, in particular, we are accumulating a solid data base to create value in the future. We are proceeding with this.

A unique business model based on multitiered recruitment solutions



Provide both job seekers and companies seeking workers with the optimal choices from multitiered recruitment solutions, in accordance with respective situations and needs, thus creating as many work opportunities as possible.



The next page describes how we will be differentiating *doda's* strategy and our placement business from our competitors and leading them to success. First, from a job seeker's point of view, *doda* offers a variety of services that, if used, will lead to employment, in other words, to finding a job. The first step is to join our community, and then you can receive training, coaching, and experience reskilling and upskilling through direct side jobs, or you can be approached directly by a recruiter. From the recruiting companies' point of view, using media, direct recruiting, job placement services, or any other method, they want to hire good personnel that they wish to acquire. To increase such a hiring rate drastically, our approach and strategy are to provide a one-stop shop for both services within *doda's* one database. This is now working very well, and as I mentioned earlier, in Career SBU, we have achieved 29% growth.

Interim Dividend, Year-end Dividend Forecast

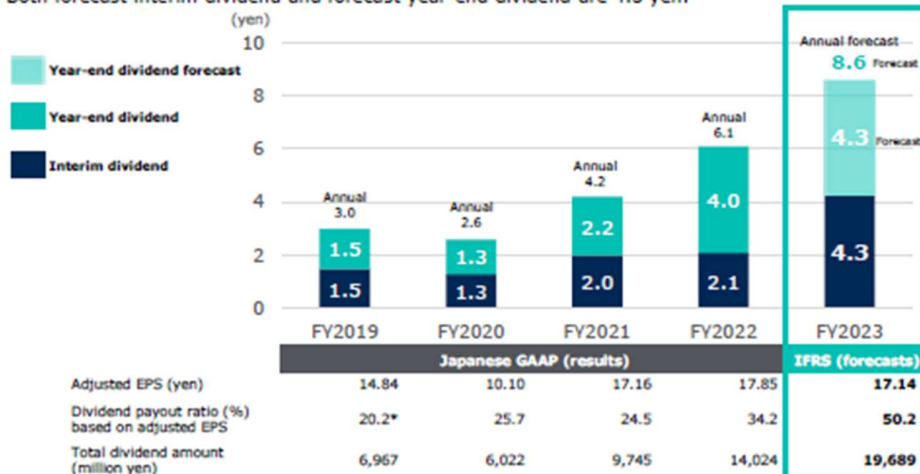
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Next, I would like to move on to the dividend section.

Interim and Year-end Dividend Forecasts (Values reflecting the stock split effective on October 1, 2023)



- The forecast adjusted EPS of FY2023 is 17.14 yen, so the forecast annual dividend is expected to be 8.6 yen in accordance with the dividend policy (approx. 50% of adjusted EPS) under the Mid-term Management Plan 2026.
- Both forecast interim dividend and forecast year-end dividend are 4.3 yen.



Note: Since the Company implemented a 10-for-1 split of its common stock, effective October 1, 2023, values for the amount of dividend per share and adjusted EPS, including values for past fiscal years, were converted by assuming that stock split has been implemented.

* The dividend payout ratio for FY2019 was calculated by converting the base profit to adjusted EPS.

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As we implemented a 10-for-1 split of the common stock, this table is shown this way deliberately so that you can see the comparison with the previous year. As I explained earlier, 50% of adjusted EPS will be used for dividends, and the interim dividend of 4.3 yen is shown in this chart. The reference level is 4.3 yen, and the year-end dividend will be 4.3 yen after a 10-for-1 split. For the full year, we plan to pay a total of 19.689 billion yen in dividends.

Group Topics

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And finally, I would like to share with you the Group Topics.

Launch of PERSOL MIRAIZ, a free reskilling service for individuals



~Comprehensive support for the process from skill acquisition and career counseling to job changing~

- Professional counselors provide support in not only selecting learning courses but also becoming more motivated to continue learning, toward the acquisition of skills useful for career development.
- In addition, after skills are acquired, advice is given through career counselling about what career paths are possible. For those who desire a career change, the "doda" career change service continues to provide support until they reach the next stage in their career.

Details are available [here](#) (Only available in Japanese)



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As mentioned in the table two slides ago, *doda*'s initiatives are to support the reskilling and upskilling which will lead to a job change or other such activities in the future. We have started a free skills and reskilling service for individuals based on this concept. We have named the service "PERSOL MIRAIZ". We are not only providing the infrastructure, but also various counseling services, and of course, support for continued learning, as well as a companion service that will lead to a job change in the future. That's how we have started PERSOL MIRAIZ.

Participation in the Nikkei Reskilling Summit 2023



- PERSOL Group participated in the "Nikkei Reskilling Summit 2023 ~Issues and Challenges to Overcome to Be a Reskilling-based Nation~" which was held on August 31 and September 1.
- At the special discussion roundtable, on the theme of "Getting through reskilling," CEO Wada spoke with Prime Minister Fumio Kishida and other participants .

Details are available [here](#) (Only available in Japanese)

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Lastly, I think that reskilling is a very important theme, and I recognize that it is also very important for Japanese companies to increase productivity in order to respond to this shortage of human resources and lack of popularity, to improve individual skills, and to allocate human resources to new businesses. We at PERSOL want to promote these initiatives to the market as well, and particularly, while we can provide opportunities directly through the placement business. But in the stage prior to that, there are people who have actually taken on a side job or a dual-income job and have felt that their skills had improved and that they were able to reskill themselves, and we can present such data to the market and support better job changes or reskilling within the companies. Because we are working to become a Career Well-being creation company, we would like to continue to promote efforts toward the realization of well-being through work, especially for those who are working.

That is all from me.