

INTEGRATED REPORT

2023



 PERSOL

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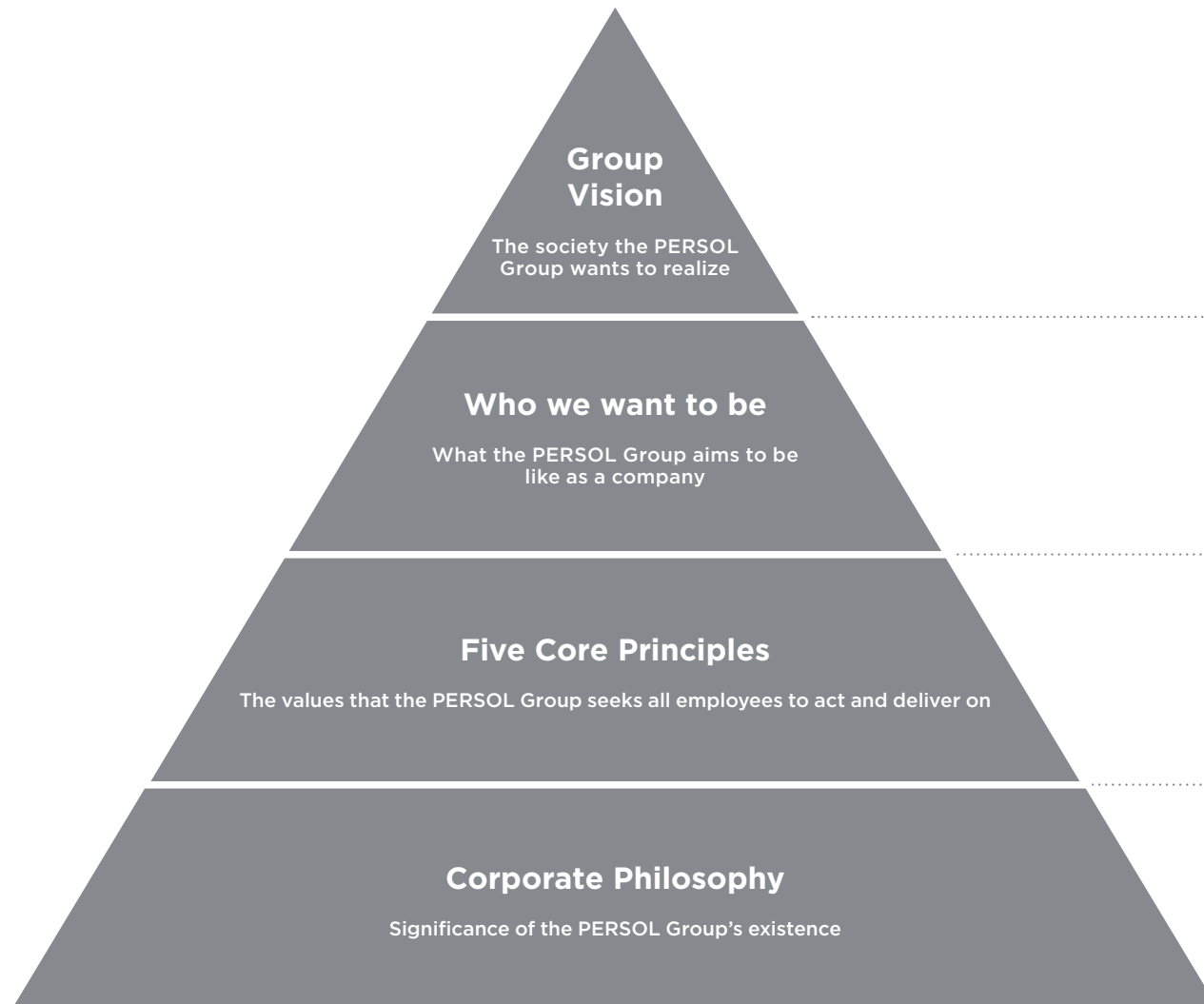
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About the PERSOL Group

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PERSOL Group's Vision Structure

PERSOL Group's Vision Structure



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.

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.

Authentic Customer-Focus
Professional Teamwork Innovative

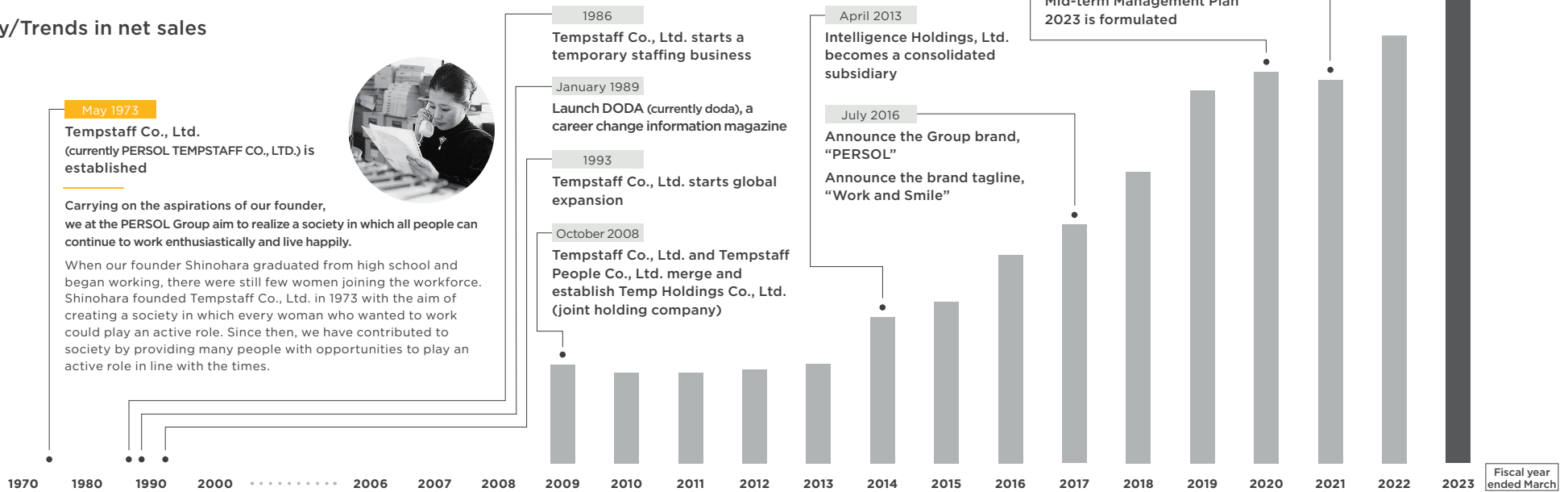
Providing Opportunity Individual Growth
Social Contribution

History of the PERSOL Group

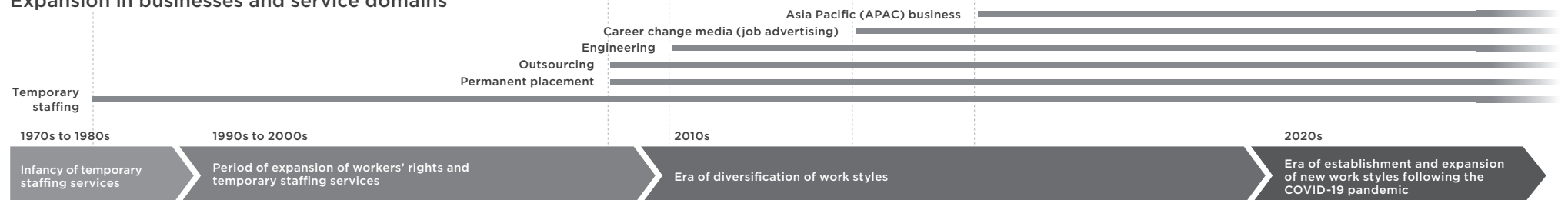
History of the PERSOL Group

The roots of the PERSOL Group go back to Tempstaff Co., Ltd., which was founded in 1973. The company was born at a time when the concept of temporary staffing had not arrived in Japan, and we have led the industry by providing our services as a new work style to a large number of people. Since then, as a comprehensive human resource services provider, we have worked with many companies and expanded our businesses in line with the wishes of working individuals and the needs of the times.

History/Trends in net sales



Expansion in businesses and service domains



At a glance

At a glance

PERSOL Group's business and service domains

The PERSOL Group provides diverse services aimed at realizing "Work and Smile," by sincerely and carefully assisting working individuals and leveraging the customer contacts and trust that have been created with our people as the starting point.

		Scope of Business	Service Domains*2					Main Brands	
			Temporary staffing		Support for career change		Outsourcing		Others (Including New Domains)
			Clerical Work	Technology/IT and Others	Permanent Placement	Recruitment Media, Direct Recruiting, and Others			
PERSOL Group's Business Segments	Staffing SBU	We engage in the businesses of temporary staffing and temporary job placement ahead of permanent employment in a wide range of industries and business categories, with a focus on the clerical and administrative staffing domain where we boast an industry-leading market share.	Temporary Staffing (Clerical work, research, clinical development, sales, and light work)		Temporary job Placement Ahead of Permanent Employment/ Permanent Placement		Outsourced Contracting (Clinical development, sales, light work, and factory occupations)		TEMPSTAFF funtable Flexible CAREER
	BPO SBU*1	We provide business process outsourcing services in a wide range of business categories, including clerical work, recruitment, call centers, IT and business consulting, as well as operational improvements made using state-of-the-art technologies.				Outsourcing (Clerical work, government office contract business, call centers, helpdesks, CRO, and manufacturing)	Consulting	Products	パーソルのRPA COROPS KATARuru
	Technology SBU	We engage in engineer dispatching, freelancer permanent placement, and design, development, and business consulting businesses in IT/engineering and manufacturing technology domains.		Temporary Staffing (IT and engineering)			Engineering (Design and development, prototyping, evaluation, and testing) IT (Software development, etc.)		U.29™
	Career SBU	We operate a wide array of businesses, including businesses that support the recruitment of a wide range of personnel, from young to experienced people centered on the permanent placement business and recruitment media business and even high-end personnel, businesses that support side jobs and freelancers, and the outplacement support business.			Permanent Placement Others (Side job, freelancer support and outplacement support)	Recruitment Media Direct Recruiting Career Ownership Support			doda doda X HiPRO
	Asia Pacific SBU	We operate a temporary staffing business, permanent placement business, and HR solution business, which are among the largest in the Asia-Pacific region.	Temporary Staffing		Permanent Placement		Outsourcing (Facility management & maintenance, human resource management consulting, education and training)	Facility Management Others	PERSOLKELLY PROGRAMMED
R&D FU	We seek out and create businesses in new domains, such as the development of new digital products and the implementation of incubation programs.						Digital Solutions Incubation	三イダス シェアフル POST+ ボスダス	

Specialized Services

We engage in businesses including a consulting business centered on surveys, research, and the development of people, organizations, and management, as well as a training business, a business supporting the employment of workers with disabilities, and a venture capital business.

HITO Talent doda チャレンジ

* SBU: Strategic Business Unit, FU: Function Unit
 *1 Some businesses of PERSOL TEMPSTAFF (BPO Business Division) also belong to the BPO SBU.
 *2 Main businesses are indicated in large circles and the others are shown in small ones.

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PERSOL Group's Value Creation

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Message from the CEO

Driving a “Work and Smile” movement in society

Creating better work opportunities for one million people
by 2030 as a “Career Well-being” creation company

Representative Director,
President and CEO
Takao Wada

Fifty years after its founding as
Tempstaff Co., Ltd.,
the PERSOL Group is stepping
forward into its next 50 years with a
**firm vision of the value it
will create.**

The history of the PERSOL Group began in 1973, when Yoshiko Shinohara, our founder, established Tempstaff Co., Ltd. (currently PERSOL TEMPSTAFF CO., LTD.) with a vision of providing women who possessed the ambition and ability to work, but lacked employment opportunities, the avenue to lead an active career in society. Fifty years on, this founding spirit continues unchanged. Although our focus at the time of our founding was on supporting women's careers, today our aspiration—and my personal hope—is to provide work opportunities for all people, irrespective of nationality, gender, age, or other attributes, in order to help them lead a better life through their work and career.

As I will explain in more detail later, we have recently developed the PERSOL Group Mid-Term Management Plan 2026 (spanning the fiscal year ending March 2024



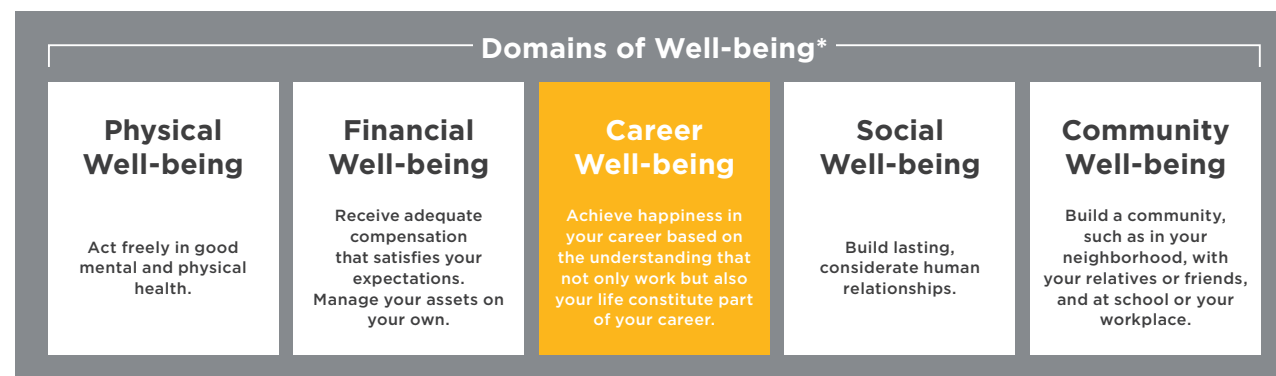
Message from the CEO

to the fiscal year ending March 2026; hereafter “the Plan 2026”). The Plan 2026 will serve as a springboard from which to launch our next 50 years, and we have positioned this three-year period as a phase in which we will establish a solid business foundation for the future. The Plan 2026 also outlines our vision for 2030 as a “Career Well-being” creation company. This entails expanding the possibilities of working individuals, offering a wide variety of work opportunities, and bringing them greater happiness through a career that they have personally selected. This is the value that the PERSOL Group aims to generate, and the future image that we aspire toward. Through these efforts, we ultimately aim to realize our Group vision of “Work and Smile.”

The society that the PERSOL Group aspires to create is one 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 smiles—both to the faces of people who work and those around them.

What is “Career Well-being?”

“Well-being” is classified into five categories. Among them, the career-related category is deemed particularly important as “Career Well-being.”



*As defined by US-based Gallup, Inc., one of the world's largest polling firms.

2022 was a year of profound changes in attitudes to work. We will continue adapting to these changes and strive to create a better working environment for both individuals and businesses.

In the fiscal year ended March 2023, demand for human resources services recovered to pre-pandemic levels, enabling us to achieve record highs for both sales and profits. This was made possible by each and every one of our employees recognizing the impact our mission has on society and completing their respective tasks with a strong sense of purpose. I also believe that these devoted efforts led to recognition and appreciation

from many of our customers.

The fact that we began to take preemptive measures two years ago to strengthen and restructure our business framework in anticipation of a recovery in demand also enabled us to respond quickly to changes in the market. This demonstrated that we have learned from previous hardships, such as the Global Financial Crisis, and built an even stronger resistance to economic fluctuations. In addition to the way we navigated the emergency situation brought about by the COVID-19 pandemic, this performance gives me great confidence heading into our next phase as a company.

Looking at the external environment, I believe that it has been a year of major changes in the mindset of both companies and employees. For example, the way work is conducted differently at home and in the office, as well as changes in output. This requires a corresponding change in approaches to management, including performance appraisal methods and communication style. Society as a whole has gradually begun to accommodate these changes, whether proactively or reluctantly. This may prove to be a major turning point in transforming the way people work in Japan, as the shift in work styles has helped identify and eliminate unnecessary tasks, as well as removed barriers to outsourcing work. It was also a great reminder that many companies are indeed capable of implementing rapid change if they put their mind to it, and that technology has now reached a level where we can accommodate such changes. The concept of work style and lifestyle for working individuals has also shifted, and there has been a significant increase in people's awareness of the need to balance work and private life, as well as achieving well-being through their work and career. I believe that the future role of the PERSOL Group will be to respond to these changes by providing a better working environment for both individuals and companies, and by maximizing “Career Well-being.”

Message from the CEO

The fiscal year ended March 2023 was also a year in which we formulated our Plan 2026. As this was the first time for me to make a full commitment to a mid-term management plan as Representative Director, President and CEO, I started by re-evaluating the points that I felt were particularly important and what I believed should be the foundation of the plan. We then determined how to respond to future changes and studied how we can speed up our actions. We also clarified our goals and the roles that each business should play in achieving them. I intended to create a mid-term management plan that would help the Group to align its focus, with each member and organization fulfilling their respective roles, and I believe that in formulating the Plan 2026 we have succeeded in this objective.



Helping solve societal challenges through our business to build a virtuous cycle that brings our “Work and Smile” vision to life.

In addition to setting our aim to become a “Career Well-being” creation company by 2030, the Plan 2026 also outlines our value creation goal of “Creating better work opportunities for one million people by 2030 by expanding human possibilities.” As our current number of jobs is 380,000 (as of March 31, 2023), this represents a rather challenging goal. In fact, this goal is even more challenging as we are not simply aiming to provide work opportunities and options, but also to ensure that people are satisfied with their experience and feel that they have expanded their possibilities as a result. However, I am convinced that if we can successfully deliver such an experience to one million people, this will serve as the catalyst to spark a larger movement in society. We aim to be the driving force that provides the initial momentum, such that the waves from this movement reach as many people as possible—this is the key philosophy behind our value creation goal. Although one million people is by no means an easy target to reach, I believe that this goal is attainable as we established it after carefully studying how to tackle this challenge in light of the respective roles of each of our businesses.

In order to realize this value creation goal, we have also identified the materiality (key issues) for the PERSOL Group. We began by identifying the challenges that we must address as a corporate citizen and the issues that we should focus on as a personnel services company in order to achieve sustainable growth, and selected four material topics: “Active roles of diverse human resources,”

“Strengthening data governance,” “Respect for human rights,” and “Responding to climate change.” In addition, we conducted a thorough review of the value we could provide as services, and how we could help solve societal challenges through these services. As a result, we determined four further material topics: “Creating work opportunities,” “Providing diverse work styles,” “Providing learning opportunities,” and “Increasing productivity at companies,” giving an overall total of eight material topics.

For working individuals, our approach is to create work opportunities by providing diverse work styles and learning opportunities. For companies, we aim to contribute to increasing productivity by helping them hire highly engaged personnel and by providing high value-added services through outsourcing. With Japan’s working population declining, companies face an increasing need to improve their productivity. If we can help solve these challenges via our services, this will lead to the creation of new businesses, new ways of working, and greater “Career Well-being.” In other words, we are aiming to create a virtuous cycle that ultimately leads to the realization of “Work and Smile”—this is the conclusion that we reached from studying our materiality. Since we have now set KPIs and numeric targets for our materiality, we will closely monitor our progress and rotate the PDCA cycle to accomplish our goals.

Refer to page 13 to 16.

In addition, as a symbolic initiative to realize our “Work and Smile” vision, the PERSOL Group conducts a “Work and Smile” survey of approximately 120,000 people in 122 countries around the world in order to measure the extent to which “Work and Smile” is realized. Refer to page 11

The results of this survey are now being utilized to enhance the well-being of society as a whole, for instance through the Japanese Well-being Initiative led by Nikkei Inc. Going forward, we will continue to conduct this survey worldwide, including countries and regions in which we do not yet have a business presence, to show the world that we are serious about achieving our vision of “Work and Smile.”

Message from the CEO

PERSOL Group employees will embody

“Career Well-being” and serve as key proponents of our “Work and Smile” vision.

The most important factor in realizing “Work and Smile” is that PERSOL Group employees embody the concept of “Career Well-being” themselves. It is not good if our employees are working with frowns on their faces. Accordingly, I repeatedly emphasize to our employees how valuable our work is to society, so that each and every member does their job with full understanding of the purpose that the PERSOL Group’s business serves, and the high expectations that society has of us. Engagement surveys of our employees have revealed positive changes in this area, including increases in engagement scores over three consecutive years.

However, raising our engagement score is not the ultimate aim—our goal is to create a swell of “Work and Smile” momentum by increasing employee engagement, which will in turn enable us to provide better services to our customers. To accomplish this, we are expanding the range of work options available to our employees and giving them the opportunity to decide how they wish to work, through such programs as the Career Scout System, which allows employees to self-direct their career by being scouted for potential roles, and the Career Challenge System, which allows employees to apply to participate in projects in other divisions. These systems and measures are made possible by the fact that we have multiple business domains across the

Group, and we have already noticed the benefits that experience gained across divisions can have in creating positive chemistry in a range of workplaces.

In addition, technology is also essential in order for diverse human resources to realize “Career Well-being.” As part of our Plan 2026, we aim to increase the number of technology professionals in the overall Group to more than 2,000 over the three years through to the fiscal year ending March 2026. We will strive to create a better working environment across the Group through digitalization to increase convenience and productivity, and we will also explore and create new services that leverage new technologies. I view the Plan 2026 as a key three-year period that serves as a stepping stone for that.

We aim to continue to serve society over the next 100 years and beyond by supporting working people throughout their lives.

Since assuming the role of President and CEO, I have emphasized my desire to build PERSOL into a corporate group that will continue to thrive for the next 100 or 200 years. This is because human resource services is a field with a long time frame, closely interlinked with the lives of individuals as they progress through their careers. Some of our temporary staff have worked with us for 10 or 20 years, and some have even been with us across

two different generations of the same family. The way people work evolves as they progress through different life stages. We strive to stay attuned to the lives of each working individual to whom we provide services, helping meet their needs and aspirations at each step of the way, and filling them with a sense of reassurance and satisfaction. The same principle applies to our many corporate clients with whom we have forged a relationship of trust and confidence over the years.

The environment surrounding human resources has changed significantly over the past few years. Under such circumstances, society’s expectations of the PERSOL Group, which is centered on human resource services, are growing, and we understand that we have an increasingly important role to play. Although we have grown and expanded our business in line with changes in society, our core philosophy with regards to people remains unchanged. I am confident that our focus on people as individuals and our ongoing efforts to sincerely consider how we can help them improve their careers has not been mistaken, and that we are continuing to move in the right direction as a company.

Although we cannot alter the fact that the workforce in Japan is declining due to its lower birthrate and aging population, rather than being pessimistic, I believe that if we can continue to innovate and provide services that adapt to this changing environment and help people grow in their careers, we can create a society in which all people, including ourselves, can experience happiness. We will continue moving forward steadily, step by step, to expand human possibilities, to continue being a catalyst for happiness, and to expand “Work and Smile” both in Japan and overseas.

Initiatives to Improve People's Career Well-being

Initiatives to Improve People's Career Well-being

At the PERSOL Group, we have defined the happiness and satisfaction felt by people through their own work as Career Well-being, and we aim to achieve a society where everyone around the world is able to "Work and Smile." To make this a reality, we are taking initiatives from various angles, including research and social activities.

"Work and Smile" Global Survey

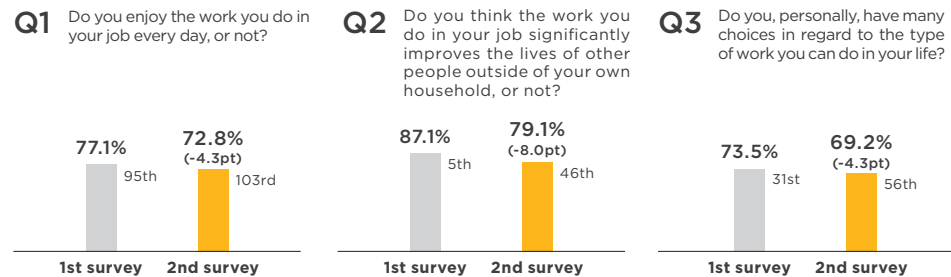
In 2020, we began to conduct the Work and Smile global survey every year via the Gallup World Poll,* the world's largest opinion poll, jointly with the Well-being for Planet Earth Foundation. In this survey, we ask questions about three elements which we have defined as Career Well-being indicators — work experience (pleasure and fun), the evaluation of work (social contribution and meaningful feeling) and self-determination in work — to measure and visualize the degree of achievement of Work and Smile.

This survey and other initiatives have revealed that individuals who make in their work by choosing from diverse options and relying on subjective feelings related to work-related wealth, such as joy and job satisfaction, are important elements that contribute to the improvement of their engagement in their work, and further, to the enhancement of their performance as well.

As the importance of human capital grows, the PERSOL Group regards increased Career Well-being as an important element for maximizing the value of human resources as well. We push forward with initiatives by studying and using this indicator in collaboration with a range of organizations and companies to enable Career Well-being to become entrenched in society.

* The world's largest public opinion poll, carried out annually by the U.S. company Gallup, Inc. since 2005. The report is used for basic data of the UN's Sustainable Development Goals and the World Happiness Report.

Results in Japan (Percentage of respondents who answered "yes" and global ranking)



* Survey periods: February 2020 to March 2021 (1st survey), June 2021 to March 2022 (2nd survey)



Survey data is disclosed to the public on a special website. <https://www.persol-group.co.jp/en/sustainability/well-being/worlddata/>



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. Through this program, we will conduct research to deepen our understanding of wellbeing at the workplace using data from three items that were added to the Gallup World Poll. 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 Editor for the World Happiness Report, annual publication by the United Nations 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.

Dr. George Ward

His research focuses on various markers of employee wellbeing such as happiness, satisfaction, stress, and purpose. He studies how these aspects of workplace wellbeing are influenced, for better or worse, by different management and organizational practices - as well as how they ultimately affect outcomes for firms like productivity, turnover, and recruitment. George is particularly interested in the future of work and in how we might design jobs that work for people's wellbeing.



Introduced in the Sixth Recommendations of the Japan Committee with the Special Mission of Promoting Well-being Plans

The Work and Smile global survey was introduced in the sixth recommendations compiled by the Japan committee with the special mission of promoting well-being plans, which was established in the Liberal Democratic Party. This committee promotes the formulation of policies based on not only the GDP and other economic indicators but also fresh ideas including subjective well-being, to build a nation where people can remain satisfied with their lives as a whole while feeling happiness and living a meaningful life.

Career Well-being AWARDS 2023 by PERSOL

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



Award presentation ceremony

Value Creation Story for 2030

Value Creation Story for 2030

At the PERSOL Group, we aim to achieve the Group Vision, "Work and Smile," by fulfilling the expectations of society through the creation of new value.



Solving Social Issues

The Source of Value Creation

INPUT

Human Capital

- Diverse, autonomous human resources
- Number of Group employees: 66,944¹
- Number of dispatched temporary staff: Approx. 124,000²
- Percentage of female employees / Percentage of women in managerial positions: 46%/24.4%³
- "Work and Smile" index (employee engagement index): 70.4%⁴

Social Relations Capital

- Social trust and customer contacts accumulated over a long term
- Number of client companies: Approx. 46,000⁵
- Number of operating bases: 539 in Japan/177 in other countries⁶
- High-visibility service brands

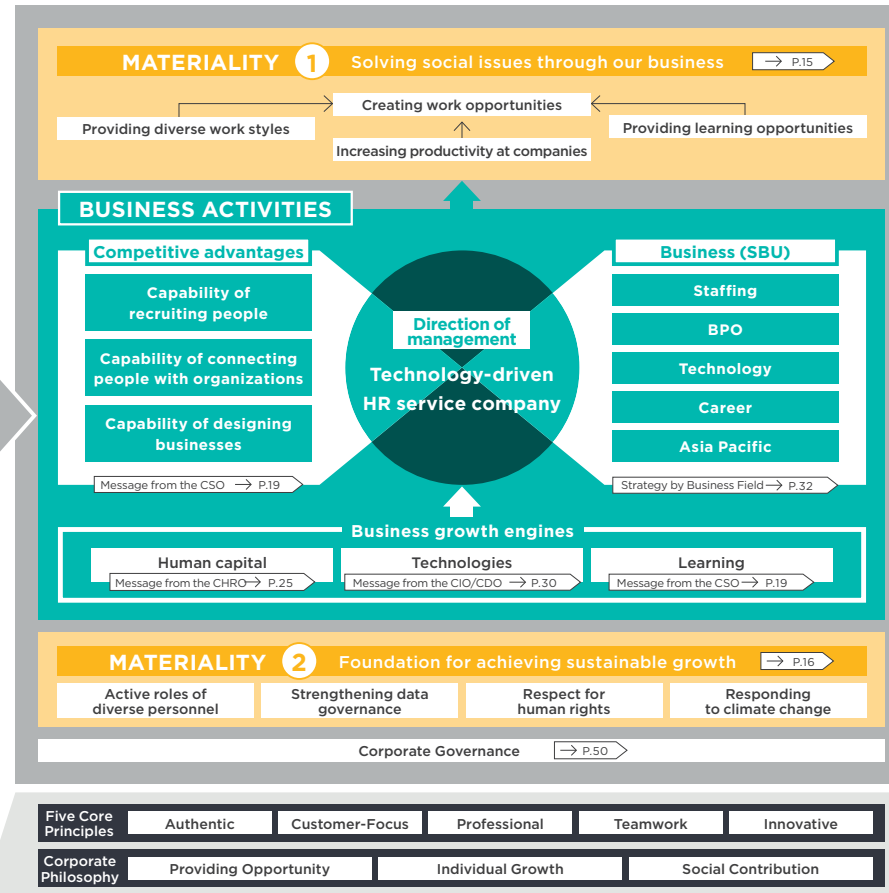
Intellectual Capital

- Business development capability and expertise related to HR services
- Number of job postings: Approx. 247,000⁷
- Surveys and research by a think tank in the Group
- A wide array of HR services
- A wealth of human resources and HR information

Financial Capital

- Sound, stable financial basis
- Shareholders' equity: 180,366 million yen
- Equity ratio: 42.0%
- Rating⁸: A+ (Stable) according to the Japan Credit Rating Agency (JCR)

*1 Includes contingent employees (As of March 31, 2023)
*2 Number in Japan (As of March 1, 2023)
*3 As of April 1, 2023
*4 The Group's average scores in the engagement index and the Career Well-being index, which we developed jointly with Gallup, Inc. (Result for the fiscal year ended March 2023)
*5 Result for the fiscal year ended March 2023
*6 As of February 2023
*7 As of February 2023
*8 As of July 7, 2023



Social Value

OUTCOME

Impact that PERSOL will give on society in 2030 (KPI)

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

Creating work opportunities

2023/3	2026/3	2030
380,000*	500,000	One million people

*The latest provisional value that is subject to change

The Types of Value We Create

Economic Value

OUTPUT

Financial targets under the PERSOL Group Mid-term Management Plan 2026

Message from the CFO → P.23

Net Sales		Adjusted EBITDA (IFRS)	
1.2 trillion yen	1.5 trillion yen	75.2 billion yen	100 billion yen or more
2023/3	2026/3	2023/3	2026/3

ROIC		Dividend payout ratio (compared to adjusted EPS)	
10% or higher	15% or higher	Approx. 25%	Approx. 50%
2023/3	2026/3	2023/3	2026/3

Reinvestment

Materiality

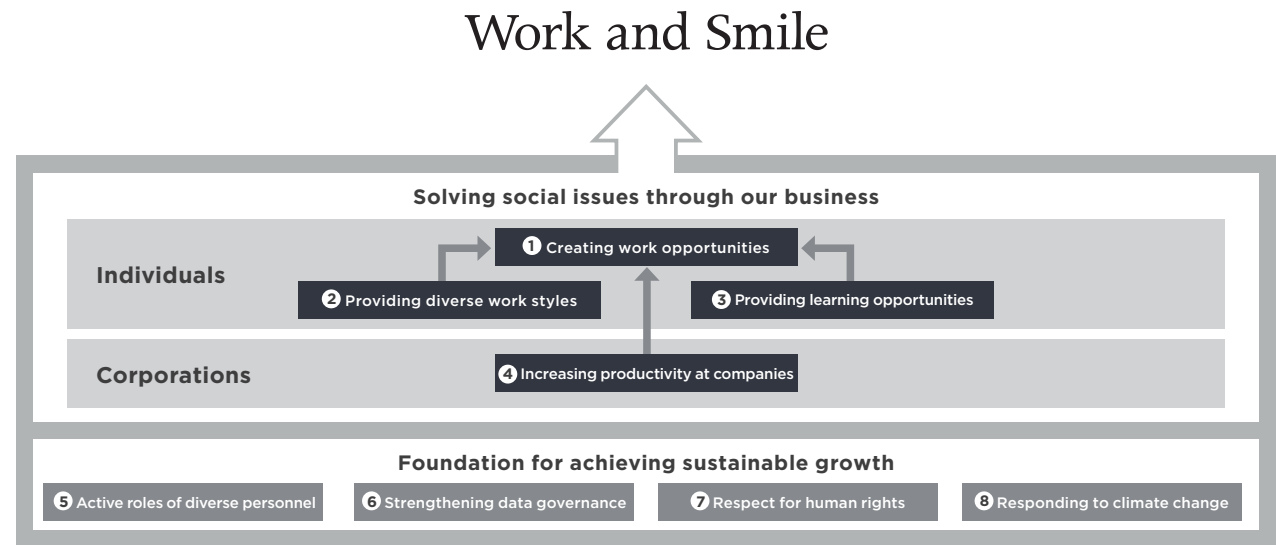
Materiality

In conjunction with the formulation of the PERSOL Group Mid-term Management Plan 2026, we have identified eight materiality issues as our key issues to address in order to continue creating value over the mid- to long-term by solving social issues.

Our eight materiality issues are largely divided into issues related to “Solving social issues through our business” and issues related to “Foundation for achieving sustainable growth.”

We identified four issues, “Creating work opportunities,” “Providing diverse work styles,” “Providing learning opportunities,” and “Increasing productivity at companies” as the former group, and four issues, “Active roles of diverse personnel,” “Strengthening data governance,” “Respect for human rights,” and “Responding to climate change” as the latter group.

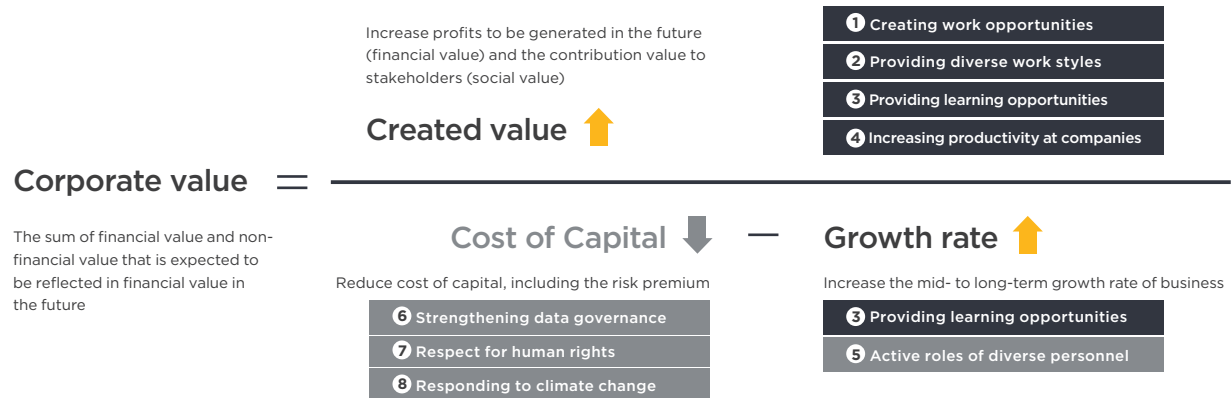
Among these issues, we position “Creating work opportunities” as the most important, and have set “Creating better work opportunities for one million people by 2030 by expanding human possibilities” as the PERSOL Group’s value creation goal.



Linkage Corporate Value and Materiality issues

At the PERSOL Group, we have linked initiatives to address the eight materiality issues with the enhancement of the Group’s corporate value to show how the former contribute to the latter, based on the DCF method* (continuous growth model).

According to the DCF method, increasing created value (social value and economic value), reducing cost of capital, and increasing growth rate are needed to enhance corporate value. We have linked the eight materiality issues with these elements as shown in the valuation formula at right.

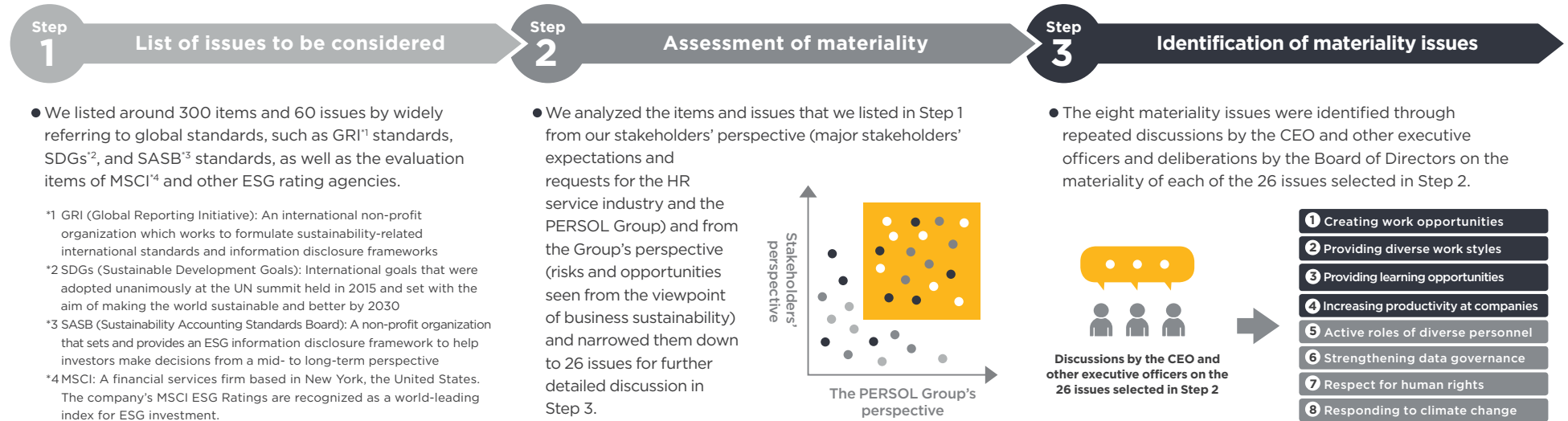


* Discounted Cash Flow method. It is one of the widely used methods to value companies.

Materiality

Materiality

Materiality Identification Process



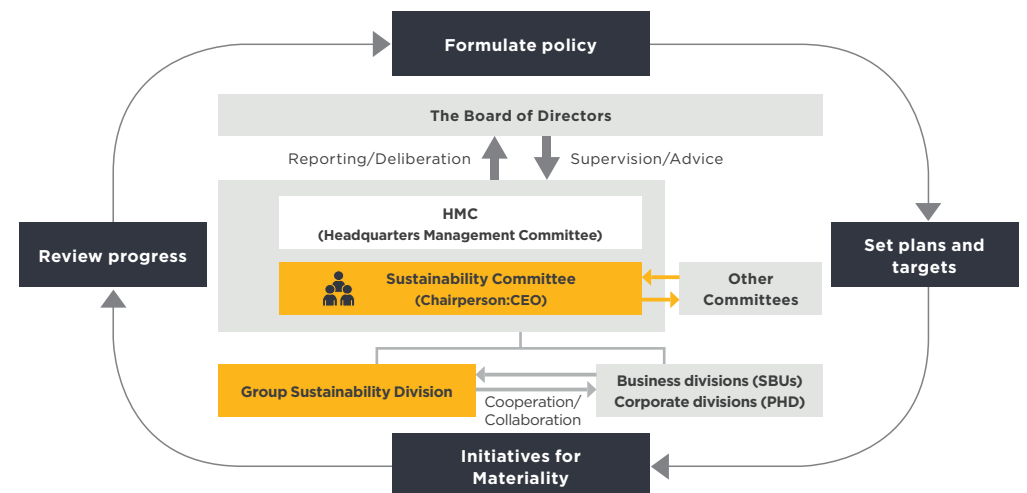
Sustainability Promotion System

The PERSOL Group promotes sustainability as a Group-wide initiative under our "Sustainability Policy."

We have set up the Sustainability Committee (chairperson: Representative Director, President and CEO, secretariat: Group Sustainability Division) under the Headquarters Management Committee (HMC) so that the management team promotes sustainability and manages risks and opportunities related to sustainability appropriately.

In addition to deliberations on sustainability-related management agendas, the Sustainability Committee identifies the materiality issues, sets the Group-wide initiatives and targets, monitors progress toward the achievement of the targets, and reports to HMC and the Board for supervision and deliberation.

We promote initiatives for materiality as Group-wide initiatives by designating the executive officer in charge of the Group Sustainability Division and other executive officers as responsible leaders and by appointing staff in charge at each division, including SBUs.



* PHD: PERSOL HOLDINGS, SBU: Strategic Business Unit

Materiality

Materiality

Solving social issues through our business

SDGs related to all the issues



Materiality	Our actions	KPI	2023/03 result	2026/03 target	2031/03 target	Related SDGs
<p>1 Creating work opportunities</p> <p>We will create better work opportunities by expanding the potential of working people, using our capability in attracting individuals, matching people with organizations, and designing operations.</p>	<ul style="list-style-type: none"> Creating “better work opportunities” in the areas of temporary staffing, placement, and outsourcing 	<ul style="list-style-type: none"> Number of people for whom we created (provided/supported) better work opportunities¹ 	380,000 people	500,000 people	1,000,000 people	
<p>2 Providing diverse work styles</p> <p>We will contribute to the realization of working styles that meet individual needs, by proposing and providing flexible working styles and employment styles.</p>	<ul style="list-style-type: none"> Providing work opportunities with no time and location constraints, such as flexible work schedules and remote work Providing work opportunities as side jobs and freelance work Providing work opportunities which enable to make effective use of spare time 	<ul style="list-style-type: none"> Number of people for whom diverse work styles became possible² 	40,000 people	50,000 people	100,000 people	
<p>3 Providing learning opportunities</p> <p>We will expand the options available to working people and maximize their career potential by providing learning opportunities that lead to employment, reskilling, and upskilling.</p>	<p>① Providing learning opportunities for temporary employees (people registered in temporary staffing/Office Solution (OS) business, IT human resources)</p>	<ul style="list-style-type: none"> Number of people who received each training service³ 	140,000 people	160,000 people	240,000 people	
	<p>② Corporate training for upskilling and improving career self-reliance, placement services provided after upskilling</p>		80,000 people	120,000 people	230,000 people	
	<p>③ Providing learning opportunities for students and working adult (school visits, career courses, upskilling)</p>		42,000 people	-	-	
<p>4 Increasing productivity at companies</p> <p>We will contribute to efficient corporate activities and to resolving labor shortages by providing services which improve productivity.</p>	<ul style="list-style-type: none"> Providing BPO services Providing technical outsourcing services Providing other outsourcing services 	<ul style="list-style-type: none"> Net sales of services related to increasing the productivity of companies⁴ 	JPY 270 billion	JPY 300 billion	-	

* Targets for the fiscal year ending March 2031 are subject to change in accordance with future business conditions and revisions/changes to the management plan. Targets for the fiscal year ending March 2031 have been set to clarify the direction and level of achievement of the strategy, but some items are still under consideration due to high uncertainty and are marked with “-”.

¹ In principle, figures for the temporary staffing and BPO businesses are the number of workers at the end of the fiscal year (or the average number of workers per month). Figures for temporary job placement ahead of permanent employment are based on the total cumulative number of temporary staff who became employees during the year. For the placement and recruiting business, the figure is the annual cumulative total of the number of job placements through our services. Figures for others (freelancers, etc.) are the number of people to whom the Company's services were provided (annual total, but multiple projects by the same person are counted as 1). Career SBU's job advertising business is an estimate. Benesse i-Career is included in the calculation for the purpose of business management targets, although it is not consolidated.

² Figures of PERCOL TEMPSTAFF, PERCOL CROSS TECHNOLOGY, and PERCOL CAREER

³ ①-1: Figures of Staffing SBU and Technology SBU, ③-2: Figures of PERCOL RESEARCH AND CONSULTING Co., Ltd. and APAC SBU, and ③-3: Figures of Career SBU and Technology SBU

⁴ Figures of all SBUs (excluding Career SBU)

Materiality

Materiality

Foundation for achieving sustainable growth

SDGs related to all the issues



Materiality	Our actions	KPI	2023/03 result	2026/03 target	2031/03 target	Related SDGs
<p>5 Active roles of diverse personnel</p> <p>We will foster a corporate culture and develop an environment that utilizes diversity to achieve the Group vision.</p>	<ul style="list-style-type: none"> Improving employee engagement Talent management (Developing next-generation business leaders/ implementing measures to turn all managerial employees into best leaders) Promoting DI&E (Increasing the percentage of women in managerial positions/ promoting the employment of people with disabilities/ encouraging male employees to take childcare leave) 	● Work and Smile Index (employee engagement index)	70.4%	75.0%	-	
		● Percentage of women in managerial positions ¹⁾	24.4%	30.8%	37.0%	
		● Number of employees with disabilities ²⁾	2,417	4,000	-	
		● Ratio of childcare leave taken by male employees (one day or longer) ³⁾	64.8%	100%	100%	
<p>6 Strengthening data governance</p> <p>Establish policies and rules common to the Group regarding the use of personal data, and develop and further strengthen management and protection systems to create an environment conducive to the use of personal data by users and to ensure trust.</p>	<ul style="list-style-type: none"> Establish the personal data processing policy Set strict internal standards for handling personal data Privacy review process (Implementation of privacy impact assessment by specialized department) Educational training, such as employee training on privacy protection and data security 	● Number of cases of processing personal data in an inappropriate manner and number of people involved in these cases ^{3) 4)}	Scheduled to be disclosed in the fiscal year ending March 2024	0/0	0/0	
		● Percentage of all employees who have received human rights training ⁵⁾	Starting in the fiscal year ending March 2024	100%	100%	
<p>7 Respect for human rights</p> <p>We will promote initiatives in accordance with international norms as a responsible company, thereby mitigating adverse human rights impacts, earning the trust of all stakeholders (including employees).</p>	<ul style="list-style-type: none"> Establishing the PERSOL Group Human Rights Policy Implementing human rights due diligence Educational training, such as employee training on human rights 	● Percentage of all employees who have received human rights training ⁵⁾	Starting in the fiscal year ending March 2024	100%	100%	
<p>8 Responding to climate change</p> <p>We will work to achieve carbon neutrality and contribute to the realization of a decarbonized society through environment-related GX: Green Transformation HR services and other initiatives.</p>	<ul style="list-style-type: none"> The decarbonization of the electricity consumed at office buildings (Conserving energy by improving operations and making capital investments/Promoting the transition to electricity from renewable energy sources) Switching from gasoline vehicles to hybrid vehicles and EVs Calculating Scope 3 emissions, setting targets, and reducing the emissions GX-related support (Dispatching engineers specialized in the environmental field / Experiments related to carbon neutrality) 	● Percent reduction of Scope 1 + Scope 2 emissions (Base year: The fiscal year ended March 2022)	Increased 15.6% ⁵⁾	17.3% reduction	83.0% ⁶⁾ reduction	
		● Percent reduction of Scope 3 emissions	To be disclosed in the fiscal year ending March 2024 or later	Under setting	Under setting	

* Targets for the fiscal year ending March 2031 are subject to change in accordance with future business conditions and revisions/changes to the management plan. Targets for the fiscal year ending March 2031 have been set to clarify the direction and level of achievement of the strategy, but some items are still under consideration due to high uncertainty and are marked with "-".

¹⁾ Targets are set for employees of domestic group companies, and actual results are tabulated. However, some companies that have not yet completed the introduction of a common human resource management system for domestic group companies are excluded. Actual results for the fiscal year ended March 2023 are as of April 1, 2023, targets for the fiscal year ending March 2026 are as of April 1, 2026, and targets for the fiscal year ending March 2031 are as of April 1, 2031.

²⁾ 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 may be revised in the future, taking into account changes in the number of companies subject to the number of employees with disabilities (22 companies as of May 2023), changes in the number of employees in the Group as a whole, and the impact of changes in the statutory employment rate.

³⁾ Figures in Japan only

⁴⁾ The number of serious and severe incidents as defined by the Company.

⁵⁾ The increase in emissions for the year ended March 2023 compared to the base year is mainly due to business expansion through new contracts and M&A overseas.

⁶⁾ Residual emissions are offset using internationally recognized methods to achieve carbon neutrality.

3

Strategies for Value Creation

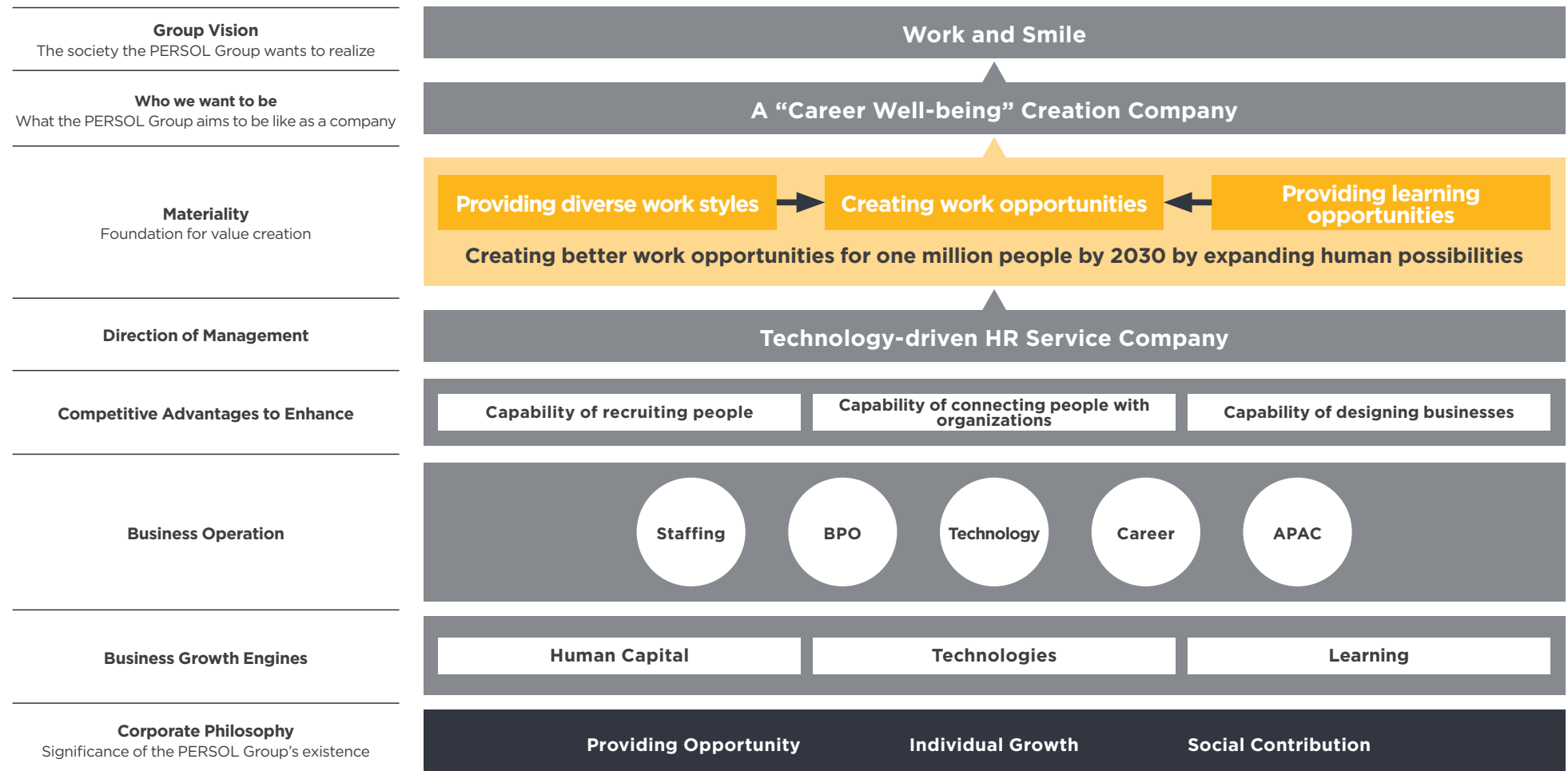
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Overview of PERSOL Group Mid-term Management Plan 2026

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 will continue to expand people's potential as a "Career Well-being" Creation Company. We thereby aim to create better work opportunities for one million people by 2030 and realize our Group Vision, "Work and Smile."



Message from the CSO



Mid-term
Management
Plan

Message from the CSO

We will move steadily forward toward 2030 by envisioning the future of the Group and refining the strategies that will lead us there.

Executive Officer CSO
Taro Mineo

The PERSOL Group Mid-term Management Plan 2026—a clear blueprint for the overall Group's growth strategy

The PERSOL Group recently formulated the PERSOL Group Mid-term Management Plan 2026 (spanning the fiscal year ending March 2024 to the fiscal year ending March 2026; hereafter “the Plan 2026”). The Plan 2026 defines who we want to be in 2030 and our management direction, and clearly lays out the growth strategy for the PERSOL Group as a whole. In formulating this plan, we first looked back over our Mid-term Management Plan 2023, which ended in the fiscal year ended March 2023. Although we accomplished solid results—including achieving our financial targets one year ahead of schedule, smoothly transitioning to the SBU structure, and strengthening our corporate governance—several challenges remained. Our first challenge was that

although our Group Vision “Work and Smile” was clear, we had not established specific targets and business strategies that would lead us to the realization of this vision. Secondly, I felt that it was somewhat unclear which of our multiple businesses we were positioning as focus areas, and what kind of portfolio we were aiming for. In addition, as we did not precisely identify these factors, we were not able to focus our growth investments sufficiently, and consequently we allocated our investments evenly across our businesses. This is the third challenge that remained. Thus far, the PERSOL Group has achieved growth by giving each SBU the responsibility and authority to make their own management and investment decisions. In many regards this helped us to make speedy decisions and be agile, and I do not view this negatively by any means. Going forward, some decisions will be left to the discretion of the respective SBUs. However, in order to make an earnest commitment to realize our Group Vision and

achieve mid- to long-term growth while responding to changes in society, we felt that it was necessary to implement a well-targeted investment program to refine our strengths from a Group-wide perspective and make a quantum leap to strengthen our technological prowess.

The Plan 2026 sets out a concrete roadmap for doing this.

Transforming into a technology-driven HR service company to realize who we want to be in 2030

We envision the year 2030 as an age in which advances in technology will allow people and technology to co-create, and in which working individuals will become more empowered due to increased labor mobility and diversified values. It will be easier for individuals to choose the job or role that best suits them, even within an organization. In such a society, not only can people select the company they work for and their own work style from among a wide variety of options, but they can also aspire to live a better life while experiencing a sense of happiness and fulfillment through their career. With these changes in the social environment in mind, the PERSOL Group has defined who we want to be in 2030 as a “Career Well-being” creation company and aims to create better work opportunities for one million people by 2030 by expanding human possibilities.

Backcasting from this vision for 2030, we have positioned the Plan 2026 as the first phase. While this three-year period is an extremely important stepping stone to realize who we want to be in 2030, it is also a period in which we will strengthen our foundation for future growth, and the results of these efforts may emerge during the next mid-term plan period (the second phase). This is why it is crucial that we clearly define our management direction and ensure that there is no doubt as to where we are headed. Our management direction is to evolve into a technology-driven HR service company. Specifically, we are aiming to become an

Message from the CSO

HR service company that can achieve discontinuous growth through our products and digitalization, while emphasizing the intervention value of people. The PERSOL Group's business currently consists of two segments: the Workforce Business, which delivers value by providing services such as temporary staffing and outsourcing, and the Digital Platform Business, which delivers value through web media, products, and other services. Although the Workforce Business, which is our stable and solid business foundation, has historically served as our primary growth driver, going forward we will work to increase the weighting of the Digital Platform Business in order to adapt to the changes occurring in society, while continuing to steadily expand the Workforce Business. Compared to the Workforce Business, the Digital Platform Business is more sensitive to economic conditions. However, it has outstanding potential for growth and profitability, and we believe that achieving the optimum balance between the two will

enable us to build a more resilient corporate foundation. Furthermore, in line with this management direction, we have defined three capabilities as competitive advantages that we should focus on strengthening. These are the capability of recruiting people through digital media, the capability of connecting people and 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 invest proactively to strengthen these three capabilities and accelerate our evolution into a technology-driven HR service company.

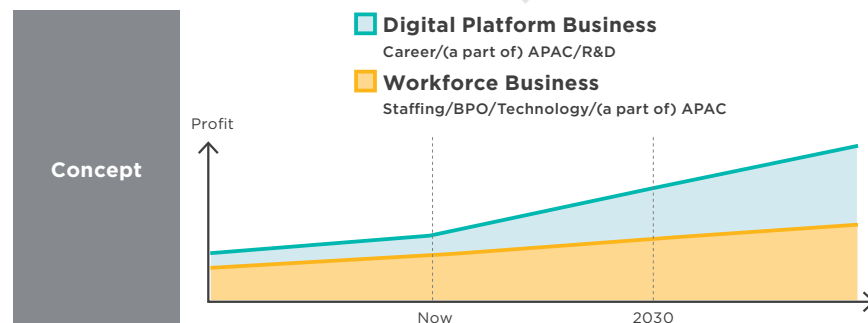
Driving an evolution in learning to help build better careers

In the Plan 2026, human capital, technologies, and learning are positioned as the engines that will accelerate our business growth. It goes without saying that human

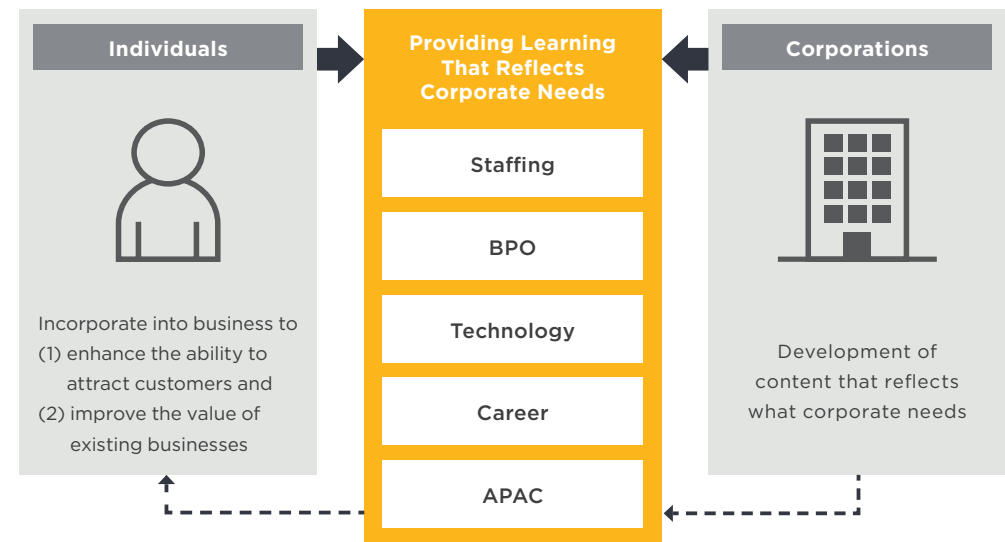
capital is the PERSOL Group's greatest asset and the source of our value creation. [Refer to page 25 to 27](#) Meanwhile, technologies are a critical element in achieving discontinuous growth, as I mentioned earlier. [Refer to page 30 to 31](#) Over the next three years, we will place particular focus on the keyword "learning." When the PERSOL Group handles job postings from corporate clients, we also obtain a large amount of information on the skills that companies are looking for in their human resources. Combining this information with the skill profile of the individuals who use our services allows us to identify the gap between the skills required by companies and the skills possessed by individuals, and to identify what capabilities they need to develop. By providing appropriate learning content, we can not only help individuals significantly expand their career options, but also offer companies a broader pool of talent to hire from. This is one unique value that we are able to offer due to our extensive experience in the human resource service industry. As one specific

Direction of Management

Direction of Management	Technology-driven HR Service Company
Definitions	An HR service company that can achieve discontinuous growth with products and digitalization while attaching importance to the intervention value of people



Business Growth Engines: Learning



Message from the CSO

initiative toward this, in March 2023 we launched “PERSOL MIRAIZ,” a new service which provides learning programs for career changers. This is a service which we had been working toward commercializing for several years. In the future, we will not only help individuals to visualize their career possibilities and provide learning opportunities that expand their potential, but also work to evolve our services into a platform that supports sustainable career development by increasing working peoples’ market value and connecting them to a diverse range of careers. Over the mid- to long-term, we plan to gradually expand our services beyond the career change field to the temporary staffing and outsourcing fields.

Repositioning our businesses to focus on Career, BPO, and Technology

In the Plan2026, we have divided the businesses of the PERSOL Group into four categories, re-clarified the positioning of each, and clarified our management direction, including the key areas in which we will invest. The first category is “Staffing,” which we have positioned as the Group’s foundation, and which will continue to serve as our core business in the future. Although the administrative temporary staffing market may shrink over the mid- to long-term as a result of a decline in the working population and automation, we will strive to maintain growth by further strengthening relationships with customers to increase our market share, while simultaneously working to expand into other markets.

The second category is “Career,” “BPO,” and “Technology,” which are key focus areas during the Plan 2026 and which we have positioned as pillars of profit growth for the future. Firstly, in “Career,” the rate that people change jobs is expected to continue increasing, and the market is expected to grow to more than twice its current size by 2030. Until recently, Japan was regarded as one of the nations with the lowest rate of

Positions of Businesses and Management Policy

<p>The Group's Foundation Continue to be the foundation of the Group's growth.</p>	<p>Staffing</p>	<ul style="list-style-type: none"> ● Aim to achieve growth by increasing market share despite the possibility of a shrinking the clerical and administrative staffing market over the long term. ● Contribute to the Group's growth by strengthening relations with customers.
<p>Pillars of Profit Growth Proactive business investments, for the sake of significant profit growth in the medium- to long-term.</p>	<p>Career</p>	<ul style="list-style-type: none"> ● Aim to achieve growth exceeding market growth while the career-change-related market continues to expand. ● Continue to make investments that contribute to medium- to long-term business growth and the acquisition of competitive advantages.
	<p>BPO</p>	<ul style="list-style-type: none"> ● Aim to achieve growth exceeding market growth by taking advantage of the customer base of temporary staffing. ● Make large-scale investments, mainly to acquire the ability to achieve a business transformation.
	<p>Technology</p>	<ul style="list-style-type: none"> ● Reinforce the foundations for large-scale recruitment and the development of high value-added human resources and improve sales capabilities, in an attempt to increase billing rates. ● Continue large-scale recruitment to derive medium- to long-term competitive advantages.
<p>Reinforce the Foundations for a Breakthrough. Improve profitability to fund major growth investments in 2026/3 and beyond.</p>	<p>APAC</p>	<ul style="list-style-type: none"> ● Achieve earnings improvement at a level that will contribute to improving shareholder value. ● Invest in a quantitative expansion after improving earnings.
<p>Investments Toward the Future Implement R&D after achieving an investment quota at a certain level.</p>	<p>R&D</p>	<ul style="list-style-type: none"> ● Achieve an investment quota at a certain level to explore and create businesses related to Career Well-being.

job changes in the world. However, amid a shrinking working population, companies are becoming more willing to hire mid-career talent to secure excellent human resources, while individuals are becoming more selective about their working styles and the organizations they work for—trends that are likely to lead to increasing numbers of employees changing jobs and careers in the future. Accordingly, we will continue to invest in order to achieve mid- to long-term business growth and secure a competitive advantage while also focusing on investment in, and the development of, digital media.

“BPO,” for which there is a large domestic market of approximately 5 trillion yen, is expected to continue growing sustainably in the future as companies pursue

productivity improvements. There is a wide range of business processes that can be outsourced, and while in some cases we may be asked to perform the business operations of a department of a given company in line with conventional methods, an increasing number of companies are also requesting support in transforming and optimizing their operations through system upgrades, the introduction of new machinery and equipment, or the more efficient allocation and deployment of human resources. As providing solutions to meet the needs of our outsourcing clients requires sufficient resources, we plan to make large-scale investments to further expand our business transformation capabilities. In “Technology,” there is currently a considerable shortage of engineers, and

Message from the CSO

it is projected that by 2030 there will be a shortfall of between 450,000 and 800,000 engineers in Japan alone. Given such circumstances, we expect the IT & engineering market to grow over the mid- to long-term, and we will continue to focus on large-scale recruitment and training of high-value-added engineering talent. The third category is “APAC,” where we are aiming to reinforce the foundations for a breakthrough. The temporary staffing and permanent placement market in APAC (excluding China and India) is expected to overtake the Japanese market in scale by 2030 and to continue expanding thereafter. In line with this market expansion, we believe there is an opportunity to increase the profit ratio of “APAC” substantially over the mid- to long-term, and we will start by steadily

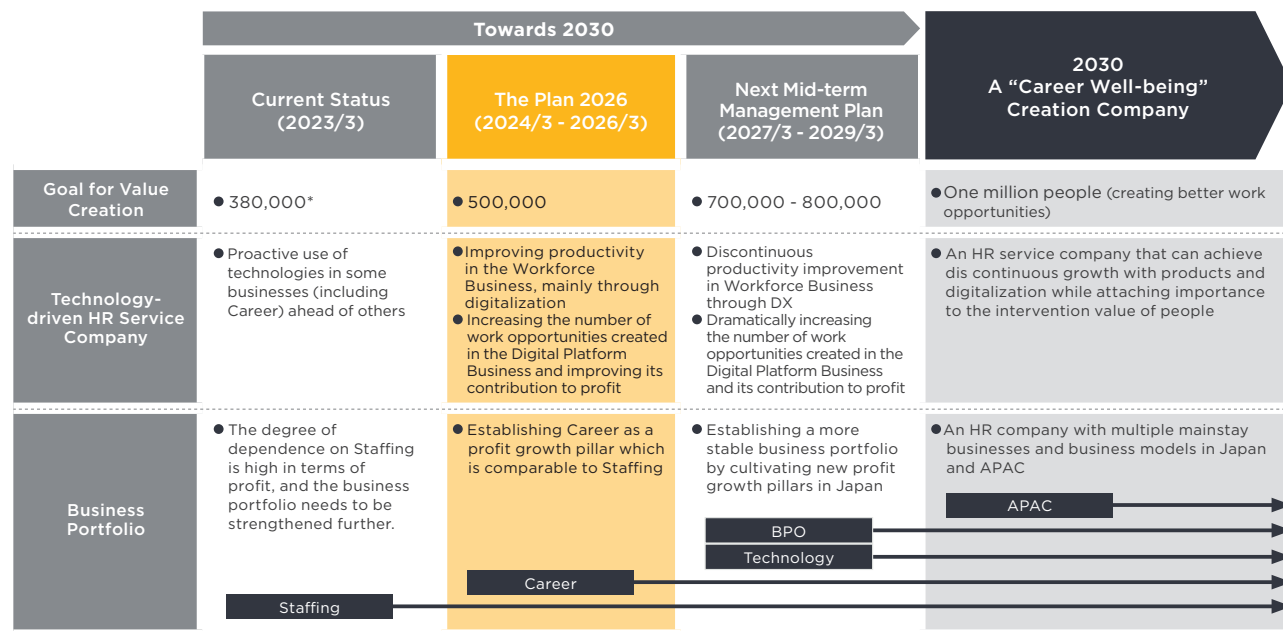
reinforcing our foundations toward this goal. Finally, we have positioned the focus of “R&D” as investments toward the future. We hope to explore and create new businesses and services that can be incorporated into the Group in the future, and we plan to implement a certain level of investment toward this objective through to 2030.

Sharing the Group’s direction and working as one to accomplish the Plan 2026

As I mentioned at the beginning, the Plan 2026 sets out the PERSOL Group’s growth strategy. In order to achieve this, I believe that my role as CSO is to draw up a future vision for the Group, raise the resolution

of our business strategy that will serve as a roadmap for its achievement, and align our businesses and our vision together coherently. In addition, as I am also the executive officer responsible for sustainability, I intend to communicate the PERSOL Group’s purpose as a company and the value it provides to both its employees and society from a mid- to long-term perspective. As Japan’s working-age population continues to decline, the competition to acquire and develop human resources will become increasingly fierce. Given such future circumstances and society, I believe that through our Plan 2026 we have succeeded in creating a coherent picture that defines who we want to be in 2030, the value we will create, and how we will realize this through our business activities. The key from here on is to ensure that our vision for 2030 does not end up as just wishful thinking. To avoid this, the Group must move forward as a united front. I served as president of a Group operating company until 2022, and to be honest, at that time my top priority was to grow the business I was entrusted with, as I believed that doing so would result in the growth of the Group as a whole. However, I now believe that if each SBU maintains a deep understanding of the Group’s direction, growth strategy, and the role their organization plays within it, and continues working to meet the needs of customers and society while engaging in a free and open exchange of ideas, as in the past, the PERSOL Group’s management will function at a higher level and our growth potential will increase dramatically. To this end, I will serve as a part-time director of the Group’s operating companies together with CFO Junji Tokunaga, and we will work to connect the Group’s growth strategies with the business strategies of each SBU as we work toward the accomplishment of the Plan 2026.

2030 Targets and Positioning of the Plan 2026



*The latest provisional value that is subject to change

Message from the CFO

Financial
Strategy

Message from the CFO

Achieving sustainable growth by improving our ability to create cash flows over the mid- to long-term.

Executive Officer CFO
(Chief Financial Officer)

Junji Tokunaga

Transformation of HR services resulting from the impact of the COVID-19 pandemic

The three-year period of the previous mid-term management plan, which started in the fiscal year ended March 2021, was the period spent under the influence of the COVID-19 pandemic. In the first fiscal year in particular, the PERSOL Group was also affected greatly, including in the permanent placement business and the APAC business. Accordingly, the previous mid-term management plan was a cautious plan, under which we aimed to recover to the pre-COVID-19 level as quickly as possible. However, corporate clients' demand for human resources was very strong. In the fiscal year ended March 2022, all of the businesses of the PERSOL Group grew significantly, enabling us to achieve the financial targets of the previous mid-term management plan a year earlier than planned. We were also able to achieve growth in the fiscal year ended March

2023. I feel that the changes in our social behaviors, which were triggered by the COVID-19 pandemic, have greatly changed the work styles of individuals and corporate clients' view of human resources, having transformed HR services.

Growth and capital efficiency targets clarified in PERSOL Group Mid-term Management Plan 2026

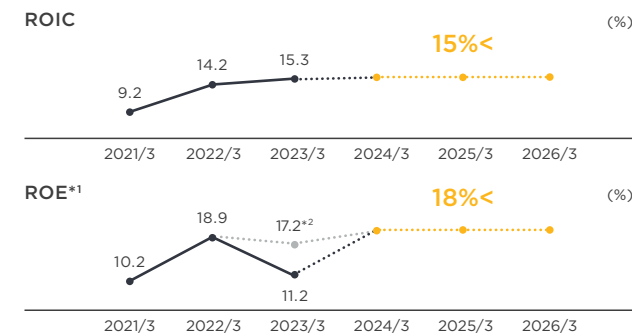
In light of the continuing expansion and diversification of the HR service market, during the new PERSOL Group Mid-term Management Plan 2026 (hereafter "the Plan 2026"), we are pursuing a growth strategy of developing and expanding the Digital Platform Business while achieving the growth of five businesses: Staffing, BPO, Technology, Career and APAC.

This growth strategy and our financial strategy together form the foundation for the implementation of the Plan

2026. I regard the improvement of corporate value, that is, improving our ability to create cash flows from a mid- to long-term perspective, as the greatest goal of the financial strategy. I believe this means creating a framework for expanding cash flows over the mid- to long-term by improving the ability of individual businesses to create cash flows and optimizing our business portfolio while pursuing capital efficiency, instead of simply increasing the current cash flows.

Therefore, in the Plan 2026, we divided the financial strategy into three components — major indicators for the financial strategy, cash allocation and shareholder return — and set targets for each.

First, regarding the major indicators for the financial strategy, we set the target for the annual operating profit before depreciation and amortization (EBITDA) growth rate, an indicator of growth potential, at higher than 10%. Regarding ROIC and ROE which are indicators of efficiency, we again set targets that far exceed WACC. (Refer to the figure below and the figure showing financial targets on the next page.) We set a target net debt/equity ratio of up to 1.0 and a target net debt/EBITDA ratio of up to 2.0 as criteria for the soundness of the stock and flow aspects. While the PERSOL Group is virtually debt-free at present, I think these criteria will function to ensure financial discipline as we consider and implement M&A activities in the future.



*1 Effective in the first quarter of the fiscal year ended March 2023, the accounting method of asset retirement obligations was changed. The new method has been applied retroactively to values for the fiscal year ended March 2022.

*2 ROE excluding the impact of impairment losses announced on April 11, 2023

Message from the CFO

Next, regarding cash allocation, we have instituted a major shift in policy from the previous mid-term management plan. In the Plan 2026, we significantly increased the dividend payout ratio to approx. 50% of adjusted EPS and decided to appropriate the remaining approx. 50% mainly to growth investments and working capital, reflecting our policy of attaching greater importance to capital efficiency and shareholder return. Further, in the Plan 2026, we did not allocate funds for M&A activities in the internal reserve. This is because, judging from the PERSOL Group's current ability to create cash flows and its financial foundation, we have a sufficient ability to procure funds for M&A activities whenever we need to. It is also aimed at further improving shareholders' equity efficiency.

Regarding shareholder return, as I mentioned above, we doubled the dividend payout ratio from approx. 25% during the previous mid-term management plan to approx. 50% from the viewpoint of shareholder return and shareholders' equity efficiency. We have also set total shareholder return (TSR) as a key indicator.

In addition, high-level business management and fund management are also essential in the implementation of the financial strategy. We plan to renew the PERSOL Group's platforms for business management and fund management and constantly improve business processes from the viewpoint of efficiency and speed of management during the three-year period of the Plan 2026.

Generating a greater cash flow by improving capital efficiency

In my view, the duties of the CFO are largely divided into five categories. One is improving competitiveness and the ability to create cash flows by refining and improving each business model. Currently, HR services are facing a transformation caused by technology. The CFO's duty is to transform business models by working together with the person responsible for each business and the IT division.

The second duty is to optimize the business portfolio by looking at the Group as a whole. I aim to optimize the business portfolio, which currently consists of five businesses (SBUs), using a growth potential indicator,

Financial Targets of the Overall Group

		Previous Medium-term Management Plan (until the fiscal year ended March 2023)	Mid-term Management Plan 2026 (until the fiscal year ending March 2026)
1 Finance Indicators	Growth	Operating profit ¥45.0 billion	Adjusted EBITDA ¥75.2 billion (2023/3) → ¥100.0 billion or more (2026/3)
	Efficiency	ROIC: 10% or higher	ROIC 15% or higher, in principle (JGAAP) ROE 18% or higher, in principle (JGAAP)
	Soundness	If net cash exceeds 1.0 time of EBITDA, measures for strengthening shareholder returns will be considered.	Net D/E Up to 1.0 at max. Net Debt/EBITDA Up to 2.0 at max.
2 Cash Allocation	A total of 130.0 billion yen, including surplus cash, will be allocated as follows. ● M&A: ¥80.0 billion ● Capital investment: ¥30.0 billion ● Dividend: ¥20.0 billion		Accumulated EBITDA after tax 200.0 billion yen (estimate) will be allocated to IT investment, including investment in software, shareholder returns (dividends), investment in growth, and other areas.
3 Shareholder Return	Dividend payout ratio: Approx. 25% (of adjusted EPS)		Dividend payout ratio Approx. 50% (of adjusted EPS)

ROIC as an indicator of capital efficiency and other indicators, to determine how to optimally allocate the resources of the Group as a whole to the businesses.

The third duty is to develop systems and processes which enable the appropriate understanding of financial data and other matters that are the basis for decision-making, so that the management team can make decisions correctly and promptly. Speedy, Speedy, accurate and detailed financial data is necessary for creating budgets, implementing PDCA based on performance management and making the best decisions in M&A activities and other events. This requires platforms for managerial and financial accounting and fund management. As the CFO, I will constantly improve these foundations for financial management.

The fourth duty is the optimization of communication with all stakeholders, including shareholders and investors. I will increase my commitment to dialogue with shareholders, investors and other stakeholders to enable them to understand the PERSOL Group's Value Creation Story and growth strategy for value creation.

Finally, the fifth duty is risk management. In April 2023, I became concurrently in charge of the GRC (Governance, Risk, and Compliance) Division. I will work to achieve better corporate governance and risk management while also fulfilling my duties as the CFO. At the PERSOL

Group, we have introduced a system in which the person responsible for each business makes business-related decisions speedily under the SBU structure while PERSOL HOLDINGS monitors and supports their decision making. I am involved with all five Group operating companies as a Board Member, and we have built the optimal governance system for creating corporate value, including discipline in decision making and business management. Further, because we are entrusted with the personal information of many customers as a provider of HR services, we must ensure thorough risk management and compliance.

Achieving our value creation goal through communication with stakeholders

The HR service business that the PERSOL Group operates is expected to grow significantly and plays an important role in the provision of work opportunities as an essential foundation for society. We will continue to ensure appropriate information disclosure while enhancing our corporate value from the viewpoints of growth strategy and capital efficiency and deepening our communication with investors and other stakeholders about our Group Vision and Value Creation Story (growth strategy), as part of our efforts to achieve the PERSOL Group's value creation goal set in the Plan 2026.

Message from the CHRO

Human Resource
Strategy

Message from the CHRO

Promoting human capital management by focusing on improving the “Career Well-being” of our employees and temporary staff.

Executive Officer CHRO
Hiroataka Mino



Higher employee engagement for three consecutive years

The PERSOL Group is committed to improving the “Career Well-being” of both our employees and temporary staff. We regard our engagement index as the most important HR metric for our employees, and conduct our own annual engagement survey to identify the state of employee engagement. The findings of this survey are then used to develop strategies for improvement. Meanwhile, with regard to temporary staff*, we established the Staff Well-being Committee in 2022 to visualize and study initiatives to improve the well-being of temporary staff.

Refer to page 28 to 29

In 2022, the engagement index rose to 71%, up from the previous year’s 68%. In addition, the vision empathy

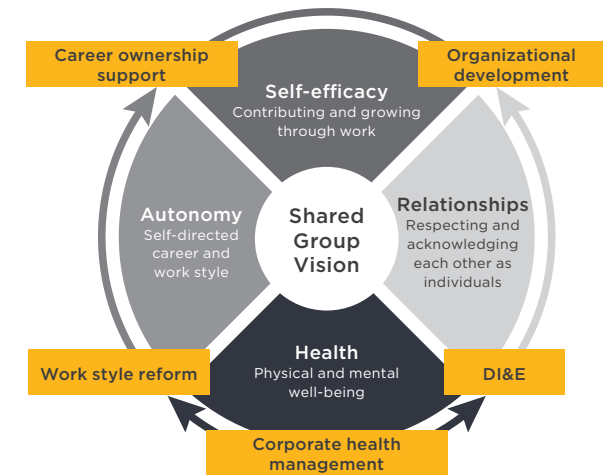
*The collective name for staff registered with our Staffing SBU, Technology SBU, and BPO SBU services.

index, which measures the extent that employees resonate with the Group Vision, rose from 77% to 79%, marking the third consecutive year of growth. I believe this is due to the success of the ongoing efforts by each SBU and company to enhance engagement, in addition to our Group-wide efforts.

We have identified five engagement drivers as important elements for enhancing engagement—autonomy, self-efficacy, relationships, health, and shared Group Vision—and have designed and developed a range of measures to achieve these.

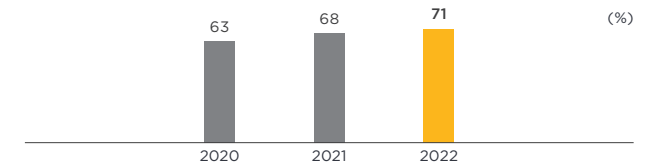
With regard to employee health, which is a key foundation for engagement, we have made steady advances over the past three years, focusing on visualizing employee health status through measures that include unifying our stress check system and initiating Group-wide monitoring of presenteeism—a measure of reduced

The PERSOL Group’s Engagement Drivers



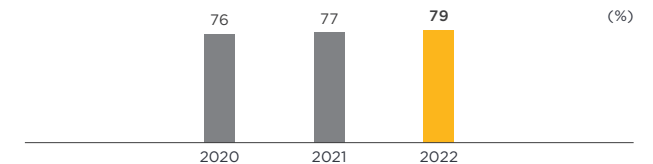
Engagement Index

Average values for motivation contributing to “work” and motivation contributing to “organization”



Vision Empathy Index

Can you empathize with the PERSOL Group Vision “Work and Smile”?



*Figures for the above indices are based on the percentage of respondents who selected the two most positive answers out of the five options available. The engagement index has been recalculated from 2021 to include figures from APAC SBU.

Message from the CHRO

performance due to poor health. 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), while also conducting joint research with external organizations and introducing experimental health initiatives that leverage technology.

With regard to autonomy, since 2016 we have gradually developed measures that aim to support employees' career ownership, including soliciting open applications for internal positions and conducting career training, with 1,118 employees participating in 2022, and 3,368 employees participating cumulatively since the program's establishment. With the number of participants increasing year by year, I feel that our employees are taking greater ownership of their personal careers. Our analysis has also found that the key to increasing career ownership among employees is support for action. Accordingly, over the next three years, we plan to introduce a new scouting-type transfer system to encourage employees to take action.

I also feel that we are making progress in developing leaders with the ability to drive engagement. As one measure to this end, we have developed an action-learning training program designed to help managers improve team dynamics, with a total of 35 teams participating in this program over the past three years. Teams that participated in the training have shown a high level of practical application and retention of the skills learned during the program, which has provided a strong basis for enhancing teamwork and relationships. Going forward, we will train organizational development facilitators in-house, with the goal of providing this training to all managers by 2030.

Meanwhile, we continue work to develop an action index which focuses on the day-to-day behavior of managers in highly engaged organizations. Through Group-wide interviews, we have identified seven management behaviors that contribute to employee engagement. In the future, we will use this action index in a variety of measures designed to

promote positive behavioral change among our managers.

In the PERSOL Group's Mid-term Management Plan 2026 (hereafter "the Plan 2026"), we have positioned human capital as one of our business growth engines, and will accelerate our efforts in the following three areas: (1) achieving "Career Well-being," (2) enhancing technology-oriented human resources and (3) building the foundations for diverse human resources to lead active roles.

At the PERSOL Group, we have been working to incorporate engagement index into the criteria used to evaluate the performance of our management team, as we believe that improving employee engagement contributes to the growth of the Group as well as to customer satisfaction.

From 2023, the Group's average score on our internal engagement index and the score on the "Career Well-being" index developed jointly with Gallup, Inc. will be set as new KPIs for the Group, and we have also decided to increase the weighting of these KPIs as evaluation items used to determine the compensation of our management team. With the establishment of these metrics, our management team is committed more strongly than ever to increasing engagement and achieving our FY2025 engagement target of 75%.

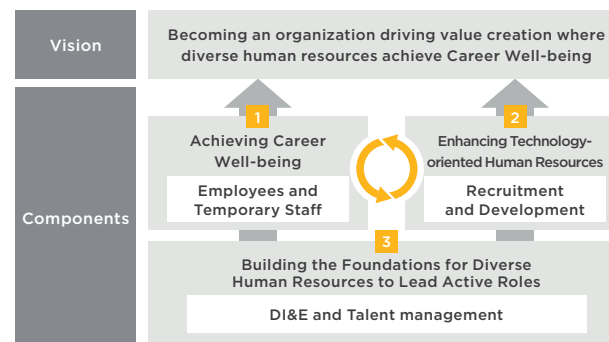
DI&E (Diversity, Inclusion, and Equality) also remains an important priority in order to continue increasing employee engagement. By pushing forward with these initiatives, we will provide opportunities for diverse human resources to play active roles, which is one of the material topics we have set.

Business Growth Engines: Human Capital



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

Overview of Human Capital



Key Initiatives

1	<ul style="list-style-type: none"> Improving employee engagement through career autonomy and measures to advance health Improving the well-being of temporary staff by supporting working styles that suit each individual
2	<ul style="list-style-type: none"> Building a comfortable work environment for specialized human resources (personnel systems, etc.) and enhancing hiring capabilities through improved recruitment branding Promoting reskilling and upskilling through a wide range of specialist programs Aiming to employ more than 2,000 technology-oriented human resources (by 2026/3)
3	<ul style="list-style-type: none"> Advance DI&E by increasing the percentage of managerial positions filled by women and encouraging eligible male employees to take childcare leave Cultivating top leaders through diverse talent management measures

Managerial behaviors that drive engagement

Shared 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 the purpose and significance of the work undertaken by 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 face.
Feedback on Strengths	Providing feedback that focuses on team members' strengths.
Self-disclosure by manager	Sharing their concerns and thoughts.

Message from the CHRO

Taking steps toward reducing manager workload

In the Plan 2026, we plan to enhance talent management of managerial personnel and tackle the issue of increasing managerial workloads in order to build a foundation for diverse human resources to take on leading roles.

Managers have an important role in enhancing both engagement within their organizations and customer satisfaction. Many of our current management team are aged 45 years or older, which makes talent management of our managerial personnel particularly important from the perspective of developing the next generation of senior management.

At the same time, we recognize that the role demanded of managers has expanded over the past few years, including changes in work styles due to the impact of COVID-19 pandemic, making managerial workloads an increasingly serious problem. I also sense a general societal trend among young people to be reluctant to take on managerial roles due to day-to-day pressures, which makes it difficult to maintain a mid- to long-term vision. Given these trends, we have added talent management and managerial workload among our mid-term focus points, and will strengthen our efforts in these areas.

In order to further develop the capabilities of our managers, we will develop and introduce new experimental training courses in addition to our existing programs. We will also expand the transfer of personnel across the Group, including not only our current senior management but also the next generation of management, who are currently in their 30s. We will also release a self-assessment tool for the PERSOL Leadership Competency that we established in 2022, seeking to raise awareness of the competencies required of the Group's leaders.

In addition, we will launch efforts to reduce managerial workloads by redefining the roles of managers and

making proactive use of technology. Through these initiatives, we aim to help all managers in the PERSOL Group to grow into top leaders. [Refer to page 40 to 41](#)

Working to visualize our human resource portfolio. Planning to hire 12,000 additional employees over the next three years.

In formulating the Plan 2026, we developed a job type master for the entire Group, visualized our human resource portfolio for the next three years by job type and business, and discussed the matter among our senior management team.

As a result, we reached a common understanding that, in addition to increasing the number of technology-oriented human resources, we will also need to bolster our sales staff, who deal with customers on a daily basis, and our planning specialists, who will promote digital transformation (DX) throughout the Group. Based on this recognition, we decided to increase our employees across the Group by some 12,000 personnel. As hiring can be flexibly adjusted and controlled in line with economic trends, we do not believe there is a significant risk in planning to increase our headcount at this time.

Strengthening employee retention is another key factor in achieving our recruitment plans. The turnover rate for the Group as a whole is currently hovering at around 10%, and going forward we will work to visualize and analyze turnover rate by job type, age, gender, and other factors to determine how to improve retention on a Group-wide basis.

Although we are currently working to visualize these human resource portfolios primarily in Japan, where we have a well-developed employee database, we are also in the process of developing similar databases in the APAC region.

Over the coming three years, we intend to visualize the human resource portfolio of the entire Group.

Planning approximately 200 billion yen in human capital investment

The PERSOL Group regards each and every one of its employees and temporary staff as a source of corporate value. As such, we are working to promote human capital management by investing proactively in training as well as rewarding employee contributions so that all employees can grow autonomously and continue to flourish, even in today's highly uncertain business environment.

In April 2023, we raised wages across the Group by an average of 5% in order to improve our recruitment competitiveness as well as to increase employee retention. Over the next three years, we plan to visualize productivity improvements at each Group company and distribute approximately 50 billion yen in total to our employees via regular pay raises and wage increases.

We have also decided to increase the value of the share-based compensation scheme for managers, aiming for a more competitive compensation package. We plan to allocate approximately 3.5 billion yen in stock grants over the next three years to increase the engagement of our managerial staff and foster their sense of participation in the company's management.

In addition to returning profits to our employees in monetary terms, we will also step up investment in training, such as reskilling programs, as well as in work style reforms. We plan to invest approximately 3.5 billion yen in education and training over the next three years, an amount that does not include the labor costs of employees participating in training. We anticipate a positive return on this investment, as many of the PERSOL Group's training programs are produced in-house, and we will consider making additional investments in future as our business performance improves. In addition, we have allocated approximately 140 billion yen over the next three years to other expenses associated with the increase in the total number of employees across the PERSOL Group.

We will continue to maintain a Group-wide focus on human capital management as an engine to drive business growth under the Plan 2026.

The Staff Well-being Committee

The Staff Well-being Committee

The Staff Well-being Committee implements 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.

Our Thoughts on Businesses Related to Temporary Staff

Our Thoughts on Temporary Staff

We aim to enable each one of our temporary staff members to choose their work style and live in their own way. We respect the values and future visions of our individual temporary staff members, such as their work-life balance and their career path. We believe the availability of a range of work options enabling people to work in their own ways leads to the improvement of well-being.

Our Thoughts on Temporary Work as a Work Style

We aim to have temporary work recognized as a flexible, sustainable work style in that it permits staff to choose ways of working and work content that suits them. We would like to promote the appeal of temporary work as a work style in society, including that it enables people to balance work and their family and to try working in a new field, and let people know that temporary work is an option for them in the achievement of their career visions.

Our Thoughts on the Labor Market

We will contribute to society by creating employment for temporary staff members and enabling these staff members to help solve the issues faced by the companies to which they are dispatched. We also aim to remain the industry-leading company in human capital management, which is attracting attention these days, by maximizing the value of human resources and by valuing individual human resources.

Structure and Matters to Deliberate/Resolve

The Staff Well-being Committee was established under the Headquarters Management Committee (HMC), an organization which assists the CEO and discusses the PERSOL Group's basic management policy and important operations. The Staff Well-being Committee is in charge of strengthening and supplementing businesses related to temporary staff. It reports on and proposes important matters to the HMC.

The Staff Well-being Committee is composed of 13 members, including the CHRO of PERSOL HOLDINGS, presidents and representative directors, officers, and general managers from PERSOL TEMPSTAFF and PERSOL

CROSS TECHNOLOGY, and the general manager of the Human Resources Planning Division of PERSOL HOLDINGS.

The committee visualizes the current realities of the PERSOL Group's human capital management for temporary staff and deliberates important matters related to human capital disclosures (the disclosure of stories consistent with the Group's HR strategy, policies regarding the provision of information to and dialogue with each stakeholder, and important measures and action plans related to the Group's policies and issues), thus ensuring that each initiative is appropriate.

Members of the Staff Well-being Committee



Shinji Masaki
PERSOL HOLDINGS
Executive Officer
Technology SBU Lead

Kazunari Kimura
PERSOL HOLDINGS
Executive Officer
Staffing SBU Lead

Hiroataka Mino
PERSOL HOLDINGS
Executive Officer CHRO

Tatsuya Ando
PERSOL TEMPSTAFF
General Manager of Career
Promotion Division I

Kazuyuki Ichimura
PERSOL HOLDINGS
Executive Officer
BPO SBU Lead

Kiyoshi Maeda
PERSOL TEMPSTAFF
Executive Officer
General Manager of BPO Business
Planning & Management Division

Asuka Yamakawa
PERSOL CROSS TECHNOLOGY
Executive Officer
General Manager of Service
Strategy Division

Kazuko Uehara
PERSOL TEMPSTAFF
General Manager of Business
Process Design Division

Shigeko Goto
PERSOL TEMPSTAFF
General Manager of Staffing
Planning Division

Chiaki Nakatsubo
PERSOL TEMPSTAFF
General Manager of
Online Marketing Division

Ryoko Yamasaki
PERSOL HOLDINGS
General Manager of HR Planning
Department, Group HR Division

The Staff Well-being Committee

The Staff Well-being Committee

Two Priority Themes Based on the PERSOL Group's HR Strategy

Creating Work Opportunities

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

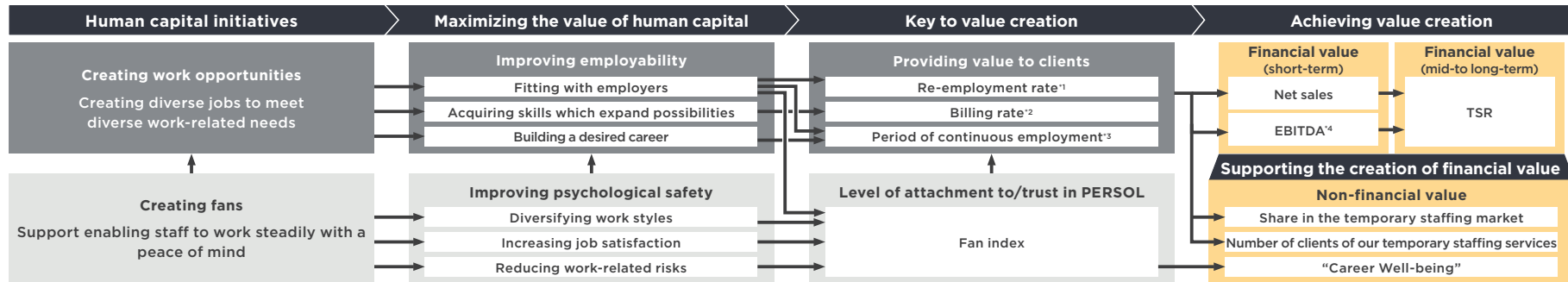
Creating Fans

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.

Value We Aim to Create

A larger number of contracts and higher value provided to clients, achieved through fitting, will contribute to the growth of net sales and EBITDA and lead to the medium- to long-term growth of the business and then to an increase in TSR. Further, we will improve temporary staff's capabilities and solve a range of HR issues, thereby building relationships of trust with our clients. At the same time, we will create new employment by leveraging our expertise in connecting companies with people and support the labor market.

Visualizing the path, on which human capital initiatives corresponding to the priority themes lead to value creation, as an impact path



KPI	2023/3 result	
	Staffing SBU	Professional Outsourcing SBU ^{*6}
Re-employment rate ^{*1}	38.4%	45.9%
Billing rate ^{*2}	2,268 yen	3,655 yen
Period of continuous employment ^{*3}	31.0 months	28.3 months
Fan index	57.9%	-

KPI	2023/3 result	
	Staffing SBU	Professional Outsourcing SBU ^{*6}
EBITDA ^{*4}	43.0 billion yen	9.3 billion yen
Number of clients of our temporary staffing services	22,801 companies	2,268 companies
Career Well-being ^{*5} Q1/Q2/Q3	75.1%/80.6%/62.1%	-

^{*1} The percentage of temporary staff who were reemployed (who worked for three months or longer under temporary staff placement contracts or outsourcing contracts signed within 31 days from the date of completion of temporary employment) among those who have completed long-term (three-month or longer) temporary employment
^{*2} Average billing amount among long-term, short-term (below-three-month), and one-off (one-day) temporary staffing contracts in each month
^{*3} Average length of period for which temporary staff from PERSOL have continued to work under long-term temporary staffing contracts as of the end of each month

^{*4} Changed to adjusted EBITDA in the fiscal year ending March 2024
^{*5} The content of Q1 to Q3 are as follows:
 Q1: Do you enjoy the work you do in your job every day?
 Q2: Do you think the work you do in your job significantly improves the lives of other people outside of your own household?
 Q3: Do you, personally, have many choices regarding the type of work you can do in your life?
^{*6} Because the values are results for the fiscal year ended March 2023, the SBU structure that was current in the fiscal year is indicated.

Specific Initiatives Corresponding to the Two Priority Themes

Support for Job Hunting

We provide opportunities to choose work styles that are appropriate for the environment and the values of individuals. We also provide a broad range of job postings information to enable individuals to find their desired jobs any time on their own.

[Details are available here](#)

Support for Personal Development and Career Building

We will proactively invest in human resource 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.

[Details are available here](#)

Support Enabling Staff to Work Steadily with a Peace of Mind

We will create a better work environment for temporary staff by providing diverse options regarding work hours and places of work, hosting a range of events to enable the time outside their working hours to be fulfilling, handling risks and compliance matters, and taking other measures.

[Details are available here](#)

Message from the CIO/CDO



Technology Strategy Message from the CIO/CDO

We will contribute to creating employment opportunities by maximizing the value that can only be created by people using the power of technology.

Executive Officer CIO/CDO
(Chief Information Officer/Chief Digital Officer)
Yuta Tsuge

Drawing up a highly effective plan toward our Mid-term Management Plan 2026

It has already been a year since I assumed the position of CIO/CDO, and the fiscal year ended March 2023 was a period of preparation for the PERSOL Group Mid-term Management Plan 2026 (hereafter “the Plan 2026”). We spent a year considering a plan on how to promote technologies over the next three years to become a “technology-driven human resource service company,” which is the management direction set forth in the Plan 2026. In formulating the plan, we exchanged opinions not only with the technology department but also with key personnel in each SBU, and we believe that the plan was highly effective in light of the Group’s current situation.

We have also taken several preliminary steps to ensure that the Plan 2026 gets off to a smooth start.

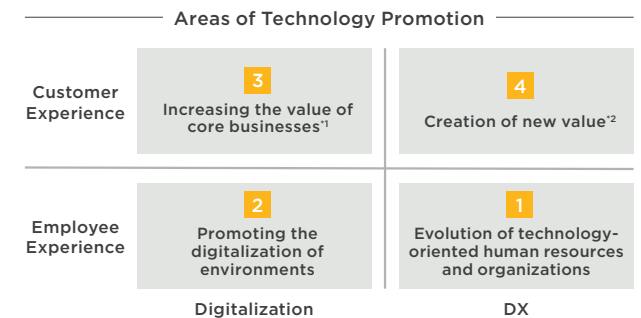
One of these is the evolution and advancement of our corporate systems, including human resources, accounting, and sales support systems, and in the fiscal year ended March 2023, we were able to realize data utilization of our human resources system. However, it will take several years for a company as large as the PERSOL Group to complete these system improvements, so we will continue to move forward in a planned, phased manner. During the past year, we also focused on strengthening security and data governance. Each SBU has different business characteristics and handles different information, so we established rules tailored to each situation, and then expanded the scope of individual customization and deepened the level of our efforts. We were able to obtain an evaluation that met the standard when we had it analyzed by a research company, but we will aim to evolve without resting on our laurels.

Establishing an organization of specialized human resources within the Group to expand our technology-oriented human resources

In order to promote technology in the Plan 2026, we have identified four areas in which we will implement a variety of measures.

Business Growth Engines: Technology

Technology Policy Using a technology-based Center of Excellence (CoE) organization as a hub, we will enhance Groupwide technology-oriented human resources and organizations while strengthening implementation and utilization in businesses and services.



Key Initiatives

1	Developing environments that enable the success of specialist human resources through Group recruitment, the establishment of CoE organizations and the building of comfortable working environments for specialist human resources (personnel systems, etc.).
2	Further improvements to the working environment through devices, infrastructure and the digitalization of corporate systems.
3	Increasing the service value of core businesses by improving matching sophistication, UI/UX improvement, personalization, data utilization, in-house development, etc.
4	Exploration, creation and expansion of new products and platforms for technology-based “Career Well-being.”

¹ Workforce Business + Digital Platform Business
² Digital Products / Digital Platforms

Message from the CIO/CDO

First, in terms of increasing the number of technical personnel and organizations, we plan to increase the number of technical personnel to at least 2,000 by the fiscal year ending March 2026, the final year of the Plan 2026. To achieve this goal, we will establish a new CoE organization that aims to connect people and organizations through technology, and will specialize in recruitment activities, human resource development, and placement. The shortage of technical personnel is becoming more serious in Japan. According to the Ministry of Economy, Trade and Industry, the shortage had already grown to 300,000 in 2020 and is expected to reach between 450,000 and 800,000 by 2030. Because the PERSOL Group is a recruitment professional, we would like to advance initiatives to stay abreast of the situation. What is more important is retention, or in other words, the ability to create an environment in which employees can stay with their company for a long time after joining and continue to improve their skills. To achieve this, it is important to continue to create attractive services and products, in addition to an environment and system that is comfortable to work in. We must grow as a company so that our highly specialized employees can maximize their abilities, and we must build a culture that embraces technology personnel, centered on the CoE organization, to drive further digitization and DX.

Promoting the Group-wide digitalization of core businesses

In the Plan 2026, I believe that the most important focus should be on the digitalization of our core businesses. The PERSOL Group has several SBUs, but the progress of digitalization differs from one to another, and there is unevenness throughout the Group as a whole.

Therefore, under the Plan 2026, we intend to give priority to those SBUs that have significant scope

for digitalization and move toward the digitalization of the entire Group. By doing so, we aim to improve service value and explore and create new products and platforms. [Refer to page 38](#) In addition, data collaboration and utilization among SBUs will also progress, which will increase the possibility of accomplishing things that could not be done by each SBU alone, and will enable the Group to leverage its unique strengths.

We will also promote digitalization to build a more positive working environment for employees. Work styles, places of work, and work hours will become increasingly diverse. Therefore, we need to prepare an environment that considers all possible work patterns.

To begin, we want to increase the sophistication of the corporate systems mentioned above, so that they can be used without stress in any environment.

We will also design a next-generation work environment which assumes the use of multiple devices, including not just PCs but also smartphones and tablets.

Accelerating growth using the power of technology, with people continuing to play the central role

We believe that human resource services is an industry where people play the leading role, as people expand their potential through the power of others. Naturally, the PERSOL Group has the experience and pride of having evolved in this industry, and these core elements will never change.

Although the use of technology has become more important with the evolution of technology and changes in society, what is important is “how people demonstrate their value,” and technology is one of the means to expand human potential. We will contribute to the creation of work opportunities by maximizing the use of technology and creating services and businesses that support working people in accordance

with ever-changing work styles. We aim to achieve the value creation goal of the PERSOL Group for the year 2030, which is to create better work opportunities for 1 million people. We will continue to expand our commitment to change the world for the better in Japan and APAC in order to realize our group vision of “Work and Smile.”

Moreover, I feel that the technology department will play the leading role in a very large part of this process. There will be many new challenges in the promotion of technology during the Plan 2026, and everything will not necessarily go well. However, since these initiatives are indispensable for the PERSOL Group in the future, we will take an aggressive approach on these challenges, and I would like to make this the first step in a three-year period in which we can be recognized as having made significant progress in the use of technology. We can all look forward to the PERSOL Group accelerating its growth with the power of technology.



Group Structure and Strategic Policies

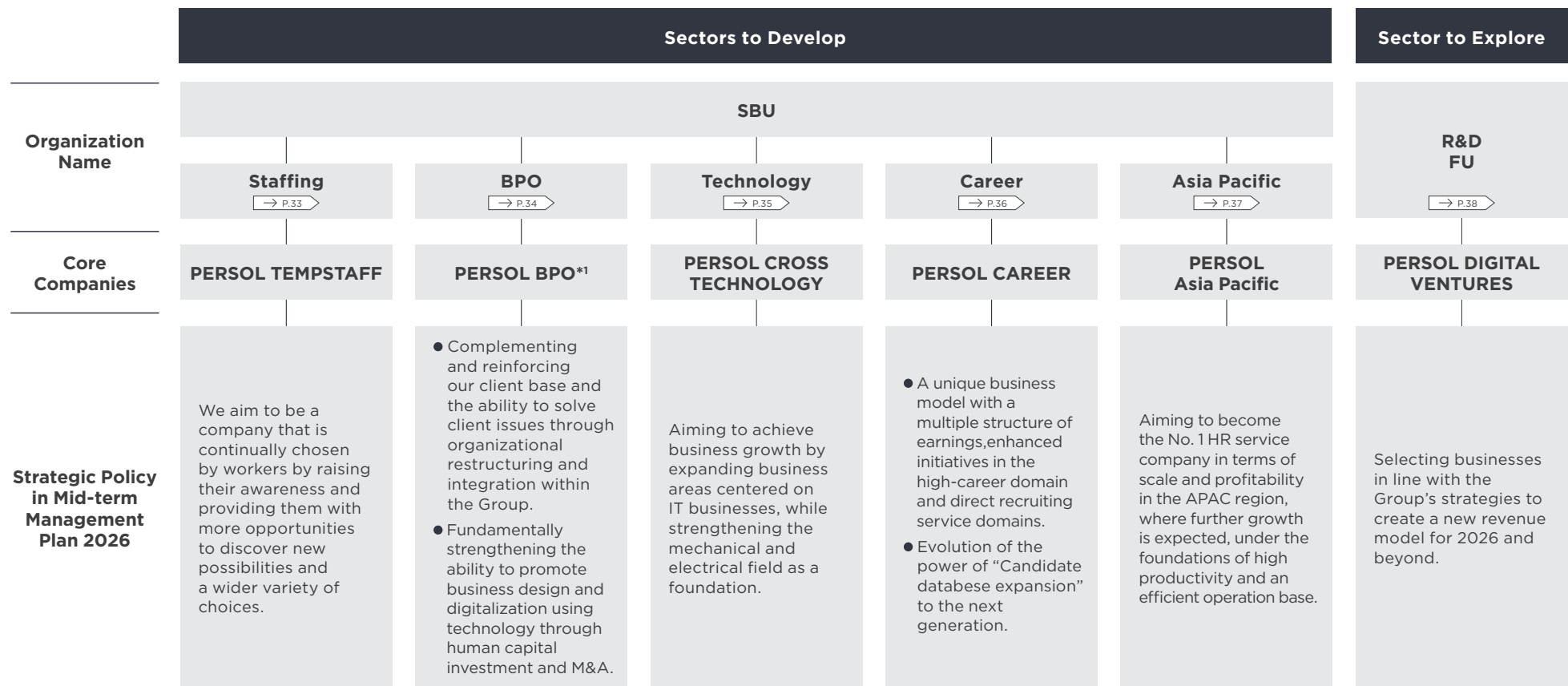
Group Structure and Strategic Policies

On April 1, 2023, the PERSOL Group changed its management structure. A BPO SBU specializing in the BPO domain, which is expected to grow further, has been newly established to create synergies by integrating knowledge and capabilities within the Group. In addition, the Professional Outsourcing SBU has been renamed the “Technology

SBU” in order to strengthen the use of technology in the IT and engineering fields.

Going forward, we aim to further enhance corporate value in the five business units of Staffing SBU, BPO SBU, Technology SBU, Career SBU, and Asia Pacific SBU. In the R&D FU, we will promote the search for and creation of mid- to long-term business models.

*SBU: Strategic Business Unit, FU: Function Unit



* PERSOL BPO CO., LTD was established as the core company of the BPO SBU. A part of PERSOL TEMPSTAFF’s business (the BPO Business Division) also belongs to this SBU.

Staffing SBU

Staffing SBU

Providing growth opportunities and work options to continue to be selected by individuals and build long-term relationship of trust with clients

Executive Officer, Staffing SBU Lead
Kazunari Kimura



Perceived Business Environment

In the clerical and administrative staffing market, the primary market for the Staffing SBU, demand is expected to decrease in the medium to long term due to a decline in the working population and the use of technologies as alternatives.

However, while the use of technologies as alternatives increases, changes are also taking place in the structure of jobs at companies, such as the emergence of new businesses. Therefore, we understand that while there are threats, we can also expect there will be a need to replace human resources accordingly.

Business Opportunities and Risks

Opportunities

- Employment opportunities created by the diversification of work styles
- Short-term increase in labor demand reflecting labor shortages

Risks

- Decline in demand resulting from the medium- to long-term decrease in the working population, the use of technologies as alternatives and other factors

Competitive advantages

The strengths of the Staffing SBU are its size, boasting the top share of the clerical and administrative staffing market, as well as the foundation of its business and the trust it has earned.

As of March 2023, more than 125,000 people are dispatched as temporary staff. We are accelerating our DX to improve the value of people and productivity, by combining technologies with the data and expertise that we have accumulated over many years of operating a temporary staffing business.

Further, to provide diverse employment opportunities, we have created services that fill in the gaps between clients and workers, such as temporary staffing for the development of young human resources and temporary staffing using technologies.

Direction of Value Creation (Growth Strategies)

The Staffing SBU will sustainably provide possibilities, new insights, and options for individuals to work in their own ways and offer solutions by identifying changes in clients' businesses and circumstances. Thus, our goal is to be an employment platform that is needed by individuals, companies and society.

We will help individuals gain new insights and achieve personal development by providing them with reskilling and learning opportunities related to their desired career paths and other elements and by offering diverse work choices, thus allowing them to feel that they are working in their own ways. Through these activities, we aim to be an entity that continues to be chosen by workers.

For companies, we will build long-term relationships of trust with customers, not only through the supply of human resources as a means of providing value but also by providing diverse solutions based on our understanding of their issues and needs.

Pushing forward with these initiatives by making the maximum use of technologies, we will continue to provide value to both individuals and clients to continue to enhance our presence in the temporary staffing market even while the working population is decreasing.

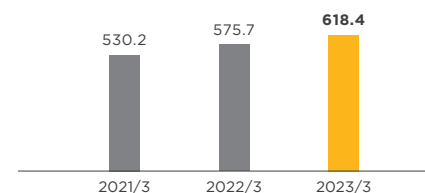
Results for Fiscal Year Ended March 2023

Corporate demand for temporary staffing has remained brisk, and the number of people dispatched as temporary staff increased year on year. As a result, net sales increased 7.4% year on year, to 618,481 million yen, with the business performance driven by an increase in sales in the clerical and administrative staffing sector.

Operating profit decreased 8.1% year on year, to 36,180 million yen due in part to a temporary decrease in demand for public related projects, in addition to an increase in paid leave taken by temporary staff and in social security premiums, more than offsetting the higher sales.

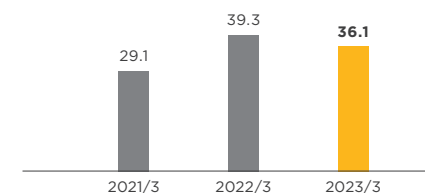
Net Sales

(Billions of yen)



Operating Profit

(Billions of yen)



BPO SBU

BPO SBU

Working to enhance our presence in the BPO market and expand our service coverage, aiming to improve the Career Well-being of individuals

Executive Officer, BPO SBU Lead
Kazuyuki Ichimura



Perceived Business Environment

The Japanese BPO market is currently around five trillion yen, with continued growth expected as companies move to secure sustainability amid the growing uncertainty associated with rapid changes in society, in addition to the labor shortage and the growing need to improve productivity. A broad array of corporate needs exist in this market environment, and the ability to provide extensive customer value is required.

Business Opportunities and Risks

Opportunities

- Mid- to long-term increase in demand reflecting the labor shortage and the need to improve productivity
- Increase in demand for services as means of holding down fixed costs for flexible management amid uncertainty

Risks

- Emergence of alternative services resulting from the evolution of technology
- Fiercer competition

Competitive Advantage

The BPO SBU has two strengths. One is customer relations, which enables us to deeply understand client needs leveraging the Group's sales capabilities, which are among the largest in Japan (there are approx. 9,000 corporate sales team members), creating opportunities to receive orders for outsourcing services. The other is our talent supply, which is among the largest in Japan and enables us to respond promptly to fulfill a wide range of customer needs. In addition, we are focusing on harnessing and developing our people, while enhancing our ability to optimally design and digitalize business processes through the use of technology.

Direction of Value Creation (Growth Strategies)

Within the BPO SBU, we will expand the scale and quality of our business, seeking to help improve the productivity of society, facilitate labor mobility, and enhance the Career Well-being of individuals, which form the value we offer society. We will enhance our presence in the BPO market and expand our customer relations by utilizing and coordinating resources including the Group's customer base.

At the same time, we will enhance education and training programs that help improve the skills of our talent, which enables us to provide a higher level and wider range of outsourcing services. We will combine a wide range of occupations with our educated talent to achieve optimal placement and to improve the quality of our services.

We will also enhance our consulting services and aggressively consider M&A options to dramatically improve our ability to design business processes and promote digitalization with the goal of improving productivity.

With these initiatives, we will provide prompt, high-quality services to help our corporate clients maximize their productivity and improve the Career Well-being of our employees.

*The BPO SBU was newly established on April 1, 2023 as a result of the change of the management structure. Accordingly, the business results of the BPO SBU for the fiscal year ended March 2023 are not reported here. Net sales and operating profit of the reportable segments after the structural change will begin to be disclosed in the fiscal year ending March 2024.

Technology SBU

Technology SBU

Expanding domains with a focus on the IT business by securing and developing high value-added human resources with a high level of expertise and technological capabilities



Executive Officer, Technology SBU Lead
Shinji Masaki

Perceived Business Environment

There has been a chronic shortage of IT and engineering human resources due to the increased sophistication of technologies and the diversification of corporate demand. The IT and engineering staffing and contract market, which is the main business field of the Technology SBU, is expected to continue growing steadily.

Business Opportunities and Risks

Opportunities

- Mid- to long-term expansion of the IT and engineering market
- Growing demand for business process transformation and automation for improving the efficiency of business and reducing labor
- Acceleration of the increase in people wanting to change jobs associated with growing reskilling needs

Risks

- Intensifying recruitment of engineers resulting from a shortage of such human resources
- Technology obsolescence resulting from changes in social needs

Competitive Advantage

The strengths of the Technology SBU are its ability to provide end-to-end services including upstream and downstream processes for not only IT, machinery, electricity and electronics, but also consulting, maintenance and operations, as well as diverse contracts tailored to the customer's needs, including outsourcing, temporary staffing and freelance contracts. The number of engineers has been increasing steadily. It is currently approx. 10,000. We have also accumulated knowledge and expertise related to the recruitment of engineers and other human resources with a high level of expertise and technological capabilities.

Direction of Value Creation (Growth Strategies)

In the Technology SBU, we aim to achieve the growth of business by expanding domains with a focus on the IT business while reinforcing the engineering domain as the foundation for growth. To achieve this, we will enhance our engagement and retention rate through activities such as revising the personnel system and enhancing training programs, while also recruiting a wider range of human resources including inexperienced people, people from a background in the arts, and non-Japanese human resources. At the same time, we will strive to improve our sales capabilities and enhance training programs to shift to fields with higher added value.

Further, we will strive to recruit and develop high value-added human resources and expand our customer base, in an attempt to increase billing rates. As measures for this purpose, we will expand our career support and training programs for engineers, aiming to improve their added value. We also plan to recruit more than 1,000 (engineers annually continuously) to gain and maintain a competitive advantage for the medium to long term.

Results for Fiscal Year Ended March 2023

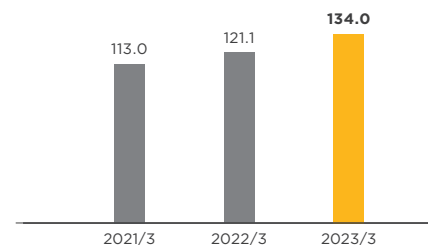
Demand grew in the engineering area, mainly for development in the manufacturing industry. Further, there was also steady growth in the IT area. As a result, net sales increased 10.7% year on year, to 134,085 million yen.

Operating profit increased 8.4% year on year, to 7,518 million yen due to the effect of increased sales, more than offsetting an increase in cost that reflected a stepping up of recruitment activities amid the intensifying competition for engineers.

*As a result of the change of the management structure, the Professional Outsourcing SBU was renamed the Technology SBU on April 1, 2023.

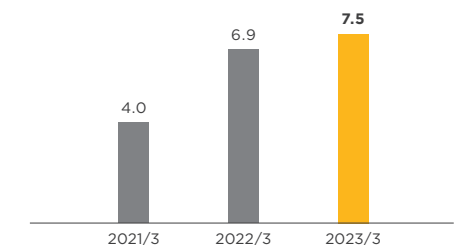
Net Sales

(Billions of yen)



Operating Profit

(Billions of yen)



Career SBU

Career SBU

Focusing efforts on promoting DX in anticipation of market growth and launching business models targeting long-term business growth

Executive Officer, Career SBU Lead

Yu Senoo



Perceived Business Environment

The jobs to applicants ratio decreased to 1.13 in 2021 due to the impact of the COVID-19 pandemic. It has been recovering, coming back to 1.28 in 2022.

It is expected that, reflecting the subsiding of the pandemic, the jobs to applicants ratio will recover to the before the COVID-19 level. In this environment, the job market of regular employees is expected to grow overall.

Above all, the high-career domain with annual income of 6.0 million yen or more is expected to grow remarkably.

We expect that the existing placement business and job advertising business are not sufficient to meet the brisk corporate demand for hiring, and therefore, the direct recruiting

(DR) service, with which companies directly approach job seekers, shall grow significantly.

As a result of these changes, the market is expected to more than double its current size by 2030. In addition, the side job and freelancer domain, which is a market adjacent to the career-change market, is also expected to grow significantly.

Business Opportunities and Risks

Opportunities

- Mid- to long-term growth of the career-change business market resulting mainly from career ownership of individuals and labor mobility
- Expansion of the side job and freelancer market, which is adjacent to the career-change market

Risks

- Increased market competition from emergence of competitors
- Less interest in hiring at companies due to weakening business sentiment

Competitive Advantages

The strengths of the Career SBU include a database of job seekers and projects that is one of the largest in the Japanese job market, multitiered recruitment solutions (including a placement business, a job board, and DR) that meet the demands of job seekers and companies, and highly accurate matching based on data and AI technologies. We will strengthen these competitive advantages further, with a focus on the doda brand.

Direction of Value Creation (Growth Strategies)

While career-change-related markets are expanding, the Career SBU aims to increase the market share at a rate above the market growth rate, aiming to create a society filled with career ownership. In the placement business and other existing businesses, we will drive productivity improvement with DX investment and enhance product development. We will develop matching models that appropriately address the situation and circumstances of individuals and projects and introduce an AI matching system, thus providing appropriate services and information at the right time. We will also enhance human capital investment to enhance hiring capabilities and enable active participation and employee retention.

In addition, we will strengthen the high-career domain and the side job and freelancer domain in anticipation of long-term business growth. In the high-career domain, having started with the release of dodaX in October 2022, we will continue to make marketing investment to expand the database of job seekers and launch diverse business models. In the side job and freelancer domain, we will expand the targets in the engineering area and launch new business models.

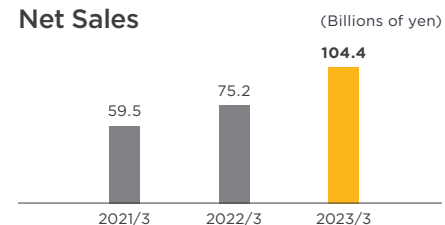
Further, we will aim to build and reinforce medium- to long-term relationships with job seekers, for instance by suggesting learning linked with each job seeker's market value or project, mainly in the IT and high-class fields.

Results for Fiscal Year Ended March 2023

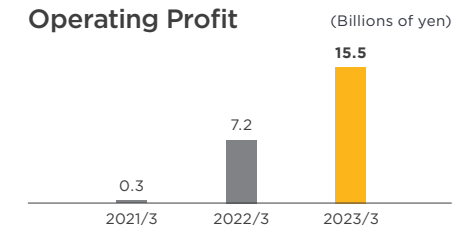
In the career-change market, restaurant- and service-related demand has recovered. The overall market has also remained strong. In this environment, corporate demand remained steady in the placement business and the job recruitment media business, resulting in net sales of 104,467 million yen (up 38.8% year on year).

Operating profit increased significantly to 15,532 million yen (up 113.8%), despite increases in advertising and recruiting expenses.

Net Sales



Operating Profit



Asia Pacific SBU

Asia Pacific SBU

Targeting further gains in profitability by optimizing the business portfolio and maximizing productivity

Executive Officer, Asia Pacific SBU Lead
Takayuki Yamazaki



Perceived Business Environment

The APAC region accounts for about 50% of the world's labor force (as of 2021) and features higher wage growth and greater human resource mobility than other regions.

Moreover, as the working population continues to grow and the region experiences further economic development, the APAC market is set to maintain significant growth. Consequently, we forecast that the temporary staffing and placement market (on a gross margin basis) in APAC (excluding China and India) is expected to overtake the domestic Japanese market by 2030.

Business Opportunities and Risks

Opportunities

- Mid- to long-term growth in the workforce, particularly in Southeast Asia
- The expansion of the temporary staffing and placement market to accommodate diverse work styles

Risks

- The entry of new players and the emergence of alternative services linked to advances in technology
- Fluctuations in foreign exchange rates
- Weaker corporate hiring demand because of rising interest rates and an investor focus on profitability

Competitive Advantages

The Asia Pacific SBU has won top market share in Singapore, Malaysia, and Australia. Taking advantage of its collective strength to comprehensively cover key areas in the APAC region and provide a wide range of HR services, senior executives with diverse backgrounds are driving the utilization of technologies in collaboration with businesses in Japan while responding promptly to changes in the markets.

Direction of Value Creation (Growth Strategies)

The Asia Pacific SBU announced its Mid-term Business Plan in August 2022, ahead of the PERSOL Group's Mid-term Management Plan. In the three-year period from FY2023 to FY2025, the SBU is working to improve profitability with three main strategies as its pillars.

The first pillar is the revision and optimization of the business portfolio. In the overall HR service business, we will focus on technology-based placement and recruiting businesses, as well as the white-collar temporary staffing business in Australia and New Zealand, while in other businesses, we will strengthen the facility management business, which is not only capital efficient but also highly profitable. The second pillar is structural reform and cost optimization. We are proceeding with cost cutting through initiatives that include the consolidation of the head office functions, while seeking to improve efficiency by moving functions and operations offshore. The third pillar is to improve productivity through DX investments, including the development of AI matching, or the utilization of automation and process improvement tools that will enable higher productivity.

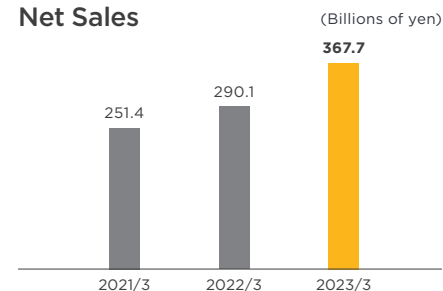
Through these initiatives we aim to become the No.1 HR service company in both scale and profitability in the APAC region.

Results for Fiscal Year Ended March 2023

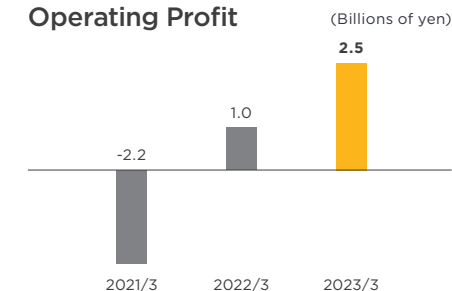
Although sales in China were affected by the country's COVID-19 policies, the SBU enjoyed steady demand in other regions where it operates.

Given the recovery from the impact of the COVID-19 pandemic and the effect of foreign exchange rates, net sales were 367,779 million yen (up 26.8% year on year). Operating profit also increased to 2,517 million yen (up 141.5%), reflecting the stronger sales.

Net Sales



Operating Profit



R&D FU

R&D FU

While attempting to achieve breakthroughs that overturn conventional wisdom and the norm, we will create better work opportunities with new methods in new fields.



Executive Officer, R&D Function Unit Lead
Toshihito Nagai

The R&D Function Unit aims to explore and create businesses related to “Career Well-being” by applying new methods that differ from the PERSOL Group's existing services under the PERSOL Group Mid-term Management Plan 2026.

In anticipation of changes in employment structure and greater employment mobility, which will result from changes in work styles and work consciousness, we are working to develop and provide new services that will enable people to overcome differences, such as differences in the type of employment and work patterns, and disparities between cities and regional areas. For example, MIIDAS, a new form of career change and recruitment support service, has been introduced to 430,000 companies, the majority of which are regional companies and small- and medium-sized enterprises, while the Sharefull app for finding part-time jobs for working during in-between times has been downloaded by 2.6 million people (as of March 2023).

In addition to the external labor market, such as job change and recruitment, we are also involved in the internal labor market, i.e., services that support “living your own life” by expanding the options and possibilities for each individual working for a company or organization. For example, our SaaS solution for non-desk workers, “POS+,” supports workers in industries such as food and beverage, retail, and beauty and hairdressing through store DX so that they can focus on hospitality. In addition, we are developing services that accompany individual workers in their learning and corporate human capital investment so that they can adapt to the changing times. In the search for and creation of new services, we place importance on utilizing the group's assets. We hope to accelerate the growth of the entire group by creating new businesses through intra-group collaboration, including the grasp of cutting-edge technologies and global trends through CVC, information specific to the human resources industry and proprietary primary information from think tanks, and diverse customer contacts and on-site primary information from the 135 group companies.

Examples R&D Function Unit initiatives

Drit, a New Business Development Program

This program is aimed at enabling every employee across the Group to develop their thoughts and passions into businesses. Ideas are discovered and refined and businesses are examined with the participation of experts in new businesses and the managers of these businesses. To date, more than 700 proposals have been made, 14 have been developed into businesses, and eight have entered the investment phase. Sales from the services created through Drit have exceeded 5.0 billion yen, and more than 500 people have been employed in relation to the services (as of March 2023).

**Open Innovation**

We are exploring possibilities of innovation with various partner companies to create new social value. We have formed business tie-ups with and invested in companies which share interests and aspirations with us and have accepted these companies as new Group companies. In the fiscal year ended March 2023, we invested in Meetscare, which connects caregivers with nursing care businesses, VOICE-ORE, a VTuber voice actor agency business, CYDAS, which provides a talent management system, and other businesses.



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Active Roles of Diverse Human Resources

Active Roles of Diverse Human Resources

Leader Development to Increase Engagement



The PERSOL Group implements a diverse array of leader development programs.

Mirai Shijuku and Mirai Gijuku

To produce business leaders over the mid to long term, we provide training for selected managerial employees. Mirai Shijuku provides learning support under a wide range of themes, with a focus on liberal arts, targeting candidates for the next-generation Group Senior Executives. It provides training on thinking beyond one's viewpoint, view, or perspective to develop trainees into human resources who can manage the Group. Mirai Gijuku operates training programs for managerial employees, from section managers to department heads. They include a program for learning key points in management for improving organizational engagement and one for learning leadership for solving social issues.



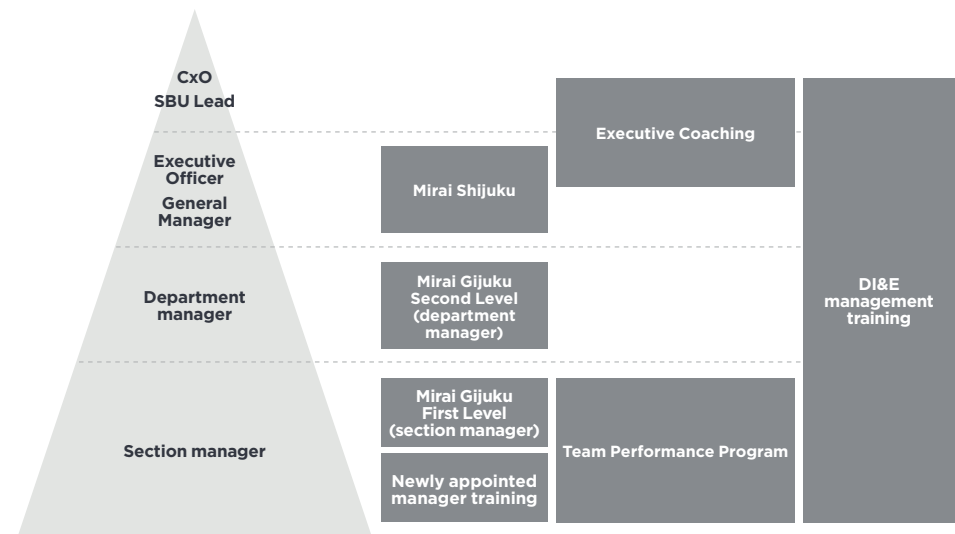
Newly Appointed Manager Training

We operate a one-year joint training program for newly appointed managers at each company, crossing the boundaries between companies. Immediately after the appointment, we provide new managers with startup training, in which they acquire the knowledge, skills, and ways of thinking needed for daily management operations. Six months later, we provide follow-up training to review the current status and verbalize what sort of managers they aim to be. And one year after the appointment, we provide training needed for subordinates' career design and step-up training for reviewing one's behaviors through a 360-degree survey, thus helping them to play active roles as the Group's managers.

Team Performance Program

We provide action learning training aimed at reinforcing relationships in a team and thus bringing out the autonomy that is intrinsic to the team. Employees participate in this training in teams and start by determining an action plan for creating the future of each team. This is followed by a three-month period for practical training, when an internal organizational development facilitator supports managers' practices. Specifically, support is given in participants' self-reflection and development of their questioning ability through four manager sessions and assessments. Participants gave such comments as "(The training) led to the reinforcement of relationships in the team" and "I have acquired the ability to approach management based on the members' characteristics." We aim to have all managers to complete this training by 2030, thus supporting them in creating organizations in which learning can be done in teams.

Group-Wide Leader Development Program



Active Roles of Diverse Human Resources

Initiatives to Increase Employees' Career Ownership



We attach great importance to employees' career ownership, as set forth in the Group Vision that states "we need to make our own choices from a range of diversified work opportunities." We take diverse measures to encourage employees to build careers on their own and help them take actions voluntarily and proactively.

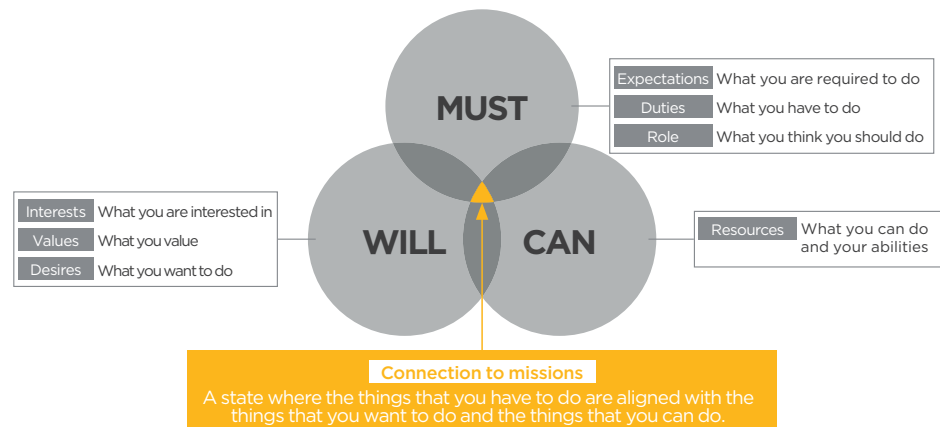
Smyle, a Career Design Training Program

Smyle is a training program aimed at having employees think about their own career design. Employees look back on their life (career) in the workshop and verbalize what they will do, what they can do, and what they must do. Support is provided to them so that they can work actively with future prospects. A cumulative total of around 1,200 employees have participated in this program which was launched in 2018. It has become one of the leading measures within the PERSOL Group. For employees in managerial positions, we have included content created based on this program in the training for newly appointed managers, thus providing them with opportunities to learn what stance to take and what methods to apply in facing their subordinates' career design, so as to give support related to their career ownership.

Concept of Career Design Support

Career design support means recognizing what your subordinates will do, what they can do and what they must do.

They will be more satisfied as there is more intersection (i.e., more connection to missions) between what they will do, what they can do, and what they must do in work and life.



@ (atto) Training

The @Training stands for Adventure Training (AT) program and also means training that brings about personal change going forward and astonishes (atto iwaseru in Japanese) the world. With two courses to choose from -- a workshop course and the cross-boundary learning course -- @Training offers unique advanced programs, including a half-day workshop, in which trainees review what/how they want to be through extraordinary experiences, as well as activities to solve local issues, collaborations with social ventures, and industry-academia coordination. Based on the experience of solving social issues, we develop employees' career ownership by inviting them to reflect on themselves and engaging in dialogue with them, through experience and perspectives that are unlike anything they experience in everyday life. In 2022, 143 employees participated in the training program.

Career Challenge Program/Job Trial Program

The Career Challenge program of open recruitment for job transfers within the Group is used widely as an opportunity for employees to try jobs in which they are interested. A cumulative total of about 1,100 employees have applied to this program, which was launched in 2017. In 2022, 97 employees were transferred within the Group. The Job Trial program permits employees to spend part of their working hours experiencing different jobs at different divisions within the Group, with an upper limit of eight hours per month for a period of up to three months. In 2022, 291 employees joined the program.

Systems and Programs that Encourage Employees to Work Autonomously

At the PERSOL Group, we are building an environment that will permit each employee to select their place of work and work style on their own. Under the side-job system, which leads to employee self-actualization and social contribution, we approved 1,010 requests for side jobs during 2022. In addition, approx. 90% of Group companies have introduced flextime. We have introduced various other work style options, such as telework and effectively no dress code, in our efforts to improve employee engagement.

Active Roles of Diverse Human Resources

Active Roles of Diverse Human Resources

Diversity, Inclusion & Equality



To ensure circumstances where diverse human resources are able to pursue successful careers, the PERSOL Group promotes diversity, inclusion & equality (DI&E).

Initiatives to Increase the Percentage of People in Managerial Positions that are Women

We are carrying out initiatives to achieve our target of 37% in 2030,* believing that including women's perspectives in management and important decision-making and 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. In 2021, the Gender Diversity Committee was established to develop a management structure. A system was then constructed for a clear understanding of the issues involving in increasing the percentage of people in managerial positions that are women, including to the start of monitoring the percentage of people appointed to managerial positions and the number of candidates for these positions that are women. As a result of these initiatives, the percentage of people in management positions that are women has grown favorably over the last several years, as shown below.

The Gender Diversity Committee formed four subcommittees for the implementation of measures across the PERSOL Group. The subcommittee focused on the theme of reforming the awareness of management and started a discussion meeting for management and women in managerial positions to enable management to be more aware of the promotion of

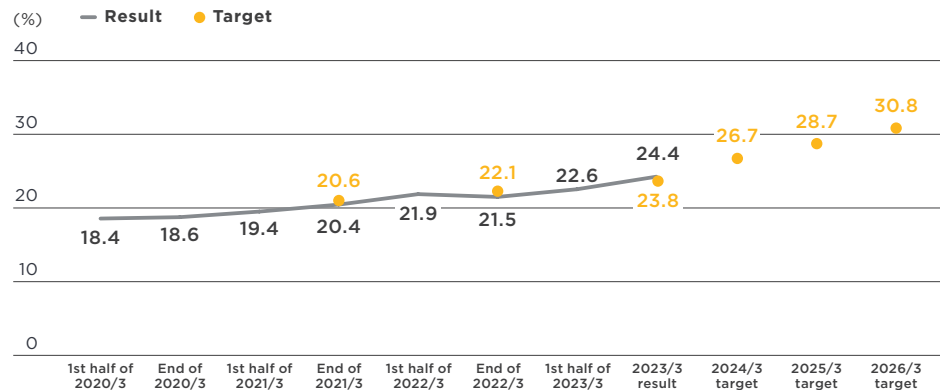
initiatives. During 2022, 15 discussion meetings were held with a total of 30 participants. The subcommittee will continue its efforts to involve all members of management in at least one talk. The subcommittee focused on the theme of providing employees with opportunities plans and provides training to supervisors responsible for employee training and young employees who are future candidates for managerial positions. In 2021, the subcommittee provided training to about 2,300 employees, accounting for 90% of all people in managerial positions in the Group and including directors. The training is designed to support employee's abilities and career development and share views on the purpose of promoting DI&E within the Group together with a vision for the future. The training continues to be provided to all managers every year starting 2022. The training program for young employees provides them with an opportunity to think about their careers as early as in their 20s. It informs them that managerial positions are among their career choices.



A discussion meeting involving directors, general managers, and women in managerial positions

* The percentage of people in career positions in the Group companies that are women is taken into account when targets are decided.

Trend of percentage of women in managerial positions at offices of the PERSOL Group across Japan



Initiatives for Increasing the Percentage of Eligible Men Taking Childcare Leave

We set a target for the percentage of eligible men taking childcare leave in 2023 in addition to the target percentage of people in managerial positions that are women. This is because we believe that women's participation in the working world is promoted through the inclusion of diverse perspectives obtained through social and community activities as well as from the workplace in management and important decision-making and men's involvement in domestic work, eventually leading to a higher percentage of people in managerial positions being women. First aiming to get all eligible male employees to take at least one day off as childcare leave, we will try to understand the situation and create an environment that encourages more men to take at least one month of leave in the future.

Active Roles of Diverse Human Resources

Diversity, Inclusion & Equality



Bottom-up initiatives accelerating the promotion of DI&E

In addition to the proactive promotion of DI&E by management, we think a bottom-up approach is also needed, in which employees work to address issues and engage in initiatives to promote diversity. Many initiatives are underway across the PERSOL Group, such as the empowerment of employees that are women, the achievement of an optimal balance between work and childcare or medical treatment, the promotion of side jobs, and LGBTQ allyship. To enable an optimal balance between work and medical treatment, we regularly hold online events to obtain a deeper understanding of the mental preparation of the people around a person who requires medical treatment and of how to treat these people in the workplace, based on the actual experiences of cancer survivors and people who underwent fertility treatment. Many allies volunteer for Tokyo Rainbow Pride (TRP), the largest LGBTQ event in Asia, helping with the planning and operation of booth exhibitions. The PERSOL Group has sponsored TRP for four consecutive years since 2020. This kind of support in the field for self-directed action and the seeking out of diverse points of view has led to Group companies adopting policies for cancer survivors as well as de facto marriages and same-sex civil partnerships.



TRP Pride Festival
The PERSOL Group booth

TRP Pride Parade

Promotion of the Employment of Workers with Disabilities

As well as complying with the legally mandated employment rate, we at the PERSOL Group have continued striving to provide work and a workplace that enable people with disabilities to play active roles and realize "Work and Smile." On April 2023, PERSOL CHALLENGE CO., LTD. and PERSOL THANKS CO., LTD., the Group's affiliated businesses supporting the employment of people with disabilities, were merged into a new company to establish PERSOL DIVERSE CO., LTD. At PERSOL DIVERSE, over 1,600 employees with disabilities make the full use of their characteristics to contribute to the improvement of the performance of the Group by engaging in job creation in coordination with communities and diverse businesses within the PERSOL Group. The company offers doda challenge, namely career change and employment support services for people with disabilities, featuring the largest enrollment in Japan, as well consulting to support the employment of disabled people. It also operates the office for employment transition support and promotes neurodiversity. Through these activities, it supports people with disabilities and employers. PERSOL DIVERSE will continue to contribute to the development of a sustainable society where all members of society are able to choose a style of work that is suitable for them, expanding the possibilities of work for people with disabilities and creating a new standard for work.

Offering welfare services classified as Type A Continuous Employment Support, PERSOL NEXTAGE CO., LTD. celebrates its third anniversary since its establishment. The company has grown to include seven bases for Type A Continuous Employment Support and around 140 employees with disabilities. Thanks to the established employment support structure, some employees have joined companies outside the PERSOL Group. Employees may work from home and they may come to the office. The office has adopted a hot desking system and it has a 97.1% attendance rate, with an 89.3% rate of working from home. PERSOL NEXTAGE will continue to move ahead toward a Borderless World for Workers.

Initiatives in the Asia-Pacific Region

The PERSOL Group is promoting DI&E activities in the APAC region as well. As part of these activities, Programmed operates a scholarship system that supports women studying electrical engineering or mechanical engineering in close, long-term cooperation with the University of Tasmania (UTAS). Programmed recognizes that there is a gender gap in science, technology, engineering and mathematics (STEM) and aims to close that gap.

Strengthening Data Governance



As a group of comprehensive human resource services companies, the PERSOL Group is working to strengthen data governance, with a focus on privacy governance, so that its stakeholders can feel secure entrusting their Personal Data* to the Group.

* "Personal Data" is not limited to "Personal Information" as defined by the Personal Information Protection Law in Japan, but also includes attribute information and all related information regarding individuals, such as movement, behavior and purchase history.

Basic Policy on the Use of Personal Data

At the PERSOL Group, we are committed to creating new value through the appropriate and effective use of Personal Data entrusted to us by our stakeholders, for the benefit of our customers, business partners, employees, shareholders, and other stakeholders, as well as for the sound development of society through activities such as the creation of better job opportunities.

On the other hand, as information technology has advanced rapidly in recent years, the use of Personal Data has become more sophisticated and complex. As a result, the risk of personal privacy issues (including human rights violations such as discrimination) occurring individually or publicly (hereinafter "Privacy Risk") has grown greater than ever.

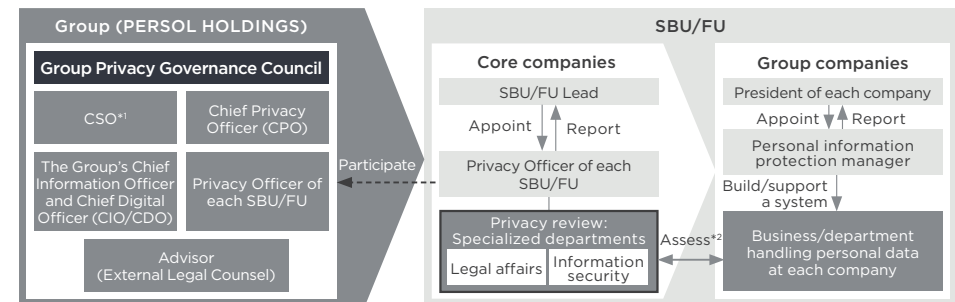
To handle this Privacy Risk, the PERSOL Group has built a privacy governance system and a privacy review process. We also implement a range of other initiatives to ensure that our stakeholders feel secure when we obtain or use their personal data. In March 2023, we announced the personal data processing policy, our basic policy on privacy, and on the corporate site of the PERSOL Group we opened the Privacy Center, where we share the initiatives of the Group. In addition, Group companies clearly explain the purposes of use of Personal Data in an easy-to-understand manner on the privacy policy page or other pages of their websites.

Our Privacy Center and personal data processing policy are available on our website (only available in Japanese).
<https://www.persol-group.co.jp/privacy/>



Privacy Governance System

The PERSOL Group has established the Group Privacy Governance Council to ensure the appropriate Group-wide management of the Privacy Risk involved in the use of Personal Data. This Council meets once a month, in principle, and the Chief Strategy Officer (CSO) who is in charge of the Group's strategies on the use of Personal Data, the Group's Chief Privacy Officer (CPO), the Group's Chief Information Officer and Chief Digital Officer (CIO/CDO), and the Privacy Officer of each SBU and FU participate in the meetings. The Council formulates policies and rules regarding the protection of privacy within the PERSOL Group, makes decisions on policies on the handling of important Privacy Risk matters, and implements other initiatives to strengthen the Group's privacy governance.



*1 Officer in charge of strategies regarding the Group's use of Personal Data

*2 The assessment status is shared with the Group Privacy Governance Council via the Privacy Officer of the SBU/FU.

Establishment and Operation of the Privacy Review Process

The PERSOL Group has established a system under which the impact of new services or new measures involving the use of Personal Data on privacy is assessed in advance (privacy review process). During this process, departments specialized in legal affairs, information security and other areas conduct analyses from various perspectives to determine whether the use of Personal Data will negatively impact stakeholders, whether the predictability of the use of the Personal Data is secured, and other matters. They examine the feasibility of the services or measures and consider privacy protection measures to meet and exceed the trust and expectations from society at large.

Respect for Human Rights



We understand that respect for human rights is of unwavering importance as the foundation for realizing the PERSOL Group Vision, “Work and Smile.” We are advancing initiatives regarding respect for human rights in order to create a world in which all people, without suffering discrimination, can make choices based on their free will from a range of diversified work opportunities and work in a comfortable environment while realizing a richer and happier life.

Our Commitment to Human Rights

In December 2022, we established the PERSOL Group Human Rights Policy (“the Human Rights Policy”) with the approval of the Board of Directors and announced our commitment to fulfilling our responsibilities to respect human rights, both internally and externally. In addition, under the PERSOL Group Code of Conduct, all officers and employees of the Group have been requested to respect the rights of individuals based on the fundamental idea of respecting human rights. To ensure that the human rights of all people concerned with the PERSOL Group’s business activities are respected, we are working to develop and operate an internal framework for promoting related initiatives and enable our business partners to understand the PERSOL Group’s policy, encouraging them to implement initiatives together with us.

Initiatives Implemented in FY2022

In FY2022, while establishing the Human Rights Policy, we recognized risks related to human rights in line with international norms. In addition to risks that are already known, we recognized various human rights risks, including potential risks, and we selected the seven human rights risks listed in the “Recognized risks” column in the figure below as the human rights risks that we should address from among the Human Rights Issues of the PERSOL Group set out in the Human Rights Policy.

Based on the nature of the PERSOL Group’s business, we regard not only the employees of the Group but also the individual customers who use our services as our greatest stakeholders, and we have given priority to addressing human rights risks to these people first.

Future Initiatives -FY2023 Initiatives-

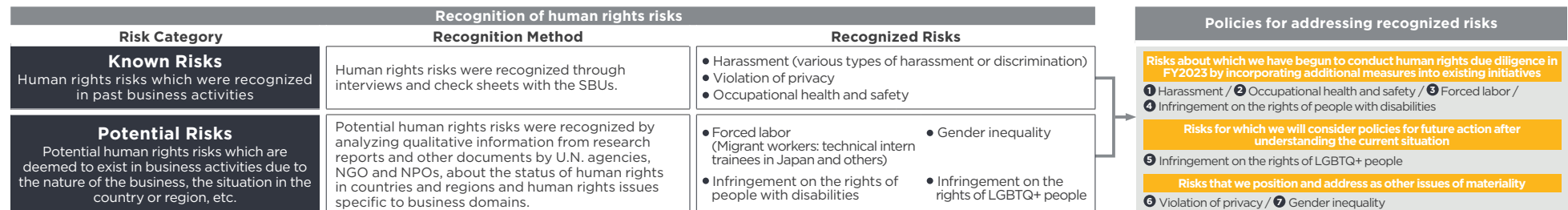
In FY2023, we have conducted human rights due diligence mainly on employees and temporary staff in selected business domains on the four human rights risks listed in “Policies for addressing recognized risks” in the figure below.

We will enhance the effectiveness of our human rights initiatives efficiently and smoothly by leveraging the existing mechanisms, which can serve as the foundation for identifying and assessing human rights risks. We have begun to conduct human rights due diligence on employees by using information about consultations related to harassment sought by the employees and various surveys and questionnaires of employees, and on temporary staff by using information about consultations related to harassment sought by them, which is collected from multiple sources.

We have started to implement initiatives regarding the violation of privacy as a part of the measures for “Strengthening data governance” and initiatives regarding gender inequality as a part of the measures for “Active roles of diverse personnel”.

We also plan to implement human rights-related training to Group employees in addition to the above initiatives.

Our human rights-related initiatives are also available on our website.
<https://www.persol-group.co.jp/en/sustainability/social/humanrights/>



Responding to Climate Change



Environmental Initiatives

The PERSOL Group contributes to the realization of a sustainable society in which all people truly feel “Work and Smile.” To achieve this, we recognize addressing climate change and conserving the environment is one of our management issues, and we are pursuing a range of initiatives in these areas.

Climate change is an unavoidable issue in present-day society, affecting the lives of people across the world and the businesses of the PERSOL Group. At the PERSOL

Group, we reduce greenhouse gas emissions and drive initiatives to reduce and control energy consumption and ensure efficient, sustainable use of energy. Further, we will strive to provide services that will help mitigate and adapt to climate change, aiming to contribute to achieving international targets including the SDGs and those under the Paris Agreement (including the 2-degree target).

Disclosure in Line with TCFD Recommendations

In May 2022, the PERSOL Group began disclosing information about its climate-related risks and opportunities based on the four themes of governance, strategy, risk management, and metrics and targets, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Please see our website for the results of scenario analysis, details of the PERSOL Group’s business activities, and details of the integration of climate change-related risks into the comprehensive risk management of the overall Group.

Governance

To build a sustainable society in which all people truly feel “Work and Smile,” we have reinforced our structure for promoting sustainability, including the mitigation of climate change, with the establishment of the Sustainability Committee and supervision by the Board of Directors.

Risk Management

Information about climate change-related risks in businesses identified by the Sustainability Committee is shared with the Risk Management Committee. Further, the Risk Management Committee considers measures to address related risks, and the Sustainability Committee deliberates on them, thus identifying and addressing the impacts of climate change-related risks on our businesses.



Strategy

To gain a concrete understanding of the business impacts of climate change and climate change-related risks and opportunities, we have conducted an analysis by using the 4°C scenario (a world with more frequent and severe natural disasters due to climate change) and the 1.5-2°C scenario (a world with rapid rates of decarbonization) published by external organizations such as the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) as benchmarks.

In addition, at the PERSOL Group, we will regard climate change-related risks and opportunities identified through the analysis as business opportunities and operate multiple business activities such as the development of human resources with expertise, contributing to decarbonization and climate change measures, the provision of talent mobility support services including placement and temporary staffing, and the establishment of a Job Creation Fund.

Responding to Climate Change



Emissions Results

At the PERSOL Group, we calculate our greenhouse gas emissions. In addition, to ensure the accuracy and reliability of values for emissions we have calculated, we received third-party verification from SOCOTEC Certification Japan for the values for our greenhouse gas emissions in the fiscal year ended March 2023.

Greenhouse gas emissions

(Unit: tons CO₂)

Item	2023/3 total
Scope 1	16,617
Of above, "Programmed"	13,943
Scope 2	
Market-based emissions	13,093
Location-based emissions	13,782
Scope 3	
Category 1: Purchased Goods and Services	288,657
Category 3: Fuel- and Energy-related Activities not Included in Scope 1 or Scope 2	4,758
Category 4: Upstream Transportation and Distribution	3,292
Category 5: Waste Generated in Operations	3,038
Category 6: Business Travel	1,575
Category 7: Employee Commuting	8,408
Category 9: Downstream Transportation and Distribution	35
Category 11: Use of Sold Products	17,430
Category 12: End-of-life Treatment of Sold Products	30

* The figures for Scope 1, Scope 2 and Scope 3 Category 3 emissions were calculated based on data from the main bases of PERSOL HOLDINGS and its consolidated subsidiaries in Japan, as well as the main bases of major overseas consolidated subsidiaries. The figures for Scope 3 (excluding Category 3) emissions were calculated based on data from the main bases of the company and its consolidated subsidiaries in Japan.

Reduction Targets

At the PERSOL Group, we have set the target of becoming carbon neutral, in other words, achieving net zero greenhouse gas emissions* associated with business activities, by the fiscal year ending March 2031.

In the process of achieving the Group Vision, we will make concerted efforts by positioning climate change initiatives as one of the eight issues of materiality to address under the Mid-term Management Plan 2026 towards 2030.

* Greenhouse gas emissions associated with business activities is the combined total of Scope 1 emissions and Scope 2 emissions.

	Emissions in the base year (2022/3)	2026/3 targets	2031/3 targets
Percent reduction of scope 1 + scope 2 emissions	25,698 t-CO ₂	-17.3%	-83.0%*
Percent reduction of scope 3 emissions	(9,645 t-CO ₂)	(Under consideration)	

* To achieve a reduction rate of 100%, we will offset residual emissions with internationally recognized methods.

Group Companies' Actions on Climate Change

Introduction of Renewable Energy

At the PERSOL Group, we have begun introducing renewable energy to reduce CO₂ emissions from power generation as a measure to achieve carbon neutrality by 2030. Aiming to increase the ratio of renewable energy electricity to virtually 100% of all the power we consume, we are switching to renewable energy plans offered by electric power companies, one by one, to have our office buildings powered by renewable energy. As of the fiscal year ended March 2023, renewable energy has been introduced at 12 bases with consumption of 2,730MWh as compared to the overall power consumption of 28,776MWh. Further, we are concurrently advancing virtual conversion to electricity from renewable energy sources by purchasing non-fossil certificates as a supplementary means.

Other Examples

PERSOL Group companies are taking action on climate change by taking advantage of the characteristics of each. They include the temporary staffing of "GX Engineers*" and engine testing with carbon-neutral fuel.

For details, please see our website.

* GX Engineers are defined by PERSOL CROSS TECHNOLOGY as engineers possessing skills that enable them to support the promotion of GX by companies.

Environmental Initiatives Other than Those Related to Climate Change

At the PERSOL Group, we will drive environmental initiatives other than actions on climate change, aiming to build a sustainable society. For details, please see our website.

Details of our environmental initiatives are available on our website.
<https://www.persol-group.co.jp/en/sustainability/environment/>



Corporate Governance: Basic Policy and History of Strengthening

Corporate Governance: Basic Policy and History of Strengthening

Principles

At the PERSOL Group, we base the corporate strategies of the entire Group on the basic management policy, which aims at achieving our corporate philosophy: Providing Opportunity, Individual Growth and Social Contribution. Group companies work as one in driving the strategies to achieve a mid- to long-term increase of corporate value through sustainable corporate growth and to address social issues through business activities.

Moreover, at the PERSOL Group, we make ongoing efforts to enhance our corporate governance based on our understanding that good corporate governance is the foundation for all efforts to realize the above-mentioned corporate philosophy.

The Corporate Governance Guideline lays out the principles and desirable state of corporate governance of the PERSOL Group and serves as the Guideline for the directors and the Group Senior Executives (collectively referring to the Representative Director, President and CEO, executive directors and executive officers, who are responsible for the management of the PERSOL Group) towards the realization thereof. We will take actions in line with the Guideline and revise it as necessary in response to changes in the times and circumstances and consistently strive for better corporate governance.

Basic Policy on Corporate Governance

1 Securing the Rights and Equality of Shareholders	The PERSOL Group shall pay careful attention to equal treatment of shareholders by appropriately implementing matters so that shareholders can exercise their rights effectively.
2 Appropriate Cooperation with Stakeholders Other Than Shareholders	The PERSOL Group establishes "Group Vision" to set its fundamental stance to conduct its business, as well as the Code of Conduct as the criteria for judgment and behaviors of all directors and employees, and endeavors to appropriately cooperate with each stakeholder in conducting its business.
3 Securing Appropriate Disclosure of Information and Transparency	The PERSOL Group appropriately discloses its financial information such as financial standing and operating results, corporate strategies, and risk management, and ensures transparency of information disclosure. The PERSOL Group strictly manages undisclosed critical information which may have impacts on investment decisions.
4 Obligations of the Board	The Board is responsible for the oversight of management, sets the basic management policy, oversees the Group Senior Executives, and secures the construction and operation of appropriate internal control systems.
5 Dialogues with Shareholders	The PERSOL Group shall, through dialogues with shareholders, obtain their understanding of its corporate strategies, and endeavor to take appropriate measures based on the understanding of the standpoint of shareholders. The Board shall establish and disclose policies concerning the measures and organizational structures aimed at promoting constructive dialogues with shareholders.

Details of the Corporate Governance Guideline are available on our website.
https://www.persol-group.co.jp/en/corporate/governance/corporate_governance/



History of Strengthening Corporate Governance

		2015	2016	2017	2018	2019	2020	2021	2022	2023
Strengthening of the oversight function	Oversight function		● Shifted to a Company with the Supervisory Committee			● Established the Corporate Governance Guideline		● Separated between Chairperson of the Board and CEO ● Established the Lead Independent Director		
	Advisory committee			● Established the Nomination and Compensation Committee				● Established the Corporate Governance Committee		
	Nomination of directors				● Appointed a female director	● Established the Independence Criteria for External Directors				● Appointed a non-Japanese director
	Directors (of which, Independent Directors)	6 (1)	10 (4)	10 (4)	11 (5)	11 (5)	9 (5)	9 (5)	9 (5)	9 (6)
	Effectiveness evaluation			● Began effectiveness evaluation of the Board						
	Dialogues with shareholders							● Formulated the Policy for Constructive Dialogue with Shareholders and Investors		
Compensation system				● Introduced a share-based compensation scheme for senior executives		● Revised the director and executive compensation system			● Revised the director and executive compensation system	● Revised the director and executive compensation system
Execution system	Separation of execution and oversight	● Introduced an executive officer system								
	Acceleration of management decision-making						● Delegated decision-making about business to the CEO ● Established the HMC ^{*1} and internal committees ● Shifted to the SBU structure ^{*2}	● Established the Sustainability Committee		
Ratio of female directors		17%	0%	0%	9%	9%	11%	11%	11%	22%

*1 HMC = Headquarters Management Committee *2 SBU = Strategic Business Unit

Message from the Chairperson of the Board

Message from the Chairperson of the Board

By further advancing our corporate governance, we aim to address the issues identified through our materiality analysis, enhance our corporate value, and pursue our goal of achieving a sustainable society where we can all “Work and Smile.”

Director and Chairperson
Masamichi Mizuta



At the PERSOL Group, 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.” We recognize the creation of working opportunities as the most critical material issue that demands our attention. To address this issue and fulfill our vision, corporate governance plays a crucial role as the management foundation for sustaining the long-term enhancement of our corporate value.

There are two points of corporate governance on which I place particular emphasis.

The first is to always maintain a mindset of questioning whether internal norms may be considered unconventional in society. Decision-making that is solely driven by internal logic can sometimes diverge from social norms and be rejected by our customers and other stakeholders. To accurately understand global trends and changes and incorporate them into our corporate activities, it is essential to foster open and constructive discussions within the Board. Our Board, comprised of a majority of independent directors with diverse backgrounds, ensures that we do not become an inward-looking organization. Consistently

questioning ideas from multiple perspectives and sincerely confronting inconvenient facts further strengthens the oversight function of the Board.

The second is to promote a healthy cycle of renewal. As times change, companies are not only required to transform their business portfolios but also the skills that individuals in the workforce need. In order to effectively respond to these changes, the Board should create an environment that allows the management team to fully commit to business reform and encourages decisive decision-making. To achieve this, the Board must continually maintain diverse perspectives that are responsive to change.

The Board continued to have active discussions throughout the fiscal year ended March 2023. Drawing from the proposals presented by the management team, we deliberated on the social issues that must be addressed in order to realize our Group Vision. Considering both the viewpoints of “solving social issues through our business” and the “foundation for achieving sustainable growth,” we identified the PERSOL Group’s material issues. After extensive discussions, we formulated our “Mid-term Management Plan 2026” as a plan for the coming three years in the Value Creation Story for 2030.

In fiscal year 2023, we enlisted the services of an external evaluation organization to assess the “Effectiveness of

the Board.” This evaluation aimed to review our activities and promote continuous improvement for the future. The evaluation yielded a favorable outcome, acknowledging that “the Board’s effectiveness has consistently improved. This is attributed to the framework for monitoring business operations and the diligent efforts made by both the oversight and execution functions.”

Enhancing the effectiveness of the Board, however, demands ongoing dedication and we should never be content with the status quo. Especially in recent years, the pace of change surrounding the concept of “work” has accelerated even further due to the global spread of COVID-19. This includes shifts in “ways of working,” such as job transitions, the job-description model, and the expanding gig community. It is essential that the Board takes a proactive approach to discuss and address the implications of rapid advancements in generative AI on the nature of our “work.” The Board holds a vital responsibility to remain vigilant towards these changes and approach them with a forward-thinking mindset.

By further advancing our corporate governance, we aim to address the issues identified through our materiality analysis, enhance our corporate value, and pursue our goal of achieving a sustainable society where we can all “Work and Smile.”

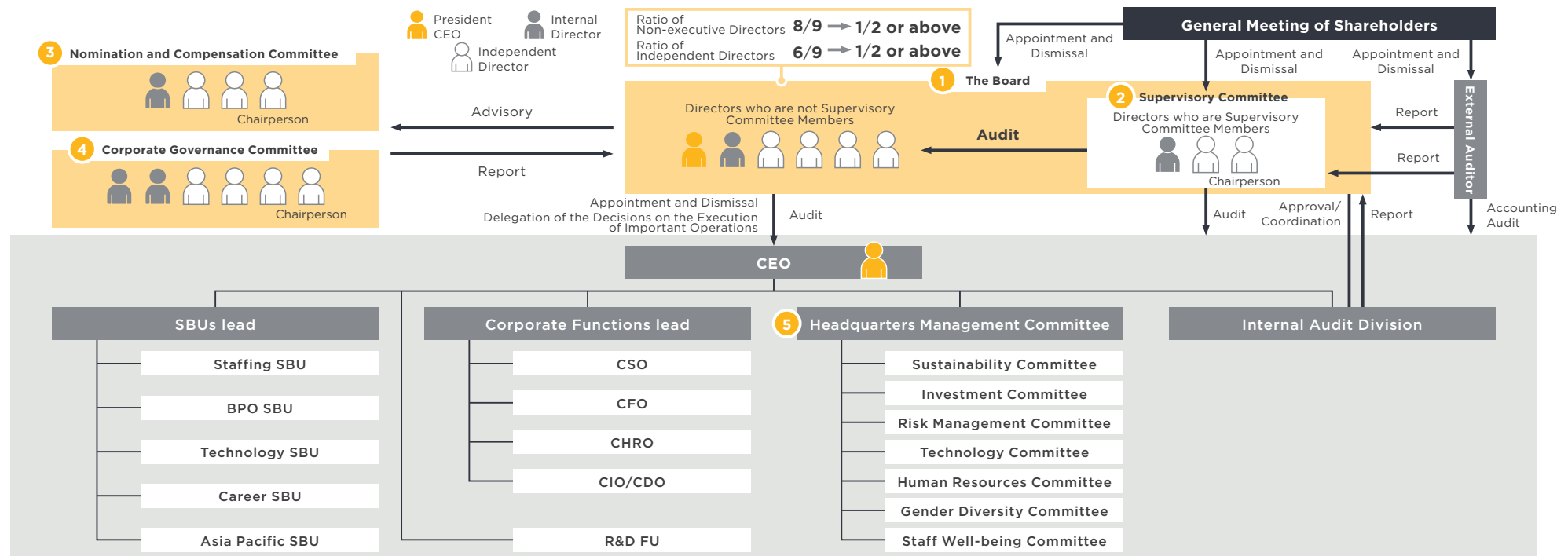
Corporate Governance Structure

Corporate Governance Structure and Features

Based on the corporate governance principles, the PERSOL Group has adopted the form of organizational structure of “Company with Supervisory Committee” under the Japanese Companies Act. Furthermore, for the purpose of complementing the function of the Board, the Group has established the Nomination and Compensation Committee and the Corporate Governance Committee as voluntary committees, both chaired by Independent Directors, to increase transparency and objectivity concerning decisions on the nomination and compensation of the directors and the Group Senior Executives. In addition, Independent Directors constitute the majority of members at each.

- The chairperson of the Board is a non-executive director.
- The Board is composed of a majority of Independent Directors.
- In addition to the statutory Supervisory Committee, the Nomination and Compensation Committee and the Corporate Governance Committee have been established as voluntary committees. Both of those committees are composed of a majority of Independent Directors, and Independent Directors serve as chairpersons.
- The position of Lead Independent Director has been established.

Corporate Governance Structure in the Fiscal Year Ending March 2024



As of June 20, 2023

Corporate Governance Structure

1 The Board

The Board is responsible for the oversight of management and its main roles and responsibilities are to set the basic management policy, oversee the Group Senior Executives, and ensure the construction and operation of appropriate internal control systems.

For the purpose of enabling management to make timely, flexible and decisive decisions, management decisions other than those reserved for the Board by the Companies Act shall be delegated, in principle, to the CEO. Provided, however, that the decisions on the execution of important operations set forth in the Regulations for the Board shall be made by the Board.

Overview (Fiscal year ended March 2023)

Chairperson	Masamichi Mizuta (Non-executive director, Chairperson of the Board)
Members	9 (including 5 Independent Directors)
Number of meetings held	13

Major agenda items discussed in the fiscal year ended March 2023

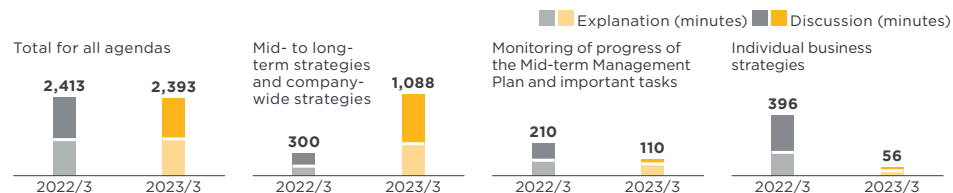
- Monitoring of the progress of the Mid-term Management Plan 2023
- Formulation of the Mid-term Management Plan 2026
- Direction of the business portfolio
- Direction of capital policies, including shareholder returns
- Initiatives and KPIs related to issues of materiality (including the handling of business-related human rights risks)

Status of operation

The fiscal year ended March 2023 was the final fiscal year of the Mid-term Management Plan 2023. Accordingly, the Board checked progress toward the accomplishment of the plan on a quarterly basis. Further, in formulating the Mid-term Management Plan 2026 as the management plan for the coming three years, the Board discussed the direction of the mid- to long-term strategies and the company-wide strategies multiple times, involving executive officers. During the discussions, independent directors expressed their opinions about matters to focus on under the Mid-term Management Plan 2026, among other matters. It was through these discussions that the Mid-term Management Plan 2026 was finally formulated.

In the fiscal year ended March 2023, meetings were held in an efficient manner to secure sufficient time for deliberating on important agenda items that the Board should discuss preferentially, such as by simplifying explanations about individual business strategies and descriptions of agenda items aimed at sharing facts, which were given at the meeting venue, while enhancing explanations given to individual independent directors. As a result, while the total amount of time spent on Board meetings in the fiscal year ended March 2023 was almost the same as in the previous fiscal year, at approx. 2,400 minutes, the amount of time spent discussing mid- to long-term strategies and the company-wide strategies increased significantly, from approx. 300 minutes in the fiscal year ended March 2022 to approx. 1,100 minutes in the following fiscal year, including approx. 670 minutes appropriated for discussion. With these and other changes, the meetings were held with a focus on discussion about mid- to long-term issues.

Amount of time spent on explanations and discussion at the Board meetings



2 Supervisory Committee

The roles of the Supervisory Committee include securing the soundness of companies toward the increase of sustainable corporate value, and acting for the common interests of the PERSOL Group and shareholders. The Supervisory Committee shall perform oversight of the execution of duties of directors and the preparation of audit reports, decision on details of the agenda concerning the appointment, dismissal and refusal of reappointment of an external auditor, and decision on the opinion of the Supervisory Committee concerning the appointment, dismissal, resignation or compensation of directors (excluding directors who are the Supervisory Committee Members).

Overview (Fiscal year ended March 2023)

Chairperson	Kazuhiko Tomoda (Independent Director)	Members	3 (including 2 Independent Directors)	Number of meetings held	15
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Major activities in the fiscal year ended March 2023

- Monitoring of administrative punishments, lawsuits, other disputes, non-compliance, information leaks, and others
- Confirmation of the status of development and operation of the whistleblowing system associated with the enforcement of the amended Whistleblower Protection Act, response to the amendment of the Employment Security Act, and the status of development and operation of a framework for controlling insider trading
- Attending meetings of the Risk Management Committee, Human Resources Committee, Investment Committee, and Sustainability Committee as observers and monitoring the meetings
- Exchanging opinions about the effectiveness of Group governance with the CEO and the responsible officer
- Confirmation of the status of development and operation of cybersecurity system
- Identification of cybersecurity risks of the Company and the four major subsidiaries made using an external security risk scoring service
- Confirmation of the status of development of the structure for promoting sustainability, activities of the Sustainability Committee, and sustainability-related disclosure framework

3 Nomination and Compensation Committee

The purposes of the Nomination and Compensation Committee include increasing the transparency and objectivity of the decisions on candidates for directors and the Group Senior Executives as well as decisions on compensation while enhancing the managerial and supervisory functions of the Board. Upon receiving requests from the Board, the Nomination and Compensation Committee submits reports and recommendations to the Board on the determination of candidates and compensation.

Overview (Fiscal year ended March 2023)

Chairperson	Ryosuke Tamakoshi (Lead Independent Director)	Members	4 (including 3 Independent Directors)	Number of meetings held	10
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Major activities in the fiscal year ended March 2023

- Determination of the proposed amount of compensation for Board Members (excluding directors who are Supervisory Committee Members) and submission of a report about the above to the Board
- Determination of proposed appointment of Board Members to be submitted for deliberation at the General Meeting of Shareholders and submission of a report on the above to the Board
- Discussion on compensation system, evaluation system, and others for building a new executive appointment system linked with the Mid-term Management Plan 2026 and submission of a report on the above to the Board
- Discussion of a CEO succession plan

Corporate Governance Structure

4 Corporate Governance Committee

The purpose of the Corporate Governance Committee is to enhance the supervisory functions of the Board by discussing matters regarding the Company's corporate governance. Upon receiving requests from the Board, the committee submits reports and recommendations to the Board on the basic policy regarding corporate governance and measures to improve the effectiveness of the Board.

Overview (Fiscal year ended March 2023)

Chairperson	Masaki Yamauchi (Independent Director)	Members	5 (including 3 Independent Directors)	Number of meetings held	7
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Major activities in the fiscal year ended March 2023

- Determination of the results of an effectiveness evaluation of the Board and the proposed content of the corporate governance report, for the fiscal year ended March 2022, as well as a proposal on information to be disclosed in the Notice of Convocation of the 14th Ordinary General Meeting of Shareholders and submission of a report on the above to the Board
- Discussion about the composition of the Board for June 2023 onward and submission of a proposal on the composition to the Board
- Discussion about the future framework for selection of independent director candidates
- Determination of the proposed outline of the effectiveness evaluation of the Board for the fiscal year ended March 2023 and submission of a report on the above to the Board

5 Headquarters Management Committee(HMC)

The Company adopts the Executive Officer system with the purpose of separating oversight and management and clarifying where management responsibility lies. In addition, HMC is established to assist the CEO in making decisions on the PERSOL Group's basic management policy and important operations. The decisions on the execution of important operations delegated to the CEO by the Board shall be decided by the CEO on the condition that the HMC has made an affirmative resolution. Based on the concept that the members of the HMC (hereinafter, "the HMC members") shall be the persons who make the significant decisions on the execution of important operations delegated by the Board and comprehensive roles as members of the senior management of the Group, a proposal for the nomination of the HMC members shall be prepared by the CEO from among the executive officers, and shall be approved at the Board upon deliberation at the Nomination and Compensation Committee.

The Company has also established seven committees (Sustainability Committee, Investment Committee, Risk Management Committee, Technology Committee, Human Resources Committee, Gender Diversity Committee, and Staff Well-being Committee) under HMC to improve the effectiveness of the Group's internal control system. Each of the seven committees is accountable to HMC and is positioned to supplement and strengthen its functions.

Overview (Fiscal year ended March 2023)

Chairperson	Takao Wada (Representative Director, President and CEO)	Members	11 executive officers	Number of meetings held	21
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• Sustainability Committee

The Sustainability Committee deliberates on sustainability by the PERSOL Group and related management agenda and promotes sustainability management.

• Investment Committee

The Investment Committee deliberates on important matters related to the PERSOL Group's overall investment and aims to raise the Group's organizational knowledge in the realm of investment promotion.

• Risk Management Committee

The Risk Management Committee deliberates on the overall risk management of the PERSOL Group.

• Technology Committee

The Technology Committee deliberates on key issues concerning the PERSOL Group's technology strategy and related management resources.

• Human Resources Committee

The Human Resources Committee deliberates on the PERSOL Group's human resources strategy and succession planning for key talent.

• Gender Diversity Committee

The Gender Diversity Committee deliberates on the PERSOL Group's strategies to promote the advancement of women and related key strategies.

• Staff Well-being Committee

The Staff Well-being Committee deliberates on human capital management of the PERSOL Group's temporary staff.

Leveraging corporate governance to drive the growth of the PERSOL Group

The PERSOL Group is pursuing various measures to enhance the Board's effectiveness.

To explore the current state and challenges of corporate governance within the PERSOL Group, as well as our expectations for the future, we had a roundtable discussion with three of our Independent Directors.



Masaki Yamauchi

Independent Director

Chairperson of the Corporate Governance Committee
Member of the Nomination and Compensation Committee

Mr. Yamauchi joined Yamato Transport Co., Ltd. and assumed the role of Representative Director and President. He also held positions as the Chairperson of the Board and Representative Director and President at Yamato Holdings Co., Ltd. Currently, Mr. Yamauchi serves as an executive advisor to Yamato Holdings Co., Ltd. and holds the position of an external director at Resona Holdings, Inc., among other roles. In June 2020, he accepted the position of Independent Director within the PERSOL Group.

Chisa Enomoto

Independent Director

Member of the Supervisory Committee

After joining Recruit Co., Ltd., Ms. Enomoto held the position of PR Director at various Japanese companies, such as Philips Electronics Japan Ltd., Tokyo Electric Power Company, Inc., and Hitachi, Ltd., as well as at foreign-affiliated companies. Currently, she holds the position of external director at AEON MALL Co., Ltd. and JAPAN POST Co., Ltd. In June 2018, she accepted the role of Independent Director within the PERSOL Group.

Kazuhiro Yoshizawa

Independent Director

Chairperson of the Nomination and Compensation Committee
Member of the Corporate Governance Committee

Mr. Yoshizawa initially joined Nippon Telegraph and Telephone Public Corporation, and assumed the role of President and CEO at NTT DOCOMO, INC., where he currently holds the position of corporate advisor. He also serves as an external director at Sony Financial Group Inc. and Daiwa House Industry Co., Ltd. In June 2022, he accepted the position of Independent Director within the PERSOL Group.

Q As Independent Directors, what factors do you prioritize?

Enomoto ▶ I firmly believe that Independent Directors have a responsibility to lead Board discussions by leveraging our external perspective, gained through our own experiences and knowledge, ultimately enhancing the corporate value. Before attending Board meetings, I thoroughly examine briefing materials, making my positions clear to facilitate meaningful discussions. Additionally, I actively track developments in the HR service industry at both national and international levels, ensuring I am sensitive to public perceptions of the PERSOL Group.

Yoshizawa ▶ I recognize that Independent Directors play a pivotal role in boldly presenting diverse perspectives that may contrast with the viewpoints established internally. I believe this principle holds true across all industries. First and foremost, our Board exhibits remarkable energy and actively encourages robust dialogue with the executive officers during our meetings. Through these lively exchanges, I am consistently reminded of the vital significance of articulating diverse perspectives.

Yamauchi ▶ I share Mr. Yoshizawa's viewpoint, as I too understand the role of an Independent Director in presenting alternative viewpoints to those established internally. In order to broaden my perspective in this capacity, I maintain a daily focus on news and global developments related to HR, continuously gathering insightful information. Additionally, during Board meetings, I take advantage of lunchtime to engage in open conversations with fellow participants, exchanging opinions on economic trends across various industries and discussing future prospects.

Q What is your evaluation of the Board's effectiveness?

Yoshizawa ▶ Our Board has proven to be highly effective, as evidenced by the evaluation report from an external evaluation organization and interviews conducted by the Chairperson of the Board. To address any identified issues from the previous fiscal year's evaluation, we adopt a proactive approach by narrowing down key

Roundtable Discussion with Independent Directors

discussion topics and establishing a comprehensive plan at the beginning of each fiscal year. This plan encompasses several aspects, such as agenda setting and time allocation for deliberations. Compared to my previous experiences, I find this PDCA cycle at PERSOL to be outstanding.

Yamauchi ▶ Since my appointment as a Board member three years ago, I have undoubtedly witnessed a significant improvement in the effectiveness of the Board. The effectiveness evaluation takes into account both quantitative and qualitative aspects. Additionally, we engage an external evaluation organization to ensure objectivity every three years. In the quantitative evaluation process, we administer an annual self-evaluation questionnaire survey using a five-point scale. This survey includes a specific question to gauge any enhancements in the effectiveness of the Board in relation to the previous fiscal year. In this aspect, the Board was rated highly, with an average score of 4.3 out of 5 among all Board members. It is especially noteworthy that the evaluation scores remained consistent between Independent Directors and internal directors, demonstrating a clear consensus.

Yoshizawa ▶ As part of the qualitative evaluation, the Chairperson of the Board conducts one-on-one interviews with each director. I firmly believe that this approach is truly commendable as it creates a platform for open and honest discussions, allowing us to delve into even the smallest details with the Chairperson.

Yamauchi ▶ In the fiscal year that ended in March 2023, we underwent an external evaluation organization, which offered an objective assessment of the PERSOL Group. The results of said evaluation further validated the effectiveness of our previous endeavors within the Board. Starting from 2021, we introduced the role of Lead Independent Director, who actively reviews agendas and collaborates with the Chairperson of the Board to optimize time allocation before each meeting. This step plays a crucial role in enhancing the effectiveness of the Board.

Enomoto ▶ In my opinion, the “Executive Session,” held immediately after the Board meeting and exclusively attended by Independent Directors, is also proving to be effective. The session allows us to promptly review the proceedings and convey comprehensive improvement requests to the Chairperson of the Board via the Lead Independent Director. If there is room for improvement, it lies in the sufficiency of reports pertaining to the actions taken by management in response to the issues and advice raised by Independent Directors during the Board meetings. We anticipate further developments in this respect.

Yamauchi ▶ I concur with Ms. Enomoto's perspective. Mr. Wada, the CEO, takes the initiative to concisely summarize the deliberation outcomes at the conclusion of the Board meeting, which provides a useful recap. Nonetheless, there is currently no mechanism for verifying the outcomes. It is crucial to establish a comprehensive system to monitor not only the progress of business operations but also the management's subsequent actions taken in response to issues raised during the Board meetings. This system should aid the management team in making decisions.

Enomoto ▶ Another concern pertains to the briefing materials used in the Board meetings.

Yoshizawa ▶ When there is an overwhelming amount of materials, our focus often gets drawn towards trivial details that lack substantive importance. I acknowledge that compiling the materials is a challenging task for the Board secretariat. Nevertheless,

streamlining the materials will allow us to prioritize key points and facilitate more in-depth discussions.

Yamauchi ▶ Given the current volume of materials, a considerable amount of time is necessary solely for their pre-review. By separating reference materials from the main document and making appropriate structural adjustments, we can dedicate our attention to more strategic discussions during the meetings. This approach will significantly contribute to improving the Board's operation and elevate the quality of our discussions.

Q What are your thoughts on the subject of Board diversity?

Yoshizawa ▶ I believe that the Board composition reflects a conscious effort to promote diversity, encompassing gender and a diverse mix of skills.

Yamauchi ▶ Mr. Yoshizawa joined the Board last year and with his technological expertise, has consistently shared proactive insights derived from his own management experience. I am of the opinion that his involvement has notably broadened the diversity in skills and perspectives. Moreover, recently, the Executive Officers have started to join us in the boardroom to observe the Board meetings. I strongly believe that the ongoing opportunity for Board members and Executive Officers to convene in the same space and exchange their respective viewpoints on problem recognition concerning social trends and changes in the business environment will increasingly become valuable in the future.

Enomoto ▶ I'd also like to add that Ms. Debra A. Hazelton, with a wealth of management experience in international companies, including Australia and Japan, joined the Board in June 2023. Ms. Hazelton's presence brings a renewed sense of optimism, as I anticipate an expanded diversity of perspectives, spanning both gender and international backgrounds.

Yamauchi ▶ In 2022, the Corporate Governance Committee deliberated on the ideal composition of the Board, taking into consideration the Company's future strategy and the skill matrix of the Board members. After thorough deliberation, the Committee formulated and presented recommendations to the Board. Following the Board's recommendations, the Nomination and Compensation Committee carried out the selection process, ultimately resulting in the successful addition of Ms. Hazelton. I believe that the nomination process for director candidates, with the objective of promoting Board diversity, is generating positive outcomes and functioning appropriately.

Q What are your thoughts on the Supervisory Committee, Nomination and Compensation Committee, and Corporate Governance Committee, respectively?

Enomoto ▶ Consisting of one internal director and two Independent Directors, the Supervisory Committee maintains a strong partnership with the internal audit department and external auditors. As part of the annual routine, individual meetings with the Executive Officers, who also serve as directors of subsidiary companies, provide an opportunity for receiving reports on their job performance. These meetings take place within small

Roundtable Discussion with Independent Directors

committee settings, facilitating in-depth discussions and meaningful exchanges of ideas. Depending on the significance of the content, we share it with other Independent Directors to enhance the effectiveness of the Board and the Supervisory Committee.

Yoshizawa ▶ The Nomination and Compensation Committee comprises one internal director and three Independent Directors. The discussions revolve around various issues, such as the selection of candidates for directorship and executive positions, determination of compensation, and the development of a comprehensive succession plan. I find the discussions to be highly rational and transparent, ensuring a high level of integrity and openness. Specifically addressing compensation, it is operated in a highly logical manner, with a clear correlation to the attainment of business plan objectives.

Yamauchi ▶ In 2021, we formed the Corporate Governance Committee. Previously, discussions on strengthening corporate governance took place within the Board. However, in order to enable more targeted and insightful discussions, we established a smaller committee with expertise in the field. The Corporate Governance Committee is now designated for discussions on the framework of corporate governance, while the Nomination and Compensation Committee is responsible for the practical implementation based on that framework. The presence of Chairpersons from both the Nomination and Compensation Committee and the Corporate Governance Committee as members of each other's committees facilitates smooth information sharing and accelerated decision-making processes.

Yoshizawa ▶ The Corporate Governance Committee is actively discussing the desired qualities of the Board, taking into account social expectations related to vital aspects, including sustainability and material issues. Building upon these discussions, the Nomination and Compensation Committee is able to delve into more focused and specialized discussions, ultimately enhancing effectiveness.

Yamauchi ▶ Mr. Tomoda, who is also an Independent Director and serves as the Chairperson of the Supervisory Committee, is also a member of the Corporate Governance Committee. I perceive that each committee operates independently while maintaining collaboration, leading to enhanced effectiveness of both the Board and the respective committees.

Q Please share with us your thoughts on future management challenges and your expectations for the PERSOL Group.

Enomoto ▶ Over 40% of PERSOL's shareholders are overseas investors. Moreover, we now have a workforce of 8,000 employees based overseas. Strengthening our English communication and information dissemination is vital, and this can be achieved by leveraging collaboration from overseas group companies.

Yamauchi ▶ As Ms. Enomoto rightly pointed out, we need to strive to heighten our global awareness.

Enomoto ▶ I have high hopes for the PERSOL Group to lead the industry in tackling social issues in Japan and Asia. As an Independent Director, I aspire to contribute by leading the charge in driving reform and finding solutions for social issues, starting with resolving employment mismatches.

Yoshizawa ▶ It is my belief that the PERSOL Group should strive to become the leading company in Japan in the areas of talent and employment. Last year, the Board devoted a significant amount of time to discussions regarding the formulation of the PERSOL Group's Mid-term Management Plan 2026. I consider the eight initiatives identified in this plan aimed at resolving issues material to the PERSOL Group to be the initial step towards becoming a leading company. Our goal as the Board is to strengthen our monitoring capabilities and work in tandem with the management team to become a "Career Well-being" Company.

Yamauchi ▶ I am convinced that the current times demand the PERSOL Group. As the working population in Japan diminishes, there is a heightened focus on the significance of "people." In order for Japan to enhance its competitiveness in the international community, it is imperative to foster opportunities for individuals to thrive and excel, encompassing reskilling endeavors. As the PERSOL Group's vision for 2030, we have embraced the concept of becoming a "'Career Well-being' Creation Company." We are positioned at a stage where we can showcase our relevance in response to social demands. To this end, it is essential for the Board to prioritize discussions regarding the future trajectory of our long-term business strategy. Furthermore, we would like the management team to sharpen their ability to perceive social changes and act swiftly. The Board, in turn, must maintain a position whereby we can guide the management team's agility. I have high expectations for the PERSOL Group as it continues to cultivate a corporate culture that is challenging and adaptable through corporate governance and create a society where we can all "Work and Smile."

Message from our newly appointed Independent Director



Debra A. Hazelton

I am truly honored to join the Board of PERSOL Group in 2023, as it celebrates its 50th year since Ms. Yoshiko Shinohara founded PERSOL Group's core business, Tempstaff.

I have worked in financial services and human resources development for some of Australia's and Japan's leading companies.

I am confident that my experience will bring additional "diversity of perspective" to PERSOL Group's Board. I fully understand what the stakeholders have entrusted me with, and will strive to engage in constructive discussions with management as a member of the Board and contribute to the enhancement of PERSOL Group's corporate value and its endeavors to realize a society that allows us all to "Work and Smile."

Directors and Executive Officers

Directors and Executive Officers (As of July 1, 2023)

Director

Directors who are not Supervisory Committee Members

**Director and Chairperson
Masamichi Mizuta**Important concurrent posts
External Director of Linkers Co.,
Ltd.Number of years in office
14 years and 8 months**Representative Director,
President and CEO
Takao Wada**Important concurrent posts
Non-executive Director of PERSONAL
Asia Pacific Pte. Ltd.Number of years in office
14 years and 8 months**Independent Director
Ryosuke
Tamakoshi** IndependentImportant concurrent posts
Honorary Advisor of MUFG Bank,
Ltd.Number of years in office
7 years**Independent Director
Masaki
Yamauchi** IndependentImportant concurrent posts
Executive Advisor of Yamato
Holdings Co., Ltd.
External Director of Resona
Holdings, Inc.Number of years in office
3 years**Independent Director
Kazuhiro
Yoshizawa** IndependentImportant concurrent posts
Corporate Advisor of NTT
DOCOMO, INC.
Outside Director of Sony
Financial Group Inc.
Outside Director of DAIWA
HOUSE INDUSTRY Co., LTD.Number of years in office
1 year**Independent Director
Debra A.
Hazelton** IndependentImportant concurrent posts
Non-executive Director of Treasury
Corporation of Victoria
Chair of AMP Ltd.
Chair of AMP BankNumber of years in office
Newly appointed

Director

Directors who are Supervisory Committee Members

**Director (Member of
Supervisory Committee)
Daisuke Hayashi**Important concurrent posts
Auditor of PERSONAL CAREER
CO., LTD.
Non-executive Director of PERSONAL
Asia Pacific Pte. Ltd.Number of years in office
2 years**Independent Director (Member
of Supervisory Committee)
Chisa
Enomoto** IndependentImportant concurrent posts
A member of Communication
Strategy Committee of Meiji
University
External Director of AEON MALL
Co., Ltd.
External Director of JAPAN POST
Co., Ltd.Number of years in office
5 years**Independent Director (Member
of Supervisory Committee)
Kazuhiko
Tomoda** IndependentImportant concurrent posts
Outside Auditor of Hakuodo DY
Holdings Inc.
Outside Director of INES
CorporationNumber of years in office
3 years

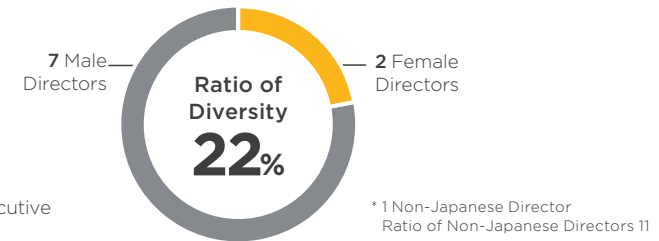
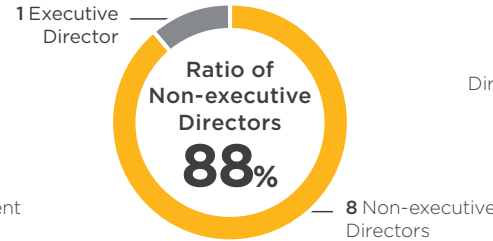
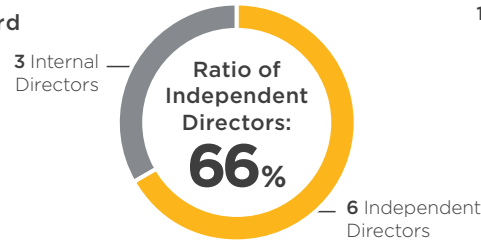
Executive Officer

**Representative
Director, President
and CEO****Takao
Wada****Executive Officer
CSO****Taro
Mineo****Executive Officer
CHRO****Hirota
Mino****Executive Officer
CIO/CDO****Yuta
Tsuge****Executive Officer
CFO****Junji
Tokunaga****Executive Officer
Staffing SBU Lead****Kazunari
Kimura****Executive Officer
BPO SBU Lead****Kazuyuki
Ichimura****Executive Officer
Technology SBU Lead****Shinji
Masaki****Executive Officer
Career SBU Lead****Yu
Senoo****Executive Officer
Asia Pacific SBU Lead****Takayuki
Yamazaki****Executive Officer
R&D Function Unit Lead****Toshihito
Nagai**

Directors and Executive Officers

Directors and Executive Officers (As of July 1, 2023)

Composition of the Board



Board Skill Matrix

Name/Position	Gender	Skills that the Board of directors should have (knowledge, experience and capability) (Note)						
		Corporate Management and Strategy	Innovation/Technology	Human Resource and Organizational Development	Internationality	Risk Management/ Legal Affairs	Finance/Accounting	Sustainability/ESG
Masamichi Mizuta Director and Chairperson	Man	●		●				●
Takao Wada Representative Director, President and CEO	Man	●		●				●
Ryosuke Tamakoshi Independent Director	Man	●			●		●	
Masaki Yamauchi Independent Director	Man	●	●	●				
Kazuhiro Yoshizawa Independent Director	Man	●	●	●				
Debra A. Hazelton Independent Director	Woman			●	●		●	
Daisuke Hayashi Director (Member of Supervisory Committee)	Man				●	●		●
Chisa Enomoto Independent Director (Member of Supervisory Committee)	Woman				●	●		●
Kazuhiko Tomoda Independent Director (Member of Supervisory Committee)	Man	●				●	●	

Composition of Each Committee and Attendance

Name	Composition of Each Committee and Attendance (Attendances/Meetings)							
	The Board		Supervisory Committee		Nomination and Compensation Committee		Corporate Governance Committee	
	2023/3	2024/3	2023/3	2024/3	2023/3	2024/3	2023/3	2024/3
Masamichi Mizuta	13/13	●			10/10	●	7/7	●
Takao Wada	13/13	●						
Ryosuke Tamakoshi	13/13	●			10/10	●	7/7	
Masaki Yamauchi	13/13	●			10/10	●	7/7	●
Kazuhiro Yoshizawa	10/10	●			7/8	●		●
Debra A. Hazelton	-	●						●
Daisuke Hayashi	13/13	●	15/15	●			7/7	●
Chisa Enomoto	13/13	●	15/15	●				
Kazuhiko Tomoda	13/13	●	15/15	●			7/7	●

(Note) Definition of skills that the Board of directors should have (knowledge, experience and capability)

Corporate Management and Strategy Experience and ability of engaging in important decision making and successor selection of own company gained as a corporate executive

Innovation/Technology Knowledge and experience regarding technology utilization and innovation in corporate management gained as a CTO of a company, etc.

Human Resource and Organizational Development Knowledge and experience regarding human resource strategy and health management, etc., gained as a CHRO of a company, etc.
Knowledge and experience regarding education business

Internationality Experience and ability of organizational operation, business management and business operation involving multiple countries at an international organization or company

Risk Management/ Legal Affairs Knowledge and experience regarding risk management gained as a CRO of a company, etc.
Knowledge and experience regarding business law and governance gained as a CLO of a company, etc.

Finance/Accounting Knowledge and experience regarding business plan, budget and capital policies gained as a CFO of a company, etc.
Sufficient knowledge and experience as a specialist of financial accounting

Sustainability/ESG Experience and ability of working on promotion of sustainability and solving social issues in business management

Details of the career records of the directors are available on our website.
<https://www.persol-group.co.jp/en/corporate/director/>



Director and Officer Compensation and Succession Plan

Basic Policy for Director and Officer Compensation

The Compensation for Director and officer (hereinafter, "Executive Compensation") of the PERSOL Group is positioned as an incentive to achieve sustainable growth over the mid- to long-term. Following deliberations by the Nomination and Compensation Committee, at a meeting held in April 2023, the Board resolved on a compensation policy for the fiscal year ending March 2024 and beyond, which is designed to clearly reflect a contribution to the short- to mid-term improvement of the Company's financial performance for achieving the PERSOL Group's Value Creation Story. The PERSOL Group's basic policy for Executive Compensation is embodied in the following three perspectives.

- 1 **Linked to the short-term, and mid- and long-term financial performance and the corporate value of the PERSOL Group**
 - A scheme that is linked not only to short-term financial performance but also to mid- to long-term financial performance and corporate value
- 2 **Linked with shareholder value**
 - Aligns profit awareness with that of shareholders and raises awareness of shareholder-oriented management
 - Ensures transparency and objectivity of the compensation determination process
- 3 **Sets a competitive level of compensation**
 - Makes compensation levels competitive with domestic companies of the same size and in the same industry, and is instrumental in securing high-quality human resources
 - Provides a stronger incentive to directors and officers with regard to improving financial performance and corporate value

Determination Process for Compensation

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

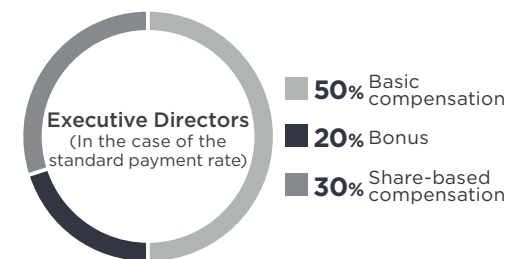
Executive Compensation, etc., shall be paid within the maximum amount of compensation, etc., resolved at an Ordinary General Meeting of Shareholders.

Level of Compensation

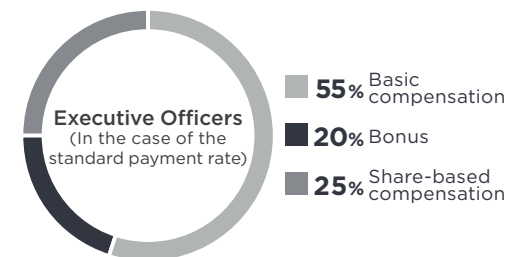
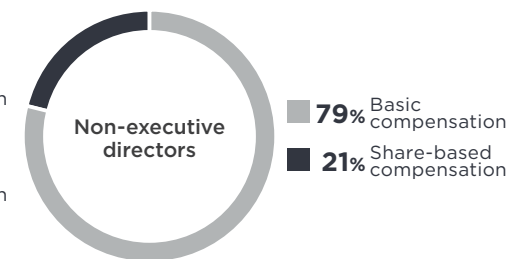
Executive Compensation is determined at a level deemed reasonable and fair based on the basic policy for Director and officer Compensation stated at left. Specifically, we determine the level of Executive Compensation by studying and analyzing the compensation levels of a group of benchmark companies (20 to 30 companies) selected utilizing a database from an external specialized agency and based on the business circumstances for the Group. In determining Executive Compensation for the period of the Mid-term Management Plan through the fiscal year ending March 2026, we selected 21 companies as a group of benchmark companies among peer companies (in the personnel service industry) and other major companies of comparable size on the bases of market capitalization and the target values of the Mid-term Management Plan.

Standard Compensation Composition Model

1 Executive directors, etc.



2 Non-executive directors



Note: The value of share-based compensation for non-executive directors excluding the Director and Chairperson is fixed at 3 million yen per non-executive director; as the amount of basic compensation varies among non-executive directors depending on their roles, the actual compensation composition might not be identical to that shown above.

Director and Officer Compensation and Succession Plan

Director and Officer Compensation and Succession Plan

Executive Compensation for the Fiscal Year Ended March 2023

	Total amount of compensation, etc. (Million yen)	Total amount of compensation, etc., by compensation type (Million yen)				Number of eligible executives
		Basic compensation	Bonus (Short-term incentive compensation)	Share-based compensation		
				Performance-linked mid- to long-term incentive compensation	Fixed mid- to long-term incentive compensation	
Directors who are not Supervisory Committee Members (The amount of Independent Directors)	336 (43)	217 (36)	53 (-)	37 (-)	28 (6)	7 (4)
Directors who are Supervisory Committee Members (The amount of Independent Directors)	63 (25)	57 (21)	- (-)	- (-)	6 (4)	3 (2)
Total (The amount of Independent Directors)	400 (68)	274 (58)	53 (-)	37 (-)	35 (10)	10 (6)

Total Amount, etc., of Consolidated Compensation, etc., of Internal Directors who are not Supervisory Committee Members

Name	Position	Total amount of compensation, etc. (Million yen)	Total amount of compensation, etc., by compensation type (Million yen)			
			Basic compensation	Bonus (Short-term incentive compensation)	Share-based compensation	
					Performance-linked mid- to long-term incentive compensation	Fixed mid- to long-term incentive compensation
Masamichi Mizuta	Director and Chairperson	73	55	3	2	12
Takao Wada	Representative Director, President and CEO	115	65	26	18	5
Hirotohi Takahashi	Representative Director and Deputy President	104	60	23	16	4

Forfeit of Compensation, etc. (Clawback/Malus)

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

Overview of the Executive Compensation System

	Positioning	Eligible director	Evaluation measures	Provision method
Basic compensation	Fixed compensation	Executive directors, etc.		Basic compensation paid in accordance with roles, responsibilities, and management capability
		Non-executive directors		Basic compensation paid in accordance with responsibilities
Bonus	Short-term incentive compensation	Executive directors, etc.	<ul style="list-style-type: none"> Financial measures Evaluated in accordance with the levels of achievement of (1) net sales and (2) adjusted EBITDA of the entire Company and each SBU, as well as the comparison of growth rates with competitors Non-financial measures/Theme-based evaluation Individual non-financial measures related to materiality, including the percentage of women in managerial positions, are set for the overall Company and each SBU, and themes are set individually for long-term and short-term initiatives and initiatives to contribute to the Group. (Evaluations of executive directors are made by the Nomination and Compensation Committee.) 	A short-term incentive paid depending on the level of achievement of targets for the single fiscal year, which are set as performance milestones towards achieving the Mid-term Management Plan Generally varies between 0% and 200%
Share-based compensation	Performance-linked mid- to long-term incentive compensation	Executive directors, etc.	<ul style="list-style-type: none"> Financial measures Evaluated in accordance with the levels of achievement of (1) TSR, (2) adjusted EBITDA, and (3) ROIC Non-financial measures (1) Value creation goal and (2) the employee engagement index 	Designed to vary depending on the level of achievement of financial targets in the Mid-term Management Plan towards the fiscal year ending March 2026, as well as non-financial measures Varies between 0% and 200%
	Fixed mid- to long-term incentive compensation	Executive directors, etc./ Non-executive directors		A fixed number of shares are delivered as share-based compensation to further increase linkage with shareholder value

Succession Plan

The CEO succession plan is reviewed by the Nomination and Compensation Committee, which focuses on defining the necessary leadership attributes as detailed in the "PERCOL Leadership Competency" for both the CEO and other Group Senior Executives. The Company then assesses those competencies to further understand the talent pool and effectively prepare succession plans, transfer personnel, and develop talent. In addition, in formulating the Mid-term Management Plan, the Group has established financial and non-financial indicators as well as measures for achieving them, and the Board monitors their progress in evaluating Group Senior Executives while maintaining objectivity and transparency. The Group also ensures there is sufficient interaction between Board members and Group Senior Executives, thus creating circumstances and opportunities for comprehensive evaluation from various perspectives.

The Board oversees the Representative Director, President and CEO and Group Senior Executives and provides them with appropriate support and advice, aiming to achieve the mid- to long-term increase of the Group's corporate value through sustainable growth.

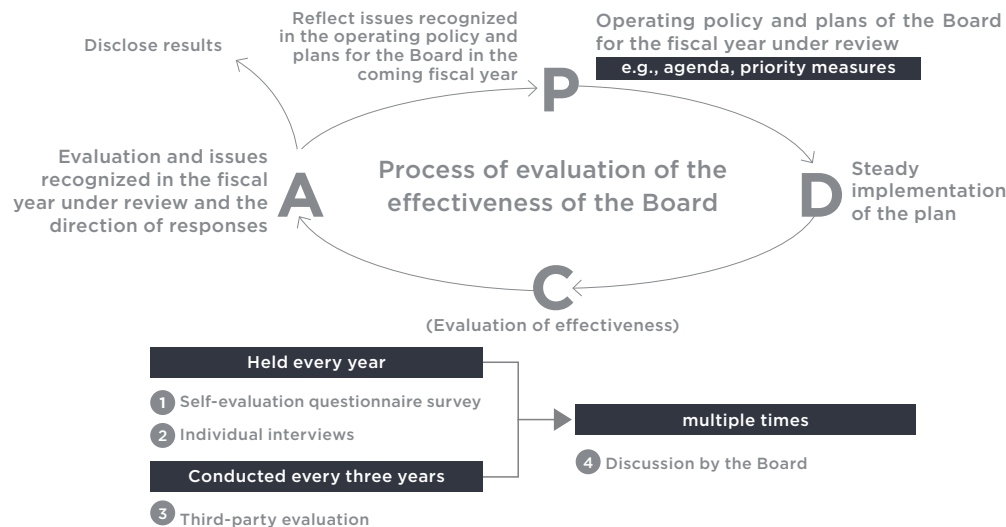
Evaluation of Effectiveness of the Board

Implementation Method

In a bid to further enhance the oversight function of the Board, the Company annually evaluates overall board effectiveness, and discloses the method and process of evaluation and a summary of the evaluation results.

For the evaluation of the Board's effectiveness in fiscal year 2022 (FY2022), we appointed a third-party evaluator (Board Advisors Japan, Inc.: BAJ) to conduct an external review, with the aim of enhancing the transparency and objectivity of evaluation. Specifically, BAJ carried out a questionnaire survey and individual interviews with all the Board directors and executive officers, attended a board meeting as an observer, reviewed documents submitted to the Board and the minutes of board meetings from the past two years, and produced a third-party evaluation report (hereinafter the "Evaluation Report") summarizing the results. In addition, the chairperson of the Board conducted individual interviews with all the Board directors. Then, based on the Evaluation Report and the findings from the interviews conducted by the chairperson of the Board, the Board identified issues that need to be addressed, deliberated about the direction of solving them, and compiled the final evaluation results.

Evaluation Method and Process



Major items of the questionnaire for directors	
1	Evaluation of overall board performance (alignment in understanding of roles and functions; KPIs, granularity, and details of monitoring)
2	Composition of the Board (number of board members; roles of independent directors; diversity; procedure for nomination of independent directors)
3	Operation of board meetings (frequency of meetings; deliberation time; allocation of time; scope and volume of agenda items)
4	Systems supporting the Board (provision of information; inquiries; training)
5	Culture and communication within the Board (culture open to discussion and opinions; communication among directors and between directors and senior executives)
6	Board's discussion and oversight function (strategic debate; support for risk-taking; appropriateness of the nomination and compensation of executive officers)
7	Operation of committees (roles and composition of the three board committees, i.e., the Supervisory, Nomination and Compensation, and Corporate Governance Committees)
8	Relationship with investors and shareholders (provision of information on the status of dialogue; supervision of the system for promoting dialogue)
9	Other (optional comments)
10	Adequacy gap between the degree of importance of agenda items and the volume of discussion dedicated to them

Major items of the questionnaire for executive officers	
1	Board's oversight function (strategic debate; KPIs, granularity, and details of monitoring; support for risk-taking)

Evaluation of Effectiveness of the Board

Evaluation of Effectiveness of the Board

Evaluation Results

After discussing the Board effectiveness based on the Evaluation Report and the findings from the interviews conducted by the chairperson of the Board, the Board confirmed that the effectiveness of the Board is ensured in terms of its composition, operation, culture and communication, discussion and oversight function, support systems, operation of committees, and relationship with investors and shareholders. We received the following comment from the third-party evaluator: "The board's effectiveness has steadily improved as a result of the establishment of a system for monitoring the current state of business operations and the diligent efforts made on both sides, i.e., oversight and execution." As characteristics underlying the effectiveness of the Board, it pointed to: the Board composition that ensures the independence and objectivity of the Board; the appropriate delegation of authority to executive officers

and the proper exercise of the monitoring function; a board culture that allows frank and open discussion; and the appropriate operation of committees.

In addition, in light of matters pointed out by the third-party evaluator, we identified tasks we need to address going forward, that is, Setting key agenda items in line with the direction of medium to long-term management strategies, monitoring business execution in a way conducive to corporate value, securing sufficient communication opportunities between the Board and executive officers, and further enhancing the management of board meetings to stimulate discussion.

Based on these evaluation results, the Company's board will continue to promote the PDCA cycle to improve its effectiveness and drive governance reform, so as to enable the PERSOL Group to realize sustainable growth and enhance corporate value.

Progress in initiatives to address the issues identified in FY2021 board effectiveness evaluation	
Setting key agenda items that should be given priority in discussion at board meetings	In developing a new Mid-term Management Plan 2026 covering the upcoming three-year period, the Board discussed purposes that serve as the basis of the plan as well as medium to long-term strategic policy, etc., and company-wide strategies (resource allocation across the business portfolio, capital policy, etc.). This led to a significant increase in the amount of time dedicated to discussing medium to long-term management strategies and company-wide strategies, from about 300 minutes in FY2021 to about 1,100 minutes. It is recognized that these efforts have produced some tangible results such as the development of the Mid-term Management Plan 2026 and the identification of eight areas of materiality, i.e., priority areas to focus efforts on in the years through 2026 toward realizing our group vision, "Work and Smile." At the same time, it is also recognized that there are some issues requiring further efforts. For instance, there is a need to further clarify the goals to be achieved under the Mid-term Management Plan 2026 and improve the method of monitoring the progress of the plan.
Composition of the Board	The board and its committees considered the composition of the Board that would have greater diversity in terms of gender and internationality in order to ensure diversity of perspectives aligned with the changing external environment while keeping the size of the Board unchanged. As a result, the Board decided on, and proposed to the 15th annual meeting of shareholders, their appointment as board members.
Allocation of time to key agenda items and the management of meetings to foster meaningful discussions	To secure sufficient time to deliberate on priority agenda items, we strived to ensure the efficient management of board meetings, for instance, by simplifying explanations of agenda items for the purpose of information sharing at a meeting while enhancing briefings to individual directors. Although these efforts have produced some positive results, it is recognized that it is necessary to implement continuous improvement activities—such as changing the timetable for convening board meetings and further improving the quality of meeting materials—to foster meaningful discussions.

Issues to be addressed in the future	
Setting key agenda items in line with the direction of medium to long-term management strategies	There is a need for the Board to regularly discuss the direction of long-term management strategies from the perspective of both risks and opportunities. In setting this kind of agenda items, i.e., those that require a medium to long-term perspective, it is crucial to ensure beforehand that the Board and executive officers have a shared understanding of issues with an eye on future changes in the social and business environments.
Monitoring business execution in a way conducive to corporate value	It is crucial to create a fully aligned understanding across the Board as well as between the Board and executive officers about the way in which the Board should carry out monitoring, in working toward realizing "A 'Career Well-being' Creation Company," a vision of what we want to be in the future, as set forth in the Mid-term Management Plan 2026. Also, there is a need to discuss the necessity of changing the selection of monitoring targets and/or KPIs, as appropriate, in accordance with changes in the environment assumed in developing the Mid-term Management Plan 2026.
Securing sufficient communication opportunities between the Board and executive officers	In solving the issues described above, there is a need to secure more communication opportunities between the Board and executive officers as a basis for achieving a common understanding among them. To that end, it is necessary to: enhance opportunities for independent directors to gain a better understanding of the Company's management, business operations, and key persons; and increase opportunities for the Board and executive officers to exchange frank opinions both formally and informally.
Further enhancing the management of board meetings to stimulate discussion	To secure sufficient time to deliberate on priority agenda items, it is necessary to achieve more efficient meeting management, for instance, by extending the length of board meetings, setting up an opportunity for intensive discussion on a different day, and making effective use of written reports. To this end, it is important that in convening a board meeting, the chairperson of the Board, the lead independent director, and the secretariat to the Board closely communicate beforehand on the management of the meeting. Also, it is necessary to change the format of meeting materials to promote substantive discussions by clarifying the points at issue.

Risk Management

Naho Kan
General Manager,
Group GRC Division



Risk Management of the PERSOL Group

To achieve the Group Vision, “Work and Smile,” the PERSOL Group needs to continue to provide value to the world while earning the trust of customers. I believe that risk management activities are essential for achieving this.

Above all, changes in our external environment have been accelerating, and our own management system has also continued to evolve accordingly. I think it is vital that we identify these internal and external changes in a timely manner, remain sensitive to new risks, and select Group Significant Risks and review the risk scenarios as appropriate. At the same time, regarding the Group Significant Risks that we continually set, we will continue activities to improve our risk handling in addition to monitoring the effectiveness of countermeasures.

Going forward, to contribute to realizing a society in which all work inevitably results in smiles, we will continue to make concerted efforts through these risk management activities to enable the PERSOL Group to earn the trust of all stakeholders, including customers, and allow them to use our services with peace of mind, while gaining commitments from the Representative Director, President and CEO and other Group Senior Executives.

The Basic Approach to Risk Management

At the PERSOL Group, we position risk management activities as essential for keeping losses and damages to a minimum when risks materialize as well as for maintaining and improving the Group's corporate value.

Based on this policy, we have established the Group Risk Management Regulations to identify risks that interfere with the implementation of business strategies and to control risks by taking suitable measures. We have also established the Group Crisis Management Regulations to respond promptly and appropriately when risks materialize.

Meanwhile, because there is not always a right answer regarding risk management methods, we believe it is essential to constantly optimize our method for risk management in accordance with our corporate culture, management strategy, governance structure, and other factors. We will continue to review our risk management method to ensure that it is optimal for the PERSOL Group and that our customers, business partners, employees, shareholders, and all other stakeholders see it as reliable.

Concept of the Three-Line Model of the PERSOL Group

At the PERSOL Group, we have adopted the three-line model [Refer to page 63](#) for risk management. In addition, we have segregated risk management duties between PERSOL HOLDINGS, the Strategic Business Units (SBUs), and Function Unit (FU) in accordance with the characteristics of risks.

On the second line, we have set up risk management departments after establishing the Policy for Risk Management suited to the content and nature of risks. The risk management status of the second line is reported to the Group risk management division within PERSOL HOLDINGS and the Risk Management Committee, which will be described later.

Evaluation of Effectiveness of the Board

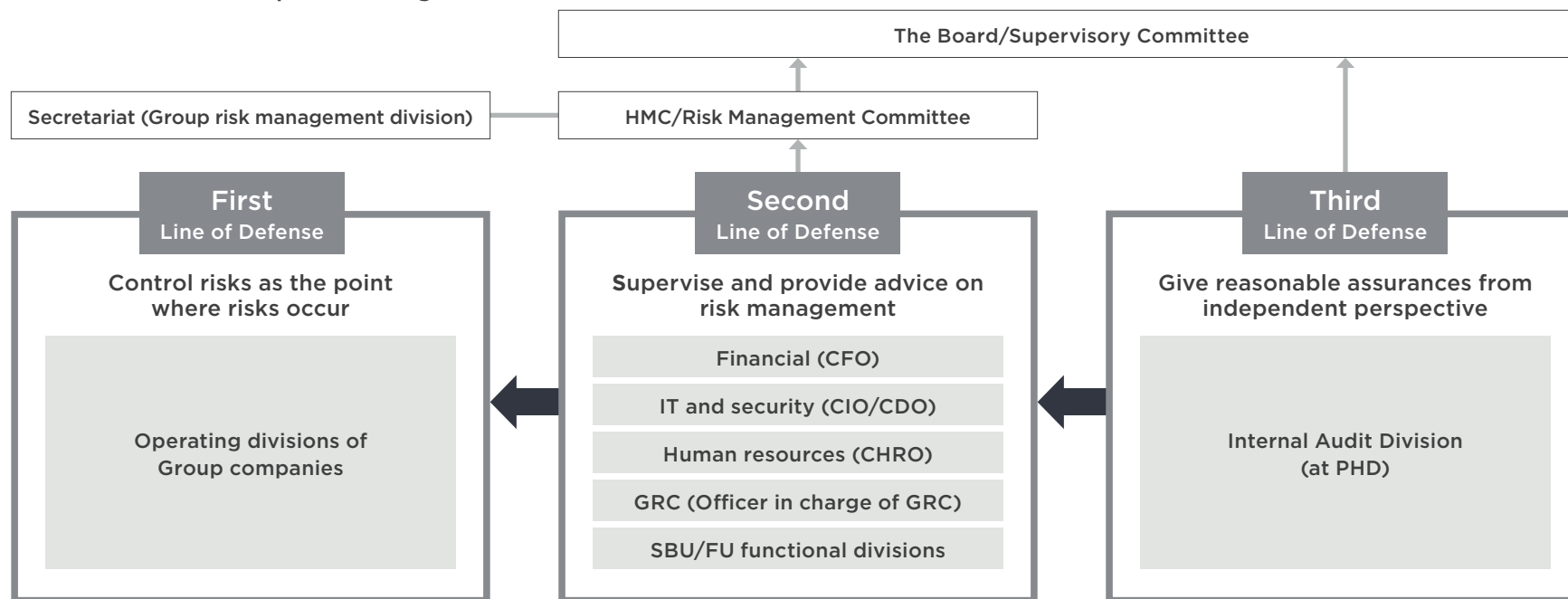
Concept of the Three-Line Model of the PERSOL Group

Responsible department	Role
First line: Group companies	At the point where risks occur, promotes risk management in business activities and daily activities
Second line: Functional divisions	Monitors and supports the risk management activities of each Group company
Third line: Internal Audit Division	Provides reasonable assurances regarding the effectiveness of risk management from a standpoint independent from the First and Second lines

Classification of Risk and Policy for Risk Management

Classification of risk	Policy for Risk Management
Group-wide risk	Each functional division of PERSOL HOLDINGS manages risks where uniform risk measures across the PERSOL Group would be effective.
SBU/FU-specific risks	For risks with SBU and FU-specific business and regional characteristics, a risk management representative (= Internal Control Implementation Manager) is assigned in each SBU and FU to autonomously manage risks within each SBU or FU.

Overview of the PERSOL Group Risk Management Structure



* PHD=PERSOL HOLDINGS, HMC=Headquarters Management Committee, CFO=Chief Financial Officer, CIO/CDO=Chief Information Officer/Chief Digital Officer, CHRO=Chief Human Resources Officer, GRC = Governance, risk and compliance

Risk Management

Risk Management Committee

The Risk Management Committee was established in April 2020 as a cross-group organization that complements and strengthens the functions of the Headquarters Management Committee (HMC) of PERSOL HOLDINGS.

The committee is convened every quarter with members including the Representative Director, President and CEO, Group Senior Executives, and SBU Internal Control

The Management Process for the Group Significant Risks

Among the Group's risks, those which are deemed particularly significant in light of the Group's management situation and corporate strategies are selected as the Group Significant Risks. We select the Group Significant Risks to preferentially allocate management resources to initiatives to address these risks, positioning them as management tasks.

For the selected Group Significant Risks, officers of PERSOL HOLDINGS are designated as risk owners (those who assume final accountability for the risks) to address these risks more effectively.

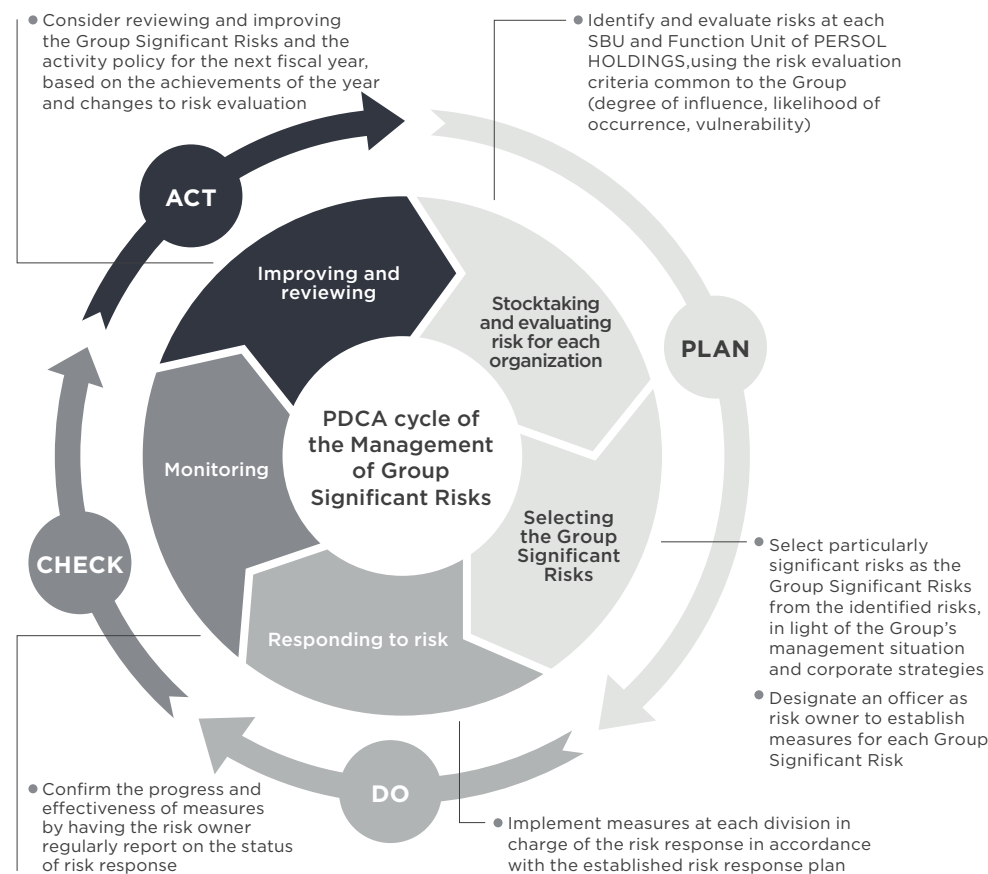
In addition, we implement a PDCA cycle in which the Risk Management Committee puts the discussion of these risks on its agenda, confirms the progress on and effects of measures to address the risks, and considers improvements and revisions annually. This framework allows for continuous improvement.

We have selected the Group Significant Risks for the fiscal year ending March 2024, which are listed in the table on the next page. We are enhancing measures to address each one of these risks under the leadership of the risk owner.

Among the selected Group Significant Risks, privacy invasion risk, risks associated with climate change, and risks associated with human rights violations are considered not only as risks for the PERSOL Group but also issues of materiality of the Group. We will work to contribute to resolving these social issues through our business.

Promotion Managers. This committee discusses the Group Significant Risks, which will be described later, as its agenda. Its activities also include the monitoring of the status of risk management at the functional divisions of PERSOL HOLDINGS, the FU, and the SBUs.

In addition, the status of the activities of this committee is reported to the Board of Directors.



Risk Management

Overview of Group Significant Risks for the Fiscal Year Ending March 2024

Significant risks	Details of risks	Reasons for selection	Status of measures against risks	Risk owners
IT-related risks (personal information leaks, system failures, etc.)	Personal information leaks <ul style="list-style-type: none"> Information leaks due to external attacks (cyberattacks). Information leaks due to internal fraud/negligence. 	The PERSONAL Group possesses and handles a large amount of personal information regarding registered staff, temporary staff, job seekers, client companies, employees and other related parties, and the social impact of a leak would be massive.	<ul style="list-style-type: none"> Implement security measures for the Group's networks and systems. Strengthen the capabilities for responding to security incidents within the Group by establishing a CSIRT (PERSONAL-SIRT) for the PERSONAL Group. Implement security education and targeted e-mail attack response training for employees Establish groupwide security rules and monitor compliance with them. Confirm the security levels of external services and contractors (at the conclusion of the contract and periodically review them). 	CIO/CDO
	System failures <ul style="list-style-type: none"> Delays and suspension of services provided by the PERSONAL Group and its major functions caused by natural disasters, cyberattacks, failures in equipment or external services, errors in operation, and other events. 	The Group's businesses greatly depend on computer systems and their networks, and the impact on business of a system failure would be massive.	<ul style="list-style-type: none"> Establish a structure and a reporting flow for a system failure. Consider, renovate, or build IT environments to improve failure tolerance. 	CIO/CDO
Risks associated with investment for company acquisition	<ul style="list-style-type: none"> Reappraisal of affiliated companies' shares or impairment of goodwill, etc. Failure to obtain the expected return on invested capital. 	The PERSONAL Group has achieved growth through company acquisition and business collaboration, and intends to increase its corporate value through similar methods in the future.	<ul style="list-style-type: none"> Establish the Investment Committee to deliberate important matters relating to the Group's overall investments. Monitor the progress of past investments as well as return on investment and report to the HMC. 	CFO
Privacy invasion risk	<ul style="list-style-type: none"> Administrative punishment, litigation and troubles or criticism on social media from mishandled personal information. Increase in service user defection and deterioration of the corporate image due to disadvantages to or mistrust of the data provider. 	While increased utilization of personal data is expected from the standpoint of enhancing the convenience of services and the PERSONAL Group's growth strategies, the risk of disadvantages to data providers due to factors such as the development of AI is increasing in society.	<ul style="list-style-type: none"> Establish the Group Privacy Governance Council to deliberate the privacy policies and measures of the Group as a whole. Develop and apply a prescreening process from a privacy perspective when planning new services and measures. Established the Personal Data Guidelines that are common to the Group (March 2023). Opened the Privacy Center, which explains the handling of personal data (March 2023). 	CSO
Business continuity risk in emergencies such as natural disasters	<ul style="list-style-type: none"> In the event of a natural disaster such as an earthquake or a pandemic, the Company might suspend its business to ensure the safety of its employees, because of restrictions on their activities or because of damage to the Company's assets. 	Natural disasters such as major earthquakes or torrential rains occur frequently, and it has been found that infectious diseases spread rapidly around the world after their outbreak, seriously impacting society. Further, the simultaneous occurrence of these disasters is also likely.	<ul style="list-style-type: none"> Strengthen the functions of the Emergency Response Headquarter. Automate grasp of the disaster situation. Formulate BCP and continuously implement review and improvement. Verify effectiveness of BCM by periodically conducting training. 	Officer in charge of GRC
Risks associated with climate change	<ul style="list-style-type: none"> Rising temperatures due to greenhouse gases, which adversely affect the PERSONAL Group's businesses and financially impact the Group due to increased costs. 	To realize a sustainable society where everyone can work safely and securely.	<ul style="list-style-type: none"> Declare intention to become carbon neutral by 2030. Deliberate next measures to reduce emissions toward becoming carbon neutral. <ul style="list-style-type: none"> Promote activities to conserve energy and resources at offices. Switch to EV/HV. Switch to renewable energy, etc. 	CHRO
Risks associated with human rights violations	<ul style="list-style-type: none"> Cases of human rights violation occurs in the PERSONAL Group, which provides human resource services, leading to administrative penalties in each country and damage to the social credibility and brand image of the PERSONAL Group. 	Addressing this risk is essential for realizing the Group Vision "Work and Smile," and the social impact of a human rights violation would be massive due to the Group's business characteristics.	<ul style="list-style-type: none"> Established and announced the PERSONAL Group Human Rights Policy (December 2022). Sequentially begin conducting human rights due diligence based on the above Human Rights Policy in the fiscal year ending March 2024. Initiatives are under way to develop a system, including the establishment of grievance mechanisms. 	Officer in charge of GRC
Risks associated with macro-economic changes caused by business fluctuations	<ul style="list-style-type: none"> Demand for human resources slows down significantly due to factors resulting from economic recession, such as a decline in demand for new human resources and the business downsizing at existing customers or their reduction of costs. 	HR services provided by the PERSONAL Group are susceptible to the fluctuation of business. If a serious economic crisis like the world financial crisis in 2008 happens, the Group's financial conditions and business results may potentially be affected significantly.	<ul style="list-style-type: none"> Focusing on the impact on the ratio of job offers to job seekers, we have conducted a simulation and confirmed that we can secure operating profit even in an economic downturn equivalent to the financial crisis that followed the collapse of Lehman Brothers. Examine multiple economic recession scenarios and countermeasures (reducing strategic investments, securing cash). 	CFO

Information Security

The PERSONAL Group recognizes that it has a corporate social responsibility to protect both its own and customer information assets from all threats, to make efforts to ensure the necessary information security for this purpose, and to provide continuous and stable services.

To fulfill these responsibilities, it has adopted the "PERSONAL Group Information Security Basic Policy."

Based on this policy, we have adopted regulations regarding information security, and following the regulations, we are working to establish an information security system centered on the group's Information Security General Department, train employees regularly, protect information assets (measures against unauthorized access), respond to information security

incidents (CSIRT), and comply with the Act on the Protection of Personal Information and various other laws and regulations.

In addition, we implement security audits to regularly review and improve measures against IT-related risks that could lead to information leaks, because we consider that risk as one of group significant risks and give priority to enhancing our risk countermeasures.

Details of our information security and handling of personal data are available on our website.

<https://www.personal-group.co.jp/en/corporate/governance/security/>

<https://www.personal-group.co.jp/privacy/protection/security/> (only available in Japanese)



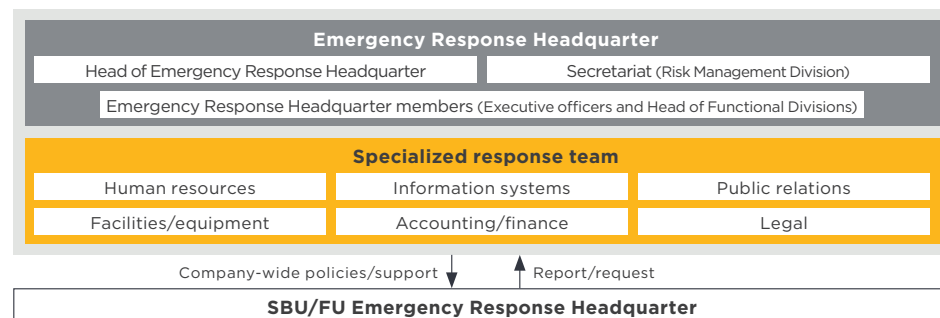
Crisis Management

Initiatives for Crisis Management

The PERSOL Group has established the Group Crisis Management Regulations and has been strengthening crisis management, aiming to minimize the significant negative impact that a crisis would have on the Group's management and business activities, and to quickly resolve any crisis.

Specifically, if an incident such as a large-scale natural disaster, compliance violation or cyberattack occurs and is deemed a crisis (and in cases where such incidents deemed so might occur), the department in charge of the incident promptly shares the information with the HMC

Crisis Management Structure of PERSOL HOLDINGS (Example: At the time of a large-scale natural disaster)

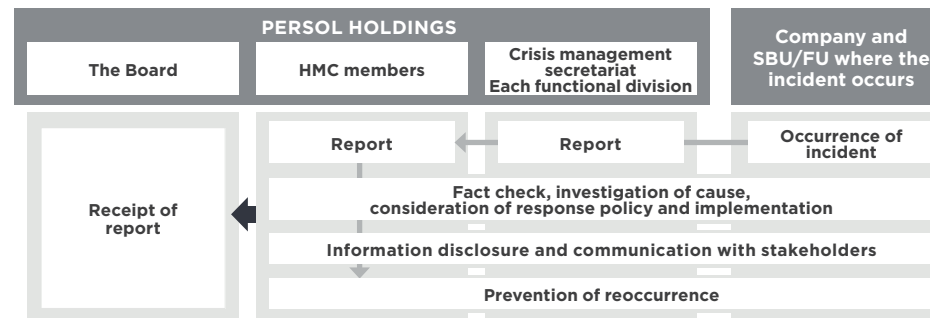


Initiatives Related to Business Continuity, etc.

At the PERSOL Group, we position ensuring the safety of our employees and temporary staff, as well as the payment of their salaries, as our most important tasks. We are working to develop systems that utilize IT to collect information when we are affected by a disaster. For example, we have introduced a safety confirmation system to be used in the event of a massive earthquake such as a Tokyo inland earthquake or a large Nankai Trough earthquake. We have also introduced a system that automatically identifies offices very likely to be affected in a large-scale natural disaster. We also conduct an annual drill using the safety confirmation system. In this drill, all PERSOL Group employees check how to respond regarding whether they are affected by the disaster while the emergency response headquarters check the steps to be followed to confirm the damage caused by the disaster and communicate information. In addition, when an earthquake has occurred, we immediately begin monitoring the situation of our base near the epicenter using the system, to ensure an appropriate initial response.

members and the Group risk management division of PERSOL HOLDINGS, and they make a timely and appropriate response, according to the type of incident and its impact. If the Representative Director, President and CEO of PERSOL HOLDINGS determines that the incident is a particularly major crisis, the Emergency Response Headquarter is established at PERSOL HOLDINGS to pursue a groupwide response, while appropriately disclosing information to customers, relevant agencies, ministries and others involved.

Information Sharing and Response flow in the Event of a Crisis (at the time the Emergency Response Headquarter is established)



Regarding the tasks related to the payment of salaries, we have established a business continuity plan in anticipation of the simultaneous occurrence of a large-scale natural disaster and a pandemic. We also conduct regular drills to help employees and temporary staff maintain their livelihoods even in a crisis. Further, we conduct other regular drills, including one for having our base in Osaka back up the emergency response headquarters, in our efforts to build and maintain a business continuity framework.

In addition, in response to the rising international tensions, the PERSOL Group is striving to reinforce safety measures for its employees in Japan and the Asia-Pacific region. While we have always had safety measures in place, including safety confirmation rules, we will anticipate the possibility of war and terrorism in addition to natural disasters in our continued enhancement of safety measures, implementation of training, formulation of evacuation rules, and other measures to protect the safety and the health of local employees, expatriates, and people on overseas business trip.

Compliance

The Basic Approach to Compliance

The PERSOL Group views compliance as meeting the demands and expectations of society and conducting business activities with integrity. To translate this idea into action, we have formulated the PERSOL Group Code of Conduct to be observed by all officers and employees of the PERSOL Group in Japan and abroad. This Code of Conduct sets out basic behaviors based on compliance. To remain trusted by customers and society, we will act with integrity and high ethical standards based on this Code of Conduct.

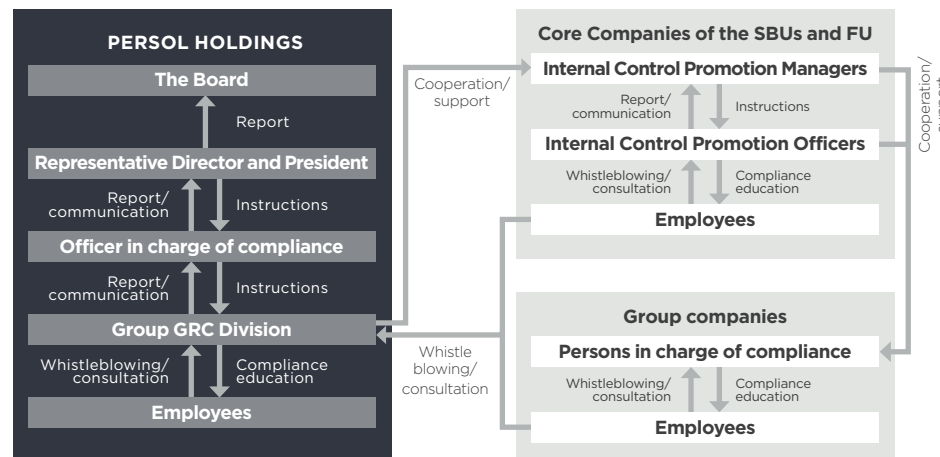
The PERSOL Group Code of Conduct is available on our website.
https://www.persol-group.co.jp/en/corporate/governance/code_of_conduct.html



Compliance Promotion Structure

The PERSOL Group has established the Compliance Control Department within PERSOL HOLDINGS to promote compliance for the entire Group.

In addition, the SBU Internal Control Promotion Managers, who are designated at core companies of each SBU and FU, support the promotion of compliance and the implementation of compliance measures at Group companies.



Conducting a Compliance Awareness Survey

Publication of the Compliance Handbook

We have prepared a Compliance Handbook in Japan and overseas as a guide to clarify how employees should act from the perspective of corporate ethics and compliance, and made all our employees aware of its content. The Handbook includes the entire text of the PERSOL Group Code of Conduct and is used for raising compliance awareness.

Compliance training

In addition to providing regular compliance training to all Group employees in Japan and overseas, we conduct education and training programs at each Group company that are tailored to each business and each region, in our efforts to raise awareness of compliance. In the compliance training for all employees in Japan in the fiscal year ended March 2023, we raised employees' awareness of compliance and information security within the Group. During the three-month training period, 99.0% of the 34,906 eligible individuals completed compliance training. We also gave compliance training to all employees at overseas Group companies, focusing on topics such as compliance, the prevention of bribery, and information security.

PERSOL Group Compliance Training (in Japan)

Name	Details	Scope	Results for fiscal year ended March 2023
Compliance training for all employees	Training for all employees of the PERSOL Group (once a year)	Entire Group	Number of people who completed training during the period: 34,342
Legal newsletter	Dissemination of legal knowledge related to the business through the intranet	Entire Group	Number of times distributed: 5
New graduate training	Training for new graduates when they join the Group	Entire Group	Number of participants in the joint company joining ceremony: 1,052
Mid-career hire training	Training for mid-career hires when they join the Group	Entire Group	Conducted at each Group company as necessary
Newly appointed manager training	Training for managers (section manager level), upon appointment and six months later	Entire Group	Number of participants: 605 Number of sessions held: Four training session each, upon appointment, six months later, and a year later

Conducting a compliance awareness survey

We conduct an annual compliance awareness survey of all Group employees in Japan in order to continuously monitor the instilling and establishment of compliance activities. The results of the survey are analyzed and evaluated by the GRC Division of PERSOL HOLDINGS and then reported to management and the compliance divisions of core companies of SBUs and FU as compliance indicators, with a view to reviewing and improving the compliance system and promotion activities.

Whistleblowing System

In Japan, we have changed the framework of our whistleblowing system to strengthen its function as a route for discovering misconduct, in addition to observing the revised Whistleblower Protection Act that came into force in June 2022. Specifically, we defined the scope of the subjects for whistleblowing as violations of laws and regulations, including the Whistleblower Protection Act, and corporate scandals. We then informed employees of an outline of the system in an easy-to-understand manner and strengthened the training of the staff in charge of handling whistleblowing. In the fiscal year ended March 2023, a total of 64 whistleblowing reports were received, and many of them were about labor issues and the handling of information. In response to these reports received through our whistleblowing system, we conducted investigations and dealt with the problems appropriately.

We have established whistleblowing contact points at each overseas Group company, and created an environment that is conducive to whistleblowing in accordance with the circumstances in each country.

5

Financial and Non-financial Data/ Corporate Profile

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Financial Data

Financial Highlights (JGAAP)

(Million yen)

	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3
Income Statement (in fiscal year ended)^{3,4}										
Net sales	362,489	401,056	517,597	591,995	722,183	925,818	970,572	950,722	1,060,893	1,223,967
Gross profit	85,341	96,524	122,647	142,806	167,438	206,517	213,991	201,413	240,837	282,643
Selling, general and administrative expenses	66,743	73,054	94,594	109,397	131,369	162,406	174,905	175,688	192,694	229,581
Operating profit	18,597	23,470	28,052	33,409	36,068	44,111	39,085	25,724	48,143	53,061
Ordinary profit	18,470	23,769	28,190	34,136	35,108	43,982	39,361	28,453	49,484	53,693
EBITDA ¹	24,951	29,471	36,408	43,433	48,026	59,972	56,356	43,170	67,150	76,417
Profit attributable to owners of parent	9,857	13,424	17,356	17,820	7,769	24,361	7,612	15,341	31,906	20,578
Cash flows (in fiscal year ended)^{3,4}										
Net cash provided by (used in) operating activities	10,863	28,894	13,279	39,617	35,003	42,353	28,592	36,805	50,692	52,796
Net cash provided by (used in) investing activities	-51,306	-13,529	-15,065	-9,708	-66,732	-15,141	-17,576	-13,188	-7,057	-22,504
Net cash provided by (used in) financing activities	32,294	8,937	-7,213	-11,655	50,186	-48,165	-1,987	-17,973	-21,145	-38,268
Financial Position (as of the end of fiscal year ended)^{3,4}										
Total assets	177,433	228,663	236,238	268,364	402,336	370,839	370,993	381,179	425,110	442,159
Cash and cash equivalents	35,957	60,205	51,138	69,382	89,566	68,969	78,037	82,991	106,558	99,658
Borrowings	23,343	33,659	30,420	25,480	105,641	40,794	51,028	42,264	41,466	41,539
Shareholders' equity	85,380	96,938	125,382	136,725	139,066	159,165	154,792	159,539	184,579	180,366
Per-share information^{2,3,4}										
Earnings per share (EPS) (yen)	142.07	183.63	75.76	75.94	33.28	104.39	32.76	66.50	138.51	89.61
Cash dividends (yen)	24	32	- ²	17	19	25	30	26	42	61
Payout ratio	16.9%	17.4%	17.2%	22.4%	57.1%	24.0%	91.6%	39.1%	30.3%	68.1%
Other financial data⁴										
Gross profit margin	23.5%	24.1%	23.7%	24.1%	23.2%	22.3%	22.0%	21.2%	22.7%	23.1%
Operating profit margin	5.1%	5.9%	5.4%	5.6%	5.0%	4.8%	4.0%	2.7%	4.5%	4.3%
Ordinary profit margin	5.1%	5.9%	5.4%	5.8%	4.9%	4.8%	4.1%	3.0%	4.7%	4.4%
EBITDA margin	6.9%	7.3%	7.0%	7.3%	6.7%	6.5%	5.8%	4.5%	6.3%	6.2%
Return on invested capital (ROIC)	11.1%	11.8%	13.7%	15.3%	11.3%	15.9%	13.8%	9.2%	14.2%	15.3%
Return on equity (ROE)	13.2%	14.5%	15.4%	13.4%	5.5%	16.2%	5.0%	10.1%	18.9%	11.2%
Shareholders' equity ratio	48.1%	42.4%	53.1%	50.9%	34.6%	42.9%	41.7%	41.9%	43.4%	40.8%
Total return ratio	3,174	2,193	4,631	7,481	6,842	9,534	13,383	11,744	11,703	14,293
Depreciation	2,550	2,749	3,061	3,988	4,907	7,249	9,466	10,760	12,150	16,059

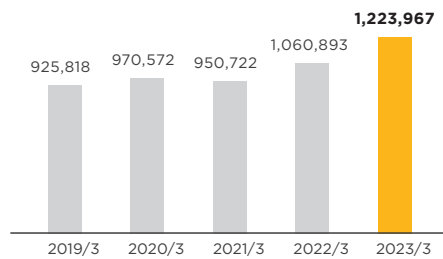
¹ EBITDA = Operating profit + amortization of goodwill + depreciation² The Company conducted a three-for-one stock split for shares of common stock of the Company with October 29, 2015 as the effective date. Per-share indicators, excluding dividend per share, are calculated on the assumption that the stock split took place at the beginning of the fiscal year ended March 2016. Dividend per share for the fiscal year ended March 2016 consisted of 18 yen worth of interim dividends (before the split) and 7 yen worth of year-end dividends (after the split).³ From the third quarter of the fiscal year ended March 2022 onwards, a new accounting process applies to Software as a Service (SaaS) in the Australian business in the Asia Pacific SBU. Accordingly, it applies retrospectively to the financial results for the fiscal years ended March 2021 and March 2022. (The same applies hereinafter.)⁴ From the first quarter of the fiscal year ended March 2023 onwards, a new accounting process applies to asset retirement obligations. Accordingly, it applies retrospectively to the financial results for the fiscal year ended March 2022. (The same applies hereinafter.)

Financial Data

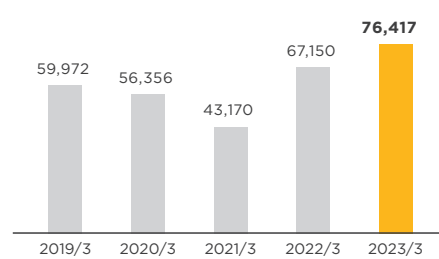
Financial Highlights (JGAAP)

Net sales

(Million yen)

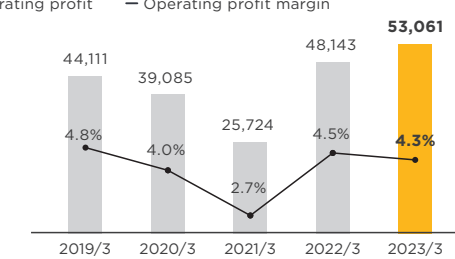
EBITDA^{*5}

(Million yen)

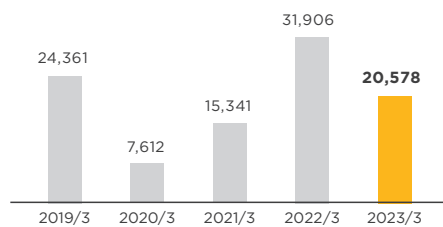
Operating profit¹/Ordinary profit¹

(Million yen)

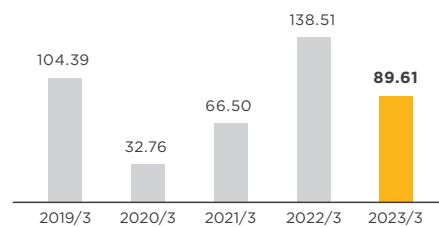
■ Operating profit — Operating profit margin

Profit attributable to owners of parent^{*1*2*4}

(Million yen)

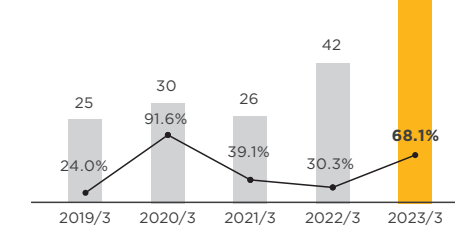
Earnings per share^{*1*4}

(yen)

Dividend per share/Payout ratio^{*1*4}

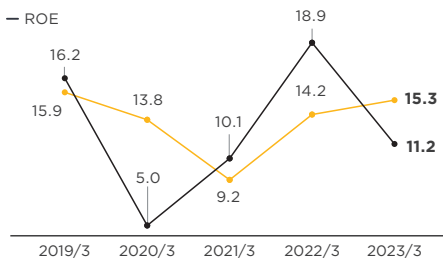
(yen)

■ Dividend per share — Payout ratio

ROIC^{*1*4*6}/ROE^{*1*2*4}

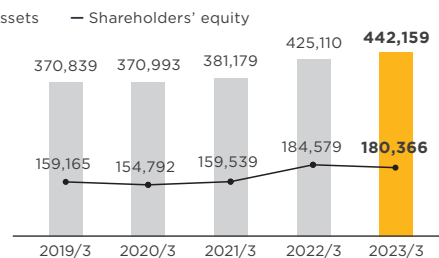
(%)

— ROIC — ROE

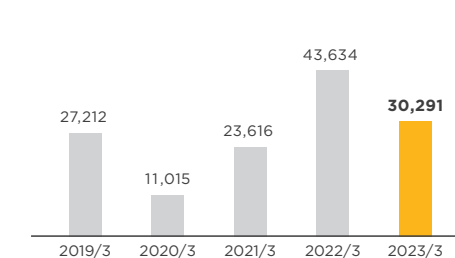
Total assets^{*1*3*4}/Shareholders' equity^{*1*4}

(Million yen)

■ Total assets — Shareholders' equity

Free cash flow^{*1*4}

(Million yen)



*1 From the third quarter of the fiscal year ended March 2022 onwards, a new accounting process applies to Software as a Service (SaaS) in the Australian business in the Asia Pacific SBU. Accordingly, the figures for the financial results for the fiscal years ended March 2021 and March 2022 reflect its impacts.

*2 For the fiscal year ended March 2020, extraordinary losses of 19.3 billion yen were recorded, including business reorganization losses of 3.1 billion yen related to the discontinuation of the business of "an" part-time job recruitment media and a loss on impairment of goodwill of 12.6 billion yen related to the staffing business of Programmed. In addition, in the fiscal year ended March 2023, extraordinary losses of 12.3 billion yen were recorded, including an 8.3 billion yen impairment loss related to the Property Services business of Programmed and a 2.0 billion yen impairment loss related to MIIDAS CO., LTD.

*3 Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) and related guidance have been applied since the beginning of the fiscal year ended March 2019. Total assets prior to the fiscal year ended March 2019 represent figures to which the said accounting standards have been retroactively applied.

*4 The consolidated tax return filing system has been applied since the fiscal year ended March 2021.

*5 EBITDA = operating profit + depreciation + amortization of goodwill

*6 ROIC = net operating profit after tax before amortization of goodwill / invested capital (= business assets - business liabilities)

Financial Data

Consolidated Balance Sheet (JGAAP)

(Million yen)

	Fiscal year ended March 2022 (As of March 31, 2022)	Fiscal year ended March 2023 (As of March 31, 2023)
Assets		
Current assets		
Cash and deposits	107,545	99,757
Notes receivable - trade	100	100
Accounts receivable - trade	150,073	160,879
Contract assets	18,658	25,951
Work in process	333	384
Other	10,740	17,780
Allowance for doubtful accounts	-554	-572
Total current assets	286,897	340,281
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,686	13,016
Accumulated depreciation	-6,639	-9,403
Accumulated impairment	-10	-54
Right of use assets, net	5,036	3,558
Tools, furniture and fixtures	7,062	7,859
Accumulated depreciation	-4,835	-5,312
Accumulated impairment	-79	-110
Tools, furniture and fixtures, net	2,147	2,437
Right of use assets	9,169	12,676
Accumulated depreciation	-5,758	7,420
Right of use assets, net	3,410	5,256
Land	515	515
Other	3,906	5,410
Accumulated depreciation	-1,601	-2,303
Accumulated impairment	-	-24
Other, net	2,304	3,082
Total property, plant and equipment	13,414	14,849
Intangible assets		
Trademark right	9,803	10,052
Goodwill	61,674	52,344
Software	16,787	18,081
Other	6,863	5,842
Total intangible assets	95,129	86,320
Investments and other assets		
Investment securities	8,664	12,058
Deferred tax assets	10,324	13,741
Other	12,208	12,535
Allowance for doubtful accounts	-1,527	-1,627
Total investments and other assets	29,670	36,707
Total non-current assets	138,213	137,877
Total assets	425,110	442,159

(Million yen)

	Fiscal year ended March 2022 (As of March 31, 2022)	Fiscal year ended March 2023 (As of March 31, 2023)
Liabilities		
Current liabilities		
Accounts payable - trade	630	602
Short-term borrowings	162	11,361
Current portion of bonds payable	-	10,000
Current portion of long-term borrowings	11,304	60
Accounts payable - other	81,813	91,934
Income taxes payable	11,211	11,418
Accrued consumption taxes	17,432	18,967
Provision for bonuses	17,847	19,868
Provision for bonuses for directors (and other officers)	71	129
Other provisions	714	1,535
Other	26,706	29,541
Total current liabilities	167,893	195,421
Non-current liabilities		
Bonds payable	10,000	-
Long-term borrowings	30,000	30,116
Lease liabilities	1,997	3,421
Deferred tax liabilities	3,039	4,018
Retirement benefit liability	414	311
Provision for share awards	810	1,085
Provision for share awards for directors (and other officers)	835	1,104
Asset retirement obligations	4,430	4,659
Other provisions	81	45
Other	1,239	1,242
Total non-current liabilities	52,850	46,005
Total liabilities	220,743	241,426
Net assets		
Shareholders' equity		
Share capital	17,479	17,479
Capital surplus	19,168	13,455
Retained earnings	158,282	168,890
Treasury shares	-10,351	-19,459
Total shareholders' equity	184,579	180,366
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	959	971
Foreign currency translation adjustment	-2,489	4,179
Total accumulated other comprehensive income	-1,530	5,150
Share acquisition rights	0	0
Non-controlling interests	21,317	15,214
Total net assets	204,367	200,732
Total liabilities and net assets	425,110	442,159

Financial Data

Consolidated Income Statement and Comprehensive Income Statement (JGAAP)

Consolidated Income Statement	(Million yen)	
	Fiscal year ended March 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 2023 (April 1, 2022 to March 31, 2023)
Net sales	1,060,893	1,223,967
Cost of sales	820,056	941,323
Gross profit	240,837	282,643
Selling, general and administrative expenses	192,694	229,581
Operating profit	48,143	53,061
Non-operating income		
Interest income	49	90
Dividend income	232	242
Subsidy income	1,342	1,696
Foreign exchange gains	25	-
Other	540	233
Total non-operating income	2,189	2,261
Non-operating expenses		
Interest expenses	270	432
Foreign exchange losses	-	353
Commission expenses	24	1
Share of loss of entities accounted for using equity method	174	529
Other	377	313
Total non-operating expenses	847	1,630
Ordinary profit	49,484	53,693
Extraordinary income		
Gain on sale of non-current assets	1,500	57
Gain on sale of shares of subsidiaries and associates	486	-
Gain on sale of investment securities	1,712	233
Total extraordinary income	3,698	290
Extraordinary losses		
Loss on disposal of non-current assets	3	8
Impairment losses	1,675	12,239

	(Million yen)	
	Fiscal year ended March 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 2023 (April 1, 2022 to March 31, 2023)
Loss on sale of investment securities	1	-
Loss on valuation of investment securities	801	369
Restructuring expenses	530	-
Non-recurring loss	127	649
Total extraordinary losses	3,139	13,267
Profit before income taxes	50,043	40,716
Income taxes - current	18,880	20,121
Income taxes - deferred	-3,653	-2,241
Total income taxes	15,227	17,880
Profit	34,815	22,835
Profit attributable to non-controlling interests	2,909	2,257
Profit attributable to owners of parent	31,906	20,578

Consolidated Comprehensive Income Statement	(Million yen)	
	Fiscal year ended March 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 2023 (April 1, 2022 to March 31, 2023)
Profit	34,815	22,835
Other comprehensive income		
Valuation difference on available-for-sale securities	-1,391	12
Foreign currency translation adjustment	4,358	6,857
Share of other comprehensive income of entities accounted for using equity method	40	281
Total other comprehensive income	3,007	7,151
Comprehensive income	37,822	29,987
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	34,350	27,260
Comprehensive income attributable to non-controlling interests	3,472	2,727

Financial Data

Consolidated Statement of Changes in Equity (JGAAP)

Fiscal year ended March 2022
(April 1, 2021 to March 31, 2022)

	Shareholders' equity					Total shareholders' equity
	Share capital	Capital surplus	Retained earnings	Treasury shares		
Balance at beginning of period	17,479	19,008	134,151	-11,100		159,539
Cumulative effects of changes in accounting policies			-124			-124
Restated balance	17,479	19,008	134,027	-11,100		159,415
Changes during period						
Dividends of surplus			-7,651			-7,651
Net profit attributable to owners of parent			31,906			31,906
Purchase of treasury shares				-0		-0
Disposal of treasury shares		167		749		917
Change in ownership interest of parent due to transactions with non-controlling interests		-7				-7
Net changes in items other than shareholders' equity						
Total changes during period	-	160	24,254	748		25,163
Balance at end of period	17,479	19,168	158,282	-10,351		184,579
	Accumulated other comprehensive income					
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	2,350	-6,325	-3,974	0	18,035	173,600
Cumulative effects of changes in accounting policies						-124
Restated balance	2,350	-6,325	-3,974	0	18,035	173,476
Changes during period						
Dividends of surplus						-7,651
Net profit attributable to owners of parent						31,906
Purchase of treasury shares						-0
Disposal of treasury shares						917
Change in ownership interest of parent due to transactions with non-controlling interests						-7
Net changes in items other than shareholders' equity	-1,391	3,836	2,444	-	3,282	5,726
Total changes during period	-1,391	3,836	2,444	-	3,282	30,890
Balance at end of period	959	-2,489	-1,530	0	21,317	204,367

Fiscal year ended March 2023
(April 1, 2022 to March 31, 2023)

	Shareholders' equity					Total shareholders' equity
	Share capital	Capital surplus	Retained earnings	Treasury shares		
Balance at beginning of period	17,479	19,168	158,282	-10,351		184,579
Changes during period						
Dividends of surplus			-9,971			-9,971
Net profit attributable to owners of parent			20,578			20,578
Purchase of treasury shares				-9,999		-9,999
Disposal of treasury shares		335		892		1,227
Change in ownership interest of parent due to transactions with non-controlling interests		-6,048				-6,048
Net changes in items other than shareholders' equity						
Total changes during period		-5,712	10,607	-9,107		-4,212
Balance at end of period	17,479	13,455	168,890	-19,459		180,366
	Accumulated other comprehensive income					
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	959	-2,489	-1,530	0	21,317	204,367
Changes during period						
Dividends of surplus						-9,971
Net profit attributable to owners of parent						20,578
Purchase of treasury shares						-9,999
Disposal of treasury shares						1,227
Change in ownership interest of parent due to transactions with non-controlling interests						-6,048
Net changes in items other than shareholders' equity	11	6,669	6,681		-6,103	578
Total changes during period	11	6,669	6,681		-6,103	-3,634
Balance at end of period	971	4,179	5,150	0	15,214	200,732

Financial Data

Consolidated Cash Flow Statement (JGAAP)

(Million yen)

	Fiscal year ended March 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 2023 (April 1, 2022 to March 31, 2023)
Cash flows from operating activities		
Profit before income taxes	50,043	40,716
Depreciation	12,150	16,059
Impairment losses	1,675	12,239
Amortization of goodwill	6,856	7,296
Increase (decrease) in retirement benefit liability	-482	-134
Increase (decrease) in provision for bonuses	2,378	1,832
Increase (decrease) in provision for bonuses for directors (and other officers)	21	52
Increase (decrease) in provision for share awards	226	275
Increase (decrease) in provision for share awards for directors (and other officers)	301	268
Increase (decrease) in allowance for doubtful accounts	-193	6
Increase (decrease) in other provisions	33	859
Interest and dividend income	-281	-332
Interest expenses	270	432
Share of loss (profit) of entities accounted for using equity method	174	529
Subsidy income	-1,342	-1,694
Loss (gain) on sale of shares of subsidiaries and associates	-486	-
Loss (gain) on sale of investment securities	-1,711	-233
Loss (gain) on valuation of investment securities	801	369
Loss (gain) on disposal of non-current assets	-1,496	-48
Restructuring expenses	530	-
Non-recurring loss	127	-
Decrease (increase) in trade receivables	-28,855	-12,611
Increase (decrease) in trade payables	7,367	7,735
Increase (decrease) in accrued consumption taxes	99	1,283
Increase (decrease) in long-term accounts payable - other	-225	-81
Decrease (increase) in other assets	9,920	-415
Increase (decrease) in other liabilities	1,922	1,444
Subtotal	59,827	75,848
Interest and dividends received	280	334
Interest paid	-265	-471
Subsidies received	1,342	1,694
Payments of restructuring expenses	-530	-
Income taxes paid	-12,542	-24,640
Income taxes refund	2,581	29
Net cash provided by (used in) operating activities	50,692	52,796

(Million yen)

	Fiscal year ended March 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 2023 (April 1, 2022 to March 31, 2023)
Cash flows from investing activities		
Payments into time deposits	-820	174
Proceeds from withdrawal of time deposits	51	1,178
Purchase of property, plant and equipment	-2,604	-3,331
Proceeds from sales of property, plant and equipment	1,877	86
Purchase of intangible assets	-8,383	-10,108
Purchase of shares of subsidiaries and associates	-	-1,301
Purchase of investment securities	-1,195	-2,867
Proceeds from sales of investment securities	4,276	309
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-250	-3,321
Proceeds from sales of share of subsidiaries resulting in change in scope of consolidation	673	-
Payments for acquisition of businesses	-1,126	-2,486
Proceeds from sale of businesses	-	20
Proceeds from absorption-type mergers	-	-16
Loan advances	-3	-0
Proceeds from collection of loans receivable	4	3
Payments of guarantee deposits	-452	-728
Proceeds from refund of guarantee deposits	1,072	779
Other	-178	-545
Net cash provided by (used in) investing activities	-7,057	-22,504
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-470	11,020
Repayments of long-term borrowings	-691	-13,040
Redemption of bonds	-10,000	-
Purchase of treasury shares	0	-9,999
Dividends paid	-7,651	-9,969
Dividends paid to non-controlling interests	-198	-248
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-7	-13,764
Other	-2,125	-2,265
Net cash provided by (used in) financing activities	-21,145	-38,268
Effect of exchange rate change on cash and cash equivalents	1,078	1,077
Net increase (decrease) in cash and cash equivalents	23,567	-6,899
Cash and cash equivalents at beginning of period	82,991	106,558
Cash and cash equivalents at end of period	106,558	99,658

Non-Financial Data

Non-Financial Data **Environment**

Climate Change

	Boundary	Unit	2021/3	2022/3	2023/3	
Greenhouse gas emissions	Scope 1	t-CO ₂	12,395	12,721 ✓	16,617 ✓	
	Scope 2 (location-based)		-	12,881 ✓	13,782 ✓	
	Scope 2 (market-based)		13,028	12,977 ✓	13,093 ✓	
	Subtotal Emissions (Scope 1+2)		25,423	25,698	29,710	
	Emission Unit (Scope 1+2)	t-CO ₂ /sales 1 billion yen	26.7	24.2	24.3	
	Scope 3	t-CO ₂	Group			
	Category 1: Purchased goods and services			-	-	288,657 ✓
	Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)			-	-	4,758 ✓
	Category 4: Upstream transportation and distribution			-	-	3,292 ✓
	Category 5: Waste Generated in Operations			1,445	1,154 ✓	3,038 ✓
	Category 6: Business travel			515	601 ✓	1,575 ✓
	Category 7: Employee Commuting			9,369	7,889 ✓	8,408 ✓
	Category 9: Downstream transportation and distribution			-	-	35 ✓
	Category 11: Use of sold products			-	-	17,430 ✓
	Category 12: End-of-life treatment of sold products			-	-	30 ✓
Subtotal Emissions (Scope 3)	11,329	9,645 ✓	327,223 ✓			
Energy consumption	Fuel consumption	Group	million kWh	47.5	48.3	66.9
	Electricity Consumption (renewable energy and green electricity)	Group	million kWh	26.3 (-)	26.5 (-)	28.8 (2.7)
	Energy consumption	Group	million kWh	73.8	74.8	95.7

*1 The figures for greenhouse gas emissions marked with a check (✓) symbol have undergone third-party verification provided by SOCOTEC Certification Japan. Starting in the fiscal year ended March 2022, this applies for the purpose of ensuring the accuracy and reliability of emissions calculated with third-party verification on environmental data values for emissions.

*2 The figures for Scope 1, Scope 2 and Scope 3 Category 3 emissions were calculated based on data from the main bases of PERSOL HOLDINGS and its consolidated subsidiaries in Japan, as well as the main bases of major overseas consolidated subsidiaries.

*3 The subtotal (Scope 3) for the fiscal year ended March 2022 is the sum of values for the respective categories that include values in decimal places. Accordingly, it is not consistent with the sum of the indicated values for the categories.

*4 The figures for Scope 1, Scope 2 and Scope 3 (excluding Category 3) emissions were calculated based on data from the main bases of the company and its consolidated subsidiaries in Japan.

The amount of Scope 3 emissions increased because values for a wider range of categories are included. Regarding the other categories of Scope 3 emissions, we will consider future additional disclosure after checking details.

Pollution Prevention and Resource Circulation

	Boundary	Unit	2021/3	2022/3	2023/3	
Waste	Waste recycled (recyclable waste, paper, bottle, can, PET)	*1	t	24.6	28.2	38.6
	Non-recycled waste (non-industrial)	*1	t	77.0	93.6	133.2
	Non-recycled waste (industrial)	*2	t	454.3	511.3	550.1
	Waste requiring special management (waste oil)	*2	t	-	-	1.4
	Total Waste ⁵	-	t	555.9	633.1	723.3
Water use						
	Water usage (city water) ⁶	*3	m ³	4,427	10,194	10,337
Raw material used						
	Copy paper usage ⁷	*4	t	240	222	209
Green product purchasing						
	Green product purchasing	*4	%	37.2	36.7	33.7

*1 Data covers our major office buildings; Minami Aoyama Building, Grand Front Osaka, and TS Ikebukuro.

Minami Aoyama Building Grand Front Osaka: April 2020 to March 2021 / TS Ikebukuro: Results from January 2021

*2 Data covers Fukushima, Miyazaki and Yonago FC of Persol Factory Partners Co., Ltd.

*3 Data covers Minami Aoyama Building of the head office and TS Ikebukuro.

*4 Data covers the non-consolidated company and the domestic group.

*5 The increase in total waste resulted from the expansion of business scale.

*6 The definition of calculation was revised in the fiscal year ended March 2022. Accordingly, the values were corrected retroactively.

*7 A correction has been made since the unit of the coefficient used in the calculation was incorrect. (July 2023)

Non-Financial Data

Non-Financial Data **Social**

		Unit	2020/3	2021/3	2022/3	2023/3
Number of consolidated employees*1	Total	Persons	52,005	53,227	59,268	66,944
By employment*2	Number of employees	Persons	46,155	47,901	53,049	60,183
	Number of contingent employees (temporary and part-time employees)	Persons	5,850	5,326	6,219	6,761
By SBU	Staffing SBU	Persons	26,218	28,621	31,902	35,277
	Career SBU	Persons	4,759	4,291	4,554	5,553
	Professional Outsourcing SBU	Persons	11,929	11,138	11,788	12,574
	Solution SBU	Persons	460	611	844	1,043
	Asia Pacific SBU	Persons	6,851	6,358	7,536	9,277
	Holdings/directly managed companies	Persons	1,788	2,208	2,644	3,220
By age group*3	20s or younger	%	31	30	29	29
	30s	%	32	32	33	33
	40s	%	25	25	25	24
	50s	%	9	11	11	11
	60s or older	%	2	2	2	2
Number of directors*3	Total	Persons	10	9	9	9
	Male/Female	Persons	9/1	8/1	8/1	8/1
	Percentage of women	%	10	11	11	11
Number of persons in managerial positions*3	Total	Persons	2,210	2,509	2,404	2,824
	Male/Female	Persons	1,769/441	1,998/511	1,886/518	2,134/690
	Percentage of women	Persons	19	20	22	24
Number of employees*3 *4	Total	Persons	26,568	28,983	30,081	33,206
	Male/Female	Persons	14,789/11,779	15,741/13,242	16,405/13,676	17,984/15,222
	Percentage of women	%	46	47	45	46
Status of employee engagement	Engagement index*5	%	-	63	67	71
	Vision empathy index*3*6	%	-	76	77	79
	Management index*3*7	%	-	58	62	65
	Career ownership index*3*8	%	-	-	49	51

*1 The figures include employees at the Asia Pacific SBU. In light of the shift to the SBU structure in 2020, the numbers of employees for earlier years have been recalculated.

*2 The number of full-time employees does not include PERSOL Group employees assigned to work at non-PERSOL Group companies but includes employees from non-PERSOL Group companies working at PERSOL Group companies. The number of contingent employees represents the annual average number of temporary and part-time employees.

*3 Data covers Group companies in Japan (excluding indefinite-term temporary staff). However, some companies, where the introduction of the human resources information system common to Group companies in Japan has yet to be completed, are excluded.

*4 The figure excludes employees at Asia Pacific SBU and associates employed for indefinite terms at PERSOL Group companies.

*5 The figure shows an average ratio of respondents answering either of the two highest choices on a five-point scale regarding questions about employees' motivation towards their work and contribution to the organization.

*6 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's vision of Work and Smile.

*7 The figure shows an average ratio of respondents answering either of the two highest choices on a five-point scale on questions asking about development support and trust from superiors.

*8 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).

Non-Financial Data

Non-Financial Data **Social**

		Unit	2020/3	2021/3	2022/3	2023/3	
Status of training received	Training hours per person	Persons in managerial positions	Hours	-	14	17	18
		Employees* ¹⁰	Hours	19	19	15	18
	Total hours of training (compulsory ⁹)	Persons in managerial positions	Hours	-	28,840	35,060.5	38,993
		Employees	Hours	-	44,1892	36,0138	45,6219
	Total hours of training(optional ⁹)	Persons in managerial positions	Hours	-	645	4,262	4,138
		Employees	Hours	-	22,364	37,308	43,405
	Total number of participants in training	Persons in managerial positions	Persons	-	3,448	5,406	5,471
		Employees	Persons	45,452	45,071	53,370	63,728
Number of employees recruited	New graduates	Total	Persons	1,103	1,231	871	1,012
		Male/Female	Persons	629/474	699/532	452/419	557/455
	Mid-career persons	Total	Persons	5,439	3,883	5,120	6,161
		Male/Female	Persons	2,443/2,996	1,500/2,383	2,321/2,799	2,832/3,329
	Percentage of women		%	53	57	54	53
	Average age	Total	Years old	36	37	37	37
Male/Female		Years old	37/35	37/36	37/37	38/37	
Average number of years of continuous service ¹¹	Total	Years	6.4	6.8	7.2	7.0	
	Percentage of women	Years	6.8/5.9	7.1/6.3	7.5/6.7	7.3/6.6	
	Differential between men and women	Years	0.9	0.8	0.8	0.7	
Average hours of overtime		Hours	18	16	17	17	
Turnover ¹¹	Total	Persons	2,070	1,966	2,410	2,625	
	Male/Female	Persons	1,248/822	1,169/797	1,421/989	1,598/1,027	
	Percentage of women	%	40	41	41	39	
Rate of turnover ¹¹	Total	%	10	8	10	10	
	Male/Female	%	9/10	8/9	10/10	10/9	

* Data on this page cover Group companies in Japan (excluding unlimited-term temporary staff). However, some companies, where introduction of the human resources information system common to Group companies in Japan has yet to be completed, are excluded.

⁹ Compulsory training refers to rank-specific training, selective training and job-specific training, while optional training means training with invitation, cafeteria training and support for personal development and for the acquisition of qualifications.

¹⁰ For the fiscal year ended March 2022, the number of new graduates recruited was reduced due to the pandemic and the training program for new employees was partly revised. As a result, the number of hours of training per employee was smaller for the fiscal year.

¹¹ Calculated for unlimited term employees only.

Non-Financial Data

Non-Financial Data Social

		Unit	2020/3	2021/3	2022/3	2023/3	
Percentage of taking child-care leave¹²	Total	%	49	50	55	74	
	Male/Female	%	11/95	10/95	19/93	65/84	
Percentage of returning from child-care leave¹³	Total	%	92	94	95	97	
	Male/Female	%	100/91	100/93	98/94	99/96	
Number of persons taking nursing-care leave¹⁴	Total	Persons	20	20	21	20	
	Male/Female	Persons	8/12	10/10	9/12	6/14	
Number of persons with reduced working hours	Total	Persons	666	913	1,032	972	
	Male/Female	Persons	9/657	11/902	14/1,018	8/964	
Number of approved applications for side jobs¹⁵		Cases	185	508	712	1,010	
Number of non-Japanese employees		Persons	477	459	459	507	
Employment status of persons with disabilities¹⁶	Number of employees	Persons	1,410	1,670	1,981	2,417	
	Employment rate	%	2.21	2.24	2.39	2.56	
Wage differentials between men and women^{17,18}	Unlimited-term employment	Total	%	-	-	78	75
		Career position	%	-	-	90	85
	Fixed-term employment	Limited position ¹⁹	%	-	-	93	95
			%	-	-	83	79
Percentage of remote work²⁰		%	-	-	61	57	
Percentage of employees who received diversity literacy training		%	86	95	92	91	
Percentage of employees who had a stress check		%	79	82	82	84	
Percentage of employees with high stress²¹		%	12.7	12.1	12.1	12.3	
Absenteeism (leave of absence for one month or longer)²²	Injuries and diseases	%	-	0.37	0.22	0.33	
	Poor mental health	%	1.25	1.34	1.64	1.80	
Presenteeism (decline in performance due to poor health)²³		%	-	-	-	21.8	
Number of fatal accidents		Cases	0	0	0	0	
Participation rate in the shareholding association		%	10	11	12	12	
Number of persons eligible for the share-based compensation scheme²⁴		Persons	102	193	2,238	2,457	

* Data on this page cover Group companies in Japan (excluding unlimited-term temporary staff). However, some companies, where introduction of the human resources information system common to Group companies in Japan has yet to be completed, are excluded.

¹² From the fiscal year ended March 2023 onwards, the percentage of employees taking childcare leave or using the program of leave for childcare purposes during the fiscal year concerned among employees giving birth (or male employees with spouses giving birth) or adopting children 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.)

¹³ The figures show the percentage of employees who returned to work, from among all employees who completed child-care leave during each fiscal year.

¹⁴ The figures show the number of employees who started taking nursing-care leave during each fiscal year.

¹⁵ The figure indicates the number of applications for side jobs approved during the fiscal year concerned.

¹⁶ The figures represent the number of employees with disabilities, as of June of each fiscal year.

¹⁷ The ratio of average annual income of female employees to that of male employees, both of which exclude associates employed by PERSOL Group companies, is calculated. From the fiscal year ended March 2023 onwards, a new calculation method reflecting partial revision pursuant to the Act on the Promotion of Women's Active Engagement in Professional Life applies.

¹⁸ The PERSOL Group ensures fair treatment in recruitment, evaluation, promotion and other aspects regardless of gender and other attributes. Reasons for the wage gap among employees under indefinite term employment include the facts that female employees account for a high percentage of those accessing the shortened working hours program and that men

account for a higher percentage of managers. The entire PERSOL Group will encourage male employees to use childcare leave and other programs and will endeavor to properly increase the ratio of female managers to further improve the fairness of treatment. Reasons for the wage gap among employees under fixed term employment include the facts that men make up a higher percentage of re-employed workers in specialist, IT and engineering positions and that women hold a higher percentage of clerical positions

¹⁹ Limited position employees are those in an employment category that specifies one or more of the following: region, job or working hours.

²⁰ The figures show the percentage of employees who replied that they engage in remote work at least once a week. (as of September in each fiscal year)

²¹ The figures show the percentage of those with high stress among employees who had a stress check.

²² The figure for injuries and diseases represents the percentage of employees who have taken continuous leave for one month or longer due to issues with their physical health, whereas the figure for mental health issues is the percentage of employees who have taken continuous leave for one month or longer due to issues with their mental health.

²³ 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. (as of September 2022)

²⁴ 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 represented only the number of employees eligible for the trust-type share-based compensation scheme.)

Corporate Profile/Stock Information

Corporate Profile

Company Name	PERSOL HOLDINGS CO., LTD.
Established	October 1, 2008
Head Office	1-15-5 Minami-Aoyama, Minato-ku, Tokyo 107-0062, Japan
Registered Office	2-1-1 Yoyogi, Shibuya-ku, Tokyo 151-0053, Japan
URL	https://www.persol-group.co.jp/
Consolidated Employees	66,944 (As of March 31, 2023) * Full-time employees-60,183 (includes employees working at group companies. Employees assigned to work at non-group companies not included.) Contingent employees (including temporary and part-time employees)- 6,761 annual average.
Number of Group Companies	135 (37 domestic, 98 overseas) (As of July 1, 2023)
Number of Group Bases	716 (539 domestic, 177 overseas) (As of February 2023)
Capital	17,479 million yen (As of March 31, 2023)

Editorial Policy

This Integrated Report is a comprehensive information communication tool that integrates the financial and non-financial information of the PERSOL Group.

The purpose of this report is to deepen the understanding of our Value Creation Story toward achieving the Group Vision of "Work and Smile" by a wide range of stakeholders, including our shareholders and investors.

This report carries an in-depth coverage of the PERSOL Group Mid-term Management Plan 2026 and the materiality, which were drawn up on the basis of the value creation story, and features enriched content about ESG, financial and non-financial information.

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

Reporting Period

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.

Stock Information

Stock Code	2181
Stock Exchange	Tokyo Stock Exchange, Prime Market
Fiscal	Year-End March 31
Base Dates	Shareholders' Meeting date: March 31 Year-end dividend record date: March 31 Interim dividend record date: September 30
Trading Unit	100
General Meeting of Shareholders	June
Shareholder Register Administrator Special Account Management Institution	Mitsubishi UFJ Trust and Banking Corporation
Public Notice Method	Electronic public notice Notification URL: https://www.persol-group.co.jp/ (In case electronic notification is unavailable due to technical difficulties or other problems, the company will notify via The Nihon Keizai Shimbun.)

Referenced Guidelines

The process of editing this report used as reference the Integrated Reporting Framework proposed by the International Financial Reporting Standards (IFRS) Foundation and Guidance for Collaborative Value Creation published by the Ministry of Economy, Trade and Industry.

About Guidance for Collaborative Value Creation

Guidance for Collaborative Value Creation is a lingua franca between companies and investors. It serves as a guide to improving the quality of information disclosure and dialogue with investors by providing companies (company executives) with a systematic and integrated view of the information that they should communicate to investors (corporate philosophy, business model, strategy, governance, etc.). Companies are not expected to take this guidance as a rigid set of formal rules; rather, each company is expected to choose the parts that are important for its own business model and strategy, and position them within its own value creation story.



External Evaluation

ISTOXX MUTB Japan Platinum Career 150 Index



PERSOL HOLDINGS

PERSOL HOLDINGS was selected as a constituent of the ISTOXX MUTB Japan Platinum Career 150 Index, which consists of stocks of 150 companies in Japan contributing actively to employee career development.

Morningstar Japan ex-REIT Gender Diversity Tilt Index



PERSOL HOLDINGS

PERSOL HOLDINGS was selected as a constituent brand of the Morningstar Japan ex-REIT Gender Diversity Tilt, an ESG indicator newly adopted by the Government Pension Investment Fund (GPIF), in recognition of its commitment to gender diversity.

MSCI Japan Empowering Women Index (WIN) PERSOL HOLDINGS



PERSOL HOLDINGS has been selected as one of the leading Japanese companies in the industry for implementing gender diversity initiatives while maintaining superior financial quality.



Excellent Temporary Work Agencies

PERSOL TEMPSTAFF **Avanti Staff Corporation** **Tempstaff Forum Co., Ltd.**

PERSOL TEMPSTAFF
2101008(O3)
Avanti Staff Corporation
2011002(O3)
Tempstaff Forum Co., Ltd.
2114008(O3)

The companies were certified as "Excellent Temporary Work Agencies" under "The Excellent Temporary Work Agencies Certification System," commissioned by the Ministry of Health, Labour and Welfare, to certify excellent temporary staffing agencies, primarily for supporting the career development of dispatched workers.

*Tempstaff Forum Co., Ltd. is a non-consolidated company.

2023 Certified Health & Productivity Management Outstanding Organizations (Large Enterprise Category)

PERSOL TEMPSTAFF **PERSOL FIELD STAFF** **PERSOL WORKS DESIGN**



The companies were selected as 2023 Certified Health & Productivity Management Outstanding Organizations (Large Enterprise Category) as examples of particularly exceptional companies in implementing initiatives to promote health and productivity management.

2022 PRIDE Index

PERSOL CHALLENGE (currently, PERSON DIVERSE) **PERSOL CAREER**



The companies won the highest Gold rating in the PRIDE Index 2022 for their high-level efforts to build an LGBTQ-friendly working environment.



Highest-level company certification of "Eruboshi" PERSOL CAREER

PERSOL CAREER was granted the highest-level company certification under the "Eruboshi" certification system, based on the Act on Promotion of Women's Participation and Advancement in the Workplace.



"Kurumin" certification PERSOL WORKS DESIGN

PERSOL WORKS DESIGN achieved targets set in its General Employer Action Plan, which was formulated based on the Act on Advancement of Measures to Support Raising Next-Generation Children, and was certified as a company supporting childcare by the Minister of Health, Labour and Welfare.



Sports Yell Company 2023 PERSOL Group

The PERSOL Group was certified by the Japan Sports Agency as a "Sports Yell Company" for proactively encouraging sports activities to promote employees' health.



Great Place to Work (GPTW) PERSOL CAREER

PERSOL CAREER was ranked 6th in the large enterprises (1,000 or more employees) category of the Best Workplaces in Japan 2023 selected by the Good Place To Work (GPTW) Institute, which conducts workplace satisfaction surveys in around 100 countries worldwide.



HDI Certified Support Center PERSOL WORKS DESIGN

PERSOL WORKS DESIGN was recertified with the HDI Support Center Certification of HDI, the world's largest support service industry membership association, and obtained certification as a seven-star company.

Notes on Forward-Looking Statements

The information published in this report includes current plans, strategies and forward-looking statements of the PERSOL Group. These statements are based on currently available information, and are deemed by the PERSOL Group to be rational at the present time. However, these statements include inherent risks and uncertain factors, including economic trends, fierce competition in the industry, market demand, foreign exchange rates, taxes and regulations. Although performance results announced in the future may vary greatly from these statements due to these various factors, the PERSOL Group is not liable for any losses incurred through the use of the information in this report.

In addition, the purpose of this report is to deepen the understanding of the PERSOL Group's management policies, plans, financial status and other information by our shareholders, investors and other stakeholders. This report is not intended for solicitation for investment in securities issued by the PERSOL Group.



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