



PERSOL GROUP  
INTEGRATED REPORT 2024

**P**ERSOL





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# PERSOL Group's Vision Structure

Rooted in the management philosophy passed down since its founding, the PERSOL Group strives to become a “Career Well-being” Creation Company. Guided by a shared set of values that are the five core principles, the Group aims to realize its vision of Work and Smile.

Since its founding in 1973, PERSOL Group has faced head-on solutions to work-related social issues.

After gaining work experience abroad, our founder, Yoshihiko Shinohara, was struck by the limited opportunities for women to succeed in Japan. This discomfort led her to start a temporary staffing business to give more employment opportunities for women.

This founding philosophy has been passed down as the significance of the PERSOL Group's existence to this day. Based on this foundation, every employee values the five core principles that represent our shared values, applying them to their daily work.

As a future goal, the PERSOL Group aspires to become a “Career Well-being” Creation Company.

The aim is to create better work opportunities and become a force that generates “Career Well-being,” striving toward a society where each person can choose their own way of working from any number of options, as envisioned in our Group vision, Work and Smile.





# Group Vision Roadmap

As a “Career Well-being” creation company, the PERSOL Group is working to create better work opportunities for one million people by 2030.

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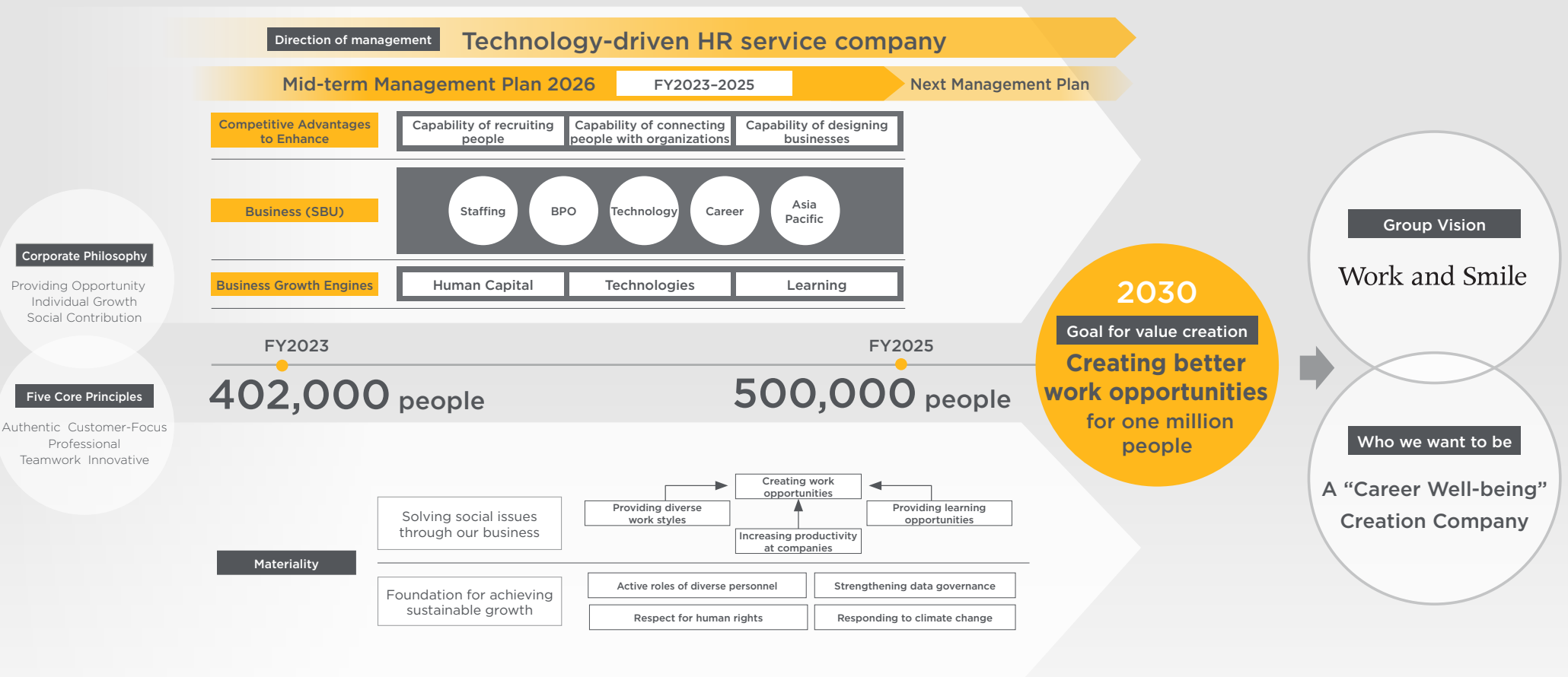
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## History of the PERSOL Group

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.

May 1973

Tempstaff Co., Ltd. (currently PERSOL TEMPSTAFF CO., LTD.) is established

When our founder Shinohara graduated from high school and began working, it was still a time when few women were making their mark in society.

Shinohara founded Tempstaff Co., Ltd. in 1973 with the aim of creating a society in which every woman who wanted to work could play an active role.

Since then, we have contributed to society by providing many people with opportunities to play an active role in line with the times.

Carrying on the aspirations of our founder, we at the PERSOL Group aim to realize a society in which all people can continue to work enthusiastically and live happily.



1986

The Act on Securing the Proper Operation of Worker Dispatching Businesses and Protecting Dispatched Workers comes into force, Tempstaff Co., Ltd. starts a temporary staffing business

January 1989

Launch DODA (currently doda), a career change information magazine

1993

Tempstaff Co., Ltd. starts global expansion

October 2008

Tempstaff Co., Ltd. and Tempstaff People Co., Ltd. merge and establish Temp Holdings Co., Ltd. (joint holding company)

April 2013

Intelligence Holdings, Ltd. becomes a consolidated subsidiary

July 2016

Announce the Group brand, "PERSOL"

Announce the brand tagline, "Work and Smile"

October 2019

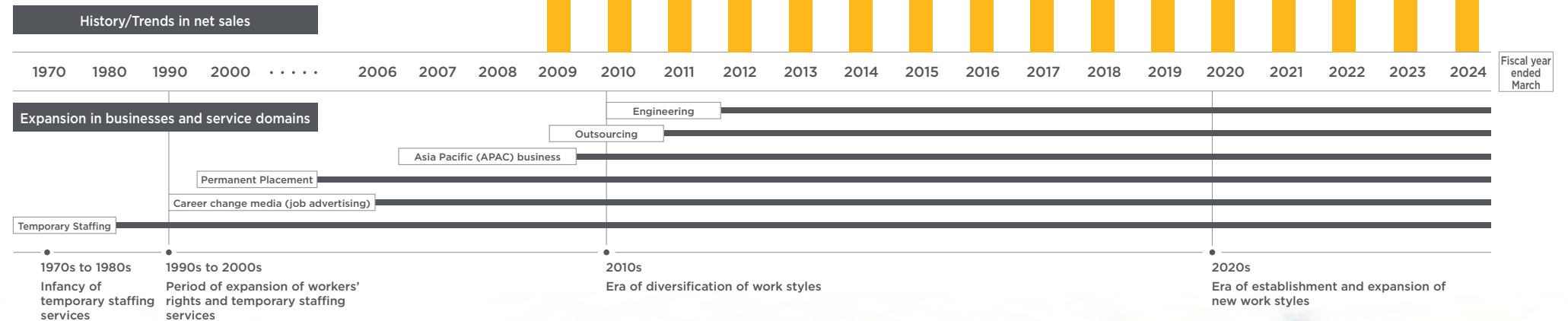
Change the Group Vision to "Work and Smile"

April 2020

Shifted to a five SBU (Strategic Business Unit) structure

FY2023 (ended March 31, 2024)

Revenue  
1,327.1 billion yen



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May 2023  
PERSOL Group Mid-term Management  
Plan 2026 is formulated with Value  
Creation Story for 2030





## 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.

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Scope of business		Service domains*2						Main brands			
		Temporary staffing		Support for career change		Outsourcing	Other (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 and 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)		テンプスタッフ funtable Flexible CAREER	
	BPO SBU*1	We provide optimal services to address the diverse challenges of our clients through the combination of three businesses: Business Process Outsourcing (BPO), Customer Experience (CX), and Professional.						BPO (Back office, industry-specific)	CX (Contact center, sales & marketing)	Professional (Consulting, technology implementation support)	パーソルのRPA Work Switch Lacras
	Technology SBU	We operate an outsourced contracting and dispatching business primarily for the consulting, design, development, and testing stages in the IT/DX solutions and engineering fields.		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 Other (Side job and freelancer support, outplacement support)	Recruitment Media Direct Recruiting Career Ownership Support					doda* doda X HiPRO
	Asia Pacific SBU	We operate a temporary staffing business, a permanent placement business, and an HR solution business, which are among the largest in the Asia Pacific region.	Temporary Staffing		Permanent Placement			Outsourcing (Facility maintenance, human resource management consulting, education and training, facility management)			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	ミイダス シェアフル POS+ボスタス	
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				Note: SBU: Strategic Business Unit, FU: Function Unit *1 Some businesses of PERSOL TEMPSTAFF (BPO Business Division) also belong to the BPO SBU (merged as of October 1, 2024). *2 Main businesses are indicated in large circles and the others are shown in small ones.				





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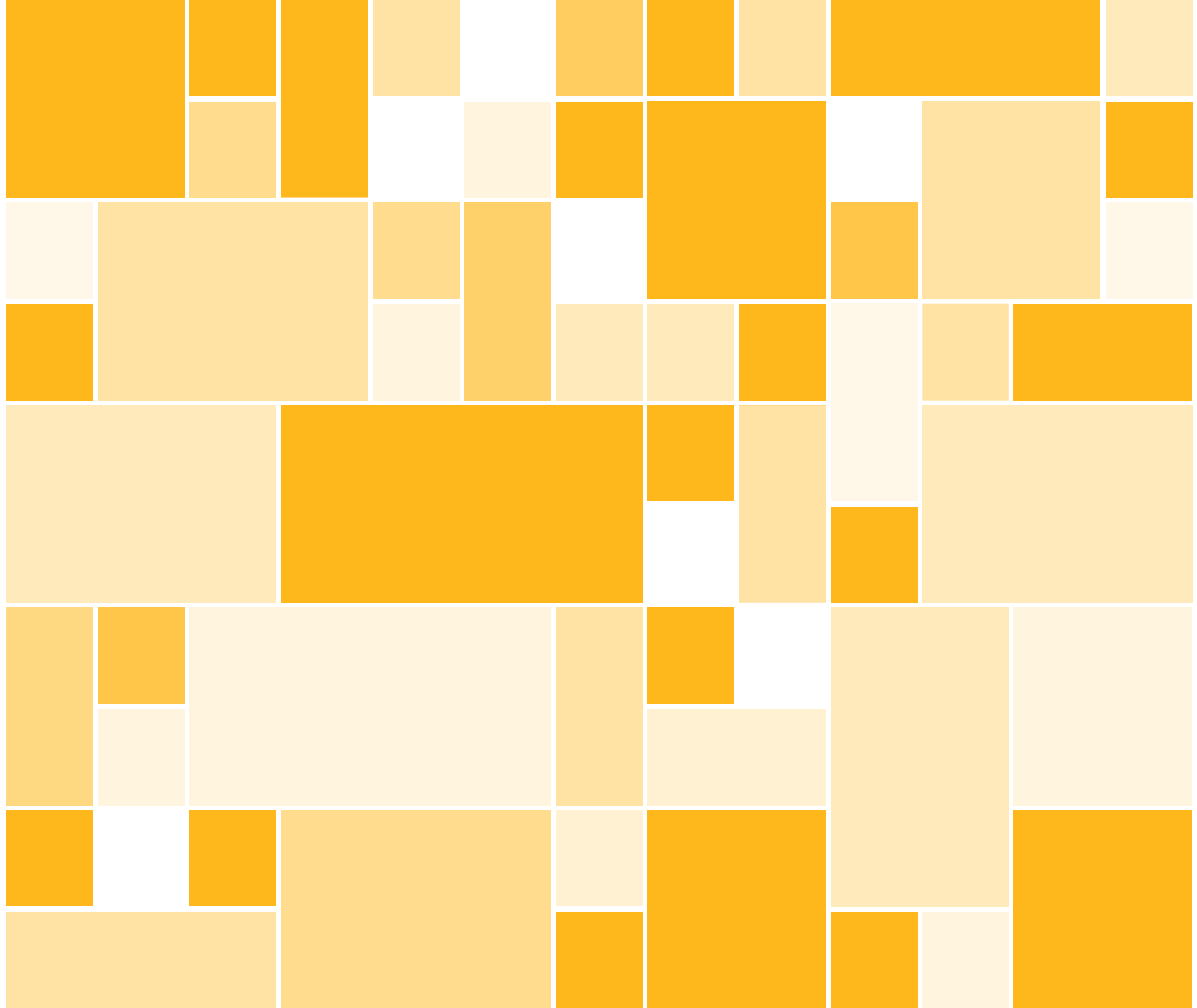




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## Message from the CEO

# Creating "Career Well-being" through our business and services to build a society where every career brings a smile

**Takao Wada** Representative Director, President and CEO

### Addressing all career-related social issues

At the PERSOL Group, ever since our founding, we have remained committed to providing better career opportunities by matching working individuals with the right companies. Fifty-one years ago, Yoshiko Shinohara, the founder of Tempstaff (now PERSOL TEMPSTAFF CO., LTD.), the forerunner of the PERSOL Group, started her company with the vision of creating a world where women can actively participate in the workforce. She supported women of the time whose employment and job opportunities were limited. Half a century later, women's participation in society has advanced dramatically. However, as times have changed, career-related social issues have become more diverse and complex. The PERSOL Group's Corporate Philosophy, which includes Providing Opportunity, Individual Growth, and Social Contribution, reflects our firm commitment to addressing these social issues.

Where do career-related social issues come from? I believe they arise from a mismatch between working individuals and companies. Mismatches come in many forms, including those related to information, time, geographic location, skills, and orientation. If the PERSOL Group successfully eliminates these mismatches through our business and services, we will help enhance Career Well-being\*, diversify work styles, improve employee engagement, and promote corporate diversity. It will also allow us to help increase productivity at companies and address workforce shortages. This will, in turn, create a ripple effect of "Career Well-being," bringing about a major Work and Smile movement. The PERSOL Group hopes to be a "Career Well-being" Creation Company that helps as many people as possible experience "Career Well-being."

The society we envision after becoming a "Career Well-being" Creation Company is one that reflects the Group vision of Work and Smile. We hope to

\* The happiness and satisfaction a person feels through their own work.





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create a world where everyone can choose their own job from many options, build their own career, and increase their intrinsic motivation. Our goal is a world where it is the norm for each individual to experience "Career Well-being," leading to happiness in every career.

### Utilizing the power of technology to achieve our Goal for Value Creation

The PERSOL Group's ability to match working individuals with companies is steadily increasing, and we maintain a dominant position in the domestic human resources market. Although the human resources markets in Japan and Asia are expected to continue growing over the medium to long term, demand in the human resource services industry is

generally tied to economic trends, so we must have the ability to respond flexibly to market changes. It is for that reason as well that we have put together a vision for the market in 2040, backcast to envision the market in 2030, and developed a strategy for what we need to do through 2030 to bring it about.

The PERSOL Group Mid-Term Management Plan 2026 (the Plan 2026) announced last year aims to expand individual potential to create better work opportunities for one million people by 2030. Together with the three-year plan, this is our 2030 goal for value creation. At the same time, we have decided to steer our management towards evolving into a technology-driven HR service company.

Technology is a crucial driver of business growth for the PERSOL Group, and we are implementing various measures under the technology strategy

outlined in the Plan 2026. In this process, we emphasize our unique approach and perspective as a comprehensive HR service company. The recent evolution of generative AI has garnered worldwide attention. We aim to develop and offer services that enhance people's ability to master AI and improve productivity at companies. We believe that technology, including generative AI, is merely a tool and a powerful ally for expanding human capabilities. Our aim is to maximize the value we provide by expanding human capabilities, and we plan to invest our management resources in these areas.

By leveraging technology, we will not only enhance the efficiency of each SBU's operations and improve added value for individuals and corporations but also deliver new experiential value through products and platforms that utilize cutting-edge technology. A prime example of this is Sharefull, which we launched in 2019. This digital platform business features what are described as "gap jobs" or "short-term jobs," automatically matching the needs of companies with the needs of working individuals on an hourly basis, 24 hours a day, 365 days a year. The Sharefull app has already been downloaded more than 7 million times (as of August 2024). **P.41**

By harnessing the power of technology to create platforms like this, we aim to generate better career opportunities and steadily progress toward our goal for value creation to help one million people.

### 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.



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### Enhancing the strengths of human capital, the source of value creation

Given the Group's vision of Work and Smile, it is essential that first, each of our employees shares, realizes, and embodies these values. Otherwise, it will be impossible to get society to embrace the Group's vision and expand its circle of support. With this in mind, we are focusing on improving the "Career Well-being" of our employees and temporary staff as part of the human capital strategy in the Plan 2026. One of our key initiatives is to support career ownership, enabling employees to design and choose their own jobs and career paths. For example, we operate a "Career Challenge" program for employees, which allows for inter-group transfers that go beyond the boundaries of the company or organization they belong to.

Furthermore, in October 2023, we introduced the "Career Scouting" program, which allows employees to be directly scouted from and transferred to other departments. **P.44** We also have a side job program in place to help employees take on side jobs, with over 1,000 employees already participating.

Corporate culture is also a crucial factor in ensuring high performance by employees. Fortunately, I feel that the PERSOL Group has developed a culture of openness, respect for taking up challenges, and a straightforward atmosphere without hierarchies. The Group has a history of consolidating multiple corporate entities, and it includes numerous operating companies. I believe it was in this context that a culture naturally developed that values respecting others' values and leveraging diverse interactions as a strength. When I talk to our employees, I find that many of them derive joy

and satisfaction from doing their best for someone else, whether it is a customer or a temporary staff member. That makes me very proud as the CEO. Human capital is, of course, the PERSOL Group's greatest source of value creation, and I am convinced that being a group of people that has such values is one of our most distinguishing strengths.

### Expanding the ripple effect for achieving our goal for value creation

The goal of creating better work opportunities for one million people by 2030 by expanding human possibilities set as our value creation target for 2030 is a significant challenge. We expect the number to reach approximately 700,000 through organic growth from our existing businesses. To achieve the remainder, we need to create new businesses and services and boost our growth. We aim to build a digital platform business, expand services that fully leverage AI and technology, and explore new business areas. I believe we will definitely achieve these goals if we work together as a group.

In the PERSOL Group's materiality framework, the most important item is creating work opportunities. The target for the final year (FY2025) of the Plan 2026 is set at 500,000, serving as an intermediate milestone toward the goal of 1 million by 2030. Although the progress in FY2022 and FY2023 was slower than expected, at approximately 380,000 and 400,000, respectively, we remain determined to aggressively pursue a significant ripple effect without ever giving up.

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Since 2020, we have been conducting the global Work and Smile survey, which covers around 150 countries and regions, through the Gallup World Poll. We are also taking the lead in analyzing the results to visualize the global situation as well as researching and sharing trends and improvement measures. In August 2023, we launched a consortium called Work and Smile Leaders aimed at promoting "Career Well-being" across industries and sectors. I am confident that spreading the concept of Work and Smile through initiatives that enhance the sense of Career Well-being will positively impact not only our company but also society as a whole. **P.20-21**

### Working on materiality seriously and shaping the future of the PERSOL Group

The PERSOL Group's Corporate Philosophy includes Providing Opportunity, Individual Growth, and Social Contribution. We believe business growth itself will help address social issues. We are currently working on eight material topics, including creating work opportunities. **P.15-18** Four material topics are "Creating work opportunities," "Providing diverse work styles," "Providing learning opportunities," and "Increasing productivity at companies." The focus of these is on how we can address social issues through our business and services. Our efforts in these areas are steadily yielding results, and I feel they are closely tied to performance. We also identified the challenges that we must address as a corporate citizen and the issues that we should focus on as an HR service company, and selected four



material topics: "Active roles of diverse personnel," "Strengthening data governance," "Respect for human rights," and "Responding to climate change." To support these efforts, we believe it is necessary to enhance both the system for continuous monitoring and PDCA and the system for raising awareness and encouraging action by each employee. All material topics are directly linked to management and business operations. All directors and executive officers recognize the importance of addressing these issues head-on and sincerely, and they are responsible for managing and supervising these topics within their areas of responsibility.

I consider it my mission as CEO to shape the future of the PERSOL Group, even beyond 2030. I am only able to take on the role of CEO today thanks to the wonderful encounters and connections I have made throughout my career and

the learning and insights I have gained from them. I hope to provide such opportunities to more people, helping them gain a variety of experiences. I also hope those who gain better career opportunities will play an active role in Japan, Asia, and worldwide. For me, there is no greater joy than being able to link my desire to give back to society for the kindness I have received to the medium- to long-term growth of the PERSOL Group.

To achieve this, my job is to think through and answer the question of how the PERSOL Group will become a "Career Well-being" Creation Company and effectively spread the world view of Work and Smile. I will keep working tirelessly to make it happen.





# 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.

Group Vision

Work and Smile

Who we want to be

A “Career Well-being” Creation Company

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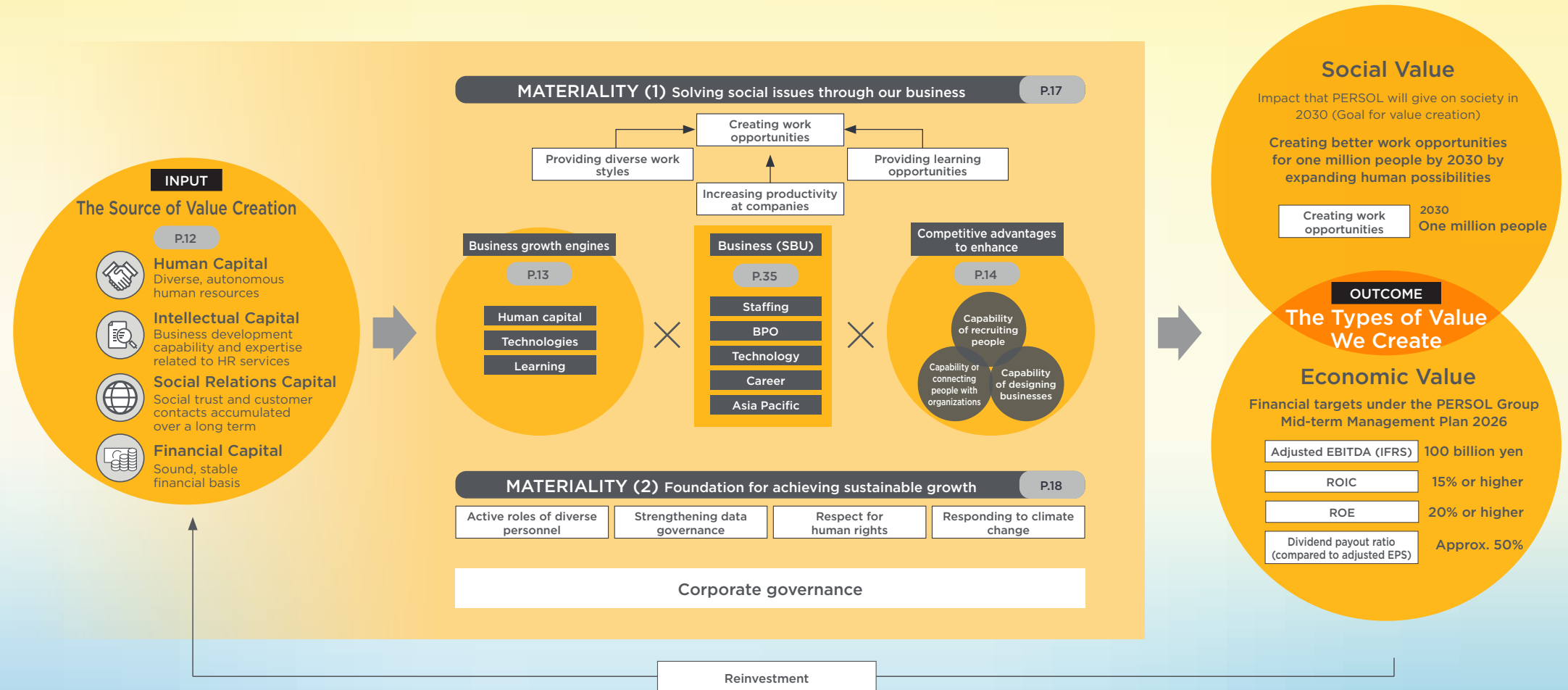
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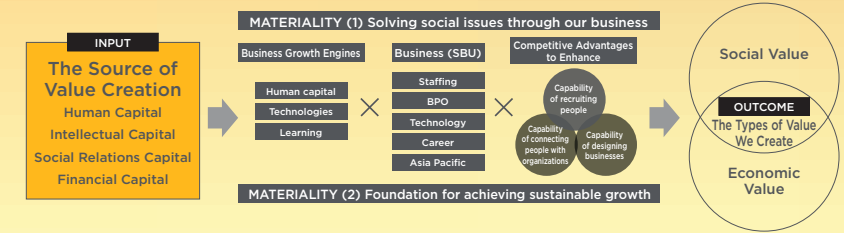
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# The Source of Value Creation

To sustainably create social and economic value, we are working to strengthen and expand each type of capital unique to the PERSOL Group.



## Human Capital

Diverse, autonomous human resources

The human capital of the PERSOL Group includes not only its employees but also temporary staff working at other companies. The Group is committed to enhancing a “Career Well-being” for all employees and temporary staff, focusing on creating systems that maximize the potential of our diverse human capital who take full ownership of their own careers. Additionally, the Group is working on enhancing its technology-oriented human resources essential for future growth.

- Number of Group employees: 72,905<sup>\*1</sup>
- Number of dispatched temporary staff: Approx. 126,000<sup>\*2</sup>
- Percentage of women in managerial positions: 25.6%<sup>\*3</sup>
- Total number of participants in training (employees): 234,806<sup>\*4</sup>
- Number of technology-oriented human resources: Approx. 1,600<sup>\*4</sup>



## Intellectual Capital

Business development capability and expertise related to HR services

As we have expanded our business domains by developing various human resource services in response to changing times and societal demands, we have accumulated significant intellectual capital in the form of business development capabilities, expertise that accurately captures the needs of individuals and companies, and vast data related to human resources. Furthermore, the Group is working to accumulate knowledge of technology to further enhance its intellectual capital.

- Number of job postings: Approx. 312,000<sup>\*5</sup> (Number of job postings on Group recruitment media)
- Knowledge and data on diverse HR services
- Matching system using AI and data
- Surveys and research by a think tank in the Group



## Social Relations Capital

Social trust and customer contacts accumulated over a long term

We have built a strong customer base of over 50,000 client companies and contacts with many working individuals cultivated through a wide range of human resources services, including not only temporary staffing and permanent placement but also outsourced contracting and BPO, which serves as our social relations capital. Additionally, we are home to well-known service brands in Japan, such as Tempstaff for temporary staffing and doda for permanent placement.

- Number of job change service members: Approx. 8,480,000<sup>\*6</sup>
- Number of client companies: Approx. 50,500<sup>\*4</sup>
- Number of operating bases: 523 in Japan/ 187 in other countries<sup>\*5</sup>
- High-visibility service brands



## Financial Capital

Sound, stable financial basis

We are working to further strengthen our financial capital through continuous profit growth while maintaining a solid financial base. Under the PERSOL Mid-term Management Plan 2026, the Group aims to enhance its medium- to long-term cash flow generation capabilities by balancing growth investments with shareholder returns through strategic cash allocation.

- Shareholders' equity: 192,349 million yen<sup>\*7</sup>
- Equity ratio: 37.1%<sup>\*8</sup>
- Rating: A+ (Stable)<sup>\*9</sup>
- Japan Credit Rating Agency (JCR)

<sup>\*1</sup> Includes contingent employees (as of March 31, 2024) <sup>\*2</sup> Number in Japan (as of Dec. 1, 2023) <sup>\*3</sup> As of April 1, 2023 <sup>\*4</sup> Result for the fiscal year ended March 2023 <sup>\*5</sup> As of February 2024 <sup>\*6</sup> As of January 31, 2024 <sup>\*7</sup> Equity attributable to owners of parent <sup>\*8</sup> Equity ratio attributable to owners of parent <sup>\*9</sup> As of June, 2024

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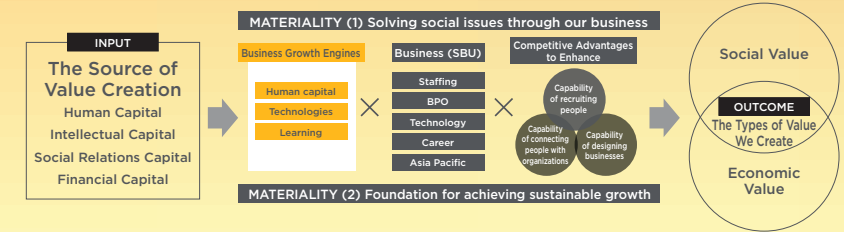
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# Business Growth Engines

We continue to push forward with our efforts across the entire Group with human capital, technologies, and learning positioned as the three engines that will accelerate our business growth.



## Human capital

The greatest asset and source of value creation for the PERSOL Group is its human capital, which consists of its employees and temporary staff. For employees, the Group implements various initiatives such as career ownership support, promoting health and well-being, and revising personnel systems to improve retention rates. **By enhancing employee engagement through these measures, the Group aims to boost motivation to contribute to the organization and employees' work, ultimately leading to increased productivity and customer satisfaction.** Additionally, to improve the well-being of temporary staff, the Group offers support tailored to their preferred working styles, provides job placements, and offers ongoing support after employment. The Group also has expansive educational content, **conducts training to enhance skills, and supports career development, all of which contribute to enhancing the value delivered to customers.**

### FY2023 Initiatives

- Selected for the first time as a Nadeshiko Brand\* in 2021 as a company that excels in promoting women's empowerment
- Launch of scouting system and talent management aimed at supporting career ownership
- Expanded organizational structure through strengthened recruitment and revised personnel systems in the BPO SBU, Technology SBU, and Career SBU

\* 27 companies including the PERSOL Group were selected from among the approximately 3,900 companies listed on the Tokyo Stock Exchange (Prime, Standard, and Growth Markets).

See P.31 for Overview and Progress of Human Capital Strategy.

## Technologies

Based on our strategic direction of becoming a technology-driven HR service company, we are promoting the use of technology to accelerate business growth. There are two main approaches to technology utilization within the Group. The first is the **exploration and enhancement of new products and platforms using cutting-edge technology**, aiming for disruptive, non-linear business growth. The second approach focuses on leveraging technology within **existing businesses to drive operational efficiency, thereby improving productivity and profitability.** Additionally, to centralize expertise and promote the use of technology across the Group, a specialized organization known as the Center of Excellence (CoE) has been established within PERSOL Holdings.

### FY2023 Initiatives

- Active expansion of Sharefull, a digital platform that automatically matches individuals who want to work short hours or short-term with companies looking to secure talent
- Rolled out app for temporary staff that provides broad support for job searches, contacting supervisors, and managing attendance notifications
- Integration of generative AI functionalities for optimizing matching in career transition services
- Rolled out internal ChatGPT and Copilot for Microsoft365 utilizing generative AI

See P.33 for Overview and Progress of Technology Strategy.

## Learning

The PERSOL Group integrates learning closely associated with working and career-building across its various businesses, driving business growth by enhancing the knowledge and skills of individuals. For example, **by offering learning opportunities, that support career development for temporary staff, the Group aims to increase their market value and billing rates.** Additionally, by training technology-oriented human resources, which is in short supply across the market, the Group strengthens its **IT business domain, achieving both business growth and improved profitability.** Moreover, the Group offers learning opportunities aimed at reskilling and career development for individuals, including those who may be considering a job change. This initiative is part of a broader service that supports individuals through the entire job transition process. Through these efforts, the Group seeks to achieve **better matches between individuals and companies, ultimately leading to revenue growth.**

### FY2023 Initiatives

- Expanded educational and training content and facilities for administrative and technical staff
- Developed and implemented learning content, workshops, and career counseling services through MIRAIZ for potential job seekers
- Defined key training skill areas for technology human resources and implemented initiatives and training programs to enable short-term proficiency

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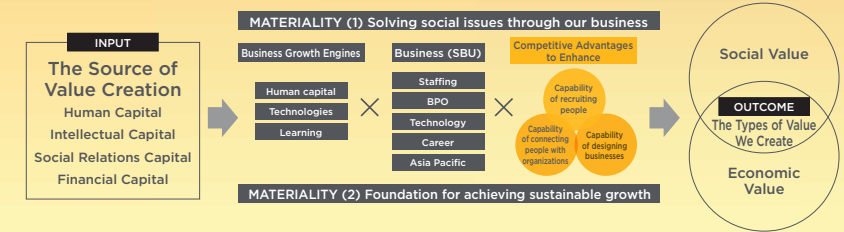
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# Competitive Advantages to Enhance

To achieve our value creation goals, we are focusing on strengthening our three competitive advantages: (1) Capability of recruiting people, (2) Capability of connecting people with organizations, and (3) Capability of designing businesses.



## Capability of connecting people with organizations

### Background

The human resources business provides individuals with work options and opportunities while supplying companies with the talent they need. In other words, value is created by connecting individuals with companies, and our ability to connect people with organizations is the source of that value. However, as the needs of individuals and companies become increasingly diverse and complex, finding the right match has become more challenging, leading to various issues related to work.

### Direction of Reinforcement

To address challenges related to working, we are focusing on improving the precision of matching to provide individuals and businesses with appropriate services and information at the right time. By combining one of the industry's largest accumulated talent data, extensive know-how related to dealings with numerous corporate clients, and cutting-edge technologies like generative AI, we are committed to further improving our ability to connect people with organizations.

## Capability of recruiting people

### Background

In Japan, the decline in the working population and the shortage of talent are becoming serious social issues. In this context, in the human resources business, the ability to attract working individuals is a critical factor. The fundamental strength that supports our business is our ability to attract, or recruit people—continuously being recognized, utilized, satisfied, and supported by working individuals.

### Direction of Reinforcement

We are focused on strengthening our ability to recruit people by implementing an integrated brand communication strategy centered around our Group vision, aiming to increase recognition among a larger audience. In terms of our business and services, we are committed to attracting a diverse and numerous range of individuals through the development of new digital media and products. At the same time we are working to improve the usability and satisfaction of those who register and use our sites and apps through improved UI/UX. Additionally, by reinforcing internal collaboration and creating synergies, we aim to further refine our capability of recruiting people.

## Capability of connecting people with organizations

## Capability of designing businesses

## Capability of designing businesses

### Background

With Japan's working population decreasing and the competitive environment changing dramatically due to global business expansion, companies are increasingly required to enhance productivity to maximize resource utilization and achieve results. The PERSOL Group supports productivity improvement for businesses by innovating and enhancing their business processes through our BPO services. What we have cultivated in this process is our ability to design and manage business processes tailored to each company.

### Direction of Reinforcement

The PERSOL Group operates a BPO business that leverages one of the largest sales networks in Japan, along with deep business understanding and strong talent supply capabilities. We propose business processes that combine the value of human involvement with technology, reflecting the unique strengths of the PERSOL Group. Moving forward, we will enhance and strengthen our customer base and problem-solving abilities through integration and reorganization within the Group, further elevating our capability of designing businesses.





## 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.

The PERSOL Group's 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 eight, "Creating work opportunities" is positioned as the most critical material issue. This involves creating better "work opportunities" through the Group's core businesses in temporary staffing, permanent placement, and outsourcing. Consequently, the KPI for this material issue, which is "Number of people for whom we created (provided/supported) better work opportunities" is roughly linked to revenue and operating profit of the entire Group.

Related material issues include "Providing diverse work styles," which expands work options such as remote work, side jobs, and freelancing, and "providing learning opportunities," which supports upskilling and reskilling through training for temporary staff and job seekers. These initiatives are intended to enable flexible working arrangements suited to various life stages and career development aligned

with personal aspirations, thereby contributing to the creation of better "work opportunities." Additionally, these initiatives aim to overcome barriers related to region and generation, promote employment, and enhance diversity within companies and society.

Regarding "Increasing productivity at companies," the PERSOL Group provides value-added outsourcing and consulting services to corporate clients, supporting cost reduction, operational efficiency, and focusing on core business areas. This not only strengthens corporate competitiveness and addresses labor shortages but also contributes to innovation and the creation of new markets. We believe that by getting involved and enhancing productivity, we can contribute to creating more and better "work opportunities" across society.

The 2030 goal for the most critical material issue, "Creating work opportunities," is set at one million, aligning with the value creation goal of "Creating better work opportunities for one million people by 2030 by expanding human possibilities."

Our Sustainability Promotion System can be viewed on our website.  
<https://www.persol-group.co.jp/en/sustainability/management/>



### Work and Smile



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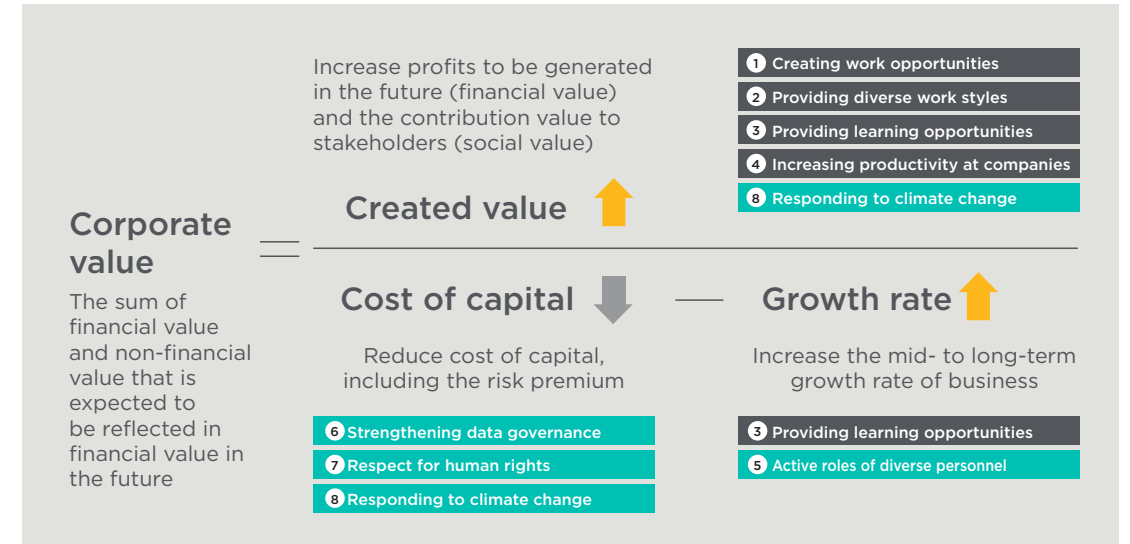
## Linking Corporate Value and Materiality issues

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).

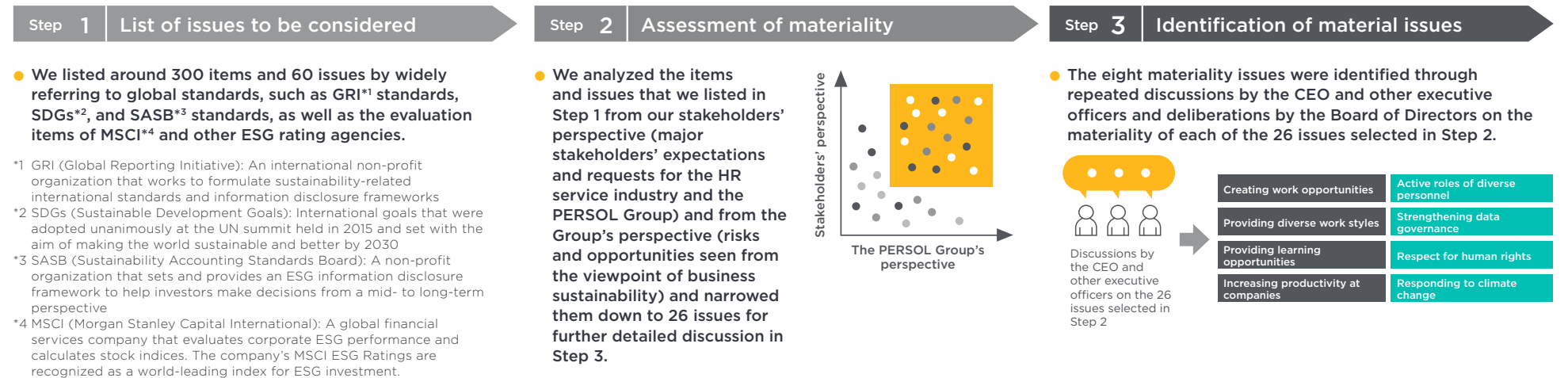
Since the impact of material issues on corporate value and their pathways cannot always be quantitatively demonstrated, we also use qualitative evaluations and analyses. By visualizing the impact on corporate value, we aim to align our understanding with investors and advance our efforts to address material issues and ESG-related risks and opportunities.

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

For more details on materiality, please visit our website.  
<https://www.persol-group.co.jp/en/sustainability/materiality/>



## Materiality Identification Process



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### Materiality KPIs

The PERSOL Group has established key performance indicators (KPIs) for its material issues and set target values for the final year of the Plan 2026 (FY2025) and for FY2030. To continue creating value in the medium to long term through solving social issues, we will continuously monitor these KPIs, track our progress, and advance our efforts toward each material issue.

SDGs related to all the issues



Materiality	Vision	Our actions	KPI	FY2023 Result (previous year results)	YoY change	FY2025 target	FY2030 target	FY2023 progress	Future actions to achieve target	Related SDGs
① Creating work opportunities	We will create better work opportunities for one million people by 2030 using our capability of connecting people with organizations, recruiting people, and designing businesses.	<ul style="list-style-type: none"> <li>Creating "better work opportunities" in the areas of temporary staffing, placement, and outsourcing</li> </ul>	Number of people* <sup>1</sup> for whom we created (provided/supported) better work opportunities	402,000 people (380,000 people)	↗	500,000 people	1,000,000 people	Although the overall number exceeded previous year's result, it fell below the original internal plan due to the intensifying business and competitive environment	<ul style="list-style-type: none"> <li>Extend period of continuous employment for temporary staff and improve re-employment rate</li> <li>Optimize measures for individuals and expand promotions</li> <li>Customer expansion by launching new businesses and entering related fields (including Sharefull, which has started full-scale operations)</li> </ul>	8 DECENT WORK AND ECONOMIC GROWTH
② Providing diverse work styles	We will contribute to the realization of working styles that meet individual needs, by proposing and providing flexible working styles and employment styles.	<ul style="list-style-type: none"> <li>Providing work opportunities with no time and location constraints, such as flexible work schedules and remote work</li> <li>Providing work opportunities as side jobs and freelance work</li> </ul>	Number of people* <sup>2</sup> for whom diverse work styles became possible	46,000 people (40,000 people)	↗	50,000 people	100,000 people	The number of reduced-hours temporary staff exceeded planned figure. The growth in numbers for "working from anywhere" has slowed down due to a decline in the remote work rate as people return to the office	<ul style="list-style-type: none"> <li>Continue to strengthen existing efforts for workers on reduced-hours</li> <li>Encourage corporations to work remotely</li> </ul>	5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES
③ Providing learning opportunities	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.	(1) Providing learning opportunities for temporary employees (people registered in temporary staffing/Office Solution (OS) business, IT human resources)	Number of people* <sup>3</sup> who received each training service	147,000 people (140,000 people)	↗	160,000 people	240,000 people	The number of temporary staff taking training increased slightly. Training content for engineers has been improved, and the number of participants has increased	<ul style="list-style-type: none"> <li>Aim to increase the number of participants through initiatives such as enhancing training content</li> </ul>	4 QUALITY EDUCATION, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES
		(2) Corporate training for upskilling and improving career self-reliance, placement services provided after upskilling		126,000 people (80,000 people)	↗	120,000 people	230,000 people	The number of participants in corporate/e-learning programs steadily increased in line with winning large-scale projects, etc.	<ul style="list-style-type: none"> <li>Establish systems by improving user interface, etc.</li> <li>Increase number of participants by supporting client companies in building systems</li> </ul>	
		(3) Providing learning opportunities for students and working adults (school/office visits, career courses, upskilling)		52,000 people (42,000 people)	↗	—	—	The number of participants in career education for university students and for elementary and junior high school students increased	<ul style="list-style-type: none"> <li>Aim to achieve steady growth by incorporating MIRAI-Z, which has begun offering full-scale services</li> </ul>	
④ Increasing productivity at companies	We will contribute to efficient corporate activities and to resolving labor shortages by providing services which improve productivity.	<ul style="list-style-type: none"> <li>Providing BPO services</li> <li>Providing technical outsourcing services</li> <li>Providing other outsourcing services</li> </ul>	Net sales* <sup>4</sup> of services related to increasing the productivity of companies	JPY 308.7 billion (270.0 billion)	↗	JPY 300 billion	—	Significant increase due to steady acquisition of projects by main SBUs	<ul style="list-style-type: none"> <li>Increase number of commissioned projects through enhanced ability to transform business processes</li> </ul>	8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

\* Targets for FY2030 are subject to change in accordance with future business conditions and revisions/changes to the management plan. Targets for FY2030 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 "-".

\*<sup>1</sup> 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. The target scope is all SBUs including overseas. Benesse i-Career is included in the calculation for the purpose of business management targets, although it is not consolidated.

\*<sup>2</sup> Figures of PERSOL TEMPSTAFF, PERSOL CROSS TECHNOLOGY, and PERSOL CAREER

\*<sup>3</sup> ③-1: Figures of Staffing SBU and Technology SBU, ③-2: Figures of PERSOL RESEARCH AND CONSULTING Co., Ltd. and APAC SBU, and ③-3: Figures of Career SBU and Technology SBU

\*<sup>4</sup> Figures of all SBUs, including overseas (excluding Career SBU)



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Materiality KPIs

SDGs related to all the issues



Materiality	Vision	Our actions	KPI	FY2023 Result (previous year results)	YoY change	FY2025 targets	FY2030 targets	FY2023 progress	Future actions to achieve target	Related SDGs
<b>5</b> Active roles of diverse personnel P.43	We will foster a corporate culture and develop an environment that utilizes diversity to achieve the Group vision.	<ul style="list-style-type: none"><li>Improving employee engagement</li><li>Talent management (Developing next-generation business leaders/ implementing measures to turn all managerial employees into best leaders)</li><li>Promoting DEI (Increasing the percentage of women in managerial positions/promoting the employment of people with disabilities/encouraging male employees to take childcare leave)</li></ul>	"Work and Smile" index (employee engagement index)	72.3% (70.4%)	↗	75.0%	—	Refer to page 31	Refer to page 31	
			Percentage of women in managerial positions*1	25.6% (24.4%)	↗	30.8%	37.0%			
			Number of employees with disabilities*2	2,991 people (2,417 people)	↗	4,000 people	—			
			Ratio of childcare leave taken by male employees (one day or longer) *3	73.0% (64.8%)	↗	100%	100%			
<b>6</b> Strengthening data governance P.50	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.	<ul style="list-style-type: none"><li>Establishment and publication of the PERSOL Group's Personal Data Policy</li><li>Deliberation of Group policies and measures by the Group Privacy Governance Council</li><li>Pre-screening of new services and policy plans from a privacy perspective</li><li>Implementation of privacy training for employees</li></ul>	Percentage of all employees who have received privacy training*3,4	99.4% (—)	—	100%	100%	Messages from management, including the CEO, and creative content that draws attention to the Company's work led to a high participation rate as well as increased employee understanding and awareness	<ul style="list-style-type: none"><li>Continue to promote enrollment while working to instill and establish the importance of materiality</li></ul>	
<b>7</b> Respect for human rights P.51	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).	<ul style="list-style-type: none"><li>Establishment and publication of the PERSOL Group Human Rights Policy</li><li>Operation of human rights due diligence</li><li>Implementation of human rights training for executives and all PERSOL Group employees</li><li>Promotion of initiatives to improve systems, such as the creation of a grievance mechanism</li></ul>	Percentage of all employees who have received human rights training*3	99.4% (—)	—	100%	100%	Messages from management, including the CEO, and creative content that draws attention to the Company's work led to a high participation rate as well as increased employee understanding and awareness	<ul style="list-style-type: none"><li>Continue to promote enrollment while working to instill and establish the importance of materiality</li></ul>	
<b>8</b> Responding to climate change P.52	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.	<ul style="list-style-type: none"><li>The decarbonization of the electricity consumed at office buildings</li><li>Conserving energy by improving operations and making capital investments/promoting the transition to electricity from renewable energy sources</li><li>Switching from gasoline vehicles to hybrid vehicles and EVs</li><li>Calculating Scope 3 emissions, setting targets, and reducing the emissions</li><li>GX-related support</li><li>Dispatching engineers specialized in the environmental field / experiments related to carbon neutrality</li></ul>	Percent reduction of Scope 1 + Scope 2 emissions (Base year: FY2021)	1.8% reduction (up 15.6%)	↗	17.3% reduction	83.0% reduction*5	Emissions reductions progressed due to initiatives such as switching to LED lighting, moving to renewable energy*6, and raising awareness about saving energy	<ul style="list-style-type: none"><li>Expand transition to renewable energy in buildings where feasible</li><li>Careful examination of when to switch to electric vehicles</li></ul>	
			Reduction of Scope 3 emissions				(Target to be set in FY2025)			

\* Targets for FY2030 are subject to change in accordance with future business conditions and revisions/changes to the management plan. Targets for FY2030 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 Group companies in Japan, and actual results are tabulated. However, some companies that have not yet completed the introduction of a common human resource management system for Group companies in Japan are excluded. Actual results for FY2023 are as of April 1, 2024, targets for FY2025 are as of April 1, 2026, and targets for FY2030 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 June 2024), 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 As of FY2024, the number of cases of inappropriate data handling and the number of persons affected are no longer disclosed.

\*5 Residual emissions are offset using internationally recognized methods to achieve carbon neutrality.

\*6 This also includes transitioning to renewable energy through non-fossil fuel certificates.

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# Initiatives to Become a “Career Well-being” Creation Company

At the PERSOL Group, we have defined the happiness and satisfaction felt by people through their own work as “Career Well-being,” and we are promoting initiatives aimed at creating a society where everyone around the world is able to “Work and Smile.”

As Japan faces a declining working population due to its low birthrate and aging society, improving productivity has become an urgent issue. At PERSOL Group, we believe that addressing this issue lies in enhancing individuals’ sense of “Career Well-being,” which we see as a key driver in creating added value. Research by Gallup, one of the world’s largest polling companies, reveals that Japan ranks low in “Career Well-being” indicators, highlighting significant growth opportunities. Based on the idea that in order to improve the feeling of “Career Well-being,” it is necessary to provide opportunities for as many individuals as possible to maximize their value in accordance with their own values and skills, the PERSOL

Group is focusing on drawing out the potential and abilities of individuals by creating “work opportunities.”

Advancing initiatives in the following three areas enables the PERSOL Group employees and temporary staff to improve their sense of “Career Well-being” and create added value, while also contributing to improved productivity at their workplaces and with corporate clients. As a result, we aspire to spread “Career Well-being” throughout society and realize a world where “Work and Smile” becomes a reality.

Initiatives for society

P.20-21

To realize a society where people can truly experience “Career Well-being,” we collaborate with various stakeholders from industry, government, and academia, engaging in research and social activities aimed at promoting the concept of “Career Well-being” from multiple perspectives.

- Research, analysis, and dissemination of the “Work and Smile” global survey
- Hosting a corporate consortium aimed at enhancing the sense of “Career Well-being”
- Communication activities related to “Career Well-being” for future generations (Future Generations Relations Activities)

Initiatives through business and services

P.47

As a comprehensive human resources service group, we contribute to improving the well-being of individuals through a wide range of businesses and services. We also focus on initiatives aimed at enhancing the well-being of temporary staff at their workplaces.

- Implementing measures in the temporary staffing business to improve the well-being of temporary staff by ensuring a good fit between them and their workplaces, offering skill development opportunities, and supporting career building
- Developing matching models in the permanent placement business that cater to the needs of individuals and job openings, and introducing AI matching to provide the right services and information at the right time
- Providing PERSOL MIRAIZ, a free reskilling service for all working individuals to support career development that suits them

Initiatives for Group employees

P.43

To become a “Career Well-being” Creation Company, the PERSOL Group believes that it is essential for each employee to personally experience and embody well-being. With this in mind, we have implemented various initiatives for our Group employees.

- Designated the Engagement Index as a key indicator for improving employee well-being and conducting our own engagement surveys
- Promoting various career ownership initiatives to empower employees to proactively manage and build their own careers

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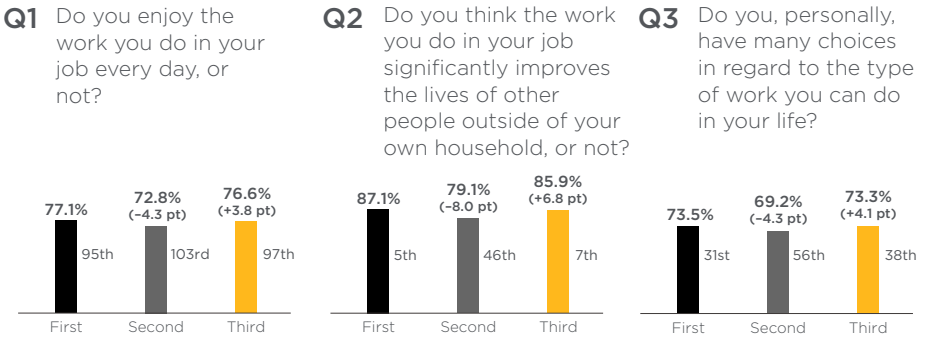
Initiatives for Society

“Work and Smile” global survey

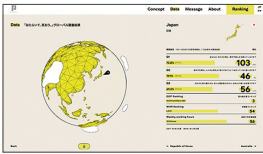
In 2020, we began to conduct the “Work and Smile” global survey every year via the Gallup World Poll,\* the world’s largest opinion poll, jointly with the Well-being for Planet Earth Foundation. In this survey, we ask questions about three elements that we have defined as “Career Well-being” Indicators—work 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.” 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 United Nations (UN) Sustainable Development Goals (SDGs) as well as the World Happiness Report.

“Work and Smile” Global Survey 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/>



Examples of using the “Career Well-being” Indicators

In Fukuoka City

In 2022, Fukuoka City launched the Fukuoka City Well-being & SDGs Registration System, a program designed to support local businesses that are committed to improving the well-being of workers and achieving the SDGs. One of the application requirements for this program is the use of “Career Well-being” Indicators to measure factors such as employees’ job satisfaction. Businesses that meet these requirements can benefit from favorable interest rates and other advantages within the city’s financing system, as well as receive support from regional financial institutions.

In Fukui Prefecture

With its aim to be the best and happiest place to live in Japan, Fukui Prefecture has incorporated “Career Well-being” Indicators as KPIs for one of the three goals in its Fukui NEW Economic Vision—specifically, the goal to improve residents’ sense of happiness related to work. The “Career Well-being” Indicators continue to be measured through an annual survey of residents in the prefecture.

Utilization in the Nikkei Integrated Well-being Survey

In 2023, the Management Committee of the Well-being Initiative, organized by Nikkei Inc., developed the Nikkei Integrated Well-being Survey (Ito Version Well-being Score)” to visualize employee well-being and apply it to human capital management. This survey also incorporates three questions from the “Work and Smile” global survey. Moving forward, the aim is to standardize this survey and the “Career Well-being” Indicators, to promote and enhance “Career Well-being.”



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### Hosting the "Career Well-being Leaders" corporate consortium

The "Work and Smile" global survey has revealed that high enthusiasm and a sense of fulfillment in work are correlated with the degree of pleasure and fun an individual feels about their work, as well as the range of job and work style options available, which in turn relates to their future expectations.

The PERSOL Group hosts the "Career Well-being Leaders," a corporate consortium aimed at creating a society where everyone can enhance their own "Career Well-being." This consortium brings together companies, organizations, and individuals from various industries and sectors, who gather to discuss, implement, and verify practices aimed at improving "Career Well-being." The initiative focuses on enhancing individual happiness and satisfaction, contributing to organizational and societal prosperity, and making an impact both within companies and in the broader community.



### 2024 Career Well-being AWARDS by PERSOL

We held the 2024 Career Well-being AWARDS 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. Since 2019, the PERSOL Group has hosted the PERSOL Work-Style Award-Work and Smile, but from FY2022, the award has been renamed the "Career Well-being AWARDS." The purpose of this award is to provide an opportunity for as many people as possible to think about their own happiness at work by recognizing those who have embodied "Career Well-being" and transformed their happiness from work into a force for good in the wider world.

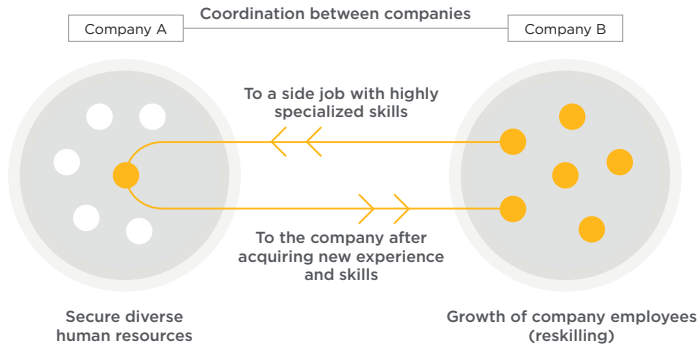


### Launch of Mutual Side Job Project to promote inter-company side jobs

Although the number of companies permitting side jobs is increasing in Japan's side job market, only a limited number of companies accept outside talent due to concerns about information security and acceptance mechanisms. In response, PERSOL CAREER launched the corporate community, Career Ownership and Future Work Consortium, in 2021, and initiated a mutual side job pilot project between companies. Over three years, the project successfully matched 28 companies with 114 side jobs involving 128 individuals. The results of the pilot project showed that accepting side job talent not only contributes to solving business challenges through new perspectives but also that the experience of side jobs leads to changes in the awareness and behavior of employees, which in turn supports the growth of businesses in the organization. Additionally, the project is expected to improve organizational engagement by providing cross-boundary opportunities within companies and to encourage individuals to become more proactive about their work.

In 2024, to further promote side jobs we will commercialize mutual side jobs and begin offering a mutual side job platform to companies. The aim is to expand the benefits of side jobs across many companies and realize a society where individuals and businesses can grow together with synergistic effects.

#### Conceptual diagram of mutual side jobs



#### COLUMN

#### Promoting active dialogue with the younger generation: Future Generations Relations

At the PERSOL Group, we view future generations as key stakeholders and are advancing our Future Generations Relations to enhance dialogue with younger people. We engage in conversations about a future where work is exciting, offer free career education programs such as the Workshop on Exploring Careers (for Elementary and Middle School Students), and support high school students' self-determination through initiatives like Support for High School Students to Study In-country in the Region in partnership with the Platform for Sustainable Education and Community. Additionally, we run the Business Leadership Program (BLP) for Rikkyo University's School of Business, actively contributing to career support for future generations.

We integrate the opinions and insights gathered through these activities into our management practices and reflect them in our future business operations. Our goal is not only to enhance our business activities but also to contribute to creating a world where future generations can experience "Career Well-being."



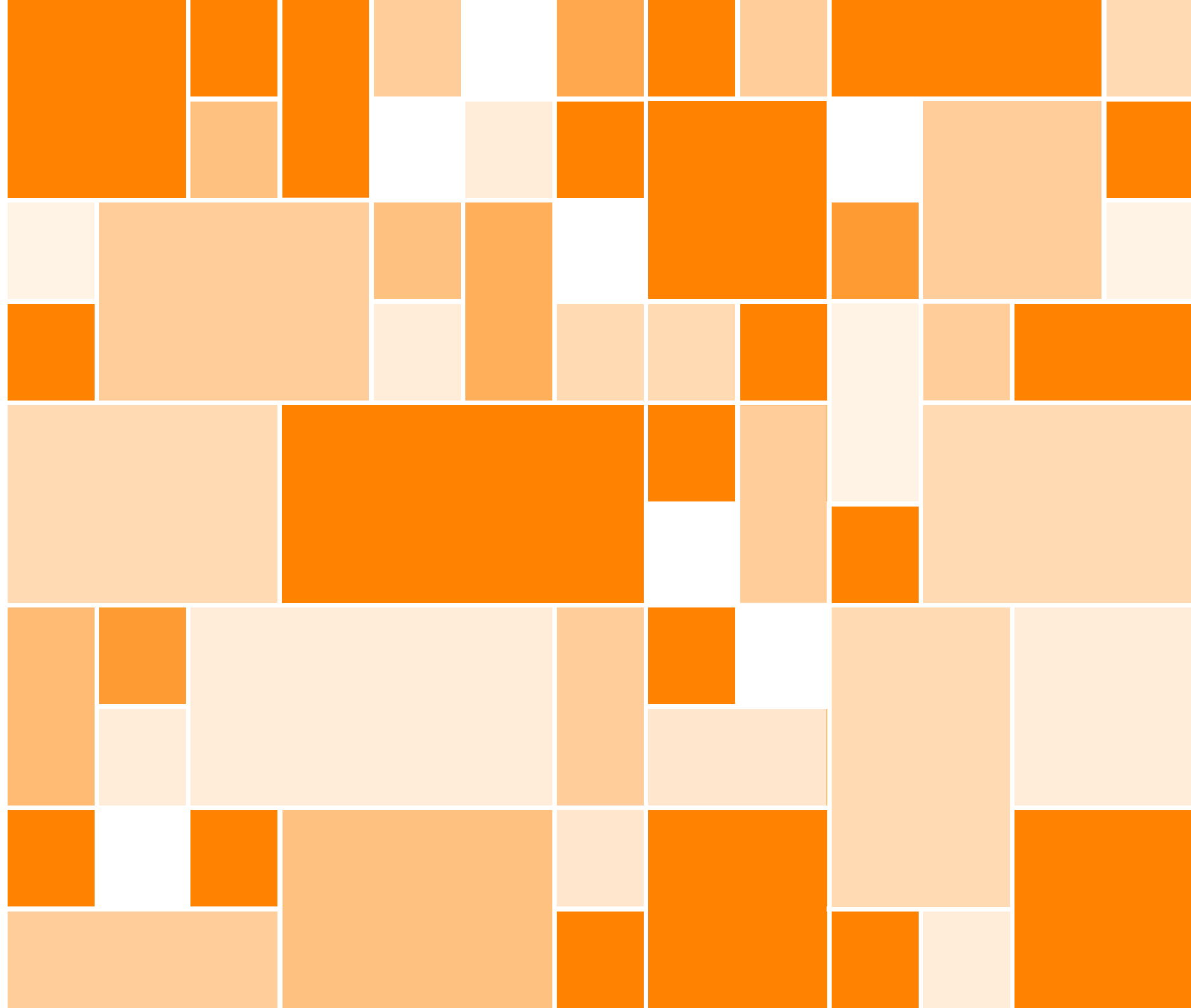
Presentation at PERSOL Holdings headquarters as part of the hands-on Business Leadership Program



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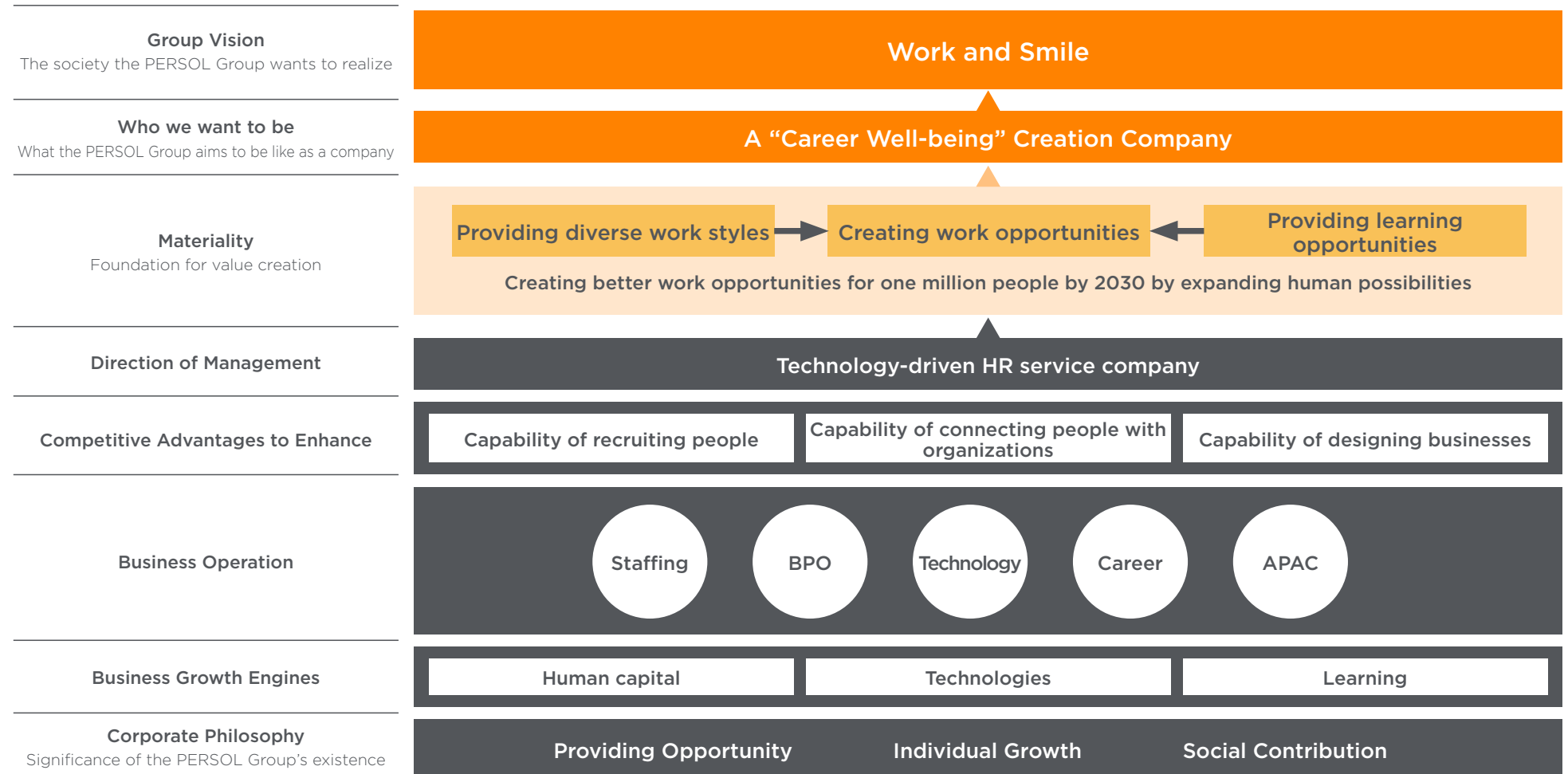


# The Full Picture of the PERSOL GROUP Mid-term Management Plan 2026

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 the PERSOL Group Mid-term Management Plan 2026 (FY2023–2025) 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.”

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# Overview and Progress of the PERSOL GROUP Mid-term Management Plan 2026

We reorganized the positioning of our businesses with each SBU and FU steadily implementing measures based on their respective management policies.

As individuals seek to shape their own careers and pursue a “Career Well-being,” we are also in an era where the rapid evolution of technologies like generative AI demands the co-creation of business innovation between humans and technology. Given this context, the PERSOL Group, seeking to become a “Career Well-being” creation company, has outlined its vision of evolving into a technology-driven HR service company as part of the PERSOL Group Mid-term Management Plan 2026 (hereafter, “the Plan 2026”) to respond to social changes and the diverse needs of individuals. To become a technology-driven HR service company by 2030, we are steadily growing our Workforce Business, which delivers value by providing services, while also increasing the proportion of our Digital Platform Business, which delivers value through web media, products, and other services. We have also redefined the roles of our business areas, designating the Staffing SBU as the Group’s foundation, the Career, BPO, and Technology SBUs as the pillars of profit growth, and the Asia Pacific SBU as reinforcing the foundations for a breakthrough. Additionally, we established the R&D Function Unit (FU) to explore and create new business

opportunities as investments toward the future. Under the framework of a new business domain, we are building an optimal business portfolio whereby we seek to establish the Career SBU as a pillar of profit growth comparable to the Staffing SBU during the three-year period of the Plan 2026 (FY2023-2025).

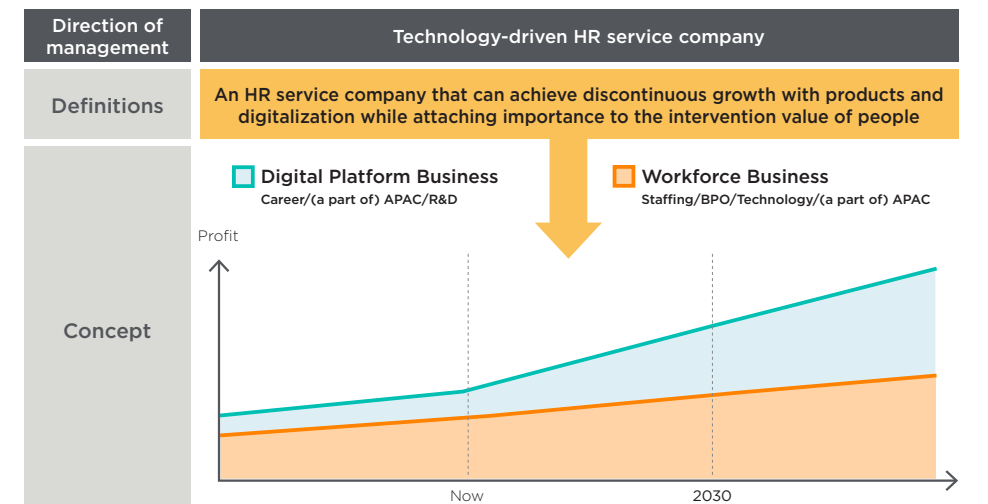
In FY2023, each SBU and FU implemented initiatives aligned with the Plan 2026. The Staffing SBU promoted management focused on working people, earning two top positions in the 2023 Staffing Company Satisfaction Ranking selected by temporary staff. The Career SBU made significant investments in the high-class career domain with doda X, achieving a 124% YoY growth in adjusted EBITDA. The BPO SBU has continued to integrate business companies, expanding recruitment and promotions to strengthen its consulting business. The Technology SBU focused on enhancing recruitment and improving employee turnover through increased engagement. The Asia Pacific SBU worked on revising its business portfolio and optimizing costs to achieve a 10% ROIC. The R&D FU actively expanded the Sharefull app, a digital matching platform connecting individuals and companies through gig work.

\* Ranked first for overall satisfaction for five consecutive years and first for intention to continue employment for the first time, according to a survey by the Institute to Research a Temporary Staff’s Way of Working.

## Positions of business and management policy

The Group's foundation Continue to be the foundation of the Group's growth.	Staffing	<ul style="list-style-type: none"><li>● Aim to achieve growth by increasing market share despite the possibility of a shrinking the clerical and administrative staffing market over the long term.</li><li>● Contribute to the Group's growth by strengthening relations with customers.</li></ul>
Pillars of profit growth Proactive business investments, for the sake of significant profit growth in the medium- to long-term.	Career	<ul style="list-style-type: none"><li>● Aim to achieve growth exceeding market growth while the career-change-related market continues to expand.</li><li>● Continue to make investments that contribute to medium- to long-term business growth and the acquisition of competitive advantages.</li></ul>
	BPO	<ul style="list-style-type: none"><li>● Aim to achieve growth exceeding market growth by taking advantage of the customer base of temporary staffing.</li><li>● Make large-scale investments, mainly to acquire the ability to achieve a business transformation.</li></ul>
	Technology	<ul style="list-style-type: none"><li>● 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.</li><li>● Continue large-scale recruitment to derive medium- to long-term competitive advantages.</li></ul>
Reinforce the foundations for a breakthrough Improve profitability to fund major growth investments in FY2025 and beyond.	APAC	<ul style="list-style-type: none"><li>● Achieve earnings improvement at a level that will contribute to improving shareholder value.</li><li>● Invest in a quantitative expansion after improving earnings.</li></ul>
Investments toward the future Implement R&D after achieving an investment quota at a certain level.	R&D	<ul style="list-style-type: none"><li>● Achieve an investment quota at a certain level to explore and create businesses related to “Career Well-being.”</li></ul>

## Direction of management



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## Message from the CSO

# Progressing steadily towards the growth scenario we envision for ourselves as a technology-driven HR service company

**Taro Mineo** Executive Officer CSO



### First year of the Mid-term Management Plan 2026—Achievements and challenges

Performance in the first year of the PERSOL Group Mid-term Management Plan 2026 (hereafter, “the Plan 2026”) did not entirely meet expectations. While the impact of COVID-19 has been coming to an end, growth was more subdued in 2023 than in 2022, a year marked by significant market expansion thanks to new sources of income as a result of the pandemic. Our failure to fully anticipate the market’s reaction to the economic recovery following COVID-19 led to sales falling short of our initial projections, a point that requires reflection.

However, I believe that the strategies outlined in the Plan 2026 have generally progressed well. As a result of this steady progress, challenges have also clearly emerged. Over the past year, as each Strategic Business Unit (SBU) advanced various initiatives, the contours of both successes and

challenges have become more defined.

For example, in the Staffing SBU, which has been positioned at the heart of our temporary staffing business during the three years of the Plan 2026, we have strengthened initiatives aimed at improving the satisfaction of temporary staff amid a maturing market. Meanwhile, we identified the Career SBU, Technology SBU, and BPO SBU as our pillars of profit growth. The Career SBU, focused on the placement business, has seen significant growth in the high-end job market with services like doda X, and we plan to continue investing aggressively in this area. The Technology SBU has also met expectations by strengthening engineer recruitment and improving employee turnover amid a promising market. Moving forward, I believe it is crucial to refine our strategies to further enhance growth and profitability. In the BPO SBU, which was newly established in 2023, we have made progress in integrating business entities.

The Asia Pacific SBU, positioned as reinforcing the foundations for a breakthrough, is generally progressing smoothly in reviewing its business portfolio and optimizing costs. The R&D Function Unit (FU), positioned as investments toward the future, has been actively expanding the gig work app Sharefull. This app is a new product for the PERSOL Group and at the same time represents a valuable business contributing to the creation of new markets.

In October 2023, we also launched the reskilling service PERSOL MIRAIZ for individuals. This service provides comprehensive support in all aspects ranging from learning and career counseling to changing jobs, helping individuals reskill and achieve their career goals. Although the service has just begun, we aim to raise awareness and strengthen collaboration with existing services to support more workers and create better employment opportunities.

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### Accelerating the use of technology toward the 2030 goal for value creation

Within the PERSOL Group, we have positioned creating work opportunities as the most important issue in our materiality and aim to create better employment opportunities for one million people by 2030 by expanding human possibilities. To achieve this, our management direction is to evolve into a technology-driven HR service company.

The growth scenario for the PERSOL Group toward 2030 involves steadily expanding our Workforce Business, which includes services represented by temporary staffing and outsourced contracting. At the same time, we aim to significantly boost market share for the Digital Platform Business, which leverages technology to transform data into value, encompassing areas such as placement and recruitment media, to achieve discontinuous, or non-linear, growth. For the Digital Platform Business,

which holds the key to growth, we will strategically allocate management resources through backcasting that considers changes in society to strengthen the exploration and expansion of new products and platforms. Meanwhile, in the Workforce Business, we will actively promote the use of technology aimed at improving operational efficiency and productivity. For example, in the Staffing SBU, we have been working on various initiatives since FY2023 in collaboration with the cross-group technology specialist team, the Center of Excellence (CoE) **P.33**, and in 2024, we will accelerate the use of technology, such as with generative AI. In the BPO SBU, we will focus on our unique proposition of combining human and technological resources to design and enhance productivity for our corporate clients' operations.

### Supporting everyone's working life across the entire PERSOL Group

For the PERSOL Group to become a "Career Well-being" Creation Company that reflects the Group vision of "Work and Smile," it is essential to create an environment where individuals can make their own choices from a range of diversified work opportunities, with technology being one of the critical elements supporting this. Through our business activities, the PERSOL Group has accumulated a vast amount of data on working people and jobs. I believe this data is an extremely important source of value in the AI era. By harnessing the power of technology, it is possible to utilize this data to analyze and present various information, such as the career paths individuals can take to become the person they want to be, the skills needed to take

that path, and how they have changed after learning new things or changing jobs. This, in turn, helps bridge the gap between individuals and companies regarding work. Some of our businesses have already started utilizing data. Still, we need to connect these efforts not as individual points but as lines and surfaces, carefully considering and demonstrating how the PERSOL Group can contribute to improving each individual's long-term "working" life.

Our management team must then decide from which business or service to start and how to proceed from the perspective of overall optimization. The idea of utilizing vast amounts of data with the power of technology is still in its early stages within the PERSOL Group, but I believe there is great potential for growth going forward.

This is the path I envision for the PERSOL Group toward 2030. I see myself as the one leading the charge, and I am confident that steadily following this path will lead to the realization of our goal for value creation, and in turn, the Group vision and who we want to be.





# Overview and Progress of Financial Strategy

**We will continue to adhere to our financial strategy while maintaining a balance between growth investment and shareholder returns.**

In May 2023, we set forth the PERSOL Group's Mid-term Management Plan 2026 (hereafter, "the Plan 2026"), which divides our financial strategy into three components—major indicators for the financial strategy, cash allocation, and shareholder return—and sets targets and policies for each.

Although the human resources market is expected to grow in the medium to long term, we have revised the timing for some of the targets for the key financial strategy indicators in the Plan 2026 based on the results and market conditions for FY2023. Specifically, the target for adjusted EBITDA, originally set at ¥100.0 billion by FY2025, has been revised. Given that the outlook for the permanent placement market has changed significantly, reaching ¥72.2 billion in FY2023 (down 4% from the previous year), we have changed the target to "as soon as possible after FY2026" instead of FY2025.

On the other hand, our cash allocation policy remains unchanged. We will use one-quarter of adjusted EBITDA after taxes for capital investments such as software, and at least 50% of the remaining three-quarters will be allocated to

shareholder returns, with the other 50% going towards debt repayment and growth investments. Additionally, our policy regarding share repurchases, considering capital efficiency, cash on hand, the balance sheet, and financing for M&A, remains unchanged. Specifically, we decided to repurchase ¥20.0 billion worth of treasury shares in May 2024.

The targets for efficiency and soundness indicators in our financial strategy remain unchanged. For example, our capital efficiency indicators, ROIC and ROE, show that ROIC for FY2023 was 15.1%, exceeding the Plan 2026 target of 15%. However, ROE was 16.6%, falling short of the target of over 20%. As for the PERSOL Group's cost of capital, it is estimated to be around 8% as of March 2024.

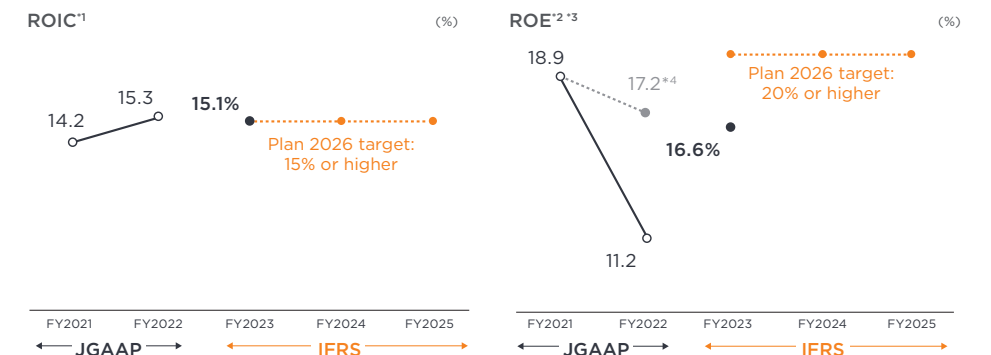
Finally, our approach to shareholder returns remains primarily dividend-focused. Under the Plan 2026, we have set the dividend payout ratio at approximately 50% of adjusted EPS (up from about 25% in the previous Plan). Following this policy, the annual dividend for FY2023 was set at ¥8.6, with an interim dividend of ¥4.3 and a year-end dividend of ¥4.3. For FY2024, the annual dividend is expected to increase to ¥9.0, with an interim dividend of ¥4.5 and a year-end dividend of ¥4.5.

## Financial targets in the Plan 2026

Previous Mid-term Management Plan (until FY2022)			Mid-term Management Plan 2026 (until FY2025)		
1  Financial indicators	Growth	Operating profit ¥45.0 billion	Adjusted EBITDA (IFRS)	75.2 billion yen (FY2022) → ¥100.0 billion or more (FY2025)	100.0 billion yen or more (Aiming to achieve promptly from FY2026 onwards)
	Efficiency	ROIC: 10% or higher (JGAAP)	ROIC	15% or higher, in principle (IFRS)	Unchanged
			ROE	20% or higher, in principle (IFRS)	Unchanged
	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.	Unchanged
			Net Debt/ EBITDA	Up to 2.0 at max.	Unchanged
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.	Due to short-term earnings revisions, we expect to fall short of 200.0 billion yen.  However, the policy of emphasizing shareholder returns remains unchanged.
3  Shareholder return	Payout ratio: Approx. 25% (of adjusted EPS)		Payout ratio	Approx. 50% (of adjusted EPS)	Unchanged

Review based on FY2023 performance

## Efficiency indicator



<sup>1</sup> ROIC (JGAAP) = Operating profit after tax before amortization of goodwill / Invested capital (= Business assets - Business liabilities)  
ROIC (IFRS) = Operating profit after tax / Invested capital (= Total equity + Interest-bearing debt (excluding lease) (average of beginning and ending amounts))  
<sup>2</sup> ROE (JGAAP) = Profit attributable to owners of parent / Equity capital  
ROE (IFRS) = Profit attributable to owners of parent / Equity attributable to owners of parent (average of beginning and ending amounts)  
<sup>3</sup> Effective in the first quarter of FY2022, the accounting method of asset retirement obligations was changed. The new method has been applied retroactively to values for the FY2021.  
<sup>4</sup> ROE excluding the impact of impairment losses announced on April 11, 2023

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# Management with an Awareness of Capital Costs and Capital Efficiency

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## An understanding of capital costs and capital efficiency

In our Mid-term Management Plan 2026 (hereafter, "the Plan 2026"), which concludes in FY2025, we have emphasized capital efficiency by setting targets for Return on Invested Capital (ROIC) and Return on Equity (ROE), with targets of ROIC over 15% (IFRS) and ROE over 20% (IFRS). Additionally, during the FY2023 financial results announcement, we disclosed that our currently recognized cost of capital is around 8%. Our cost of capital is determined by considering both values derived from commonly accepted calculation methods and levels identified through dialogue with shareholders and investors.

During the Plan 2026 period, barring significant changes in the balance sheet or market conditions, we will strive to increase the ROIC spread (ROIC minus cost of capital) based on a cost of capital of approximately 8%. We will also work on reducing the cost of capital by promoting dialogue with shareholders through our investor relations. In FY2023, ROIC was 15.1%, surpassing the previous year's 12.7% (IFRS) by 2.4%, and significantly exceeding the cost of capital of approximately 8%. Additionally, the Price-to-Book Ratio (PBR) has consistently remained above 1.

## Initiatives related to capital efficiency

We will continue to advance management practices with a focus on the cost of capital and stock price with particular emphasis on the following initiatives.

To enhance capital efficiency, we will prioritize ROIC not only as a company-wide efficiency metric but also within each business unit with the aim to improve and increase capital efficiency through disciplined investments and appropriate cost control. The Board of Directors also monitors capital efficiency. In terms of capital investment, as well as continuously working to optimize working capital, we are working to optimize the balance sheet through measures such as reducing cross-shareholdings, actively returning capital to shareholders (the dividend payout ratio in the Plan 2026 is approximately 50% of adjusted EPS), and not holding excessive cash and deposits. It should also be noted that ROIC is incorporated as one of the factors in determining performance-linked mid- to long-term incentive compensation for executive directors and executive officers.

Furthermore, we will also take steps to reduce capital costs. Specifically, we will improve the accuracy of our business performance forecasts by optimizing our capital structure and enhancing our internal management systems. We will do this while also explaining business opportunities and risks to the capital market in a timely and appropriate manner. Additionally, we will seek to stabilize any significant

stock price fluctuations and reduce the cost of capital through proactive investor relations such as dialogue with investors and more robust information disclosure.

For FY2023, our investor relations included not only financial results briefings but also individual visits to analysts and institutional investors. The number of meetings increased from approximately 200 in FY2022 to over 300 in FY2023. Details of these talks are provided as feedback to the Headquarters Management Committee (HMC) and the Board of Directors, where they are used as material for considering management measures focused on our cost of capital and share price. Discussions were held at the HMC and Board meetings on matters of particular interest to investors, such as cash allocation, shareholder returns, and capital efficiency. It was decided to focus on pursuing an optimal capital structure, enhancing investment decision-making, diversifying shareholders, and improving stock liquidity.

For more details on dialogue with shareholders and investors, please visit our website.  
[https://www.persol-group.co.jp/assets/individual/en/images/corporate/governance/en\\_Dialogues\\_with\\_Shareholders\\_and\\_Investors.pdf](https://www.persol-group.co.jp/assets/individual/en/images/corporate/governance/en_Dialogues_with_Shareholders_and_Investors.pdf)



## Analysis of current situation and overview of initiatives

Analysis and evaluation of current situation	<ul style="list-style-type: none"><li>• Our cost of capital is calculated within a specific range based on CAPM and set, taking investors' expectations into consideration.</li><li>• Cost of capital as of March 2024 is estimated to be around 8% (8% is the base value during the current mid-term management plan period).</li><li>• The Board of Directors monitors cost of capital and capital efficiency, and supervises the executive team's improvement actions.</li><li>• ROIC performance in FY2023 achieved 15.1%, far exceeding capital cost of approx. 8%.</li></ul>
Examination and disclosure of initiatives	<ul style="list-style-type: none"><li>• Set ROIC and ROE targets in order to expand ROIC - Cost of Capital over the medium to long term</li><li>• Implemented initiatives to reduce cost of capital through proactive investor relations and appropriate capital structure, etc.</li><li>• Capital efficiency targets incorporated into the director and executive compensation system</li><li>• Return to shareholders after considering cost of capital and capital efficiency</li></ul>
Dialogue with shareholders and investors	<ul style="list-style-type: none"><li>• Actively engaged in dialogue with shareholders, investors, etc., regarding cost of capital and capital efficiency targets and improvement actions</li><li>• Regular feedback provided to the Board on content obtained through dialogue for possible improvement measures</li></ul>

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## Message from the CFO

# Working to achieve the financial targets in the Plan 2026 and build a foundation for the medium- to long-term cash flow generation.

**Junji Tokunaga** Executive Officer CFO (Chief Financial Officer)



## Toward achieving the financial targets in the Plan 2026

In the first year of the PERSOL Group Mid-term Management Plan 2026 (hereafter, "the Plan 2026"), performance for FY2023 was supported by robust demand with revenue for the entire Group reaching ¥1,327.1 billion (up 6.8% year-on-year). However, on the profit side, adjusted EBITDA was ¥72.2 billion (down 4.0% year-on-year). While we exceeded the profit forecast that was revised downward in February 2024, we fell short of the ¥75.5 billion initially disclosed at the beginning of the fiscal year, highlighting management challenges such as responding to changes in the permanent placement market and strengthening cost control.

In FY2024, we are eager to take on the challenge of achieving our financial strategy in the Plan 2026, which focuses on sustaining growth in cash flow generation while enhancing capital efficiency.

Specifically, considering the somewhat uncertain outlook for the permanent placement market in the second half of the fiscal year, we have set the financial targets for FY2024 with revenue growth of between 6.8% and 7.7%, and adjusted EBITDA growth, which is our most important management indicator, of between 1.0% and 5.1%.

## Financial strategy to continuously improve corporate value

The fundamental approach to our financial strategy in the Plan 2026 is to expand our business while maintaining high capital efficiency, enhancing our ability to generate cash flows over the medium to long term to continuously improve corporate value.

Specifically, our financial strategy is based on achieving the three financial indicators of growth, efficiency, and soundness, as well as cash allocation and shareholder return. For example, recognizing our

cost of capital at around 8%, we aim for an ROIC of 15% and an ROE of 20% as indicators of efficiency.

In addition, our policy is to allocate cash flows gained to shareholder returns and growth investments in a well-balanced manner.

Note: Please refer to page 27 for our cash allocation and shareholder return policy, and page 28 for cost of capital and capital efficiency.

## Optimizing the business portfolio to improve growth and capital efficiency

I believe the main role of the CFO to enhance corporate value boils down to the following five tasks: The first is to enhance the growth and profitability of each business. This involves supporting improvements in the value chain and business systems from a financial perspective. Next is pursuing the optimal business portfolio and balance sheet to achieve medium- to long-term growth in cash flow and capital efficiency for the entire Group. The third task is establishing a management



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foundation that enables the collection and analysis of both financial and non-financial data and monitoring of PDCA cycles based on this information, so that the management team can make the best decisions regarding budget creation, execution, M&A, and other strategic choices. The fourth is risk management from a financial perspective. This is especially crucial for us, as we have numerous subsidiaries operating diverse businesses both in Japan and overseas. Finally, the fifth task is communication with stakeholders, including shareholders and investors.

First, from a profitability perspective, the PERSOL Group offers a diverse range of human resource services through five SBUs and an R&D FU. Although the gross profit margins vary significantly across these businesses, the personnel and hiring expenses, which comprise the majority of selling, general, and administrative expenses, are relatively high compared to other industries at approximately 50% to 60%. In order to continuously improve the profitability of each business, it is essential to improve labor productivity and strengthen competitiveness through

effective investment in human capital.

And with the Plan 2026 now at its midpoint, it is time to consider a business portfolio that looks ahead to the future. Revising the business portfolio requires financial strategy in addition to management strategy based on our vision. For example, in terms of capital efficiency, while maintaining the current 7% or higher ROIC spread (ROIC approx. 15% - cost of capital approx. 8%), we need to optimize the business portfolio so that we can maintain and achieve 10% annual growth in adjusted EBITDA over the medium to long term.

Furthermore, this fiscal year, along with optimizing the business portfolio, we plan to put even greater effort into optimizing the balance sheet from a capital efficiency perspective. In other words, by optimizing the balance sheet through adjusting liquidity on hand, compressing working capital, and reducing cross-shareholdings, we will make our business a more resilient one that is capable of generating cash flows over the medium to long term.

### Aiming to speed up the decision-making process

To achieve the financial strategy in the Plan 2026 and optimize the business portfolio, we must constantly improve and enhance the management foundation and business systems. Specifically, we are working to build and implement a new management control system that increases the speed and accuracy of management decisions, allowing for a more flexible response to changes in market conditions and the business portfolio.

The PERSOL Group aims to achieve growth in the digital platform business by leveraging data and technology. In the digital platform business domain,

the speed of decision-making and the approach to business risk differ significantly from traditional competitors. To succeed in this new business field, management speed that can flexibly adapt to a constantly changing business environment is essential. To that end, it is necessary to collect and analyze data on a weekly or daily basis, rather than monthly, and to create, execute, evaluate, and improve plans based on this data. It is crucial that we speed up management decisions through the new management control system, enhancing our corporate value through trial and error.

### Meeting shareholders' and investors' expectations

I recognize that communication with shareholders, investors, and other stakeholders is becoming increasingly important for enhancing corporate value. We must deepen mutual understanding through communication by clearly identifying the expectations and gaps between what the PERSOL Group aims to achieve and what our shareholders and investors expect.

Our business is comprised of five SBUs and an R&D FU, each with different growth phases and key success factors. We will actively hold IR conferences and other events to help our shareholders and investors understand our business content and strategies.

Currently, about 70% of our shareholders are institutional investors, but we also aim to diversify our shareholder base by actively engaging with individual investors through dialogue and explanations. I believe that diversification will help stabilize our share price and will also contribute to a lower cost of capital.



## Overview and Progress of Human Capital Strategy

Progress is, on the whole, going well for the KPIs set in line with the key initiatives in the first year of the PERSOL Group Mid-term Management Plan 2026. However, we will continue to identify and address the challenges necessary to achieve the targets for FY2025.

Components	Key initiatives	Index	FY2023 result	YoY change	FY2025 target	Main measures for FY2023	Future challenges
Achieving “Career Well-being”	Improving employee engagement through career ownership and measures to advance health	“Work and Smile” index	72.3%*1	↗ +1.9%	75.0%	• Expansion of career ownership support system (Career Scouting, etc.)	• Thorough communication and awareness of support programs • Build foundation for data-driven health promotion
	Improving the well-being of temporary staff by supporting working styles that suit each individual	Fan index	52.0%*2	↘ -5.9%	—	• Enhanced support when starting work through the app • Provision of flexible work options	• Strengthen employment support system for employees • Strengthen staff training support
Enhancing technology-oriented human resources	Building a comfortable work environment for specialized talent and enhancing hiring capabilities	Number of technology-oriented human resources	Approx. 1,600*3	↗ + Approx. 200	2,000	• Establishment of a recruitment, human resources, and public relations organization specializing in technology-oriented human resources • Introduction of Product Engineer System (PE System)	• Increase number of companies using the PE system
	Promoting reskilling and upskilling through a wide range of specialist programs					• Provision of a Group-wide reskilling program to develop inexperienced personnel into security personnel, etc.	• Expand the maximum number of people who can be reskilled in one term
Building the foundations for diverse human resources to lead active roles	Advancing DEI by increasing the percentage of women in managerial positions, encouraging male employees to take childcare leave, and hiring people with disabilities	Percentage of women in managerial positions	25.6%*4	↗ +1.2%	30.8%	• Encouraging a change in management’s awareness and behavior • Instilling understanding among employees through the publication of reports, etc.	• Formulate an action plan that includes positive actions • Reduce overtime hours
		Ratio of childcare leave taken by male employees	73.0%*5	↗ +8.2%	100%	• Awareness-raising activities (including attendance and time-entry rules, and club activities)	• Share knowledge to raise standards
	Cultivating top leaders through diverse talent management measures	Number of employees with disabilities	2,991*6	↗ +574	4,000	• New recruitment and HR development of people with disabilities • Creation and standardization of work duties	• Achieve the legal employment rate raised in April 2024 • Prepare for a further legal employment rate increase in July 2026
		Number of leaders developed	Approx. 2,900*7	↗ + Approx. 2,900	7,000 over 3 years	• Building of a self-directed learning cycle (Management 3.0 Training)	• Continuous improvement of learning content

\*1 Group average score for an index consisting of a total of five items, including the engagement index and the “Career Well-being” Indicators developed jointly with Gallup, Inc.

\*2 An engagement index that shows the level of attachment and trust towards PERSOL. Calculated using figures tabulated by PERSOL TEMPSTAFF Co., Ltd.

\*3 Targets are set for employees of Group companies in Japan, and actual results are tabulated.

\*4 The figure excludes employees at Asia Pacific SBU and associates employed for indefinite terms at PERSOL Group companies. Actual FY2023 results are as of April 1, 2024, and targets for FY2025 are as of April 1, 2026.

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

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

\*7 Total number of those who received training for managers provided across Group companies in Japan. It does not include the number of those who received training for managers that is provided separately at each SBU/FU or company. The target value is the cumulative total for three years from FY2023 to FY2025.

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## Message from the CHRO

# Contributing to improved productivity and corporate value by investing in human capital, the greatest source of value creation

**Hirotaka Mino** Executive Officer CHRO



### Achieving the PERSOL Group Vision “Work and Smile” from the ground up

In my daily interactions with employees, I often sense that many of them value the attitude of empathizing with others. I believe this attitude has been cultivated through our business in temporary staffing and permanent placement, but I also think it is rooted in the PERSOL Group's Five Core Principles. **P.01** Our emphasis on values such as “authentic” and “customer-focus,” which are based on relationships with people, is a defining feature of our human capital. One of my missions is to maximize the potential of this human capital.

Our human capital includes not only the employees working within the PERSOL Group but also the temporary staff working at other companies. As a corporate Group with the vision of “Work and Smile,” it is crucial that we first focus on enhancing the well-being of every employee and temporary staff member. Based on this belief, we have outlined the human capital policy in the PERSOL Group Mid-term Management Plan 2026 (hereafter, “the Plan 2026”), which states, “We will drive value creation by becoming a Group where diverse human resources including temporary staff achieve “Career Well-being.”

### Making good progress on our initiatives, including career ownership support

In the Plan 2026, we are investing in human capital based on three key pillars: enhancing technology-

oriented human resources, achieving “Career Well-being,” and building the foundations for diverse human resources to lead active roles.

Enhancing technology-oriented human resources is a crucial investment for improving the overall productivity of the Group, and it is progressing smoothly through recruitment and reskilling initiatives. Reskilling efforts include programs where, for example, sales employees transition into roles such as information security specialists by acquiring new technology skills. We are also focusing on upskilling, where employees enhance their technology skills without changing their roles. This includes the establishment of an internal community for generative AI, where employees actively learn from one another, fostering a bottom-up approach to skill development.

In terms of achieving “Career Well-being,” we are prioritizing support for career ownership, with employee engagement as a key metric. We believe that when employees have the autonomy to choose their jobs and workplaces, it leads to higher engagement, which in turn boosts productivity, drives innovation, and ultimately enhances the overall corporate value of the PERSOL Group. In FY2023, we introduced a new Career Scouting system **P.44**, which has garnered attention and recognition, including winning an award for excellence in the HR Management Category in the Japan HR Challenge Awards. We view this as a result of our pioneering efforts. As for the Fan Index, an engagement metric for temporary staff, we recognize that changes and diversification in the work environment following COVID-19 have

impacted the communication dynamics of staff. As such, we will continue to focus on understanding each individual's situation and strengthening employment support.

For building the foundations for diverse human resources to lead active roles, we have seen positive outcomes, such as being selected for the Nadeshiko Brand, recognizing our efforts in promoting women's participation, and encouraging men to take parental leave. However, increasing the proportion of women in managerial and executive positions remains a critical challenge. As such, we are committed to improving the work environment through the development and implementation of action plans, including positive actions, and reducing overtime hours. Additionally, addressing the issue of overworked managers who lead work on the ground, is also an important topic, hence, we are exploring ways to optimize span of control. Furthermore, to cultivate the next generation of leaders, we are working on creating a talent pool by identifying potential leaders in their 30s, in addition to senior management.

Moving forward, we will continue to align with the direction set by the Plan 2026, striving to create a model where diverse talent can embody “Career Well-being.”

For an overview and details of our human capital initiatives, please see the Human Capital Report.  
[https://www.persol-group.co.jp/en/ir/upload\\_file/m009-/EN\\_persol\\_humancapitalreport\\_2401.pdf](https://www.persol-group.co.jp/en/ir/upload_file/m009-/EN_persol_humancapitalreport_2401.pdf)





# Overview and Progress of Technology Strategy

We will steadily advance various initiatives across four key areas, helping to create work opportunities.

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## Technology strategy overview

Amid rapid technological advancements and an era where the co-creation between people and technology is essential, the PERSOL Group has set its management direction towards becoming a technology-driven HR service company. We are focusing on improving productivity in our Workforce Business, with an emphasis on digitalization, and on enhancing the creation of work opportunities and profitability within our Digital Platform Business.

To support these initiatives, we are concentrating on four key areas aimed at strengthening the implementation and utilization of technology across the entire Group: (1) Increasing the value of core businesses, (2) Creation of new value, (3) Promoting the digitalization of environments, and (4) Evolution of technology-oriented human resources and organizations.

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.
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## Areas of Technology Promotion

Customer Experience	1 Increasing the value of core businesses	2 Creation of new value
Employee Experience	3 Promoting the digitalization of environments	4 Evolution of technology-oriented human resources and organizations
	Digitalization	DX

## Key Initiatives

1	Increasing the service value of core businesses by improving matching sophistication, UI/UX improvement, personalization, data utilization, in-house development, etc.
2	Exploration, creation, and expansion of new products and platforms for technology-based "Career Well-being"
3	Further improvements to the working environment through devices, infrastructure, and the digitalization of corporate systems
4	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.)

## Progress in the first year of the Mid-term Management Plan 2026

### 1 Increasing the value of core businesses

The Center of Excellence (CoE) established within PERSOL HOLDINGS supports the digitalization of core businesses across each Strategic Business Unit (SBU). In the Staffing SBU, for instance, the CoE has been instrumental in the development of in-house tools to support corporate sales activities in the temporary staffing business. Additionally, the CoE is collaborating on initiatives to increase digital touchpoints for both client companies and temporary staff, working together to further digitalize the entire business and enhance service value.

### 2 Creation of new value

Across the entire Group, we are systematically promoting the use of AI and generative AI within three key areas: business transformation, operational application, and shared use. In the shared use area, we have introduced internal tools like ChatGPT and Copilot for Microsoft 365 to enhance employee productivity. In the operational application area, we have focused on improving service quality through the use of generative AI. In the long term, we aim to drive business transformation across the entire Group to realize new value creation.

### 3 Promoting the digitalization of environments

We are working to improve the work environment for our employees through devices, infrastructure, and the digitalization of corporate systems. Notably, we have significantly advanced the Group's shift to the cloud, establishing a framework that enables flexible system operations. Additionally, we are actively implementing solutions for file sharing within the Group and creating more sophisticated financial accounting processes.

### 4 Evolution of technology-oriented human resources and organizations

At PERSOL HOLDINGS, we established a dedicated recruitment organization for technology-oriented human resources and a public relations team focused on enhancing branding in the technology domain, and strengthened our recruitment competitiveness and launched the CoE. Additionally, the Product Engineer HR System (PE System) was introduced along with other initiatives to create an environment where tech-savvy talent can thrive.



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## Message from the CIO/CDO

# We will establish a foundation for promoting digitalization across the organization, with expected results beginning in the second year of the Plan 2026.

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

### Making progress in the digitalization of core businesses and use of generative AI

As part of the PERSOL Group Mid-term Management Plan 2026 (hereafter, “the Plan 2026”), we are advancing initiatives in four key areas as part of our technology strategy.

The first area, “Increasing the value of core businesses,” involves collaboration between PERSOL HOLDINGS’ CoE\* and each Strategic Business Unit (SBU) to drive business digitalization from FY2023 onward. Since this collaboration involves different organizations within the Group, we began by aligning our objectives, directions, and division of roles. From the second half of the year, projects within each SBU started to progress, allowing us to establish a foundation for promoting cross-organizational digitalization. In the second area, “Creation of new value,” the management team prioritized responding to themes based on the impact of generative AI in the human resources services industry, and quickly made efforts to use AI and generative AI across the entire Group. As a result, we take pride in being ahead of our competitors in advancing the use of generative AI. In the third area, “Promoting the digitalization of environments,” we made steady progress in migrating the entire Group’s systems

to the cloud, in addition to introducing several solutions within the Group aimed at making work more convenient. In the fourth area, “Evolution of technology-oriented human resources and organizations,” given the difficult challenges of recruiting tech-minded talent in the current market, PERSOL HOLDINGS established a specialized recruitment and HR organization dedicated to technology-oriented human resources. By innovating our recruitment methods, we successfully secured the personnel needed to form the planned CoE. Additionally, we focused on creating systems and mechanisms to improve retention rates after employees joined the company, leading to the successful functioning of the CoE, which stands as a significant achievement.

\* The Center of Excellence is an organization that operates across different divisions to strengthen the implementation and utilization of technology within each business of the PERSOL Group. It was formed by consolidating the recruitment of outstanding technology-oriented human resources and expertise within PERSOL HOLDINGS.

### Promoting technology that expands human potential across the Group

Reflecting on the first year of the Plan 2026, I believe we have made progress largely as expected, including taking on challenges in uncharted territories. From FY2024 onward, we will transition

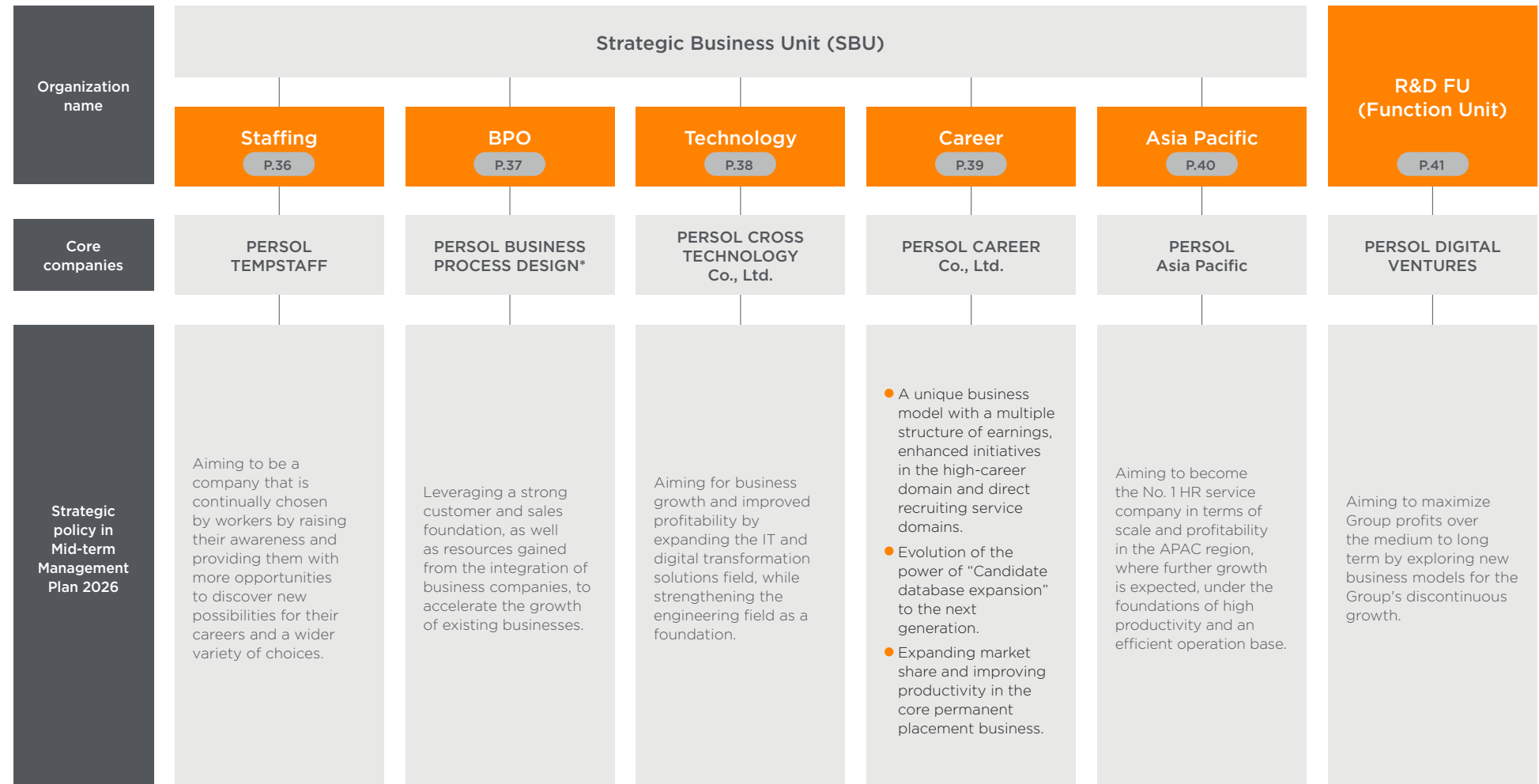
into a phase where we leverage the insights gained over the past year to identify themes with high impact and feasibility, and turn them into tangible results. Among these, generative AI is a positive technology for us, not only for improving efficiency, reducing workload, and bringing more added value to our businesses, but also for accelerating personal growth and expanding career options. Therefore, we will further strengthen our efforts in this area.

Looking ahead, the values and workstyles of those that work will continue to diversify. The importance of technology that transcends the many different barriers and borders to expand human potential will undoubtedly continue to grow in the PERSOL Group, which aims to realize the vision of “Work and Smile” not only in Japan but also around the world. We will forge ahead in the four areas outlined in the Plan 2026, and by the time it ends in FY2025. I would like to see each SBU independently think about how to strategically incorporate technology and develop the necessary people and organizational structures. Achieving this will be the culmination of my role as CIO/CDO, and I see it as my responsibility to lead the entire Group toward this goal.



## The PERSOL Group SBU/FU Structure

With the aim to create a “Career Well-being” through our business and services at the PERSOL Group, our five Strategic Business Units (SBU) are implementing measures based on the strategic policies of the PERSOL Group Medium-term Management Plan 2026 (hereafter “the Plan 2026”). Additionally, the R&D Function Unit (FU) is working on exploring and creating business models in new ways and areas.



\* Effective October 1, 2024, PERSOL TEMPSTAFF's BPO business will be integrated with PERSOL WORKS DESIGN.

Other services (Specialized Services) and information about each SBU/FU Group company can be found on our website.  
<https://www.persol-group.co.jp/en/corporate/group/>



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## Staffing SBU

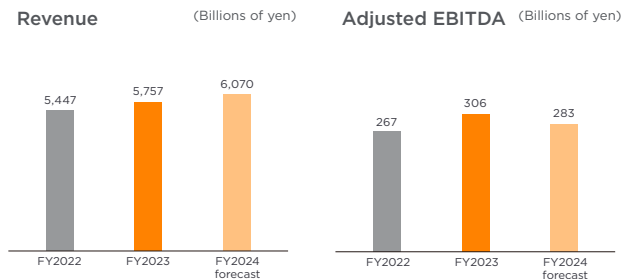
Providing growth opportunities and work options to continue to be selected by individuals and build long-term relationship of trust with clients



### Kazunari Kimura

Executive Officer, Staffing SBU Lead

#### Business report for FY2023



Revenue was 575,798 million yen (up 5.7% year on year) driven by an increase in the number of dispatched temporary staff and a rise in the average billing rate per hour. Additionally, the increase in gross profit due to higher revenue, along with cost optimization efforts such as controlling advertising expenses and outsourcing costs, contributed to an adjusted EBITDA of 30,632 million yen (up 14.6% year on year) and an operating profit of 27,187 million yen (up 22.5% year on year), showing solid progress.

#### Business environment

##### Opportunities

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

##### Strengths

- One of the largest business scales in the industry for administrative staffing in Japan
- Extensive customer base and credibility (25,000 client companies\*)
- Scale and high level of satisfaction of registered staff (approx. 128,000 dispatched temporary staff\*)

\* As of March 2024

#### Strategic policies

- (1) Support temporary staff in finding work that suits each individual
- (2) Strengthen proposals to utilize talent that align with clients' business needs and environmental changes
- (3) Enhance profitability through business process reform using technology
- (4) Increase engagement by supporting the success of employees

#### Progress of the Plan 2026

In the Staffing SBU, we are supporting temporary staff in finding work that aligns with their individual career aspirations by offering reskilling and learning opportunities, as well as a diverse range of employment options. In FY2023, we focused on enhancing career support through Career Advisors, expanding training content, and further improving the UI/UX of our app for temporary staff. Additionally, we promoted digitalization by enabling faster integration of staff and client information using generative AI. In FY2024, we will continue to accelerate digital transformation 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.

#### TOPICS

##### Supporting diverse work styles with online administrative support services

PERSOL TEMPSTAFF launched a new online administrative support service called Remote Tasker in April 2024. This service is designed to address the management challenges of companies facing labor shortages while meeting the needs of individuals seeking diverse work styles. Remote Tasker involves selecting the most suitable talent from among registered staff and freelancers who possess the skills and experience required for the tasks outsourced by client companies. Employees of PERSOL TEMPSTAFF act as the point of contact, managing daily communication, task progress, and quality control with fully remote workers. This approach not only ensures the stable operation of outsourced tasks but also creates a secure environment where people can work with confidence, even in a fully remote setting.



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## BPO SBU

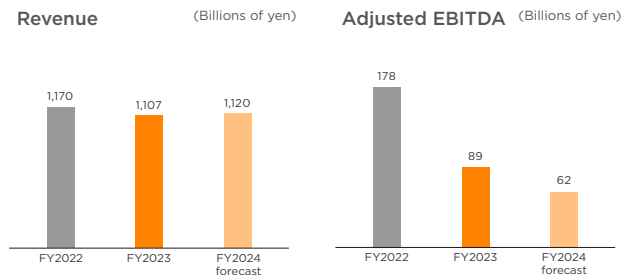
Working to enhance our presence in the BPO market and expand our service coverage, aiming to improve the “Career Well-being” of individuals



## Kazuyuki Ichimura

Executive Officer, BPO SBU Lead

## Business report for FY2023



As operations related to COVID-19-related measures stabilized as initially expected, revenue decreased to 110,795 million yen (down 5.4% year on year), adjusted EBITDA dropped to 8,907 million yen (down 50.0% YoY), and operating profit fell to 6,896 million yen (down 54.8% YoY), resulting in reduced revenue and profit. Organic sales revenue, excluding COVID-19-related projects, is on track to increase 12% year on year.

## Business environment

## 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

## Strengths

- Customer relations leveraging one of Japan's largest sales forces (approx. 9,000 corporate sales team members)
- One of the largest talent supply capabilities in Japan, capable of promptly fulfilling a wide range of customer needs
- The power to transform business processes through a diverse and varied workforce

## Strategic policies

- (1) Accelerate growth of existing businesses by integrating business know-how and cross-selling
- (2) Streamline operations through technology and implement generative AI in services
- (3) Re-skilling/up-skilling through HR development and optimal placement of specialized human resources

## Progress of the Plan 2026

In the BPO SBU, we are committed to enhancing business scale and quality by improving productivity in society, promoting labor mobility, and improving individual “well-being at work” as values we provide to society. To improve the quality of our talent supply capabilities, which is our greatest strength, we have been strengthening education and training that helps improve the skills of our employees, and in FY2023 we implemented a career building support program for employees. We also worked to improve our consulting functions to strengthen our ability to transform business processes, and expanded our capabilities by bolstering recruitment among other efforts.

## TOPICS

**Working to increase productivity at companies  
Launch of generative AI consulting service**

In January 2024, Persol Process & Technology launched the Generative AI Consulting Service. In the midst of the rapid expansion of generative AI, this service is aimed at companies that are interested in using generative AI for their operations, but face challenges such as a lack of expertise, concerns about information leaks or copyright infringement, and uncertainty about operational rules and management frameworks. The service provides a comprehensive solution for companies wishing to benefit from generative AI, covering everything from business design to introduction support, promoting its use, and vertical integration support through HR development. To deliver this service, 100 internal specialists proficient in generative AI have been trained up to form a dedicated team that provides robust support to client companies, focused on enhancing productivity and driving business transformation.



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## Technology SBU

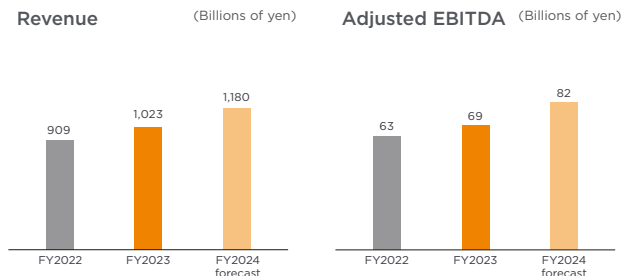
Expanding domains with a focus on the IT business by securing and developing high-value-added human resources with a high level of expertise and technological capabilities



### Shinji Masaki

Executive Officer, Technology SBU Lead

#### Business report for FY2023



Revenue was 102,380 million yen (up 12.5% year on year) due to growing demand for contracting services from the manufacturing industry in the engineering field and solid growth in the IT and digital transformation solutions field. Adjusted EBITDA and operating income increased to 6,930 million yen (up 9.3% YoY) and 5,695 million yen (up 20.0% YoY), respectively, thanks to higher unit billing prices, which offset higher personnel costs resulting from aggressive hiring.

#### Business environment

##### Opportunities

- 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
- Responding to technological obsolescence due to changes in societal needs

##### Strengths

- End-to-end support capabilities, including not only IT, machinery, electrics, and electronics, but also consulting, maintenance, and operations
- Business development using diverse contracts tailored to needs of customer, including outsourcing, temporary staffing, and freelance contracts
- Knowledge and expertise related to the recruitment of engineers and other human resources with a high level of expertise and technological capabilities

#### Strategic policies

- (1) Strengthen industry-specific solution businesses to improve productivity
- (2) Expand diverse types of employment and greater training environments to create better working opportunities for engineers

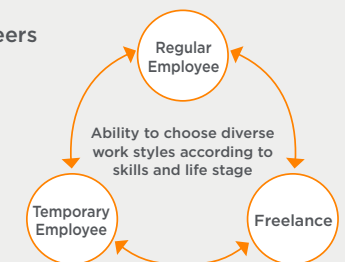
#### Progress of the Plan 2026

In the Technology SBU, we are aiming to achieve business growth by expanding domains with a focus on the IT and digital transformation solutions domain while reinforcing the engineering domain as the foundation for growth. We planned to recruit over 1,000 engineers each year in order to expand our human capital, and in FY2023 we focused on strengthening our branding and structure related to recruitment, hiring more than 1,100 people. We are also working to improve retention rates by supporting engineers' career development and revising our personnel system. Additionally, in order to shift to high-value-added areas, we strengthened our sales and proposal capabilities, including establishing a new IT consulting team, and achieved an increase in billing rates.

#### TOPICS

##### Launch of Subcontracting Freelance Service to expand career options for IT engineers

In April 2024, Persol Cross Technology (PCT) began offering a Subcontracting Freelance Service as an option for IT engineers to explore diverse career paths. With this service, quasi-mandate contracts are set up between engineer and PCT, as well as between the client company and PCT. Persol Cross Technology, acting as the contracting party, introduces jobs to the engineer and deals with quality control so that the freelance IT engineer can work safely and securely. The service expands the work and career options available to IT engineers according to their skills and life stage. Additionally, ordering companies can request services from experienced IT engineers across various roles such as consulting, project management, and system engineering, which helps address challenges like talent shortages.



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## Career SBU

Focus on leveraging technology in existing businesses and increasing added value in growth areas

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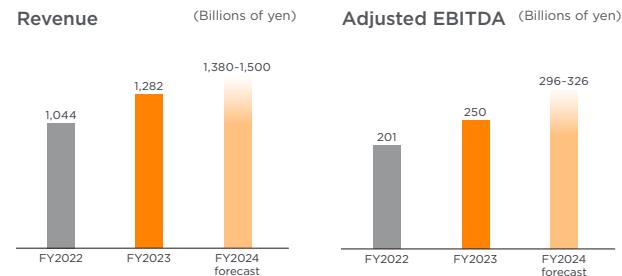
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## Yu Senoo

Executive Officer, Career SBU Lead

## Business report for FY2023



Amid the start of some uncertainty in business confidence and a lull in demand for talent, we achieved growth that exceeded the market growth rate. Sales revenue significantly increased to 128,284 million yen (up 22.8% year on year). Although marketing investments and strengthened hiring led to higher selling, general, and administrative expenses, the revenue growth effect resulted in adjusted EBITDA of 25,001 million yen (up 24.1% year on year) and operating profit of 19,924 million yen (up 18.3% year on year).

## Business environment

## Opportunities

- Mid- to long-term growth of the career-change business market resulting mainly from increased importance of career ownership 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

## Strengths

- One of the largest job seeker and recruiting company databases in Japan (8.4 million registered on doda\*)
- Multitiered recruitment solutions that meet the demands of job seekers and corporate companies
- Optimal matching through data and technology

\* As of December 31, 2023

## Strategic policies

- (1) Unique business model that provides multitiered solutions (especially enhanced in the high-end career\* and direct recruiting domains)
- (2) Evolution of the power of "Candidate database expansion" to the next generation
- (3) Expand market share and improve productivity in the core permanent placement business

\* Annual income of 6 million yen or more

## Progress of the Plan 2026

As the market steadily expands, the Career SBU aims to surpass market growth by significantly increasing its share, positioning itself as a key driver of profit growth for the PERSOL Group. In FY2023, the existing business, primarily focused on recruitment, emphasized technology utilization. For instance, the career-change service doda integrated features powered by generative AI, and organizational structure enhancements were made through hiring career advisors. Additionally, in the high-end career segment, which holds promising growth potential, the focus was on expanding the job seeker database through continuous marketing investments and improving information integration across services (see TOPICS).

## TOPICS

## Career-change service for high earners doda X and scout service doda Direct begin collaboration

From January 2024, we started integrating the services of doda X and doda Direct. Registrants of doda X can now be directly scouted from companies interested in their backgrounds, allowing them to advance their job search efficiently by leveraging their expertise and experience. Companies using doda Direct will now have the ability to directly approach high-end career talent (high earners) in addition to existing doda registrants. This service integration aims to expand the range of options for more individuals to find job opportunities and new careers that match their preferences, while also increasing the chances for more companies to acquire talent that fits their specific needs.





## Asia Pacific SBU

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

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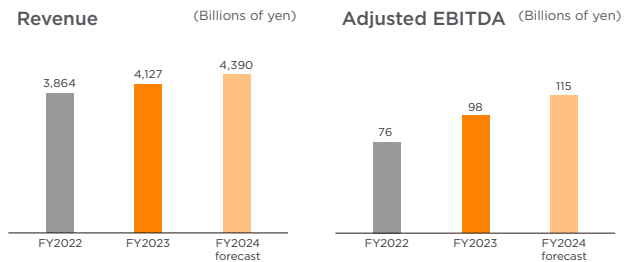
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### Francis Koh

Executive Officer, Asia Pacific SBU Lead

#### Business report for FY2023



Profitability improved through the steady implementation of key measures in the medium-term plan. Additionally, the facility management business experienced solid growth. As a result, revenue reached 412,770 million yen (up 6.8% year on year). Adjusted EBITDA was 9,832 million yen (up 28.4% year on year), and operating profit was 4,841 million yen (compared to an operating loss of 4,281 million yen in the previous year).

Note: Average exchange rates during the period

Australian dollar: 92.7 yen in FY2022, 95.1 yen in FY2023, 95 yen in FY2024 (forecast)

US dollar: 135.5 yen in FY2022, 144.6 yen in FY2023

#### Business environment

##### Opportunities

- Mid- to long-term growth in the workforce, particularly in Southeast Asia
- Expansion of the temporary staffing and permanent placement market due to economic development and more 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

##### Strengths

- Leading market share in Singapore, Malaysia, Australia, and other markets
- Collective strength to comprehensively cover key areas in the APAC region and provide a wide range of HR services
- Utilization of technologies in collaboration with businesses in Japan

#### Strategic policies

- (1) Review of the business portfolio
- (2) Structural reform and cost optimization
- (3) Improve productivity through DX investments

#### Progress of the Plan 2026

The Asia Pacific SBU is working to improve profitability with three main strategies as its pillars. These strategies include reviewing the business portfolio, structural reform and cost optimization, and improving productivity through digital transformation (DX). In FY2023, efforts were focused on improving productivity in the permanent placement business by upskilling consultants and promoting DX, including AI matching. Additionally, to optimize the business portfolio, the focus was on strengthening the facility management business with its good capital efficiency and profitability. Furthermore, the consolidation and restructuring of head office functions, centered on financial functions, were implemented to streamline operations and keep costs down.

#### TOPICS

#### Programmed's facility management business highly rated in Australia and New Zealand

Programmed's facility management business, which operates in Australia and New Zealand, has been selected as a key service partner for Transpower New Zealand, the state-owned electricity supplier in New Zealand. Programmed provides end-to-end planned and reactive maintenance for 174 facilities across New Zealand. In Australia, Programmed has also been chosen as a priority maintenance provider for three key regions of Homes New South Wales (Homes NSW). Homes NSW is a statutory corporation that owns and manages over 95,000 land, building, and other assets. By delivering high-quality services, Programmed enhances the market value of its maintenance business and contributes to improving the productivity of its client companies.



## R&amp;D FU

## Expanding the possibilities of “Career Well-being” through new methods and fields

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Executive Officer, R&amp;D Function Unit Lead

The R&D Function Unit aims to explore and create businesses related to “Career Well-being” by applying new methods and fields that differ from the PERSOL Group’s existing services.

For example, as a service that overcomes differences such as those in the type of employment, and disparities between cities and regional areas, we have developed the career change and recruitment support service MIIDAS, which reduces mismatches in hiring and supports success after joining a company. As of May 2024, this service has been implemented in approximately 450,000 companies, primarily focusing on regional and small-to-medium-sized enterprises. Its innovation and high user satisfaction have been recognized, winning several awards, including the Excellence Award in the Human Resources System

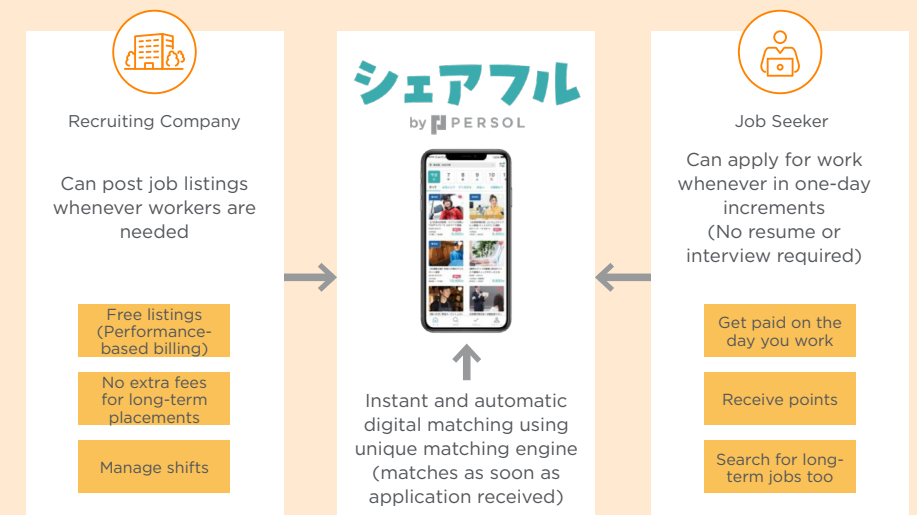
Services category at the 2023 HR Technology Awards. Additionally, as a service aimed at expanding the potential of those working in companies and organizations, we offer the SaaS solution for non-desk workers, POS+. This solution includes various features designed to streamline store operations in sectors such as food and beverage, retail, beauty, and clinics, supporting increased productivity for employees.

Furthermore, we are conducting the new business development program, Drit, which implements employees’ ideas as next-generation businesses. We are also exploring a wide range of possibilities for creating new social value and solving social issues through business partnerships, investments, and mergers with various partner companies.

**Examples of R&D Function Unit initiatives****Growth for Sharefull, the app that provides value to both working individuals and companies**

Sharefull is a part-time job, or gig, app that allows matching on a daily basis. Launched in 2019, it has grown to become one of the industry’s top apps in terms of job postings, with over 7 million downloads as of August 2024. The platform features a unique instant and automated digital matching engine so that users can start work and get paid quickly. Companies can post job listings whenever they need workers, and individuals can apply for and work on a daily basis whenever they wish.

The app also features listings for more long-term jobs, allowing individuals to choose work that fits their lifestyle and needs. For companies, this not only helps solve the problem of a lack of workers but also improves productivity through more efficient shift management. Moving forward, the aim is to expand business further for Sharefull by strengthening collaboration with the Staffing SBU, led by Persol Tempstaff, with plans to add 3,000 partner companies by the end of FY2026.



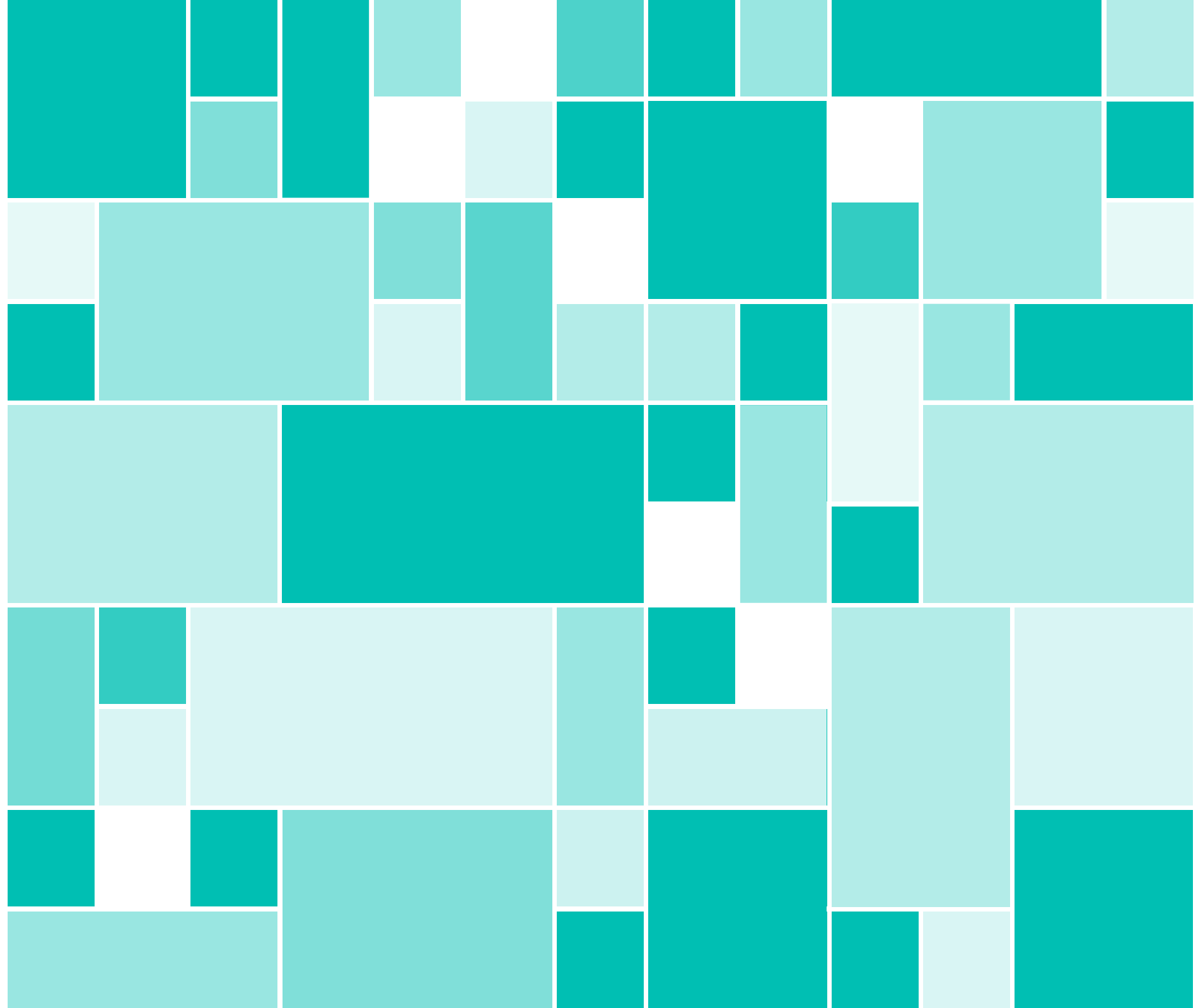




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## Active Roles of Diverse Personnel



### Basic approach

Human capital is the source of value creation, and we recognize that having a diverse workforce is essential for the PERSOL Group to drive innovation and achieve sustainable growth. We seek to achieve our Group Vision by promoting a corporate culture that utilizes diversity and creating an environment where employees with a variety of abilities can share their wisdom to improve our services and create new ones.

Our overall efforts related to active roles of diverse personnel were recognized at the 6th Platinum Career Awards sponsored by Mitsubishi Research Institute where we received the Excellence Award (the Creation through Proactive Career Award) for the first time.

KPI	FY2023 result	FY2025 target	FY2030 target
"Work and Smile" index (employee engagement index)	72.3%	75.0%	—
Percentage of women in managerial positions*1	25.6%	30.8%	37.0%
Number of employees with disabilities*2	2,991	4,000	—
Ratio of childcare leave taken by male employees (one day or longer) *3	73.0%	100%	100%

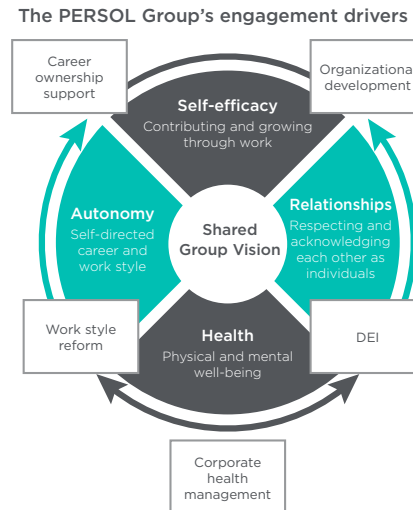
\*1 The figure excludes employees at Asia Pacific SBU and associates employed for indefinite terms at PERSOL Group companies. Actual FY2023 results are as of April 1, 2024, and targets for FY2025 are as of April 1, 2026.

\*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.

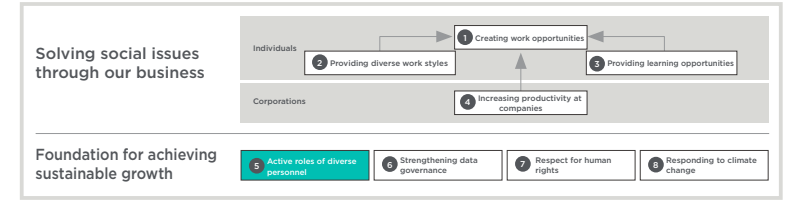
\*3 Figures in Japan only

### Improving employee engagement

We have identified five key drivers as important elements for enhancing "Career Well-being" and engagement—health, relationships, autonomy, self-efficacy, and shared Group Vision—and have reflected them in the HR strategy and HR measures. To measure these conditions, we conduct an annual engagement survey in the form of an online questionnaire. In 2023, approximately 36,000 employees of domestic Group companies and 5,000 employees of overseas subsidiaries in 12 countries were surveyed. The employee engagement index was 72.3%.



### PERSOL Group Materiality



### Promoting 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. This approach is reflected in the various career ownership measures that we have implemented to date. We provide a wide range of support for each employee to expand their possibilities and develop their career independently.

Step	Measure	Description	Year started	Total number of users (through 2024/3)
Have intention	Think/reflect			
	Smyle training	Career design support and training program (Implement separate programs for persons in managerial positions and members)	FY2018	1,550 (for members)
	@ (atto) Training	A training program supporting autonomous learning to promote HR exchange across organizations (revamped in FY2021)	FY2017	418 (since FY2021)
Act	Collect information and learn			
	Career Counseling	A measure to allow those interested in career consultation to speak with a consultant	FY2018	934
	PALMS	e-learning system available to Group employees	FY2017	38,692 (number of users as of March 31, 2024)
	Job Trial	A program that allows employees to experience working at a different department within the Group	FY2020	973 (participants)
	Second jobs within the Group	A program that allows employees to work a second job in another department within the Group and receive pay for it, too	FY2021	3,724 (number of applications)
	Multiple jobs outside the Group	A program that allows employees to work multiple jobs outside the Group	FY2019	
Choose	Career Challenge	A Group open recruitment-type transfer program that allows transfers between companies within the Group	FY2017	556 (transferees)
	Career Scouting	A program that allows employees to register their career history and transfer wishes in the internal system and be scouted directly by other departments within the Group	FY2023	566 (registrants)

### CareerMill:

#### A core system supporting career ownership measures

The PERSOL Group has developed its own in-house system, CareerMill, as a way to support its career ownership initiatives. The system provides access to the Group's career ownership measures. Employees can access information on these measures at any time according to the three phases of thinking about and reflecting on their career, gathering and learning about career-related information, and choosing a career.

The system is accessed by 9,500 people annually and features a user-friendly UI/UX that centrally manages a wide range of career support functions. We received high marks for our outstanding efforts to improve employee engagement and revitalize the internal labor market within the Group, earning the Excellence Award in the Human Capital Management Division at the 9th HR Technology Awards.



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### Introduction of Career Scout Program

In 2023, we also introduced a new scouting-type internal Group transfer program to broaden the career options of employees and draw out their potential for further success. When employees register their skills, background, future career goals, and more in CareerMill, they can be scouted by other departments. They can communicate with the scouts to make a decision on applying, and if they do apply, they will enter the selection process for the position. If they make it through the screening phase, they can choose to transfer. In 2023, the inaugural year of the program, around 25,000 employees in Japan were eligible. That year, 566 employees registered their profiles, 695 scouting messages were sent, and 64 inter-Group transfers were made. Transfers of department managers not part of the open recruitment-type inter-Group transfer program also took place. A related benefit was the establishment of communication with scouting departments based on the employee's career profile. Additionally, regardless of the final outcome, the program enabled employees to engage in their own career inventory and reflection and learn about the diverse organizations and jobs within the group. It also helped support career ownership.

This program received high marks as an exemplary initiative that supports employees' Career Self-Reliance while fostering innovation in recruitment processes, human resource utilization, and career development methods. It received the Excellence Award in the Human Resource Management Division at the 13th Japan HR Challenge Awards, supported by the Ministry of Health, Labour and Welfare.

### Talent management

#### Strengthening development measures for persons in managerial positions

The PERSOL Group engages in talent management as a mechanism to support future management, and is pursuing a number of measures while keeping an eye on the challenges facing the Group. In particular, we are strengthening development programs for persons in managerial positions based on the idea that it is important to develop the next generation of business leaders who will lead the Group in the future so that the Group can continue to contribute to society in a sustainable manner and to realize its vision of "Work and Smile."

#### Overview of Group-wide talent management measures

	Competencies	Visualization	Transfer assignment	HR development				
Officer	PERSOL Leadership Competencies	Executive assessments	Executive transfers	Executive coaching	Training for officers		Management 3.0 training	DEI management training
General manager					Mirai Shijuku			
Department manager		Self-assessment	Measures for transfers between SBUs/FUs	Mirai Gijuku (Level 2)				
Section manager				Mirai Gijuku (Level 1)	Team performance program			
				Newly appointed manager training				

### Clear definition of PERSOL Leadership Competencies

Based on the common requirements and leadership vision for the Group's senior management, we have clearly defined the PERSOL Leadership Competencies, which consist of 14 competencies in two categories: business leadership and people leadership. We have laid out requirements for the abilities and qualities required of individual SBU/FU Leads and CxOs. We integrated these requirements into common Group-wide competencies so that the document can be used for visualization of human resources, promotion of intra-Group exchanges, and Group-wide HR development.

Note: For a list of the competencies, please see page 62.

### Strategic development of next-generation business leaders

To achieve the Group Vision of "Work and Smile," we have begun engaging in "experience design" not only for upper level Group managers but also for human resources in their 30s that demonstrate potential, with the goal of further enhancing synergies among Group companies and developing next-generation business leaders who can think about businesses and organizations from a cross-Group perspective.

First, we are working to visualize what kind of talent we have throughout the Group, and in FY2023, we were able to build a pool of around 100 next-generation business leader candidates. We will visualize the career aspirations, strengths, and challenges of the talent pool and continue to monitor it and discuss assignments to strategically develop the next-generation business leaders for the future.

### Mirai Shijuku and Mirai Gijuku

To produce business leaders over the mid to long term, we provide two training programs for selected managerial employees.

Mirai Shijuku provides training programs for next-generation business leader candidates to think beyond their own perspectives, horizons, and viewpoints, with a focus on the liberal arts.

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. Starting in FY2024, we plan to introduce an alumni program that will enable past Gijuku participants to interact with each other. This will also allow persons in managerial positions within the Group to interact, collaborate, and continue to apply what they have learned in the training program in their work.



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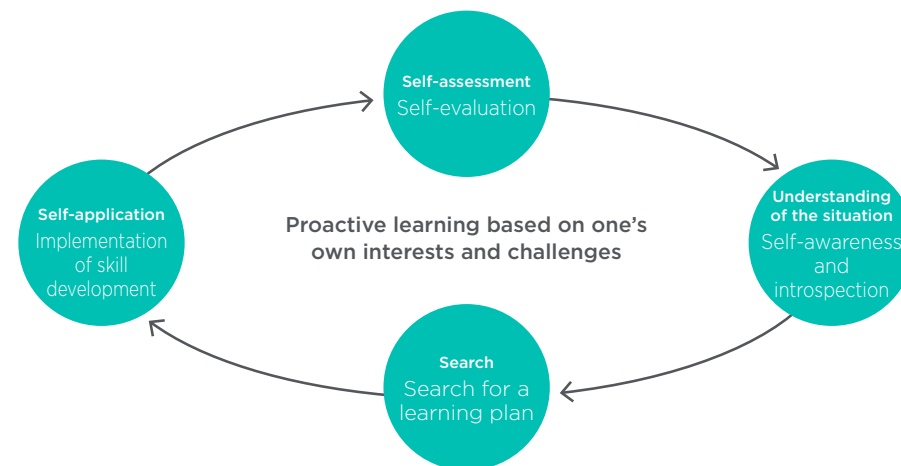
## Turning all managerial employees into best leaders

Starting in FY2023, we have conducted Management 3.0 Training as a new experimental program to help all managerial employees play an active role as “best leaders” from the perspective of skill development and system building. The aim is to build a self-directed learning cycle in which managers deepen their self-understanding and self-reflection through annual self-assessments based on the PERSOL Leadership Competency and then select their own training programs, cafeteria style, according to their own interests and challenges.

In FY2023, we developed three new management training programs, including a training program to enhance feedback skills for daily management scenarios with the aim of strengthening development capabilities and scenario planning training to develop the ability to move forward in the face of an unpredictable future. As a result, 71% of all persons in managerial positions completed the self-assessment, and all programs achieved applications amounting to over six times the enrollment limit. We were able to provide programs to meet the needs of persons in managerial positions.

For FY2024 and beyond, we will use the results of the self-assessment to analyze the issues facing all persons in managerial positions and continue to provide training opportunities so they can become the “best leaders” they can be.

### Skill development cycle for turning all managerial employees into best leaders



## Promoting DEI

### Gender diversity initiatives

The PERSOL Group previously set a target of 37% women in managerial positions by FY2030\*1 and has been pursuing this target with the goal of including women's perspectives in management and important decision-making. The percentage has been increasing every year, reaching 25.6% as of April 2024. Starting in FY2024, we have also set a target for the percentage of female Executive Officers, aiming for 30% by FY2030. Achieving a higher percentage of women in managerial and officer positions will also help reduce the gender wage gap and encourage men's participation in domestic work and community activities. Because this is an important management initiative, non-financial and thematic indicators in officer evaluations include materiality-related items such as the percentage of women in managerial positions. We also set a target for the percentage of eligible men taking childcare leave in FY2023. As of March 2024, the rate is 73.0%\*2 of eligible men taking one day or more of childcare leave, 8.2 points higher than the previous fiscal year. We aim to bring it up to 100% by FY2025. The number of long-term leave acquisitions has also increased, and as of March 2024, 36.2% of the employees had taken at least one month, with an average of 61.2 days. As part of our initiative to create an environment where people can choose how they work, we have established and are promoting internal targets for reducing overtime hours.

The Gender Diversity Committee, an organization directly under management, is responsible for setting and promoting these indicators and targets. In FY2023, we promoted changes in management's awareness and behavior by sharing actions among SBU Leads and creating opportunities for robust discussions to achieve the target percentage of women in managerial positions. Additionally, to mark International Women's Day in March, we publish a Gender Diversity Report that highlights the perspectives of female leaders from each SBU and the initiatives taken by each SBU to promote understanding of DEI and gender diversity among employees.

In 2023, we were recognized as a Nadeshiko Brand (the Ministry of Economy, Trade and Industry, in cooperation with the Tokyo Stock Exchange, has been selecting listed companies that excel in promoting the advancement of women as “Nadeshiko Brands” since 2012) for the first time, in recognition of the committee's activities, goal setting by each SBU, detailed monitoring items, and the disclosure of career ownership initiatives.

In FY2024, we will establish an action plan that includes positive actions in all SBUs and promote initiatives to further increase the percentage of women in managerial positions. Although overtime hours have been decreasing year after year, further effort is needed to meet the target, and we will continue to work on reducing overtime hours with an action plan.

\*1 Data covers Group companies in Japan (excluding indefinite-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. The percentage of people in career positions in the Group companies that are women is taken into account when targets are decided.

\*2 From FY2022 onwards, the percentage of employees taking childcare leave or using the leave program for childcare purposes among employees giving birth (or male employees with spouses giving birth) or adopting children in the fiscal year is calculated. (Until FY2021, the percentage of those who start taking childcare leave in the fiscal year of childbirth or a later fiscal year was calculated.)





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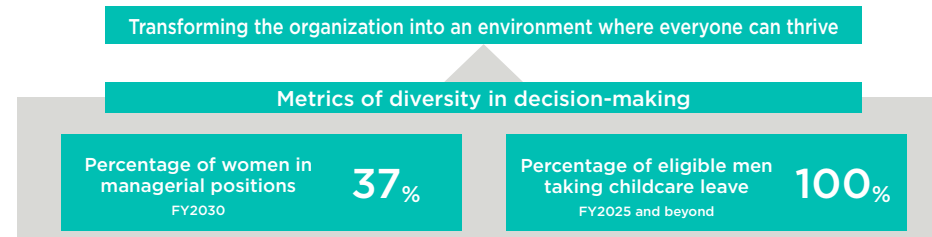
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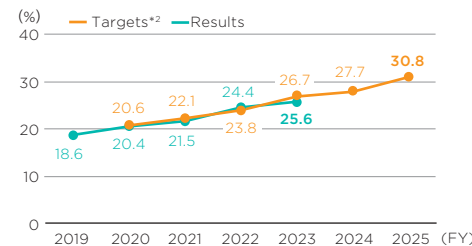
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## Our vision for DEI

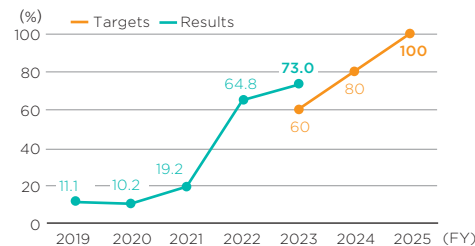


## Key DEI metrics: Targets and results (Group companies in Japan)

### Percentage of women in managerial positions\*1



### Percentage of eligible men taking childcare leave (One day or more)\*3



\*1 Data covers Group companies in Japan (excluding indefinite-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.

\*2 The percentage of people in career positions in the Group companies that are women is taken into account when targets are decided.

\*3 From FY2022 onwards, the percentage of employees taking childcare leave or using the leave program for childcare purposes among employees giving birth (or male employees with spouses giving birth) or adopting children in the fiscal year is calculated. (Until FY2021, the percentage of those who start taking childcare leave in the fiscal year of childbirth or a later fiscal year was calculated.)

## Promotion of the employment of workers with disabilities

The PERSOL Group aims to employ 4,000 persons with disabilities, and in FY2023, through the creation of jobs and new hires, we were able to hire 2,991 persons with disabilities. PERSOL DIVERSE, which employs many persons with disabilities, has more than 1,800 employees with disabilities, each of whom is committed to contributing to customers and the team and working in good mental and physical health. They are active in a wide variety of jobs, including hundreds of administrative tasks outsourced from within the Group, such as cleaning and café operations. It also works on businesses to contribute to creating opportunities for the active participation and growth of people with disabilities living in the community. At the Tomioka Cocoon Workshop in Tomioka City, Gunma Prefecture, employees with disabilities are responsible for sericulture, a traditional local industry, and produce high-quality cocoons through careful work. Additionally, in FY2023, we manufactured 140,000 pieces of soap containing silk protein extracted from cocoons and offered them as novelties within the PERSOL Group. We will continue to standardize our operations, develop human resources by identifying their strengths, provide support for their retention, and implement other unique initiatives to achieve the statutory employment ratio in FY2024 and beyond. At the same time, we will expand the working values and possibilities of persons with disabilities through employment to realize “Work and Smile” both in the Group and in society as a whole.

## Initiatives for sexual minorities

The PERSOL Group has released internal training materials on sexual minorities to external parties free of charge with the aim of contributing to the realization of a society in which all individuals are respected. We have also sponsored Tokyo Rainbow Pride (TRP), Asia's largest LGBTQ-related event, for five consecutive years since 2020. We worked with several volunteer LGBTQ ally organizations within the PERSOL Group to liven up our TRP exhibit booth. On the day of the event, more than 60 ally employees gathered to volunteer, wearing staff T-shirts designed by in-house designers. Before and after the TRP, each Group company held an online awareness event for employees, led by allies. Nearly 600 employees participated in the online event, deepening their understanding of sexual minorities and learning the importance of mutual respect. Group companies are also involved in a wide range of activities, including action declarations, communities of interest, awareness-raising activities, and personnel systems. PERSOL DIVERSE and PERSOL CAREER have been recognized with Gold ratings in the Pride Index for four consecutive years and two consecutive years, respectively.

## TOPICS

### Launch of Group-wide Paternity Leave Supporters

As part of the PERSOL Group's extracurricular activities, the Paternal Leave Promotion Department held a launch ceremony on March 19, 2024, for the Paternal Leave Supporters, a group of employees who assist male colleagues in taking parental leave, in alignment with the Parental Leave for Everyone campaign. At the ceremony, along with the declaration of support by the Paternal Leave Supporters, there was a diaper-changing workshop led by a midwife, followed by a diaper-changing championship where participants competed for the fastest time and best technique.



### 4,000 messages of support for Tokyo Rainbow Pride (TRP) 2024

At TRP2024, we set up a booth at the Yoyogi Park venue. Our theme was “Taking on the Challenge: Decorating the Office with Originality!” Visitors were invited to respond to two questions: “What do you want to change or pursue to work in a way that is true to yourself?” and “Do you have any messages of support for those striving to be true to themselves, happy, and proud?” As the event progressed, the once plain office space gradually became vibrant and colorful, reflecting diverse feelings. On the final day, the office space decoration was completed, filled with the hopes and wishes of the approximately 4,000 participants.



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# Initiatives to Improve Temporary Staff Well-being

The PERSOL Group continues to implement various initiatives focused on improving the well-being of temporary staff, led by the Staff Well-being Committee, which was established in FY2022.

## Activities of the Staff Well-being Committee

To enable each temporary staff member to choose how they work and live life on their own terms, we established the Staff Well-being Committee in FY2022 to spearhead human capital management for temporary staff. The committee deliberates on PERSOL's human capital investment policy for temporary staff, as well as the key measures, action plans aligned with this policy, and the disclosure policy for initiatives directed at stakeholders. Important matters discussed by the Staff Well-being Committee are reported and proposed to the Headquarters Management Committee (HMC), a body that assists the CEO and discusses the PERSOL Group's basic management policy and important operations.

## Situation in FY2023

Chair: Hirotaka Mino (CHRO)

Members: 12 (including 3 Executive Officers/SBU Leads)

Number of meetings held: 10

## Major activities in FY2023

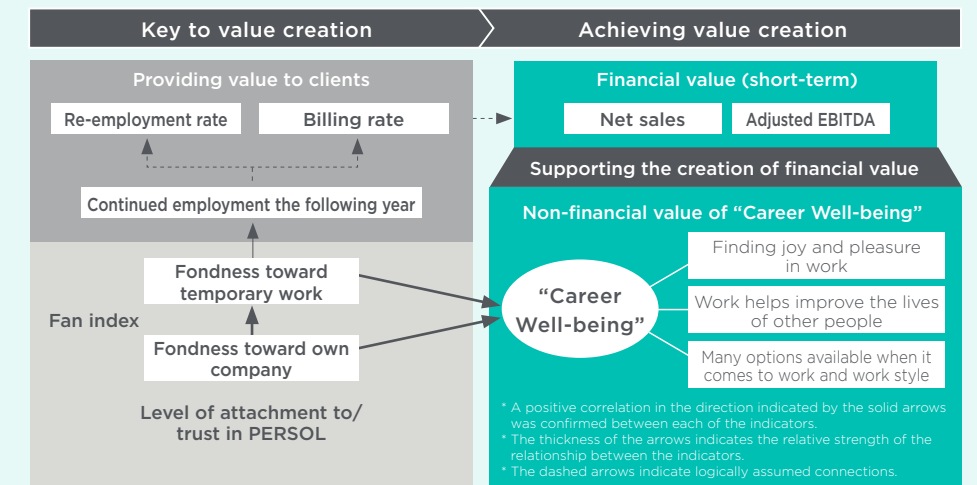
- Discussion on direction for initiatives to increase engagement by temporary staff
- Plan discussions and decisions to expand temporary staff engagement surveys
- Discussions and decisions on studies related to temporary staff capacity building
- Verification using data on the impact path that leads to value creation through initiatives to improve the well-being of temporary staff and confirmation of key measures
- Dialogue with stakeholders and sharing of feedback on committee activities

## The path to value creation through these initiatives

In its first year of activities, the Staff Well-being Committee mapped out the path to value creation through human capital initiatives, referring to it as the "Impact Path." In the second year, 2023, we validated this path through the analysis of internal data and confirmed that improving the engagement of temporary staff leads to both financial and non-financial value. The following trends have been identified, and we will leverage these insights to further expand and evolve our efforts to improve engagement.

- The higher the fan index\*, the higher the "Career Well-being."
- The greater the fondness toward the company, the greater the fondness toward the temporary work style.
- The greater the fondness toward the temporary work style, the greater the likelihood of continued employment the following year.

See our website for details on the Impact Path.  
<https://www.persol-group.co.jp/en/sustainability/social/humancapital/staff/>



\* An engagement index that shows the level of attachment and trust towards PERSOL.

\* Analysis based on data from the annual staff survey conducted by PERSOL. Continued employment the following year is verified based on whether or not the individual remains employed by PERSOL the following year.

\* Analysis using structural equation modeling. "Career Well-being" is treated as a latent variable for the three indicators, while the other variables are analyzed as observed variables.



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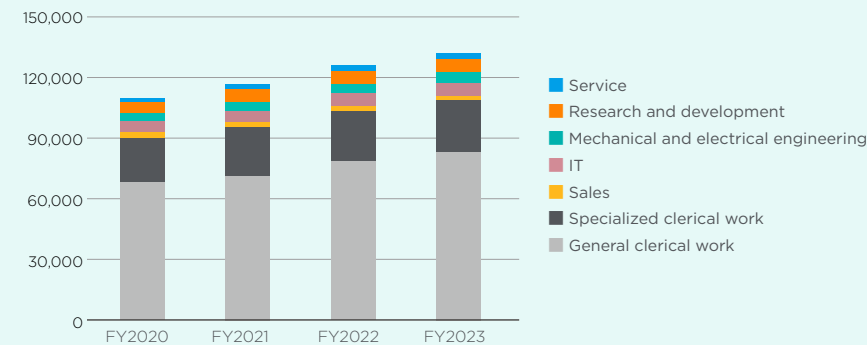
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We support temporary staff in three key areas: support for job hunting, support for personal development and career building, and support enabling staff to work steadily with a peace of mind, guided by the two central themes of creating work opportunities and creating fans to enhance well-being.

## Overview of temporary staff

### Trend in number of workers<sup>\*1</sup> at the PERSOL Group [Details are available here](#)

Trend in number of workers



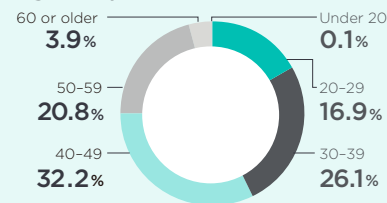
### Temporary staff at the PERSOL Group by the numbers

Number of workers<sup>\*1</sup> Approx. **131,200** people

Data on initiatives

	PERSOL TEMPSTAFF	PERSOL EXCEL HR PARTNERS	PERSOL CROSS TECHNOLOGY
Re-employment rate <sup>*2</sup>	36.6%	28.4%	38.7%
Billing rate <sup>*3</sup>	2,335 yen	2,591 yen	3,810 yen
Period of continuous employment <sup>*4</sup>	33.1 months	36.9 months	30.2 months
Fan index <sup>*5</sup>	52.0%	—	—

Age composition



<sup>\*1</sup> PERSOL TEMPSTAFF, PERSOL EXCEL HR PARTNERS, and PERSOL CROSS TECHNOLOGY, along with the average number of workers employed each month (excluding short-term and one-off contracts) by fiscal year

<sup>\*2</sup> Percentage of temporary staff who completed assignments and were re-employed  
PERSOL TEMPSTAFF and PERSOL EXCEL HR PARTNERS: Securing employment through temporary staffing, job placement, or a work contract for 3 months or longer within 31 days of the end date PERSOL CROSS TECHNOLOGY: Re-employment within the fiscal year

<sup>\*3</sup> Average hourly billing amount among temporary staffing contracts

<sup>\*4</sup> Average length of period for which temporary staff from PERSOL have continued to work under long-term temporary staffing contracts at the same location  
PERSOL TEMPSTAFF/PERSOL EXCEL HR PARTNERS: Calculated based on the number of temporary staff at the end of each month  
PERSOL CROSS TECHNOLOGY: Calculated based on temporary staff in March

<sup>\*5</sup> An engagement index that shows the level of attachment and trust towards PERSOL. Percentage of positive responses (top two levels on a five-point scale)

## Specific initiatives to improve well-being

### Support for job hunting [Details are available here](#)

We prioritize offering a wide range of job opportunities that help people find the job they want to do and providing tailored support to ensure the right fit, which promotes continued employment for each individual. The online registration feature, accessible through a portal site that attracts 8 million visitors annually, now includes a new AI-powered capability. Users can now register their entire work experience without fail when entering their work history. As a result, the percentage of online registrants has increased, and the likelihood of a job referral has improved by 8%. In addition, the Temp App, used by 62% of employed staff, facilitates a smooth start through its chat function and provides easy access to a contact point for consultations about future career opportunities.

### Support for personal development and career building [Details are available here](#)

We are working on educational measures and skill visualization to help individuals achieve their desired careers. We have launched a trial program that reflects the staff member's priorities and intentions to improve their skills in their career development support, providing them with feedback from their employer to use as opportunities and insights for their own skill development. This program will be rolled out nationwide. We offer training for technical temporary staff to enhance their development and infrastructure knowledge and skills, and there was a 20% increase in participants compared to the previous year. This 1.5-month selective training for outsourcing staff\* has yielded positive results, with some participants now meeting the criteria for recommendation to leadership roles.

\* Outsourcing staff: Staff engaged in outsourcing services, regardless of employment type or job title

### Support enabling staff to work steadily with peace of mind [Details are available here](#)

We are striving to create a career environment by offering various work style options, benefits, and ensuring compliance. The "FlexibleCAREER" system, which allows people to choose the working hours that suit them best according to their desired income and the timing of employment, has become popular, leading to a 194% increase in employment compared to the previous year. In response to the growing interest in investment and asset management, we have started offering not only seminars but also special benefits and support options. We are the first in the industry to utilize our own Group's own shares in such an initiative. We offer a service that allows technical temporary staff to consult online with experts, such as clinical psychologists, about their daily work-related or personal concerns.



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## Below we present actual feedback from staff on how they embody “Career Well-being” by working for their employer.

Details of the staff interviews are available on our website.  
<https://www.persol-group.co.jp/en/sustainability/social/humancapital/staff/interview/>



### Ms. Sunagawa, Unit Chief, Client Support

#### Grateful for the vocation I have found No compromise on my fashion style or life plan

I took my current job because it allowed me to work from home while caring for my sick dog and stay involved in the beauty field, which I enjoy. The company I work for operates one of Japan's largest beauty-related matching sites, where I support customers, including beauty salons, in posting information about their shops.

Looking back on my time since starting this job, many good things have happened. I was awarded the MVP in my department for the number of calls I made to customers and the improvements that resulted from those calls. After only 10 months with the company, I was promoted to unit chief, a role that involves managing junior staff. Above all, the greatest joy for me was seeing the significant personal growth of the junior staff I mentored. I offered my own personal advice to a junior colleague struggling with motivation, and she went on to win the MVP award two years in a row. When I heard her say during her speech at the awards ceremony, “Thanks to Sunacchi-san (my nickname), I now feel a sense of fulfillment in my work,” and I was overcome with emotion. It was her hard work that made the difference; my words were just the catalyst. But I was happy that she felt it was thanks to me. This job is my true calling. I hope to keep doing it as long as possible.



### Ms. Miyoshi, RPA Development and Implementation Support Staff

#### By further enhancing my skills, I aim to broaden my career options and achieve the life that suits me best.

When my daughter started junior high school, I decided I wanted to transition from part-time to full-time work. I then focused on RPA, which utilizes digital tools to streamline on-site operations. I felt it was a field that would expand my future possibilities, and I believed I could leverage my experience in administrative work. Having received training provided by PERSOL, I am now working as a staff member supporting the development and implementation of RPA. When I see the RPA I created being used and hear people mention how it has made their jobs easier, I feel truly grateful to be doing this work.

What satisfies me most about choosing PERSOL as my career partner is the ongoing meticulous support I receive. If you have any questions about RPA in your work, you can get advice from a technical advisor, and they also hold study sessions to help you keep up with new technological trends. I hope to make the most of this privileged environment and continue to grow. By doing this, I hope to achieve a work style that is unique to me, such as spending half the week using my RPA expertise and the other half pursuing hobbies I want to try or work related to social contribution.



### Mr. Sento, Mechanical Design Engineer

#### Thanks to the stable environment, I am also able to pursue the things I enjoy. I want to realize my ideal work style as a design engineer.

By registering with PERSOL, I was able to find a job that I wouldn't have found on my own. I wanted to design the casing for wearable products, so I had envisioned working for a home appliance manufacturer. I had no idea that an electronic parts manufacturer like the one I work for would offer the kind of casing design work I was looking for. Thanks to the assistance of the PERSOL staff, I found a job that allowed me to work in an environment aligned with my interests in casing design.

Going forward, I will continue working as a designer specializing in wearable products like smartwatches, smart shoes, and earphones while also aiming to broaden the scope of my work. To date, I have often worked on items without moving parts, so I would like to be involved in designing things that do move.

My ideal future work involves having two roles as a designer. While working as a temporary employee in a stable role like my current one, I would also take on projects that interest me as an individual designer outside of the company. If I am able to work like that, I am sure I can grow as a person and contribute more to my employer. Fortunately, my current employer allows me to have a second job, so I'm confident I'll be able to make it happen.







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# Strengthening Data Governance



## 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 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.

## Initiatives implemented in FY2023

In FY2023, PERSOL HOLDINGS focused on ensuring transparency and strengthening privacy protection based on the Personal Data Policy. Additionally, we conducted privacy-related training for all Group employees and extended the application of the Personal Data Policy to the entire Group, including overseas. Additionally, in response to the rapid spread and development of generative AI, we have created usage and review guidelines for generative AI and deployed them across the Group. This has established an environment where employees can use generative AI with confidence and where business proposals made with generative AI can be promptly advanced with appropriate risk assessments.

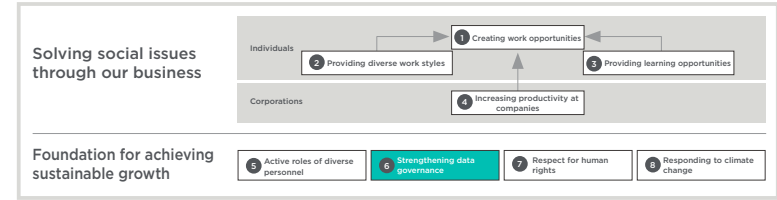
Going forward, the PERSOL Group will strengthen data governance to ensure that data is both protected and effectively used.

KPI	FY2023 result	FY2025 target	FY2030 target
Percentage of all employees who have received privacy training <sup>*1,2</sup>	99.4%	100%	100%

<sup>\*1</sup> Figures in Japan only

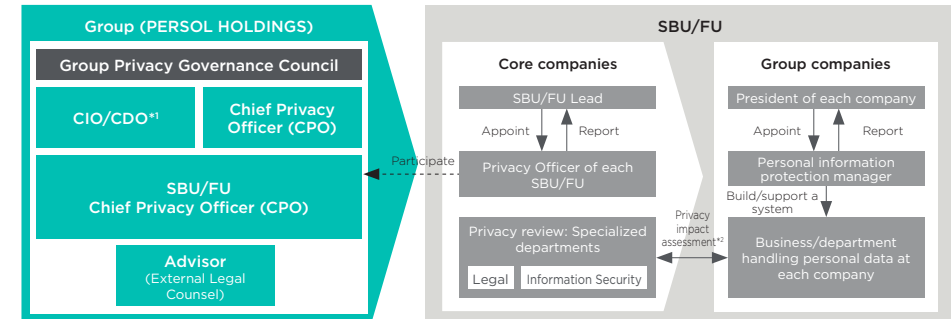
<sup>\*2</sup> As of FY2024, the number of cases of inappropriate data handling and the number of persons affected are no longer disclosed.

## PERSOL Group Materiality



## Privacy governance system

The PERSOL Group has established the Group Privacy Governance Council (hereinafter "Council") to ensure the appropriate Group-wide management of the Privacy Risk involved in the use of personal data. This Council is held quarterly, in principle, and is composed of the Chief Information Officer and Chief Digital Officer (CIO/CDO) who is in charge of the Group's strategies on the use of Personal Data, the Group's Chief Privacy Officer (CPO), and the Privacy Officer of each SBU and FU. The Council is committed to strengthening privacy governance of the Group by formulating policies and rules related to privacy protection within the PERSOL Group and deciding on response policies for significant privacy risks.



<sup>\*1</sup> In charge of the Group's personal data usage strategies.

<sup>\*2</sup> The status of the privacy impact assessment is shared with the Group Privacy Governance Council through the Privacy Officer of each SBU/FU.

## Establishment and operation of the privacy impact assessment

The PERSOL Group has established a system (privacy impact assessment) under which the impact of new services or new measures involving the use of Personal Data on privacy is assessed in advance. 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.



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# Respect for Human Rights



## Basic approach

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

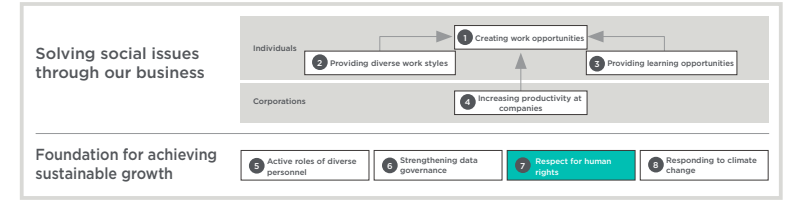
In December 2022, with the approval of the Board of Directors, we established the PERSOL Group Human Rights Policy ("the Human Rights Policy") and announced it both internally and externally. In addition, under the PERSOL Group Code of Conduct, all officers and employees of the Group have been requested to respect the rights of individuals. 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.

## Human rights issues that should be prioritized by the PERSOL Group

In FY2022, we recognized human rights risks in line with international norms, 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 prioritize addressing from among the Human Rights Issues of the PERSOL Group set out in the Human Rights Policy.

Recognition of human rights risks			Action plan for recognized risks
Risk category	Recognition method	Recognized risks	
Existing risks Human rights risks that were recognized in past business activities	Human rights risks were recognized through interviews and check sheets with the SBUs.	<ul style="list-style-type: none"><li>Harassment (various types of harassment or discrimination)</li><li>Violation of privacy</li><li>Occupational safety environment</li></ul>	<div>Risks about which we have begun to conduct human rights due diligence in FY2023 by incorporating additional measures into existing initiatives</div> <div>(1) Harassment (2) Occupational safety environment (3) Forced labor (domestic) (4) Infringement on the rights of people with disabilities</div> <div>Human rights due diligence will be conducted during FY2024</div> <div>(3) Forced labor (overseas) (5) Infringement on the rights of LGBTQ+ people</div> <div>Risks that we position and address as other issues of materiality</div> <div>(6) Violation of privacy (7) Gender inequality</div>
Potential risks Potential human rights risks that are deemed to exist in business activities due to the nature of the business, the situation in the country or region, etc.	Potential human rights risks were recognized by analyzing qualitative information from research reports and other documents by U.N. agencies, NGO, and NPOs, about the status of human rights in countries and regions and human rights issues specific to business domains.	<ul style="list-style-type: none"><li>Forced labor (Migrant workers: technical intern trainees in Japan and others)</li><li>Infringement on the rights of people with disabilities</li><li>Gender inequality</li><li>Infringement on the rights of LGBTQ+ people</li></ul>	

## PERSOL Group Materiality



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.

## Initiatives through FY2023 and FY2024 initiatives

In FY2023, we have begun conducting human rights due diligence mainly on employees and temporary staff in selected business domains on the four human rights risks, as shown in the "Action plan for recognized risks" figure on the left. We then proceeded to consider additional initiatives to address issues discovered in the process.

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 are conducting a review for future improvements and advances.

We also implement human rights-related training for officers and training for all Group employees in addition to the above initiatives. We believe these trainings will enhance the understanding and awareness of human rights issues among officers and all employees, thereby preventing or mitigating risks related to human rights. We will continue conducting these trainings on a regular basis.

KPI	FY2023 result	FY2025 target	FY2030 target
Percentage of all employees who have received human rights training*	99.4%	100%	100%

\* Figures in Japan only

In FY2024, in addition to the four human rights risks for which we have already begun to conduct human rights due diligence, we are working to conduct human rights due diligence for the remaining two human rights risks that were selected as those that we should address: the risk of forced labor in overseas businesses and the risk of infringement on the rights of LGBTQ+ people.

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





# Responding to Climate Change



## Basic approach

The PERSOL Group contributes to the realization of a sustainable society in which all people truly feel “Work and Smile.” To achieve this, we consider our environmental initiatives a key management issue and are engaged in various activities to minimize our environmental impact.

In particular, 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°C target).

## Disclosure in line with TCFD recommendations

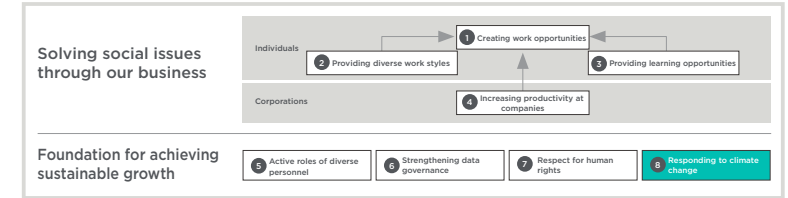
In May 2022, the PERSOL Group began disclosing information about its climate-related risks and opportunities based on the four themes of governance, strategy, risk management, and metrics and targets, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Please see our website for details on the scenarios, 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.

### Core elements of climate-related financial disclosures



Source: Final Report Recommendations of the Task Force on Climate-related Financial Disclosures

## PERSOL Group Materiality



## 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 deliberation of such issues at the Sustainability Committee, which is an advisory committee under the Headquarters Management Committee (HMC), and supervision by the Board of Directors. Additionally, in 2023, we established a Steering Committee to discuss and plan our path toward achieving carbon neutrality. Executive officers and persons in charge from Japan and overseas participate in this Committee, actively discussing and sharing information on measures to reduce carbon emissions.

Our sustainability promotion system, including our response to climate change, is available on our website.

<https://www.persol-group.co.jp/en/sustainability/management/>



## 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.

To address the risks, the PERSOL Group is striving to reduce greenhouse gases by implementing energy-saving activities and transitioning to electricity from renewable energy sources. In addition, to take advantage of business opportunities, we are engaged in multiple business activities that include developing human resources with expertise that contribute to decarbonization and climate change measures, providing decarbonization support services and talent mobility support services including placement and temporary staffing, and establishing a Job Creation Fund.

## 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.

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### Scenario analysis results

Scenario	Risks/opportunities	Time frame*	Financial impact	Response strategy	
4°C scenario	Increase in frequency/severity of natural disasters	Physical risk ● Increase in physical damage due to increasingly severe natural disasters	Long-term	● Increase in BCP costs ● Direct and indirect sales decline and losses incurred due to disasters	● Enhance functions of Emergency Response Headquarters ● Automate disaster status assessment ● Formulate BCP, conduct ongoing review and improvements ● Hold regular drills to verify effectiveness
		Physical risk ● Decrease in cooling efficiency of office and vehicle air conditioning systems due to rising temperatures	Long-term	● Increase in electricity costs, etc.	● Enhance energy conservation initiatives
	Rise in average temperature	Physical risk ● Increased risk of infectious diseases and deterioration in working conditions such as under intense sunlight, etc., due to a significant rise in temperatures	Long-term	● Decrease in sales/increase in costs due to decline in productivity ● Rise in insurance premiums and personnel management costs	● Enhance personnel management capabilities in response to work environment
1.5°C-2°C scenario	Stronger laws, regulations, and societal demands for the realization of a decarbonized society	Transition risk ● Increasing societal demand for the use of decarbonized resources and renewable energy ● Introduction of carbon pricing schemes such as carbon taxes, ETS, etc.	Short-to mid-term	● Increase in procurement costs for electricity, etc.	● Enhance energy conservation initiatives ● Switch to renewable energy sources and low-carbon products ● Enhance other initiatives to reduce greenhouse gas emissions
		Opportunity ● Provision of temporary staffing/placements and services in environment-related fields	Short-to mid-term	● Increase in sales due to growth of temporary staffing/placement and service businesses in environmental related fields	● Refer to the website for information on initiatives related to opportunities <a href="https://www.persol-group.co.jp/en/sustainability/environment/climatechange/">https://www.persol-group.co.jp/en/sustainability/environment/climatechange/</a>
		Opportunity ● Investment, provision of know-how, and recruitment support for startups, etc., in environment-related fields	Short-to mid-term	● Increased return on investment ● Increase in sales from provision of services	
	Increased environmental awareness among companies and job seekers	Transition risk ● Reputational damage due to delay in taking action to combat climate change, or regulatory violations	Short-to mid-term	● Decline in sales due to customer flight and lost opportunities, etc. from reputational damage	● Set targets for carbon neutrality ● Actively disclose information in accordance with TCFD ● Enhance initiatives to reduce greenhouse gas emissions

\* Short-term: Within 5 years; Mid-term: 5 to 10 years; Long-term: 10 years+

### Metrics and targets: Reduction targets

At the PERSOL Group, we have set the target of becoming carbon neutral, in other words, achieving net zero greenhouse gas emissions\*1 associated with business activities, by FY2030. In FY2023, we reduced our Scope 1 and Scope 2 emissions by 463 tons (a 1.8% reduction) compared to the base year through energy-saving activities\*2 and the transition to electricity from renewable energy sources, among other measures. 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.

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

\*2 This also includes transitioning to renewable energy through non-fossil fuel certificates.

### Reduction targets

	Emissions in the base year (FY2021)	FY2025 target	FY2030 target
Percent reduction of scope 1 + scope 2 emissions	25,698 t-CO <sub>2</sub>	-17.3%	-83.0%*3
Percent reduction of scope 3 emissions	(Target to be set in FY2025)		

\*3 Residual emissions are offset using internationally recognized methods to achieve carbon neutrality.

### Metrics and targets: Emissions results

To ensure the accuracy and reliability of values for emissions we have calculated, we received third-party verification from LRQA Limited for the values for our greenhouse gas emissions in FY2023.

### Emissions results

(Unit: tons CO<sub>2</sub>)

Item		FY2023 total
Scope 1		18,639
Of above, "Programmed"		16,158
Scope 2	Location-based emissions	12,448
	Market-based emissions	6,596
Scope 3	Category 1: Purchased Goods and Services	144,987
	Category 2: Capital Goods	30,682
	Category 3: Fuel- and Energy-related Activities not Included in Scope 1 or Scope 2	5,209
	Category 4: Upstream Transportation and Distribution	551
	Category 5: Waste Generated in Operations	3,934
	Category 6: Business Travel	1,490
	Category 7: Employee Commuting	11,091
	Category 9: Downstream Transportation and Distribution	18
	Category 11: Use of Sold Products	18,311
	Category 12: End-of-life Treatment of Sold Products	29

\* 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.

### Environmental conservation initiatives

To achieve a sustainable society, the PERSOL Group will promote environmental conservation initiatives such as pollution prevention, waste reduction, and efficient resource use. These efforts, along with our response to climate change, are a part of our environmental management operations, particularly in office activities. 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/>





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# Message from the Chairperson of the Board

We will promote long-term, substantive discussion by ensuring diversity on the Board and appropriate agenda-setting, thereby continuing to enhance our corporate value.

Masamichi Mizuta Chairperson of the Board



Our corporate philosophy of “Providing Opportunity, Individual Growth, and Social Contribution” guides us at the PERSOL Group. As a “Career Well-being” Creation Company, our objective is to expand human possibilities and create one million better work opportunities by 2030, thereby realizing our Group Vision of “Work and Smile.” We acknowledge that creating work opportunities is the most critical materiality that demands our attention. Corporate governance is the foundation for addressing this issue and fulfilling our vision. We believe that the Board’s oversight function, which is central to corporate governance, is essential for enhancing corporate value over the medium to long term.

## Ensuring diversity and improving the quality of discussion

Diversity on the Board is essential for having high-quality discussions and determining the overall direction of corporate management, with the goal of increasing corporate value over the medium to long term. This is due to the fact that exchanging opinions from various angles based on a diverse range of perspectives, ways of thinking, and values generates innovation and enhances the quality of discussion.

The appointment of Australian national Ms. Debra A. Hazelton as an independent director last year furthered this objective. Over the past year, I am of the opinion that her viewpoint has substantially broadened the scope of Board discussions. Each Board member contributes their own distinctive qualities, and the directors inquire and provide opinions from a variety of perspectives. The Board meeting is highly informal and transparent, with the executive team also in attendance.

The Board’s oversight function will be enhanced and it will be more accessible to society by ensuring diversity in terms of factors such as gender, nationality, and age in addition to diversity in terms of knowledge, experience, and expertise. Initially, we will endeavor to achieve a 30% gender diversity on the Board by 2030 and further diversify the Board.

## Setting an appropriate agenda and focusing on medium- to long-term discussions

In the current era of volatility, uncertainty, complexity, and ambiguity (VUCA), it is imperative for companies to consistently identify signals of change and adapt accordingly. In particular, the manner in which individuals work has undergone significant transformations in recent years, as exemplified by the rise of gig work, freelancing, and short-term and part-time employment.

In order to address these trends, the Board must be aware of medium- to long-term management issues including sustainability, develop management strategies to address them, and be adaptable to change. To that end, I recognize setting a suitable agenda for the Board to be a crucial responsibility for me as Chairperson of the Board.

I utilize the annual effectiveness evaluation results of the Board to determine the themes that the Board will discuss in the forthcoming year. I made a substantial revision to the Board’s agenda last year. In particular, I began assigning time to discussions that would contribute to medium- to long-term growth strategies and improve corporate value rather than short-term performance. At present, the Board allocates over 30% of its discussion time for medium- to long-term strategies and corporate value.

## Maintaining a culture of constructive conflict with the executive team and ceaselessly working to improve the Board

Last, I am of the opinion that the Board’s oversight function can be fulfilled through meaningful communication and constructive conflict with the CEO and other executive team members. Since independent directors became the majority on the Board, the atmosphere of the Board and the executive team’s mindset have undergone substantial transformations. This is due to the fact that the Company’s internal norms do not pertain to a Board where the majority of directors are independent. Our Board encourages the exchange of challenging questions and opinions, particularly from independent directors, by cultivating an environment of openness and constructive conflict.

A lesson I have learned from my own past management experience is that managers are prone to unconsciously succumbing to short-term thinking in such circumstances. However, the Board must constantly identify management risks and opportunities and determine management’s overall direction from a broad, medium- to long-term perspective. Consequently, I believe that the Board’s critical responsibility is to motivate the executive team to take reasonable risks that will contribute to growth of corporate value over the medium to long term. In this regard, there is no real end goal for the Board’s role, as it must always work to further improve.

We will strive to enhance the Board and thereby achieve a sustainable society in which individuals can genuinely “Work and Smile.”



## Directors and Executive Officers (As of September 1, 2024)

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### Directors

Directors who are not Audit and Supervisory Committee Members



**Masamichi Mizuta**  
Director and Chairperson of the Board

Important concurrent posts  
External Director of Linkers Co., Ltd.\*  
Number of years in office  
15 years and 8 months



**Takao Wada**  
Representative Director, President and CEO

Important concurrent posts  
Non-executive Director of PERSOL Asia Pacific Pte. Ltd.  
Number of years in office  
15 years and 8 months



**Masaki Yamauchi**  
Independent Director Independent

Important concurrent posts  
Advisor of Yamato Holdings Co., Ltd.\*  
Outside Director of Resona Holdings, Inc.\*  
Outside Director of Seiko Epson Corporation\*  
Number of years in office  
4 years



**Kazuhiro Yoshizawa**  
Independent Director Independent

Important concurrent posts  
Corporate Advisor of NTT DOCOMO, INC.  
President of Internet Initiative Japan Inc.\*  
Outside Director of DAIWA HOUSE INDUSTRY Co., LTD.\*  
Number of years in office  
2 years



**Debra A. Hazelton**  
Independent Director Independent

Important concurrent posts  
Non-executive Director of Australian Postal Corporation  
Chair of the Board of Export Finance Australia  
Number of years in office  
1 year



**Satoshi Murabayashi**  
Independent Director Independent

Important concurrent posts  
Member of the Board and Executive Vice President of Internet Initiative Japan Inc.\*  
President and CEO, DeCurret Holdings, Inc.  
Representative Director, Chairman and President, DeCurret DCP Inc.  
Number of years in office  
Newly appointed

### Directors

Directors who are Audit and Supervisory Committee Members



**Daisuke Hayashi**  
Director (Member of Audit and Supervisory Committee)

Important concurrent posts  
Auditor of PERSOL CAREER CO., LTD.  
Non-executive Director of PERSOL Asia Pacific Pte. Ltd.  
Number of years in office  
3 years



**Chisa Enomoto**  
Independent Director (Member of Audit and Supervisory Committee) Independent

Important concurrent posts  
Trustee and Member of Communication Strategy Committee, Meiji University  
External Director of AEON MALL Co., Ltd.\*  
Outside Director of JAPAN POST Co., Ltd.  
Number of years in office  
6 years



**Kazuhiko Tomoda**  
Independent Director (Member of Audit and Supervisory Committee) Independent

Important concurrent posts  
Outside Auditor of Hakuodo DY Holdings Inc.\*  
Outside Director, Member of Audit and Supervisory Committee of INES Corporation\*  
Number of years in office  
4 years

### Executive Officers

Representative Director, President and CEO

**Takao Wada**

Executive Officer CSO

**Taro Mineo**

Executive Officer CHRO

**Hiroataka 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**

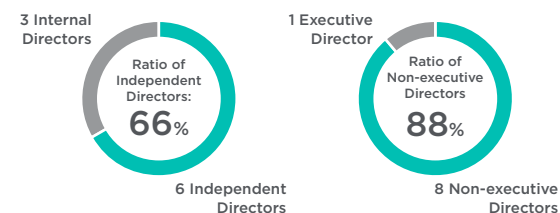
Executive Officer Asia Pacific SBU Lead

**Francis Koh**

Executive Officer R&D Function Unit Lead

**Toshihito Nagai**

### Composition of the Board



Notes: 1. One Non-Japanese Director  
Ratio of Non-Japanese Directors 11%  
2. We have established a "Gender Diversity Minimum Targets for Directors" of 30% by 2030.

\* Refers to a listed company

Note: The number of years served as a director is as of the conclusion of the 16th Ordinary General Meeting of Shareholders.

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





# Corporate Governance: Basic Policy and History of Strengthening

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## Basic approach

The Company establishes the basic management policy and the corporate strategies of the entire Group with the aim of realizing its corporate philosophy of "Providing Opportunity, Individual Growth, and Social Contribution." Each Group company shall promote sustainable corporate growth and increased corporate value over the mid-to long-term and solve social issues through its business by executing the corporate strategies as part of the united efforts of the Group companies.

The Company recognizes that good corporate governance is the foundation for all efforts to realize the above-mentioned corporate philosophy and will exert continued efforts for the improvement of the Company's corporate governance.

The Corporate Governance Guideline lays out the principles and desirable state of corporate governance 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 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 regarding 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 Appropriate disclosure of information and securing transparency	The PERSOL Group appropriately discloses information of the Company's 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 that may have impacts on investment decisions.
4 Responsibilities 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/](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	2024
Strengthening of the oversight function	Oversight function		Shifted to a Company with the Audit and 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 Board whose majority is Independent 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)	9 (6)
	Evaluation of effectiveness			Began evaluation of effectiveness of the Board					Implemented third-party evaluation		
	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		Introduced an executive officer system					Delegated decision-making about business to the CEO Established the HMC <sup>*1</sup> and internal committees Shifted to the SBU <sup>*2</sup> structure	Established the Sustainability Committee		Appointed a non-Japanese executive officer	
Ratio of female directors		17%	0%	0%	9%	9%	11%	11%	11%	22%	22%

<sup>\*1</sup> HMC: Headquarters Management Committee <sup>\*2</sup> SBU: Strategic Business Unit



# Corporate Governance Structure

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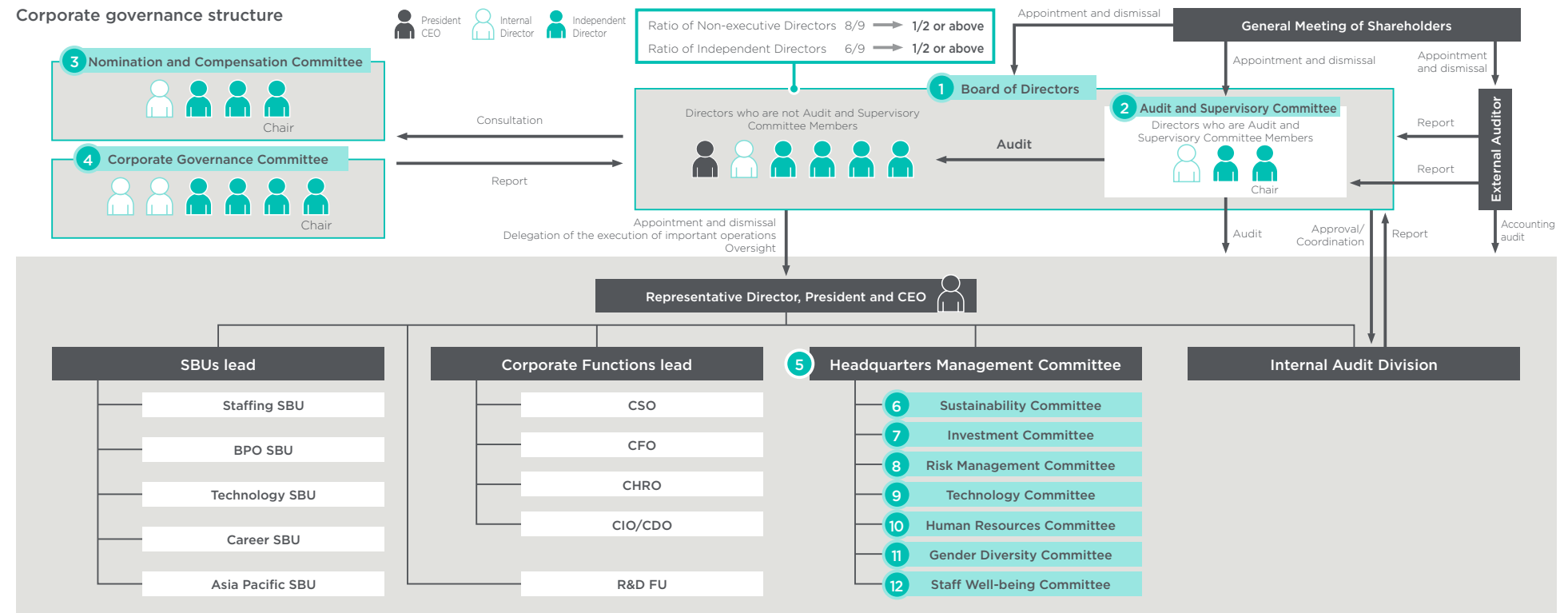
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## Corporate governance structure and features

Based on the corporate governance principles, PERSOL has adopted the form of organizational structure of "Company with Audit and Supervisory Committee" under the Japanese Companies Act. Furthermore, for the purpose of complementing the function of the Board, the Company 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, as well as to continually improve governance and strengthen the management oversight function of the Board.

- 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 Audit and Supervisory Committee, the Nomination and Compensation Committee and the Corporate Governance Committee have been established as voluntary committees. Both committees are chaired by an independent director, and independent directors constitute the majority of members at each.
- The position of Lead Independent Director has been established.

### Corporate governance structure



\* SBU=Strategic Business Unit, FU=Function Unit, CEO=Chief Executive Officer, CFO=Chief Financial Officer, CSO=Chief Strategy Officer, CHRO=Chief Human Resources Officer, CIO/CDO=Chief Information Officer/Chief Digital Officer





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## ① Board of Directors

The Board of Directors 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 establishment 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.

### Situation in FY2023

Chairperson	Masamichi Mizuta (Non-executive Director, Chairperson of the Board)
Members	9 (including 6 Independent Directors)
Number of meetings held	15

### Major agenda items discussed in FY2023

- Regional portfolio strategy across Japan and overseas focusing on long-term changes in the business environment
- Summary of Mid-Term Management Plan 2023 and policy for addressing the issues identified
- KPIs to be monitored under Mid-term Management Plan 2026, monitoring methods, and annual plan
- Overall technology strategy and progress on major items
- Monitoring of progress on DI&E targets and name change to DEI

### Status of operations

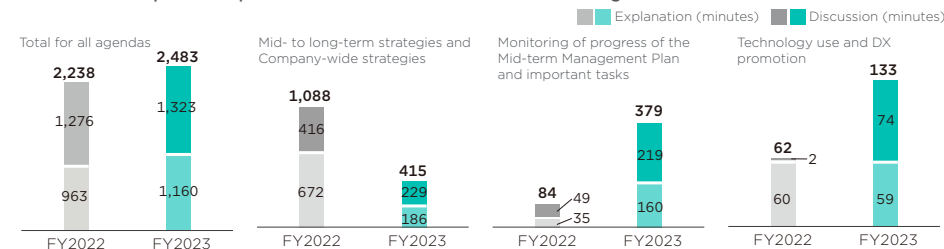
As FY2023 is the first year of Mid-term Management Plan 2026 (the "Plan 2026"), the following were set as key themes for the Board and made central to operations: mid- to long-term management strategy, the Company-wide strategy, and monitoring the progress of the Mid-term Management Plan.

For mid- to long-term management strategy and the Company-wide strategy, we allocated time in advance for intensive discussions on both risks and opportunities related to the regional portfolio strategy across Japan and overseas focusing on long-term changes in the business environment, generative AI, and human capital. These discussions included opportunities for dialogue with Executive Officers. Although the time spent on explanation and discussion decreased from the previous year, the Board and Executive Officers were able to share a common understanding of issues with a view to future changes in social conditions and the business environment. This was achieved by dedicating about one-sixth of the Board meetings to discussing mid- to long-term management strategy while enhancing individual explanations to independent directors.

Regarding the monitoring of progress on the Mid-term Management Plan and key issues, multiple discussions were held on the KPIs to be monitored under the Plan 2026 and the ideal approach to the monitoring method for the Company. Based on these discussions, we established an annual monitoring plan and held regular meetings with the Executive Officers to review progress on important tasks and strategies for the entire Group. As a result, the time allocated for explaining and discussing the monitoring of the Mid-term Management Plan and important tasks increased significantly from about 80 minutes in FY2022 to around 380 minutes. The meetings were managed so as to help monitor business execution in a way conducive to corporate value, including using about 220 minutes of the time for discussions.

The Board also intensified discussions on technology to evolve into a technology-driven HR service company, aligning with the management direction outlined in the Plan 2026. After receiving a report on the overall technology strategy and reviewing progress on important tasks, we significantly increased the time for explanation and discussion on technology from about 60 minutes in FY2022 to about 130 minutes. About 70 minutes of that time was devoted to discussing the use of technology in human resource services companies, a key strategy that will be at the core of our future growth.

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



## ② Audit and Supervisory Committee

The roles of the Audit and 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 Audit and Supervisory Committee shall perform oversight of the execution of duties of directors and the preparation of audit reports, decision on the details of the agenda concerning the appointment, dismissal, and refusal of reappointment of an external auditor, and decision on the opinion of the committee concerning appointment, dismissal, resignation, or compensation of directors (excluding directors who are Audit and Supervisory Committee Members).

### Situation in FY2023

Chair	Kazuhiko Tomoda (Independent Director)	Members	3 (including 2 Independent Directors)	Number of meetings held	16
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### Major activities in FY2023

- Gathering information from executives
- Attendance at important meetings
- Coordination with Internal Audit Division and External Auditor
- Checking the status of cybersecurity and privacy protection systems and progress on human capital management
- Inspections of PERSOL CAREER CO., LTD. and PROGRAMMED MAINTENANCE SERVICES LIMITED
- Checking the status of the internal control system regarding dividends from subsidiaries

## 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.

### Situation in FY2023

Chair	Kazuhiro Yoshizawa (Independent Director)	Members	4 (including 3 Independent Directors)	Number of meetings held	8
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### Major activities in FY2023

- Determination of the proposed amount of compensation for Board Members (excluding directors who are Audit and 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
- Determination of the proposed evaluation method for Executive Officers and submission of a report on the above to the Board
- Discussion of a CEO succession plan



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#### 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.

##### Situation in FY2023

Chair	Masaki Yamauchi (Independent Director)	Members	6 (including 4 Independent Directors)	Number of meetings held	7 (in addition, one meeting was held via correspondence)
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##### Major activities in FY2023

- Discussion about the composition of the Board for June 2024 onward and submission of a proposal on the composition to the Board
- Finalization of the proposed contents of results of the evaluation of effectiveness of the Board, the corporate governance report for FY2022, as well as a proposal on information to be disclosed in the Notice of Convocation of the 15th Ordinary General Meeting of Shareholders and submission of a report on the same to the Board
- Summary of the use of an external evaluation organization in the evaluation of effectiveness of the Board in FY2022 and discussion on the direction of the evaluation method in FY2023
- Discussion on setting gender diversity targets to ensure diversity on the Board and submission of a proposal to the Board
- Determination of the proposed outline of the evaluation of effectiveness of the Board for FY2023 and submission of a report on the same 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 members of the HMC ("the HMC members") shall be the persons who assume 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 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.

##### Situation in FY2023

Chair	Takao Wada (Representative Director, President and CEO)	Members	11 Executive Officers	Number of meetings held	24
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##### Activities of committees under the HMC in FY2023

Name	Purpose	Number of meetings held	Major activities in FY2023
6 Sustainability Committee	To deliberate on sustainability and related management agenda and promote sustainability management	2	<ul style="list-style-type: none"><li>• Deliberation on materiality initiatives, KPIs, and targets, and monitoring of progress and results</li><li>• Discussion on sustainability disclosures in securities reports and integrated reports</li><li>• Discussion on the current status of ESG assessment of the Company and the direction of future initiatives</li></ul>
7 Investment Committee	To deliberate on important matters related to the Group's overall investment and to raise the Group's organizational knowledge of a series of knowledge related to investment promotion	4	<ul style="list-style-type: none"><li>• Recommendations to HMC on enhancing monitoring of M&amp;A investments</li><li>• Discussion on enhancing the committee's deliberative structure</li></ul>
8 Risk Management Committee	To deliberate on the overall risk management of the Group, foster an awareness of risk, and enhance risk management capabilities within the Group	4	<ul style="list-style-type: none"><li>• Discussion and reporting on response plans, monitoring, and reviewing results for the Group's significant risks in FY2023</li><li>• Selecting and discussing the Group Significant Risks in FY2024</li><li>• Conducting crisis management training for management</li></ul>
9 Technology Committee	To deliberate on key issues concerning the Group's technology strategy and related management resources	4	<ul style="list-style-type: none"><li>• Monitoring the progress on our technology strategy and discussing policies and budgets for the upcoming fiscal year and beyond</li><li>• Discussion on the future technology investment management framework</li><li>• Discussions and policy decisions on high priority technology investments across the Group</li></ul>
10 Human Resources Committee	To deliberate on the Group's human resources strategy and succession planning for key talent	8	<ul style="list-style-type: none"><li>• Discussion on Executive Officer succession planning</li><li>• Discussion on key human resource indicators such as labor productivity and retirement rates</li><li>• Discussion on measures for next-generation management HR development and talent management</li><li>• Shared information on the SBUs' action plans to improve engagement</li></ul>
11 Gender Diversity Committee	To deliberate on the Group's strategies to promote the advancement of women and related key strategies	12	<ul style="list-style-type: none"><li>• Discussion on reviewing goals and action plans for each SBU to increase the percentage of women in managerial positions</li><li>• Discussion on the pros and cons of setting targets for the percentage of female officers and the targets themselves</li><li>• Discussion on subcommittee measures related to top management commitment, institutional/environmental improvement, corporate culture building, etc. (Refer to pages 45 to 46 for details.)</li></ul>
12 Staff Well-being Committee	To deliberate on human capital management of the Group's temporary staff	10	<ul style="list-style-type: none"><li>• Discussion on direction for initiatives to increase engagement by temporary staff</li><li>• Plan discussions and decisions to expand temporary staff engagement surveys</li><li>• Discussions and decisions on studies related to temporary staff capacity building</li><li>• Verification using data on the impact path that leads to value creation through initiatives to improve the well-being of temporary staff and confirmation of key measures</li><li>• Dialogue with stakeholders and sharing of feedback on committee activities (Refer to pages 47 to 48 for details.)</li></ul>



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Skills that the Board of Directors should have (knowledge, experience, and expertise)

Skills that the Board of Directors should have	Definitions	Reasons for the selection of skills
Corporate management	<ul style="list-style-type: none"><li>Experience and ability of engaging in important decision-making within the organization</li></ul>	To exercise an appropriate management oversight function based on their own management experience in making important business decisions to realize the Group Vision of “ <b>Work and Smile</b> ” and in exercising leadership of the management team
Innovation / Technology	<ul style="list-style-type: none"><li>Knowledge and experience regarding technology utilization and innovation in corporate management</li></ul>	To exercise appropriate management oversight in the creation of new value through innovation and the utilization of the Group's data and technology as it evolves into a “ <b>technology-driven HR service company,</b> ” as defined in the direction of management
“Career Well-being” / Human capital management	<ul style="list-style-type: none"><li>Knowledge and experience regarding human capital management, human resource strategy and health management, etc.</li></ul>	To exercise appropriate management oversight in order for diverse human resources to accelerate business and promote value creation as we aim to realize who we want to be, defined as a “ <b>Career Well-being</b> ” Creation Company
Internationality	<ul style="list-style-type: none"><li>Experience and ability of organizational operation, business management, and business operation involving multiple countries at an international organization or company (not limited to experience in Asia)</li></ul>	To exercise appropriate management oversight with respect to the establishment of management and governance structures as we pursue global business development
Risk management / Legal affairs	<ul style="list-style-type: none"><li>Knowledge and experience regarding risk management</li><li>Knowledge and experience regarding business law and governance</li></ul>	To exercise appropriate management oversight in promoting sound business activities and legal compliance in accordance with the <b>PERSOL Group Code of Conduct</b> as a precondition for improving corporate value over the mid to long term
Finance / Accounting	<ul style="list-style-type: none"><li>Knowledge and experience regarding business plan, budget, and capital policies</li><li>Sufficient knowledge and experience as a specialist of financial accounting</li></ul>	To exercise the management oversight necessary to ensure the growth, efficiency, and soundness of the financial base and to achieve appropriate cash allocation and shareholder returns as we seek to increase corporate value over the mid to long term
Sustainability	<ul style="list-style-type: none"><li>Experience and ability of working on promotion of sustainability and solving social issues in business management</li></ul>	To exercise appropriate management oversight in promoting sustainability management that creates value for society by overcoming diverse challenges that society faces through business activities that realize the Group Vision of “ <b>Work and Smile</b> ”

Board Skill Matrix

Name / Position		Skills that the Board of Directors should have (knowledge, experience, and expertise)						
		Corporate management	Innovation / Technology	“Career Well-being” / Human capital management	Internationality	Risk management / Legal affairs	Finance / Accounting	Sustainability
Masamichi Mizuta	Director and Chairperson of the Board	●		●				●
Takao Wada	Representative Director, President and CEO	●		●				●
Masaki Yamauchi	Independent Director	●	●	●				
Kazuhiro Yoshizawa	Independent Director	●	●	●				
Debra A. Hazelton	Independent Director			●	●		●	
Satoshi Murabayashi	Independent Director	●	●				●	
Daisuke Hayashi	Director Member of the Audit and Supervisory Committee				●	●		●
Chisa Enomoto	Independent Director Member of the Audit and Supervisory Committee				●	●		●
Kazuhiko Tomoda	Independent Director Member of the Audit and Supervisory Committee	●				●	●	

Note: Up to three skills that each Director possesses, but which does not represent all of the skills possessed.

Composition and attendance of the Board of Directors and committees under the Board of Directors

Name	Board of Directors		Audit and Supervisory Committee		Nomination and Compensation Committee		Corporate Governance Committee	
	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024
Masamichi Mizuta	15/15	●			8/8	●	7/7	●
Takao Wada	15/15	●						
Masaki Yamauchi	15/15	●			8/8	●	7/7	●
Kazuhiro Yoshizawa	15/15	●			8/8	●	3/5	●
Debra A. Hazelton	10/10	●					5/5	●
Satoshi Murabayashi	—	●			—	●		
Daisuke Hayashi	15/15	●	16/16	●			7/7	●
Chisa Enomoto	15/15	●	16/16	●				
Kazuhiko Tomoda	15/15	●	16/16	●			7/7	●

Note: In addition to the above, the Corporate Governance Committee has held one meeting via correspondence.



# Director and Officer Compensation and Succession Plan

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## Basic policy for director and officer compensation

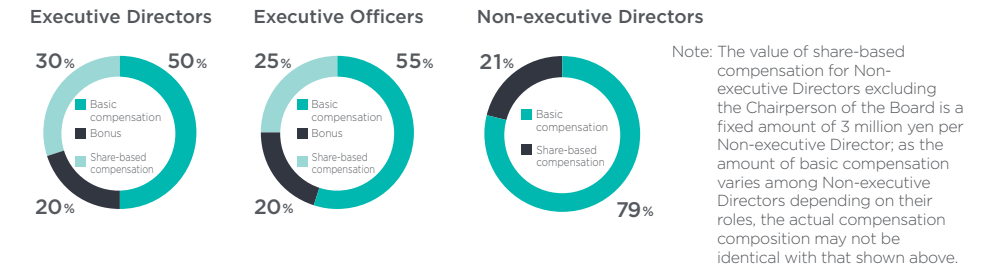
The compensation for director and officer (hereafter, "Executive Compensation") of the PERSOL Group is positioned as an incentive to achieve sustainable growth over the mid to long term. Following deliberations by the Nomination and Compensation Committee, the Board, at its meeting held in April 2023, formulated a compensation policy designed to clearly reflect contribution to the improvement of Company performance over the short to medium term, in order to realize the PERSOL Group's value creation story. The PERSOL Group's basic policy for Executive Compensation is embodied in the following three perspectives.

- Executive Compensation is linked to the short-, medium-, and long-term financial performance and corporate value of the PERSOL Group.
  - Linked not only to short-term financial performance but also to medium- to long-term financial performance and corporate value
- Executive Compensation is linked to shareholder value.
  - Aligns profit awareness with that of shareholders and raises awareness of shareholder-oriented management
  - Ensures transparency and objectivity of the process for determining compensation
- Executive Compensation 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 the Company's Directors and Officers with regard to improving financial performance and corporate value

## Determination process for compensation

The amount of Executive Compensation, its determination process, and the policy for determining details of compensation for each director and officer shall be determined by the Board following thorough deliberations by the Nomination and Compensation Committee, which is an independent advisory body to the Board. The amount of compensation, etc., for Directors who are members of the Audit and Supervisory Committee shall be determined through discussions among the Audit and Supervisory Committee Members. The Compensation for Directors, etc., shall be paid within the maximum amount of compensation, etc., established by a resolution at the General Meeting of Shareholders.

## The model of the composition of the compensation (for Executive Directors and Executive Officers, at the standard amount)



## Overview of the executive compensation system

	Positioning	Eligible Director	Evaluation measures	Provision method
Basic compensation	Fixed compensation	Executive Directors Executive Officers		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 Executive Officers	<ul style="list-style-type: none"><li>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</li><li>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.)</li></ul>	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 type medium- to long-term incentive compensation	Executive Directors Executive Officers	<ul style="list-style-type: none"><li>Financial measures Evaluated in accordance with the levels of achievement of (1) TSR, (2) adjusted EBITDA, and (3) ROIC</li><li>Non-financial measures (1) Value creation goal and (2) the employee engagement index</li></ul>	Designed to vary depending on the level of achievement of financial targets in the Mid-term Management Plan towards FY2025, as well as non-financial measures. Varies between 0% and 200%
	Fixed-type medium- to long-term incentive compensation	Executive Directors Executive Officers Non-executive Directors		A fixed number of shares are delivered as share-based compensation to further increase linkage with shareholder value

Note: For foreign Executive Directors, etc., different indicators and fluctuation ranges from those mentioned above may be applied, considering the laws and regulations pertaining to compensation in the region, as well as the compensation levels and practices.





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Executive compensation for FY2023

Type of executive	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 type medium- to long-term incentive compensation	Fixed-type medium- to long-term incentive compensation	
Directors who are not Audit and Supervisory Committee Members (The amount of Independent Directors)	306 (54)	187 (44)	39 (－)	44 (－)	35 (9)	7 (4)
Directors who are Audit and Supervisory Committee Members (The amount of Independent Directors)	67 (27)	59 (22)	－ (－)	－ (－)	7 (5)	3 (2)
Total (The amount of Independent Directors)	374 (82)	246 (67)	39 (－)	44 (－)	43 (14)	10 (6)

Total amount, etc., of consolidated compensation, etc., of internal directors who are not Audit and 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 type medium- to long-term incentive compensation	Fixed-type medium- to long-term incentive compensation
Masamichi Mizuta	Director and Chairperson of the Board	68	55	－	－	13
Takao Wada	Representative Director, President and CEO	149	72	32	33	10

Forfeit of compensation, etc. (Clawback/Malus)

In the event significant restatements of financial statements due to material accounting errors or accounting fraud have 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.

Succession plan

The Nomination and Compensation Committee deliberates on the Representative Director, President and CEO succession plan. The Company focuses on defining the necessary leadership attributes as detailed in the PERSOL Leadership Competency list 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 Company 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 Company 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.

Overview of the PERSOL Leadership Competency list

Category	Subcategory	Item
Business leadership	Vision formulation	Able to view the industry from a broad perspective, envision business functions, and articulate a vision based on a long-term outlook of 10 to 20 years.
		Able to identify the business challenges that need to be addressed, by listening to voices from the field and from customers/business partners.
		Demonstrates the commitment to enhancing social value and has successfully identified the essential societal issues to tackle.
	Business execution	Drives transformation.
		Promotes growth.
		Effectively utilizes IT in business planning and operations.
People leadership	Organizational creation	Possesses a high sensitivity and responsiveness to environmental changes, alongside the boldness to remain unflustered in times of change and emergencies.
		Possesses a broad perspective for protecting the Company and proactively minimizes business risks to the greatest extent possible.
	Diversity	Involvement in talent development and organization building.
		Influences beyond the boundaries of organization.
	Character	Demonstrates an understanding and respect for diversity, and actively promotes and leverages diversity within the organization.
		Able to communicate with individuals from different cultures with different languages.
		Is a respected figure who embodies both high ethical standards and tolerance.
		Possesses a spirit of altruism and embodies humility.



## Evaluation of Effectiveness of the Board

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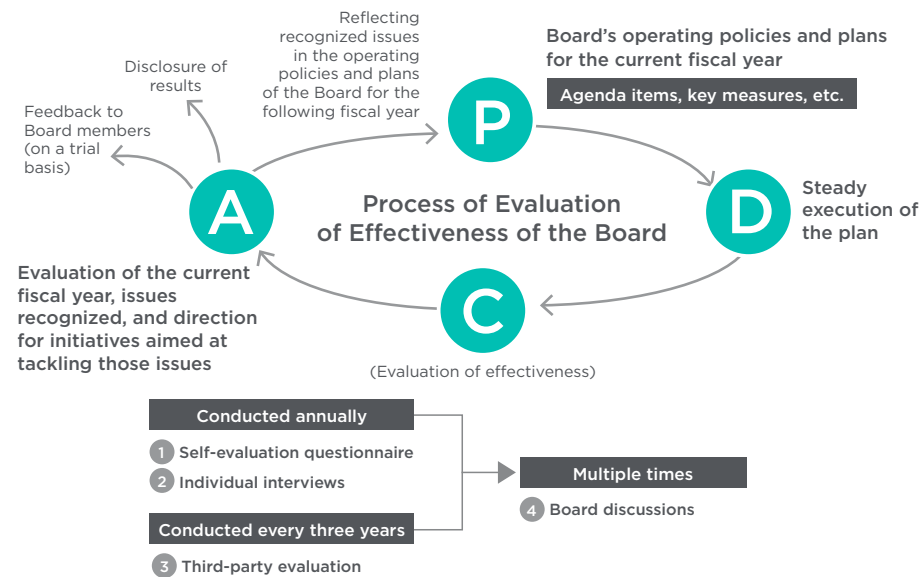
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### Implementation method

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 effectiveness of the Board in FY2023, we used the insights generated from the external evaluation conducted in FY2022 using a third-party evaluator. This evaluation involved a self-evaluation questionnaire targeting all directors, individual interviews with each director conducted by the Chairman of the Board, and a questionnaire distributed to the Executive Officers under its oversight. The results of these processes served as a basis for two rounds of discussions within the Board, where we identified issues to be addressed and deliberated on potential solutions. Following these discussions, we compiled the final evaluation results.



### 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; compensation of Executive Officers and scrutinizing the statements and actions of oneself and other Board members)
7	Operation of committees (roles and composition of the three Board committees, i.e., the Audit and 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)
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Evaluation results

Based on analyses of self-evaluation questionnaire surveys and director interviews, the Board held several discussions regarding its effectiveness. The Board observed that its composition, operation, culture and communication, discussion and oversight function, support systems, operation of committees, and relationship with investors and shareholders ensured its effectiveness, particularly by facilitating open, constructive discussions that clarified key points.

Progress in initiatives to address the issues identified in FY2022 Board effectiveness evaluation	
Setting key agenda items in line with the direction of medium- to long-term management strategies	By setting the agenda around medium- to long-term management strategy themes, including long-term growth strategy, technology strategy, human capital investment, and "Career Well-being," we facilitated discussion about future-oriented management strategies during the meeting. Further, we observed a potential for more improvement in the materialization of our business portfolio based on medium- to long-term management strategy themes in the future.
Monitoring business execution in a way conducive to corporate value	Progress on the vision, materiality, and management direction set forth in the Mid-term Management Plan was reviewed on a quarterly basis amongst the directors, and also between the Board members and the management team. Through these periodic progress checks, we recognized the opportunity for further improvements in ensuring the linkage between the overall direction of the Mid-term Management Plan, short-term business performance, and enhanced corporate value.
Securing sufficient communication opportunities between the Board and Executive Officers	In principle, all Executive Officers attended every Board meeting as observers. This allowed them not only to fully understand the outcomes of the Board's deliberations but also to grasp the intensity and process of discussions leading to key decisions. Looking towards the future, we understand that it is crucial to create opportunities for both formal and informal dialogue, going beyond mere participation in Board meetings to further enhance communication.
Further enhancing the management of Board meetings to stimulate discussion	The combined use of preliminary briefings and Board meetings have achieved both more in-depth discussions and more efficient meeting operations, as explanations were minimized at the Board meetings and more deliberation time was allocated to discussion. We have acknowledged that ongoing improvement is necessary for the Board to hold more efficient discussions within a limited time frame, aimed at enhancing corporate value. These improvements include developing clear and concise meeting materials around the issues at hand and continually striving to enhance the sophistication of our meeting operations.

Additionally, the Board needs to work on clarification of growth strategies that contribute to improving corporate value and constructive dialogue with shareholders and investors, appropriate oversight of business strategy, and continuous improvement of the Board's operation.

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.

Issues recognized in the FY2023 effectiveness evaluation of the Board and direction of future efforts	
Clarification of growth strategies that contribute to improving corporate value and constructive dialogue with shareholders and investors	We recognized the need to present solutions to the issues discussed by our Board toward improving our corporate value to our shareholders and investors using our growth story, concrete paths, and the nature of our business portfolio. Moreover, it was stated that it is necessary for the directors and the management team to engage in constructive dialogues with investors of various backgrounds, explain our growth story, outline the progress in developing and managing our business portfolio management system, and form a positive cycle leading to further sophistication of management by receiving feedback.
Appropriate oversight of business strategy (oversight for risks and opportunities)	We recognized the need to establish appropriate supervisory methods for the maintenance and operation of future business portfolio management system, after forming a common understanding of the roles expected mutually by the Board and the management team. It was deemed necessary to strengthen risk management and to optimize risk management, investment evaluation, and reporting frequency to the Board to contribute to risk-taking and opportunity-focused oversight.
Continuous improvement of Board operation	We recognized the need for the preparation of meeting materials and continuous improvement activities of meeting management that help achieve substantive discussions aimed at enhancing corporate value. Additionally, it was deemed necessary to ensure formal and informal communication opportunities amongst the directors, and between the Board members and the management team, which may stimulate further discussions.



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## Interview with Independent Directors

# Leveraging Corporate Governance to Drive the Growth of the PERSOL Group

The PERSOL Group is enhancing its corporate governance to support the improvement of medium- to long-term corporate value. 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 discussion with three of our Independent Directors.

### Masaki Yamauchi

Independent Director  
Lead Independent Director  
Chairperson of the Corporate Governance  
Committee  
Member of the Nomination and  
Compensation Committee

### Debra A. Hazelton

Independent Director  
Member of the Corporate  
Governance Committee

### Kazuhiro Yoshizawa

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

## Contributing to maximizing corporate value as representatives of the stakeholders

### Q. As Independent Directors, what factors do you prioritize?

**Yamauchi** One of the essential roles of the directors at PERSOL Group is to contribute to the enhancement of corporate value. This requires accurately identifying changes in the social and business environments, determining major strategic directions based on this awareness, and overseeing the management team's execution of their duties. In particular, I believe the role of Independent Directors is acknowledged as being an "antenna for environmental changes," precisely capturing societal moves. We strive to constantly monitor and ensure the Company's growth potential in response to these changes.

**Yoshizawa** I see the role of independent directors as going beyond merely criticizing the management team and supporting their decisive risk-taking. Particularly as the significance of human capital management is emphasized, Japanese companies are recognizing that human resources are their primary source of corporate growth. As a company that views human capital as the source of value creation, the PERSOL Group plays a crucial role in providing businesses with the human resources they require, including reskilling. As an independent director, I understand that I am expected to offer insights that anticipate social needs through Board discussions.

**Hazelton** As an independent director, I am constantly mindful of maximizing corporate value on behalf of the stakeholders of PERSOL Group, including shareholders, investors, customers, employees, staff, and communities. To this end, I concentrate my efforts on three critical areas: strategy, corporate governance, and corporate culture.

## Focusing on crucial agenda items such as long-term and financial strategies

### Q. What are your thoughts on the Board?

**Yoshizawa** The Board at our Company engages in open and vigorous discussions, including those with the management team. Each member leverages their respective strengths during these meetings, often resulting in stringent opinions being shared. For instance, Mr. Yamauchi precisely pointed out specific areas for improvement in the management team's suggestions, noting changes in social structures and examples from other companies. Additionally, Ms. Enomoto, a specialist in corporate communications, provides astute insights on PERSOL Group's media and public relations strategies from an objective standpoint. In this manner, the Board not only guides the management team's course of action, but also provides encouragement and motivation as needed.





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**Hazeldon** I am also impressed by how our Board encourages an open culture of discussion. Particularly during my past year on the Board, I was struck by the dynamic and lively discussions surrounding shareholder returns. Specifically, we engaged in multiple rounds of discussions to thoroughly discuss and ultimately decide on the acquisition of our own shares, including the appropriateness and scale of such actions, while ensuring the management team had ample opportunities to obtain relevant information. This event confirmed to me that our Board fosters an environment conducive to exhaustive discussions for critical management decisions.

**Yamauchi** Looking back over the past year, two significant aspects of the Board meetings stand out. One was that the Board dedicated significant amount of time to discussing the long-term strategies that should be prioritized. Based on the management team's descriptions of the business condition, we engaged in repeated discussions concerning the long-term management direction based on awareness of future environmental changes. The second is the discussion on the overseas strategies. Ms. Hazeldon, who has extensive knowledge of the APAC region, contributed valuable insights to these discussions, by providing perspectives not only from Japan but also from around the world.

## Establishing mechanisms for essential and efficient discussions

### Q. What is your evaluation of the effectiveness of the Board?

**Yamauchi** I believe the PERSOL Group has appropriately established mechanisms to enhance the effectiveness of the Board. A notable example includes the sessions held after the Board meetings between the representative director and independent directors, as well as the executive sessions conducted solely by independent directors. During the sessions, the President and Representative Director provides an overview of key forthcoming issues, allowing for effective oversight without any surprises later on. During the executive sessions, we freely exchange opinions on the Board's conduct, agendas, and the pros and cons of the discussions held that day. As the Lead Independent Director, I provide feedback from these sessions to the Chairperson of the Board, which leads to continuous improvements in the Board's operations.

**Yoshizawa** I recognize the high effectiveness of the Board, as discussions are thorough and not confined to predetermined outcomes. Instead, decisions are determined by majority vote after thoroughly considering dissenting opinions and fully exploring all aspects of the issues. Furthermore, one mechanism to measure the effectiveness of the Board is the practice of the Chairperson of the Board conducting individual interviews with each director. These interviews provide a valuable opportunity for both sides to exchange frank opinions on the Board's day-to-day operations and issues, and I regard it as a unique and effective initiative.

**Hazeldon** I positively perceive the strong commitment demonstrated by the Board and the executive team to enhancing the effectiveness of the Board. Furthermore, the preliminary briefing sessions before each Board meeting serve as highly valuable opportunities for gaining insight into the company's business environment and preparing for Board meetings. These preliminary briefing sessions are unique practices that I have not encountered in Australia where I live. On the other hand, there are challenges. When attending Board meetings online from Australia, I sometimes miss the opportunity to speak due to the timing of the interpretation and having difficulty identifying the speaker. I look forward to enhancements in future operations.

**Yamauchi** My opinion is that the explanation of proposals sometimes focuses too heavily on the presenter's specialized area of responsibility, which makes it harder for us to understand the big picture and background context. To facilitate productive Board discussions, I believe it's necessary to enhance the ability to describe matters from a comprehensive perspective. Additionally, I believe there should be more opportunities for the Board to discuss agenda items related to sustainability challenges and gender diversity.

**Yoshizawa** The enormous volume of materials for the Board meetings is one area that can be improved in the future. To ensure high-quality discussions within the limited time available, it is essential to clarify the key points more explicitly.





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## Managing board succession and focusing on ensuring diversity that aligns with our growth strategy

### Q. What are your thoughts on diversity within the Board?

**Yoshizawa** Our board diversity in terms of skills and gender should be consistent with our growth strategy. Mr. Murabayashi, who joined our Board in 2024, brings extensive expertise in financial settlements and information and communication technologies. His appointment is consistent with the PERSOL Group's growth strategy, which encourages the use of technology across our businesses to become a technology-driven HR services company.

**Hazelton** I highly commend our Board's clear commitment to ensuring diversity. I will contribute not only by enhancing skills such as knowledge, experience, and competencies, but also by encouraging diversity in terms of attributes like gender, nationality, and age. To that end, I believe we should strive for substantial diversity, rather than merely filling holes in the skills matrix formally.

**Yamauchi** I agree with Ms. Hazelton. Importantly, it is crucial to ensure diversity in accordance with the human resources and skills needed for the growth of the PERSOL Group. Moving forward, I will remain committed to maintaining a balanced board size while ensuring diversity.



**Yoshizawa** I believe our Board, composed of nine members, is of an appropriate size. We have assembled members with high-level expertise. Going forward, I hope we will continue to select individuals who contribute valuable insights to our growth strategy, forming the strongest possible team.

**Yamauchi** We have formulated and implemented a comprehensive succession plan not only for the CEO, but also for the entire Board as part of our Board succession. It takes a certain amount of time to identify and onboard individuals with the skills required by our Board, thus we continuously execute a proactive selection process. I believe that such designed mechanisms contribute to ensuring our Board diversity.

## Striving to become a Company that creates "Career Well-being" as a social infrastructure

### Q. What are your expectations and challenges for the PERSOL Group?

**Yoshizawa** The PERSOL Group aims to create "Career Well-being." I wish to develop a business that embodies the sentiment that work is a source of fulfillment and happiness for everyone. This requires us to go beyond traditional talent supply and matching, contributing to society through innovative services such as reskilling initiatives and platforms like "Sharefull." Moreover, it is crucial to foresee social changes and make timely decisions in implementing these strategies. I wish to assist in solving social issues by providing suggestions and advice.

**Hazelton** The growing significance of human capital in corporate management represents both an opportunity and a risk for the PERSOL Group. Changes in social structure, such as the declining birthrate and aging population, as well as the impact of new technological innovations like generative AI on society, present business risks. At the same time, I believe it is crucial to mitigate the negative aspects inherent in these risks

and accurately seize growth opportunities for our Company. In this context, I find great reassurance in our group vision, "Work and Smile," which provides an excellent framework for managing these challenges.

**Yamauchi** The value of a corporation lies in producing goods and services that society needs, thereby contributing to a better society. In other words, I believe that corporations exist to bring happiness to people. In the context of Japan's anticipated population decline, creating "Career Well-being" has become a significant social challenge. By addressing this challenge, I am confident that our Company can establish itself as a key component of social infrastructure. Our social responsibility is growing ever larger, but I am committed to fulfilling my role as an independent director to appropriately exercise these responsibilities and pave the way for a brighter future.

### Message from our newly appointed Independent Director



**Satoshi Murabayashi**  
Independent Director

It is an honor to be appointed to a member of the Board of PERSOL HOLDINGS Co., Ltd. and to assist this "Career Well-being" Creation Company in its endeavor to create better work opportunities for one million individuals by 2030. I have a long track record with banking financial systems, having served as CIO of Mitsubishi UFJ Financial Group, Inc. as well as other roles that involved digital currency, network services, and cloud-based services. Additionally, I have participated in digital transformation initiatives at both the national and local government levels.

Given the motto of "Enriching Japan through IT," I am confident that I can leverage my experience and expertise in proposing and implementing technology strategies and training digital talent to provide advice and recommendations on how the PERSOL Group can continue to grow sustainably as a technology-driven HR service company. Moreover, I will utilize my extensive business management experience as a member of the Nomination and Compensation Committee in order to enhance the oversight function of the Group, increase corporate value, and assist in the realization of the Group Vision, "Work and Smile."



# Risk Management

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## Basic approach

At the PERSOL Group, we consider risk management activities as essential not only for minimizing losses and damages when risks arise but also for preserving and increasing the Group's corporate value. In order to actively control risk, we have implemented the Group Risk Management Rules, which are applicable to the entire Group including our overseas operations. We have also implemented the Group Crisis Management Rules to ensure that we are able to respond promptly and appropriately when risks arise.

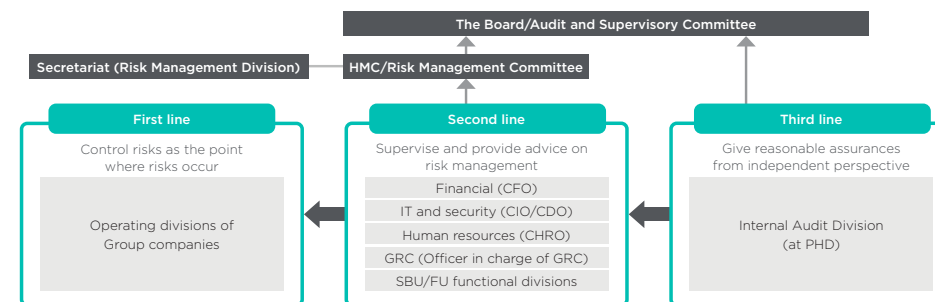
We are perpetually reviewing and enhancing our risk management activities as the environment surrounding the PERSOL Group continues to evolve at an accelerated pace.

## Concept of the "Three-Line Model" of the PERSOL Group

The PERSOL Group has implemented a "Three-Line Model" and established a risk management system that is based on the Group-wide Risk Management Committee.

As a subordinate organization to the Headquarters Management Committee (HMC), the committee meets quarterly to support the CEO in making decisions. Its members comprise the Representative Director, President and CEO, Group Senior Executives, and Strategic Business Unit (SBU) and Function Unit (FU) Internal Control Implementation Managers. The committee deliberates on the Group's overall risk management, including the Group Significant Risks listed below, and reports its activities to the Board on a regular basis.

### Overview of the PERSOL Group risk management structure

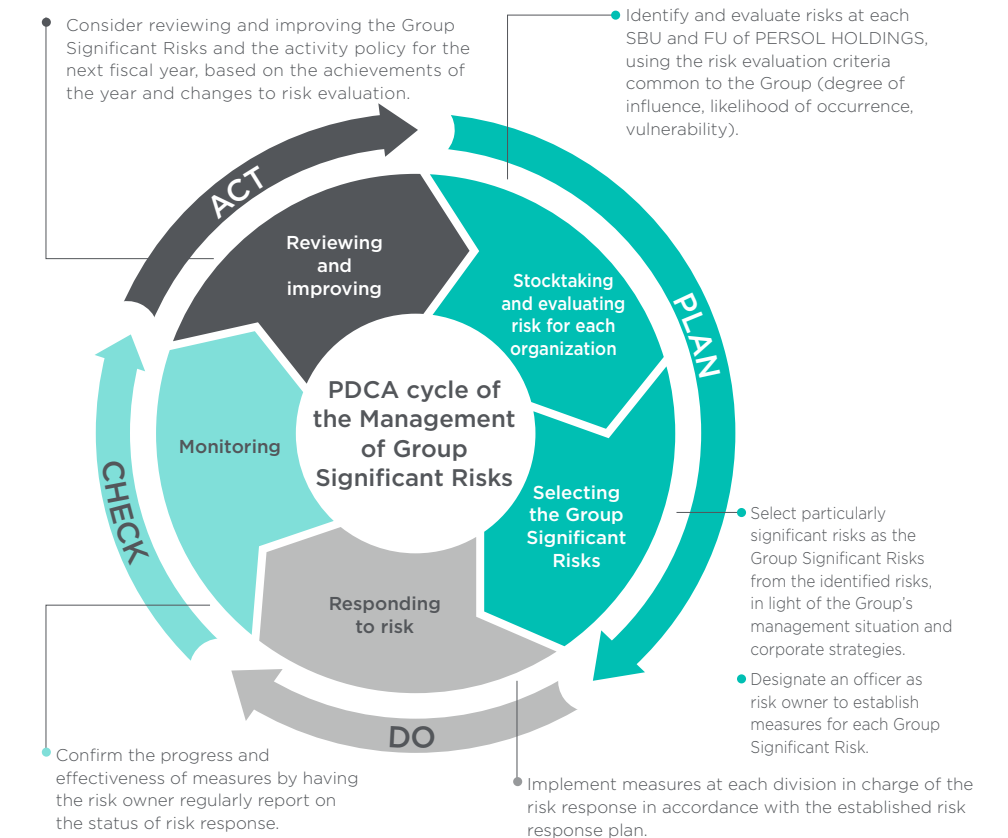


Note: PHD=PERSOL HOLDINGS, CFO=Chief Financial Officer, CIO/CDO=Chief Information Officer/Chief Digital Officer, CHRO=Chief Human Resources Officer, GRC = Governance, risk and compliance

## Risk management process

The PERSOL Group selects Group Significant Risks, which are risks that are deemed particularly significant in light of the Group's management situation and corporate strategies. We select Group Significant Risks based on a risk assessment of impact and likelihood of occurrence, taking into account social expectations and concerns.

After appointing an Executive Officer of PERSOL HOLDINGS as the risk owner (holding ultimate accountability for these risks), the selected Group Significant Risks are managed under a cycle whereby the Risk Management Committee reviews and confirms the risk response plan, its progress, and effectiveness on an annual basis.





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Overview of Group Significant Risks for FY2024

Significant risks	Details of risks	Status of measures against risks	Risk owner
IT-related risks (personal information leaks, system failures, etc.)	● Information leakage due to external attack (cyberattacks such as ransomware) or internal fraud or negligence can harm the brand's reputation, cause service users to withdraw, and even lead to claims for damages.	● Implement security measures for the Group's networks and systems. ● Establish PERSOL Group CSIRT (PERSOL-SIRT). ● 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.	CIO/CDO
	● Natural disasters, cyberattacks, equipment or external services failures, operational errors, and other events can cause delays and suspension of services provided by the PERSOL Group and its major functions.	● 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	● Reappraisal of affiliated companies' shares or goodwill impairment loss, etc. ● Failure to obtain the expected return on invested capital.	● Deliberate the important investments by the Investment Committee. ● Monitor the progress of past investments as well as return on investment.	CFO
Privacy invasion risk	● Improper handling of personal information leads to administrative punishment, litigation, and problems or criticism on social media. ● Increase in service user defection and deterioration of the corporate image due to disadvantages to or mistrust of the data provider.	● Establish and publish the Personal Data Policy for the Group. ● Deliberate the on Group policies and measures by the Group Privacy Governance Council. ● Implement a prescreening process from a privacy perspective when planning new services and measures. ● Implement privacy education for all employees.	CIO/CDO
Business continuity risk in emergencies such as natural disasters	● 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.	● Strengthen Emergency Response Headquarters functions (redundancy, use of technology, etc.). ● Formulate a BCP and continuously implement review and improvement. ● Verify effectiveness of BCM by periodically conducting training.	Officer in charge of GRC
Risks associated with human rights violations	● Insufficient efforts to respect human rights or establish mechanisms in line with international norms result in loss of business opportunities and damage to brand image, among other things. ● Human rights violations result in administrative punishments in the relevant country, as well as damage to the PERSOL Group's social credibility and brand image.	● Established and announced the PERSOL Group Human Rights Policy. ● Implement human rights due diligence. ● Implement human rights training for all PERSOL Group officers and employees. ● Encourage initiatives 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	● 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.	● Prepare a scenario for economic downturns at the start of the year and implement cost management. ● Develop and expand new business areas through continuous investment in growth fields.	CFO
Risks associated with climate change	● Rising temperatures due to greenhouse gases, which adversely affect the PERSOL Group's businesses and financially impact the Group due to increased costs.	● Reduce greenhouse gas emissions based on the declaration of carbon neutrality by 2030.	Officer in Charge of General Affairs and Procurement

## Information Security

The PERSOL 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 PERSOL Group Information Security Basic Policy.

In accordance with information security rules established based on this policy, 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 rules. In addition, because we

consider information leaks to be a significant risk for the Group, we are working to strengthen risk countermeasures for detecting and defending against cyberattacks such as ransomware and are implementing regular security audits to review and improve our security posture.

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

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



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







# Crisis Management

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## Basic approach

The PERSOL Group has established the Group Crisis Management Rules 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.

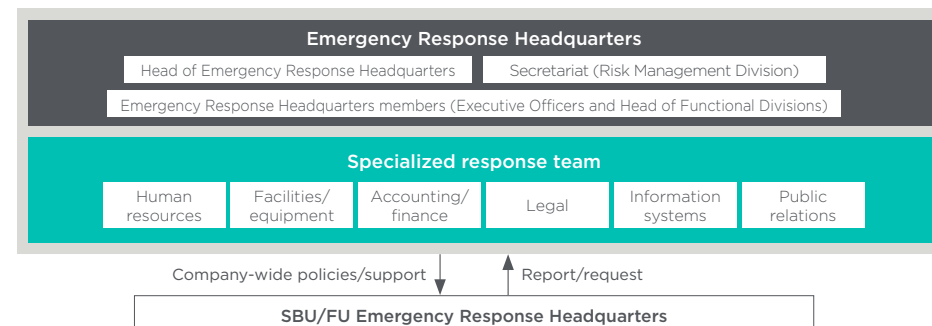
Furthermore, when it comes to natural disasters and other emergencies, the PERSOL Group places top priority on the safety and well-being of its employees and temporary staff.

## Crisis management system / reporting process

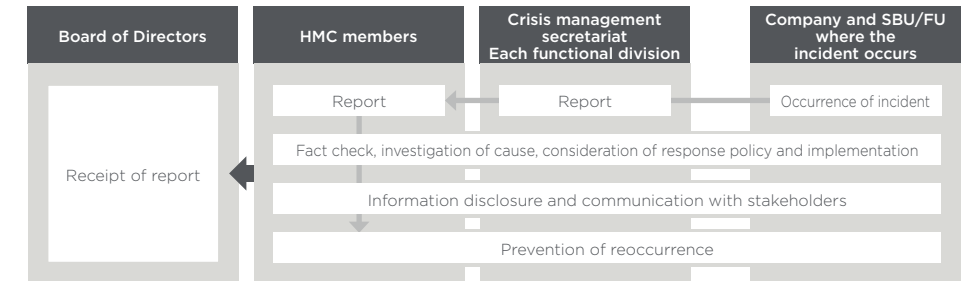
If an incident, such as a large-scale natural disaster, compliance violation, or cyberattack, occurs and is deemed a crisis, the department in charge of the incident promptly shares the information with the HMC members and the Group risk management division of PERSOL HOLDINGS, and they make a timely and appropriate response, depending on the type of incident and its impact.

Additionally, if the Representative Director, President and CEO of PERSOL Holdings determines that a crisis is particularly serious, an Emergency Response Headquarters will be established within PERSOL HOLDINGS. The Emergency Response Headquarters consists of specialized response teams according to the type of crisis, coordinating efforts across the Group and ensuring that appropriate information is disclosed to stakeholders.

### Crisis management structure of PERSOL HOLDINGS (Example: At the time of a large-scale natural disaster)



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



## Initiatives for major earthquakes and other natural disasters

In preparation for major earthquakes, such as a Tokyo in-land earthquake or a Nankai Trough earthquake, we have implemented an IT-based system for gathering disaster information. We have also implemented an automated system to gather data on employee safety and the status of our facilities in affected areas, ensuring swift and efficient initial disaster response. We also conduct an annual drill for all group employees to practice using the safety confirmation system, as well as drills for the Emergency Response Headquarters to ensure the proper flow of information and assess the disaster situation. Furthermore, considering the possibility that the Tokyo metropolitan area could become dysfunctional, we have established a backup function for the Emergency Response Headquarters in Osaka. We are also working to build and maintain a business continuity system through regular drills.

We have also established a business continuity plan for salary payments, and through regular drills, we are committed to helping employees, including temporary staff, maintain their livelihoods even in a crisis.

In the APAC region, we are working to safeguard the safety and health of our employees by implementing safety measures and training for local employees, including Japanese expatriates, providing medical support, and establishing protocols for confirming employee safety in emergencies. These measures are in place not only for natural disasters but also for political and social instability, war, and terrorism. We are also strengthening our response by regularly reviewing our business continuity plan and conducting ongoing drills.



# Compliance

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## Basic approach

The PERSOL Group views compliance as meeting the demands and expectations of society and conducting business activities with integrity. To make this idea a reality, we have formulated the PERSOL Group Code of Conduct to be observed by all officers and employees of the PERSOL Group in Japan and overseas. 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.

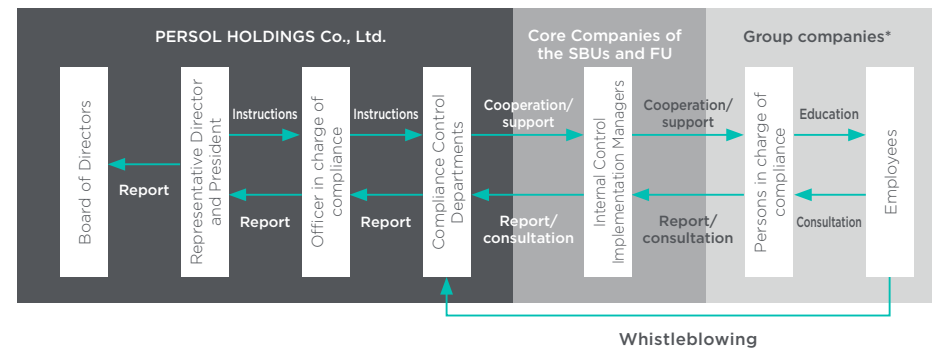
The PERSOL Group Code of Conduct is available on our website.  
[https://www.persol-group.co.jp/en/corporate/governance/code\\_of\\_conduct.html](https://www.persol-group.co.jp/en/corporate/governance/code_of_conduct.html)



## Compliance promotion structure

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

Additionally, each SBU and FU core company's appointed Internal Control Implementation Managers support the full understanding and practice of compliance across all Group companies.



\* Group companies include PERSOL HOLDINGS and core companies of the SBUs and FU.

## Conducting a compliance awareness survey

### Compliance handbook

The Compliance Handbook is designed to ensure that all officers and employees of the PERSOL Group, both in Japan and overseas, fully understand the PERSOL Group Code of Conduct, enabling them to make informed decisions and take actions accordingly. The handbook clearly outlines the importance of compliance within the PERSOL Group and provides specific actions to be taken in accordance with the Code of Conduct.

### Compliance training

In addition to providing regular compliance training to all PERSOL Group officers and 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 FY2023, the compliance training participation rate for all officers and employees in Japan was 99.4%, with 37,231 individuals completing the training. We also gave compliance training to all officers and employees at overseas Group companies, focusing on topics such as compliance, respect for human rights, and information security.

### PERSOL Group compliance training (for Group companies in Japan)

Name	Details	FY2023 result
Compliance training for all officers and employees	Training for all officers and employees of the PERSOL Group (once a year)	Compliance training participation rate: 99.4%
Legal newsletter	Dissemination of legal knowledge related to the business through the intranet	Number of times distributed: 3
New graduate training	Training for new graduates when they join the Group	Number of people who received training: 1,942
Mid-career hire training	Training for mid-career hires when they join the Group	Conducted at each Group company as necessary
Newly appointed manager training	Training for managers (section manager level) upon appointment	Number of people who received training: 432

### Conducting a compliance awareness survey

We conduct an annual compliance awareness survey of all Group officers and employees in Japan in order to continuously monitor the instilling and establishment of compliance activities. PERSOL HOLDINGS analyzes and evaluates the survey results, then reports to management and the compliance divisions of core companies of SBUs and FU as compliance indicators, with the goal of reviewing and improving the compliance system and promotion activities.

## Whistleblowing system

The PERSOL Group has implemented a whistleblowing system both in Japan and overseas to ensure early detection of compliance violations and prompt corrective action. To raise awareness of the whistleblowing hotline established under this system, we are implementing various measures, including posting notices on the company intranet and conducting training sessions.

In FY2023, awareness of the whistleblowing system reached 83%, and we received 77 whistleblowing reports, many of which dealt with labor issues and information handling. By providing training for the whistleblowing officers at each company, we have been able to conduct appropriate investigations and respond effectively to reports received through the whistleblowing system.

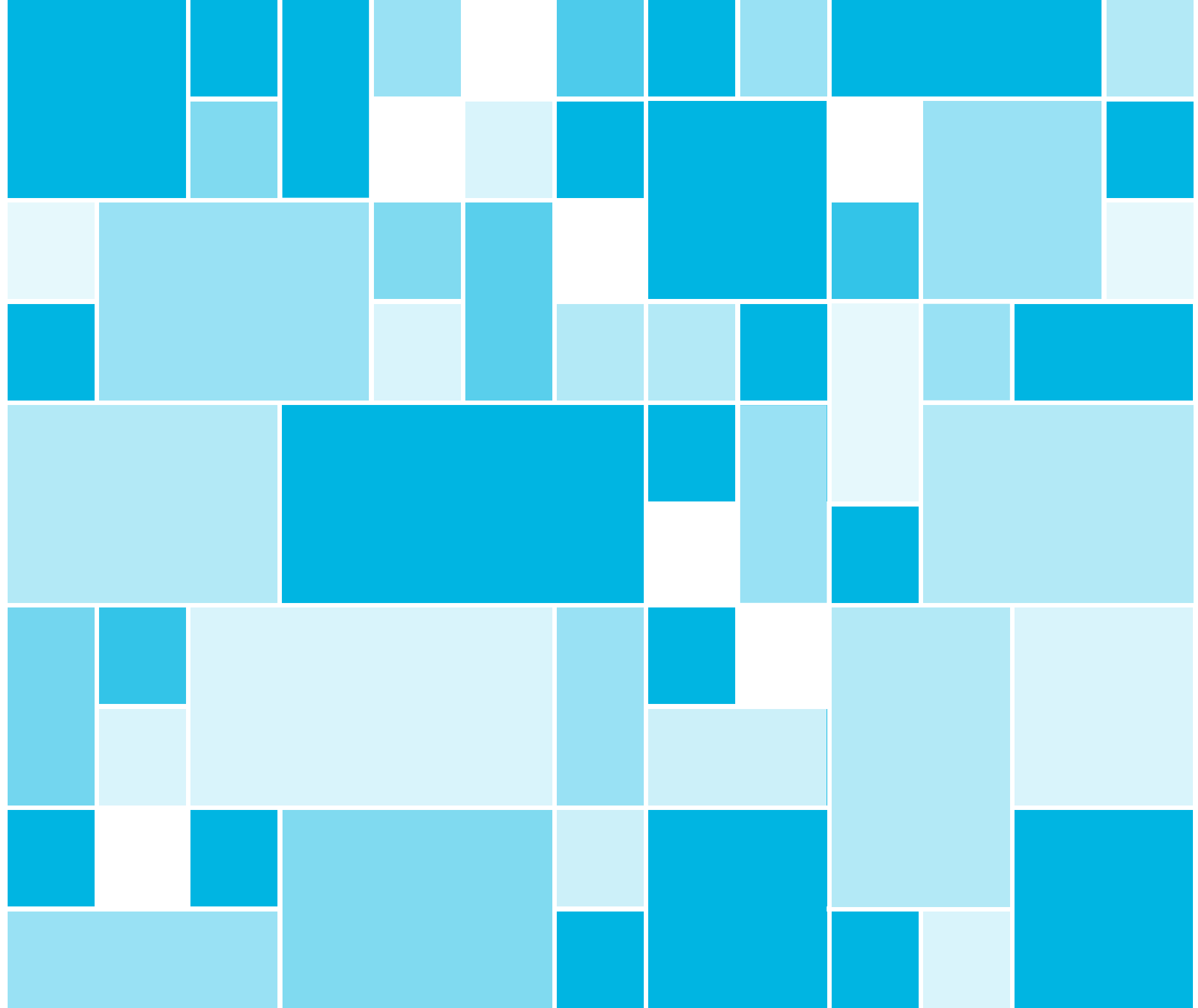
Overseas, there has also been progress in reviewing the mechanisms and awareness-raising measures related to whistleblowing systems. We are working to create an environment where officers and employees can use the whistleblowing hotline with even greater confidence than before.



# 4

## Financial and Non-Financial Data/ Corporate Profile

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## Financial Highlights

← JGAAP →

	FY2018	FY2019	FY2020	FY2021	FY2022
Income Statement (in fiscal year ended)*1 *2					
Net sales	925,818	970,572	950,722	1,060,893	1,223,967
Gross profit	206,517	213,991	201,413	240,837	282,643
Selling, general and administrative expenses	162,406	174,905	175,688	192,694	229,581
Operating profit	44,111	39,085	25,724	48,143	53,061
Ordinary profit	43,982	39,361	28,453	49,484	53,693
EBITDA*3	59,972	56,356	43,170	67,150	76,417
Net profit attributable to owners of parent	24,361	7,612	15,341	31,906	20,578
Cash flows (in fiscal year ended)*1 *2					
Cash flows from operating activities	42,353	28,592	36,805	50,692	52,796
Cash flows from investing activities	(15,141)	(17,576)	(13,188)	(7,057)	(22,504)
Cash flows from financing activities	(48,165)	(1,987)	(17,973)	(21,145)	(38,268)
Financial Position (as of the end of fiscal year ended)*1 *2					
Total assets	370,839	370,993	381,179	425,110	442,159
Cash and cash equivalents	68,969	78,037	82,991	106,558	99,658
Borrowings	40,794	51,028	42,264	41,466	41,539
Shareholders' equity	159,165	154,792	159,539	184,579	180,366
Per-share information*1 *2					
Earnings per share (EPS) (yen)	104.39	32.76	66.50	138.51	89.61
Cash dividends (yen)	25	30	26	42	61
Payout ratio	24.0%	91.6%	39.1%	30.3%	68.1%
Other financial data*2					
Gross profit margin	22.3%	22.0%	21.2%	22.7%	23.1%
Operating profit margin	4.8%	4.0%	2.7%	4.5%	4.3%
Ordinary profit margin	4.8%	4.1%	3.0%	4.7%	4.4%
EBITDA margin	6.5%	5.8%	4.5%	6.3%	6.2%
Return on invested capital (ROIC*)	15.9%	13.8%	9.2%	14.2%	15.3%
Return on equity (ROE*)	16.2%	5.0%	10.1%	18.9%	11.2%
Shareholders' equity ratio	42.9%	41.7%	41.9%	43.4%	40.8%
Capital expenditure	9,534	13,383	11,744	11,703	14,293
Depreciation	7,249	9,466	10,760	12,150	16,059

\*1 From the third quarter of FY2021 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 FY2020 and FY2021. (The same applies hereinafter.)

\*2 From the first quarter of FY2022 onwards, a new accounting process applies to asset retirement obligations. Accordingly, it applies retrospectively to the financial results for FY2021. (The same applies hereinafter.)

\*3 EBITDA = Operating profit + amortization of goodwill + depreciation

\*4 ROIC (JGAAP) = Operating profit after tax before amortization of goodwill / Invested capital (= Business assets - Business liabilities)  
ROIC (IFRS) = Operating profit after tax / Invested capital (= Total equity + Interest-bearing debt (excluding lease)) (average of beginning and ending amounts)

← IFRS →

(Million yen)

	FY2022	FY2023
Income Statement (in fiscal year ended)		
Revenue	1,242,611	1,327,123
Gross profit	281,859	301,161
Selling, general and administrative expenses	225,479	247,395
Operating profit	42,754	52,065
Adjusted EBITDA*6	75,277	72,287
Profit attributable to owners of parent	22,761	29,971
Cash flows (in fiscal year ended)		
Cash flows from operating activities	68,980	77,753
Cash flows from investing activities	(22,787)	(19,000)
Cash flows from financing activities	(41,779)	(53,803)
Financial Position (as of the end of fiscal year ended)		
Total assets	488,728	518,730
Cash and cash equivalents	101,233	108,369
Borrowings	41,539	34,144
Shareholders' equity	97,565	126,666
Per-share information*7		
Adjusted EPS (yen)	17.22	17.03
Cash dividends (yen)	6.1	8.6
Dividend payout ratio (%) based on adjusted EPS	35.4	50.5
Other financial data		
Ratio of gross profit margin to revenue	22.7%	22.7%
Ratio of operating profit to revenue	3.4%	3.9%
Adjusted EBITDA margin	6.1%	5.4%
Return on invested capital (ROIC)	12.7%	15.1%
Return on equity (ROE)	13.6%	16.6%
Shareholders' equity ratio	20.0%	24.4%
Capital expenditure	14,293	16,239
Depreciation (excluding the rent equivalent amount of the depreciation of right-of-use assets)	14,056	12,554

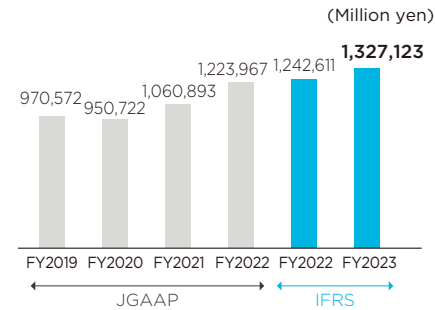
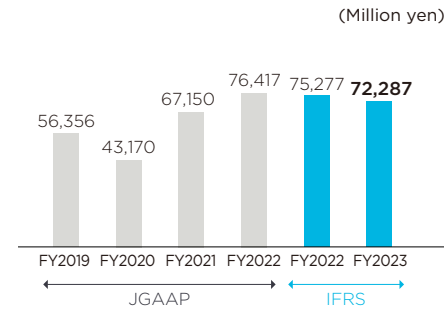
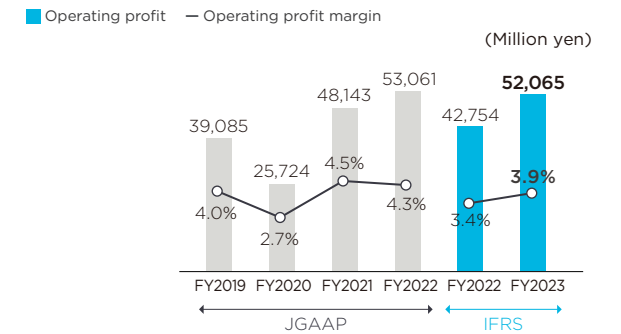
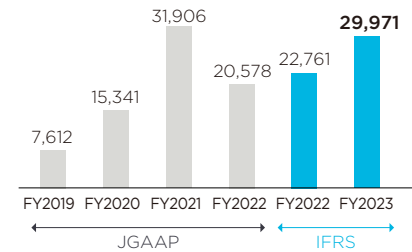
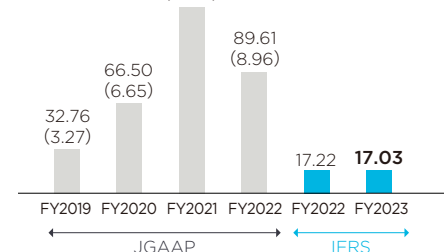
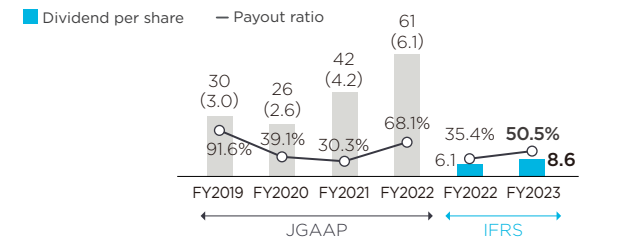
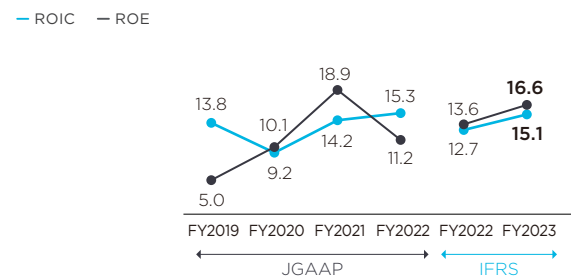
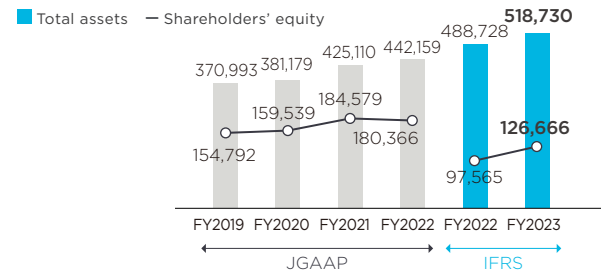
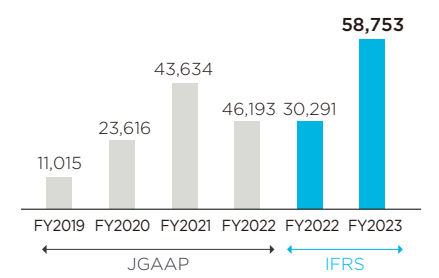
\*5 ROE (JGAAP) = Profit attributable to owners of parent / Equity capital  
ROE (IFRS) = Profit attributable to owners of parent / Equity attributable to owners of parent (average of beginning and ending amounts)

\*6 Adjusted EBITDA = Operating income + depreciation (excluding the rent equivalent amount of the depreciation of right-of-use assets) ± increase/decrease in accrued paid vacation days + share-based payment expenses ± other income/expenses ± other non-recurring income/losses

\*7 Stocks were split at a ratio of 10 shares for every 1 share of common stock, with an effective date of October 1, 2023. The calculations assume that stocks had been split as of both FY2022 and FY2023.

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Information](#)**Net sales (JGAAP) and Revenue (IFRS)****EBITDA (JGAAP) and Adjusted EBITDA (IFRS)\*1 \*6 \*7****Operating profit\*1/Operating profit margin\*1****Profit attributable to owners of parent\*1 \*2 \*3 (Million yen)****EPS (JGAAP) and Adjusted EPS (IFRS)\*1 \*3 \*8 (Yen)****Dividend per share/payout ratio (JGAAP) and dividend payout ratio based on adjusted EPS (IFRS)\*1 \*3 \*8 (Yen)****ROIC\*1 \*3 \*4/ROE\*1 \*2 \*3 \*5 (%)****Total assets\*1 \*3/Shareholders' equity\*1 \*3 (Million yen)****Free cash flow\*1 \*3 (Million yen)**

\*1 From the third quarter of FY2021 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 FY2020 and FY2021 reflect its impacts.

\*2 For FY2019, 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 FY2022, 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 The consolidated tax return filing system has been applied since FY2020.

\*4 ROIC (JGAAP) = Operating profit after tax before amortization of goodwill / Invested capital (= Business assets - Business liabilities)  
ROIC (IFRS) = Operating profit after tax / Invested capital (= Total equity + Interest-bearing debt (excluding lease)) (average of beginning and ending amounts)

\*5 ROE (JGAAP) = Profit attributable to owners of parent / Equity capital  
ROE (IFRS) = Profit attributable to owners of parent / Equity attributable to owners of parent (average of beginning and ending amounts)

\*6 EBITDA = operating profit + depreciation + amortization of goodwill

\*7 Adjusted EBITDA = Operating income + depreciation (excluding the rent equivalent amount of the depreciation of right-of-use assets) ± increase/decrease in accrued paid vacation days + share-based payment expenses ± other income/expenses ± other non-recurring income/losses

\*8 Stocks were split at a ratio of 10 shares for every 1 share of common stock, with an effective date of October 1, 2023. The calculations assume that stocks had been split as of both FY2022 and FY2023. For FY2019 to FY2022 (JGAAP), the figures converted assuming that the stock split had been implemented are also shown as reference values in parentheses.



# Consolidated Statement of Financial Position

(Million yen)

	IFRS transition date (April 1, 2022)	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	95,933	101,233	108,369
Trade and other receivables	158,857	162,853	169,008
Contract assets	19,077	23,533	24,426
Other financial assets	94	78	113
Other current assets	8,032	13,748	10,771
<b>Total current assets</b>	<b>281,995</b>	<b>301,445</b>	<b>312,690</b>
<b>Non-current assets</b>			
Trade and other receivables	320	309	320
Contract assets	4,230	3,937	5,020
Property, plant and equipment	9,989	9,229	9,575
Right of use assets	28,399	28,168	35,973
Goodwill	63,941	58,465	59,019
Intangible assets	35,762	35,250	39,655
Investments accounted for using equity method	2,771	4,729	2,287
Other financial assets	22,175	23,464	29,193
Deferred tax assets	18,460	23,410	24,561
Other non-current assets	204	317	433
<b>Total non-current assets</b>	<b>186,255</b>	<b>187,283</b>	<b>206,040</b>
<b>Total assets</b>	<b>468,251</b>	<b>488,728</b>	<b>518,730</b>

(Million yen)

	IFRS transition date (April 1, 2022)	As of March 31, 2023	As of March 31, 2024
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	87,103	93,688	95,270
Bonds payable and borrowings	14,968	21,174	14,144
Lease liabilities	13,630	14,005	15,010
Other financial liabilities	836	989	1,141
Income tax payable	10,745	10,535	8,834
Provisions	787	1,588	1,019
Contract liabilities	4,951	6,596	6,931
Other current liabilities	92,854	100,972	115,063
<b>Total current liabilities</b>	<b>225,877</b>	<b>249,552</b>	<b>257,416</b>
<b>Non-current liabilities</b>			
Bonds payable and borrowings	40,000	30,117	20,000
Lease liabilities	12,622	12,813	19,835
Other financial liabilities	737	809	976
Provisions	4,492	4,660	5,084
Deferred tax liabilities	3,919	4,394	4,343
Other non-current liabilities	3,126	2,850	2,756
<b>Total non-current liabilities</b>	<b>64,899</b>	<b>55,647</b>	<b>52,996</b>
<b>Total liabilities</b>	<b>290,777</b>	<b>305,199</b>	<b>310,412</b>
<b>Equity</b>			
Share capital	17,479	17,479	17,479
Capital surplus	12,110	12,272	4,751
Retained earnings	141,880	154,926	165,979
Treasury shares	(10,351)	(19,459)	(9,584)
Other components of equity	4,290	4,452	13,724
<b>Total equity attributable to owners of parent</b>	<b>165,409</b>	<b>169,670</b>	<b>192,349</b>
<b>Non-controlling interests</b>	<b>12,064</b>	<b>13,859</b>	<b>15,968</b>
<b>Total equity</b>	<b>177,474</b>	<b>183,529</b>	<b>208,317</b>
<b>Total liabilities and equity</b>	<b>468,251</b>	<b>488,728</b>	<b>518,730</b>

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# Consolidated Income Statement and Comprehensive Income Statement

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## Consolidated Income Statement

(Million yen)

	Fiscal year ended March 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 2024 (April 1, 2023 to March 31, 2024)
Revenue	1,242,611	1,327,123
Cost of sales	(960,751)	(1,025,962)
Gross profit	281,859	301,161
Selling, general and administrative expenses	(225,479)	(247,395)
Other income	262	1,578
Other expenses	(13,888)	(3,278)
Operating profit	42,754	52,065
Finance income	570	918
Finance costs	(1,569)	(1,296)
Share of loss (profit) of investments accounted for using equity method	(505)	(618)
Share of impairment losses of entities accounted for using equity method	—	(2,142)
Profit before tax	41,249	48,926
Income tax expense	(16,471)	(16,952)
Profit	24,777	31,974
Profit attributable to		
Owners of parent	22,761	29,971
Non-controlling interests	2,015	2,002
Profit	24,777	31,974
Earnings per share		
Basic earnings per share (yen)	9.94	13.22
Diluted earnings per share (yen)	9.89	13.14

## Consolidated Comprehensive Income Statement

(Million yen)

	Fiscal year ended March 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 2024 (April 1, 2023 to March 31, 2024)
Profit	24,777	31,974
Other comprehensive income		
Items that will not be reclassified to profit/loss		
Financial assets measured at fair value through other comprehensive income	174	1,725
Remeasurements of defined benefit plans	31	(115)
Total of items that will not be reclassified to profit/loss	205	1,609
Items that may be reclassified to profit/loss		
Cash flow hedge	3	—
Exchange differences on translation of foreign operations	(26)	7,401
Share of other comprehensive income of investments accounted for using equity method	201	318
Total items that may be reclassified to profit/loss	179	7,719
Other comprehensive income, net of tax	384	9,328
Comprehensive income	25,161	41,303
Comprehensive income attributable to		
Owners of parent	23,116	39,252
Non-controlling interests	2,044	2,050
Comprehensive income	25,161	41,303



# Consolidated Statement of Changes in Equity

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

(Million yen)

	Equity attributable to owners of parent				Other components of equity	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Exchange differences on translation of foreign operations	Cash flow hedge
Balance as of April 1, 2022	17,479	12,110	141,880	(10,351)	—	(3)
Profit	—	—	22,761	—	—	—
Other comprehensive income	—	—	—	—	150	3
Total current comprehensive income	—	—	22,761	—	150	3
Purchase of treasury shares	—	—	—	(9,999)	—	—
Disposal of treasury shares	—	(828)	—	891	—	—
Cancellation of treasury shares	—	—	—	—	—	—
Dividends	—	—	(9,909)	—	—	—
Share-based compensation transactions	—	1,081	—	—	—	—
Changes due to business combinations	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	(91)	—	—	—	—
Changes due to loss of control of subsidiaries	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	193	—	—	—
Other	—	—	—	—	—	—
Total transactions with owners	—	161	(9,715)	(9,108)	—	—
Balance as of March 31, 2023	17,479	12,272	154,926	(19,459)	150	—

	Equity attributable to owners of parent				Non-controlling interests	Total
	Other components of equity			Total		
	Financial assets measured at fair value through other comprehensive income	Remeasurement of defined benefit plans	Total	Total		
Balance as of April 1, 2022	4,309	(16)	4,290	165,409	12,064	177,474
Profit	—	—	—	22,761	2,015	24,777
Other comprehensive income	170	31	355	355	29	384
Total current comprehensive income	170	31	355	23,116	2,044	25,161
Purchase of treasury shares	—	—	—	(9,999)	—	(9,999)
Disposal of treasury shares	—	—	—	63	—	63
Cancellation of treasury shares	—	—	—	—	—	—
Dividends	—	—	—	(9,909)	(248)	(10,158)
Share-based compensation transactions	—	—	—	1,081	—	1,081
Changes due to business combinations	—	—	—	—	(10)	(10)
Changes in ownership interest in subsidiaries	—	—	—	(91)	0	(90)
Changes due to loss of control of subsidiaries	—	—	—	—	8	8
Transfer from other components of equity to retained earnings	(193)	—	(193)	—	—	—
Other	—	—	—	—	—	—
Total transactions with owners	(193)	—	(193)	(18,855)	(250)	(19,106)
Balance as of March 31, 2023	4,287	14	4,452	169,670	13,859	183,529

Fiscal year ended March 2024 (April 1, 2023 to March 31, 2024)

(Million yen)

	Equity attributable to owners of parent				Other components of equity	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Exchange differences on translation of foreign operations	Cash flow hedge
Balance as of April 1, 2023	17,479	12,272	154,926	(19,459)	150	—
Profit	—	—	29,971	—	—	—
Other comprehensive income	—	—	—	—	7,671	—
Total current comprehensive income	—	—	29,971	—	7,671	—
Purchase of treasury shares	—	—	—	(0)	—	—
Disposal of treasury shares	—	(1,915)	—	2,346	—	—
Cancellation of treasury shares	—	(7,528)	—	7,528	—	—
Dividends	—	—	(18,927)	—	—	—
Share-based compensation transactions	—	2,031	—	—	—	—
Changes due to business combinations	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	(107)	—	—	—	—
Changes due to loss of control of subsidiaries	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	9	—	—	—
Other	—	(0)	—	—	—	—
Total transactions with owners	—	(7,520)	(18,918)	9,874	—	—
Balance as of March 31, 2024	17,479	4,751	165,979	(9,584)	7,821	—

	Equity attributable to owners of parent				Non-controlling interests	Total
	Other components of equity			Total		
	Financial assets measured at fair value through other comprehensive income	Remeasurement of defined benefit plans	Total	Total		
Balance as of April 1, 2023	4,287	14	4,452	169,670	13,859	183,529
Profit	—	—	—	29,971	2,002	31,974
Other comprehensive income	1,724	(115)	9,280	9,280	47	9,328
Total current comprehensive income	1,724	(115)	9,280	39,252	2,050	41,303
Purchase of treasury shares	—	—	—	(0)	—	(0)
Disposal of treasury shares	—	—	—	430	—	430
Cancellation of treasury shares	—	—	—	—	—	—
Dividends	—	—	—	(18,927)	(242)	(19,169)
Share-based compensation transactions	—	—	—	2,031	—	2,031
Changes due to business combinations	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	—	—	(107)	311	204
Changes due to loss of control of subsidiaries	—	—	—	—	(10)	(10)
Transfer from other components of equity to retained earnings	(9)	—	(9)	—	—	—
Other	—	—	—	(0)	—	(0)
Total transactions with owners	(9)	—	(9)	(16,573)	58	(16,514)
Balance as of March 31, 2024	6,002	(100)	13,724	192,349	15,968	208,317

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# Consolidated Statements of Cash Flows

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	(Million yen)	
	Fiscal year ended March 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 2024 (April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Profit before tax	41,249	48,926
Depreciation and amortization	30,315	29,634
Impairment losses (reversals)	12,975	2,501
Share of impairment losses of entities accounted for using equity method	—	2,142
Decrease (increase) in trade and other receivables	(3,164)	322
Increase (decrease) in trade and other payables	6,251	(2,058)
Decrease (increase) in contract assets	(4,584)	218
Decrease (increase) in prepaid expenses	100	(101)
Increase (decrease) in accrued consumption taxes	1,397	5,847
Increase (decrease) in accrued bonuses	1,799	328
Increase (decrease) in accrued paid vacation	4,311	3,457
Other	3,954	8,375
Subtotal	94,606	99,594
Interest and dividends received	353	594
Interest paid	(716)	(911)
Income taxes refund (paid)	(25,262)	(21,523)
Net cash provided by (used in) operating activities	68,980	77,753

	(Million yen)	
	Fiscal year ended March 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 2024 (April 1, 2023 to March 31, 2024)
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,257)	(3,279)
Purchase of intangible assets	(9,440)	(12,207)
Purchase of shares of subsidiaries and associates	(1,301)	—
Purchase of investments	(2,867)	(792)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(3,321)	(646)
Payments for acquisition of businesses	(2,486)	—
Other	(113)	(2,073)
Net cash provided by (used in) investing activities	(22,787)	(19,000)
Cash flows from financing activities		
Proceeds from short-term borrowings	104,269	166,839
Repayments of short-term borrowings	(94,173)	(174,713)
Repayments of long-term borrowings	(15,515)	(190)
Repayments of lease liabilities	(16,124)	(16,876)
Redemption of bonds	—	(10,000)
Purchase of treasury shares	(10,000)	(0)
Dividends paid	(9,907)	(18,921)
Other	(328)	60
Net cash provided by (used in) financing activities	(41,779)	(53,803)
Effect of exchange rate change on cash and cash equivalents	886	2,186
Net increase (decrease) in cash and cash equivalents	5,299	7,136
Cash and cash equivalents at beginning of period	95,933	101,233
Cash and cash equivalents at end of period	101,233	108,369



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## Non-Financial Data

### Environment

Climate Change		Boundary	Unit	FY2020	FY2021	FY2022	FY2023
GHG*1	Total emissions for Scope 1 + 2 (market-based)			25,423	25,698	29,710	25,235
	Scope 1		t-CO <sub>2</sub>	12,395	12,721✓	16,617✓	18,639✓
	Scope 2 (location-based)			—	12,881✓	13,782✓	12,448✓
	Scope 2 (market-based)			13,028	12,977✓	13,093✓	6,596✓
	Emission unit (Scope 1 + 2)*4		t-CO <sub>2</sub> /sales 1 billion yen	26.7	24.2	24.3	19.0
	Total Scope 3 emissions*6			11,329	9,645✓	327,223✓	216,302✓
	Category 1*5: Purchased goods and services			—	—	288,657✓	144,987✓
	Category 2: Capital goods			—	—	—	30,682✓
	Category 3: Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	Group *2 *3		—	—	4,758✓	5,209✓
	Category 4*5: Upstream transportation and distribution			—	—	3,292✓	551✓
	Category 5: Waste generated in operations		t-CO <sub>2</sub>	1,445	1,154✓	3,038✓	3,934✓
	Category 6: Business travel			515	601✓	1,575✓	1,490✓
	Category 7: Employee commuting			9,369	7,889✓	8,408✓	11,091✓
	Category 9: Downstream transportation and distribution			—	—	35✓	18✓
	Category 11: Use of sold products			—	—	17,430✓	18,311✓
Energy consumption	Category 12: End-of-life treatment of sold products			—	—	30✓	29✓
	Fuel consumption	Group	million kWh	47.5	48.3	66.9	77.4
	Electricity consumption (renewable energy and green electricity)	Group	million kWh	26.3 (—)	26.5 (—)	28.8 (2.7)	24.3 (3.8)
	Energy consumption*6	Group	million kWh	73.8	74.8	95.7	101.8

\*1 The figures for greenhouse gas emissions marked with a check (✓) symbol have undergone third-party verification (provided by SOCOTEC Certification Japan in FY2021 and FY2022 and by LRQA Limited in FY2023) for the purpose of ensuring the accuracy and reliability of emissions calculated.

\*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 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.

\*4 From FY2023, calculations are based on IFRS-based revenue.

\*5 Scope 3 Categories 1 and 4 have decreased as a result of more precise calculations.

\*6 The totals show the results of summing values extending after the decimal point that are not shown for each item, and may not match the totals of the values in the table.

Pollution Prevention and Resource Circulation		Boundary	Unit	FY2021	FY2022	FY2023
Waste	Waste recycled (recyclable waste, paper, bottles, cans, PET)	*1	t	28.2	38.6	55.8
	Non-recycled waste (non-industrial)	*1	t	93.6	133.2	148.3
	Non-recycled waste (industrial)*5	*2	t	511.3	557.0	671.5
	Waste requiring special management (waste oil)	*2	t	—	1.4	1.5
	Total waste*5 *6	—	t	633.1	730.2	877.1
Water use	Water usage (city water)	*3	m <sup>3</sup>	10,194	10,337	10,850
Raw material used	Copy paper usage	*4	t	222	209	201
Green product purchasing	Green product purchasing	*4	%	36.7	33.7	33.9

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

\*2 The scope of calculation is PERSOL FACTORY PARTNERS (Fukushima, Miyazaki, and Yonago) and PERSOL CROSS TECHNOLOGY (from FY2022).

\*3 Data covers our major office buildings; Minami Aoyama Building and TS Ikebukuro.

\*4 Data covers indirect materials purchased by PERSOL HOLDINGS Co., Ltd. within the non-consolidated company and the domestic group.

\*5 The figures for FY2022 have been corrected due to adjustment of the calculation period.

\*6 The increase in total waste resulted from the expansion of business scale.

# Non-Financial Data Social

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		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Number of consolidated employees*1	Total	Persons	52,005	53,227	59,268	66,944	72,905
By employment*2	Number of employees	Persons	46,155	47,901	53,049	60,183	65,730
	Number of contingent employees (temporary and part-time employees)	Persons	5,850	5,326	6,219	6,761	7,175
By SBU*3	Staffing SBU	Persons	26,218	28,621	31,902	35,277	33,051
	BPO SBU	Persons	—	—	—	—	9,431
	Technology SBU	Persons	11,929	11,138	11,788	12,574	8,460
	Career SBU	Persons	4,759	4,291	4,554	5,553	6,935
	Asia Pacific SBU	Persons	6,851	6,358	7,536	9,277	10,313
	R&D Function Unit/holdings/directly managed companies	Persons	2,248	2,819	3,488	4,263	4,715
By age group*4	20s or younger	%	31	30	29	29	30
	30s	%	32	32	33	33	33
	40s	%	25	25	25	24	23
	50s	%	9	11	11	11	12
	60s or older	%	2	2	2	2	2
Number of directors	Total	Persons	10	9	9	9	9
	Male/Female	Persons	9/1	8/1	8/1	8/1	7/2
	Percentage of women	%	10	11	11	11	22
Number of persons in managerial positions*5	Total	Persons	2,210	2,509	2,404	2,824	3,193
	Male/Female	Persons	1,769/441	1,998/511	1,886/518	2,134/690	2,377/816
	Percentage of women	%	20	20	22	24	26
Number of employees*4 *5	Total	Persons	26,568	28,983	30,081	33,206	36,993
	Male/Female	Persons	14,789/11,779	15,741/13,242	16,405/13,676	17,984/15,222	19,905/17,088
	Percentage of women	%	44	46	45	46	46
Status of employee engagement	Engagement index*6	%	—	63	67	71	74
	Vision empathy index*4 *7	%	—	76	77	79	80
	Management index*4 *8	%	—	58	62	65	64
	Career ownership index*4 *9	%	—	—	49	51	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 BPO SBU was newly established in April 2023. Technology SBU changed its name from Professional Outsourcing SBU in April 2023. R&D Function Unit changed its name from Solution SBU in April 2023.  
 \*4 Data covers Group companies in Japan (excluding indefinite-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.

\*5 The figures exclude employees at Asia Pacific SBU and associates employed for indefinite terms at PERSOL Group companies.  
 \*6 The percentage of employees who answered questions about their motivation to contribute (to the work and to the organization) by choosing one of the top two points (of a five-point scale) (average of two questions).  
 \*7 The percentage of employees who answered a question about how much they empathize with the Group Vision: "Work and Smile" by choosing one of the top two points (of a five-point scale).  
 \*8 The percentage of employees who answered questions about how they evaluate (the support for growth and trustworthiness of) their supervisor by choosing one of the top two points (of a five-point scale) (average of two questions).  
 \*9 The percentage of employees who answered two questions about employee career ownership (in intention and action) by choosing one of the top two points (of a five-point scale).

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			Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Status of training received*10	Training hours per person	Managers	Hours	—	14	17	18	17
		Employees*12	Hours	19	19	15	18	34
	Total hours of training (compulsory*11)	Managers	Hours	—	28,840	35,061	38,993	42,015
		Employees	Hours	—	441,892	360,138	456,219	1,050,357
	Total hours of training (optional*11)	Managers	Hours	—	645	4,262	4,138	6,579
		Employees	Hours	—	22,364	37,308	43,405	171,979
	Total number of participants in training	Managers	Persons	—	3,448	5,406	5,471	6,282
		Employees	Persons	45,452	45,071	53,370	63,728	234,806
Number of employees recruited	New graduates	Total	Persons	1,103	1,231	871	1,012	1,601
		Male/Female	Persons	629/474	699/532	452/419	557/455	905/696
	Mid-career persons	Total	Persons	5,439	3,883	5,120	6,161	6,413
		Male/Female	Persons	2,443/2,996	1,500/2,383	2,321/2,799	2,832/3,329	2,984/3,429
		Percentage of women	%	53	57	54	53	51
Average age	Total	Years old	36	37	37	37	37	
	Male/Female	Years old	37/35	37/36	37/37	38/37	38/37	
	Average number of years of continuous service*13	Total	Years	6.4	6.8	7.2	7.0	7.2
Male/Female		Years	6.8/5.9	7.1/6.3	7.5/6.7	7.3/6.6	7.6/6.7	
Differential between men and women		Years	0.9	0.8	0.8	0.7	0.9	
Average hours of overtime			Hours	18	16	17	17	16
Turnover*13	Total		Persons	2,070	1,966	2,410	2,625	2,809
	Male/Female		Persons	1,248/822	1,169/797	1,421/989	1,598/1,027	1,635/1,174
	Percentage of women		%	40	41	41	39	42
Rate of turnover*13	Total		%	10	8	10	10	9
	Male/Female		%	9/10	8/9	10/10	10/9	9/9

\*10 Until FY2022, data was gathered from training sessions conducted by the human resources departments from among Group companies in Japan. From FY2023, data has been collected from training sessions conducted by both the human resources and business departments across all Group companies in Japan.

\*11 Mandatory training refers to training that is required for employees in a specific position or job category, whereas elective training includes open enrollment or cafeteria-style courses and qualification support that employees can choose to take voluntarily.

\*12 For FY2021, 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.

\*13 Calculated for unlimited term employees only.

\* Data on this page covers 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.





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		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Percentage of taking child-care leave*14	Total	%	49	50	55	74	78
	Male/Female	%	11/95	10/95	19/93	65/84	73/84
Percentage of returning from child-care leave*15	Total	%	92	94	95	97	97
	Male/Female	%	100/91	100/93	98/94	99/96	98/97
Number of persons taking nursing-care leave*16	Total	Persons	20	20	21	20	33
	Male/Female	Persons	8/12	10/10	9/12	6/14	16/17
Number of persons with reduced working hours	Total	Persons	666	913	1,032	972	1,133
	Male/Female	Persons	9/657	11/902	14/1,018	8/964	12/1,121
Number of approved applications for multiple jobs*17		Cases	185	508	712	1,010	1,309
Number of non-Japanese employees		Persons	477	459	459	507	578
Employment status of persons with disabilities*18	Number of employees	Persons	1,410	1,670	1,981	2,417	2,991
	Employment rate	%	2.21	2.24	2.39	2.56	2.48
Wage differentials between men and women*19 *20	Total	%	—	—	78	75	76
	Unlimited-term employment	Career position	%	—	90	85	85
		Limited position*21	%	—	93	95	96
	Fixed-term employment	%	—	—	83	79	80
Percentage of remote work*22		%	—	—	61	57	59
Percentage of employees who received diversity literacy training		%	86	95	92	91	95
Percentage of employees who had a stress check		%	79	82	82	84	86
Percentage of employees with high stress*23		%	12.7	12.1	12.1	12.3	11.5
Absenteeism (leave of absence for one month or longer)*24	Injuries and diseases	%	—	0.37	0.22	0.33	0.34
	Poor mental health	%	1.25	1.34	1.64	1.8	2.00
Presenteeism (decline in performance due to poor health)*25		%	—	—	—	21.8	21.2
Number of fatal accidents		Cases	0	0	0	0	0
Participation rate in the shareholding association		%	10	11	12	12	13
Number of persons eligible for the share-based compensation scheme*26		Persons	102	193	2,238	2,457	2,769

\*14 From FY2022 onwards, the percentage of employees taking childcare leave or using the leave program for childcare purposes among employees giving birth (or male employees with spouses giving birth) or adopting children in the fiscal year is calculated. (Until FY2021, the percentage of those taking childcare leave in the fiscal year of childbirth or subsequent fiscal year was calculated.)

\*15 The figures show the percentage of employees who returned to work, from among all employees who completed child-care leave during each fiscal year.

\*16 The figures show the number of employees who started taking nursing-care leave during each fiscal year.

\*17 The figures show the number of applications for multiple jobs approved during each fiscal year.

\*18 The figures represent the number of employees with disabilities, as of June of each fiscal year.

\*19 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 FY2022 onwards, a new calculation method reflecting partial revision pursuant to the Act on the Promotion of Women's Active Engagement in Professional Life applies.

\*20 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

\*21 Limited position employees are those in an employment category that specifies one or more of the following: region, job, or working hours.

\*22 The figures show the percentage of employees who replied that they engage in remote work at least once a week. (As of September of each year)

\*23 The figures show the percentage of those with high stress among employees who had a stress check.

\*24 The figures for injuries and diseases show the percentage of employees who have taken continuous leave for one month or longer due to issues with their physical health, whereas the figures for mental health issues show the percentage of employees who have taken continuous leave for one month or longer due to issues with their mental health.

\*25 The figures are 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 of each year)

\*26 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 FY2020, the figures represent only the number of employees eligible for the trust-type share-based compensation scheme.)

\* Data on this page covers 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.



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# 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	<a href="https://www.persol-group.co.jp/en/">https://www.persol-group.co.jp/en/</a>
Consolidated employees	72,905 (As of March 31, 2024) Full-time employees-65,730 (includes employees working at group companies. Employees assigned to work at non-group companies not included.) Contingent employees (including temporary and part-time employees)-7,175 annual average.
Number of Group companies	150 (38 domestic, 112 overseas) (As of September 1, 2024)
Number of Group bases	710 (523 domestic, 187 overseas) (As of February 2024)
Capital	17,479 million yen (As of March 31, 2024)

## Editorial policy

This Integrated Report is an 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” and our aspiration of becoming A “Career Well-being” Creation Company by a wide range of stakeholders, including our shareholders and investors. This report focuses on communicating the management direction toward the 2030 goal for value creation and eight material topics, and the PERSOL Group Mid-term Management Plan 2026 started in 2023 for the purpose of achieving this goal.

In compiling this report, we referred to the IFRS Foundation’s “Integrated Reporting Framework” and the Ministry of Economy, Trade and Industry’s “Guidance for Collaborative Value Creation,” as well as to opinions and advice from investors received through our IR activities. 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.

## 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 shares
General Meeting of Shareholders	Late June
Shareholder register administrator special account management institution	Mitsubishi UFJ Trust and Banking Corporation
Public notice method	Electronic public notice Notification URL: <a href="https://www.persol-group.co.jp/">https://www.persol-group.co.jp/</a> (In case electronic notification is unavailable due to technical difficulties or other problems, the company will notify via The Nihon Keizai Shimbun.)

## Reporting period

This report covers FY2023 (April 1, 2023 to March 31, 2024). However, it also mentions periods before and after this period when necessary.

## 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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## External Evaluation

### Inclusion in ESG Indexes

#### MSCI Japan ESG Select Leaders Index

2024 CONSTITUENT MSCI日本株  
ESGセレクト・リーダーズ指数

PERSOL HOLDINGS was selected for the first time as a company on the MSCI Japan ESG Select Leaders Index, which selects companies with high Environmental, Social and Governance (ESG) performance in each industry by the American company MSCI.

\* The inclusion of PERSOL HOLDINGS, Co., Ltd. in an MSCI index, and the use of MSCI's logos, trademarks, service marks, or index names, does not constitute sponsorship, endorsement, or promotion of PERSOL HOLDINGS by MSCI or its affiliates. MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

#### MSCI Japan Empowering Women Index (WIN)

2024 CONSTITUENT MSCI日本株  
女性活躍指数 (WIN)

PERSOL HOLDINGS has been selected as a company on the MSCI Japan Empowering Women Index (WIN), which selects Japanese companies that excel in gender diversity initiatives in their respective industries.

#### FTSE Blossom Japan Sector Relative Index



FTSE Blossom  
Japan Sector  
Relative Index

PERSOL HOLDINGS was selected as a company on the FTSE Blossom Japan Sector Relative Index, which reflects the performance of Japanese companies that demonstrate sector-specific Environmental, Social and Governance (ESG) practices.

#### iSTOXX MUTB Japan Platinum Career 150 Index

STOXX  
Indices by Qontigo

Member 2023/2024  
Platinum Career  
Index

PERSOL HOLDINGS was selected as one of the companies on the iSTOXX MUTB Japan Platinum Career 150 Index, which tracks the performance of 150 Japanese companies that actively contribute to employee career development.

MORNINGSTAR GenDi J

Japan ex-REIT Gender Diversity  
Tilt Index

TOP CONSTITUENT 2023

#### Morningstar Japan ex-REIT Gender Diversity Tilt Index

PERSOL HOLDINGS has been selected as a company on the Morningstar Japan ex-REIT Gender Diversity Tilt Index where we have been ranked in Group 1, the highest rating out of five in the Gender Equality Score.

### Recognition in Sustainability

#### Nadeshiko Brand



The Persol Group\* was selected to be part of the Nadeshiko Brand for the first time in FY2023. Nadeshiko Brand is a program jointly run by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange to recognize listed companies that excel in promoting women's participation in the workforce.

\* Scope of survey responses: Among PERSOL Group companies in Japan, 31 companies including PERSOL HOLDINGS Co., Ltd.



#### Certified Health & Productivity Management Outstanding Organization

PERSOL HOLDINGS was selected for the first time by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi as part of the 2024 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise Category), which honors companies of particular note that are outstanding in the field of health and productivity management.



#### Digital Transformation Certification

PERSOL HOLDINGS has obtained Digital Transformation Certification based on the digital transformation certification system established by the Ministry of Economy, Trade and Industry.



#### Excellence Award in the Platinum Career Awards

The efforts of the PERSOL Group were recognized at the 6th Platinum Career Awards sponsored by Mitsubishi Research Institute where we received the Excellence Award (the Creation through Independent Careers award) for the first time.

Details of other external evaluations are available on our website.  
<https://www.persol-group.co.jp/en/sustainability/evaluation/>





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