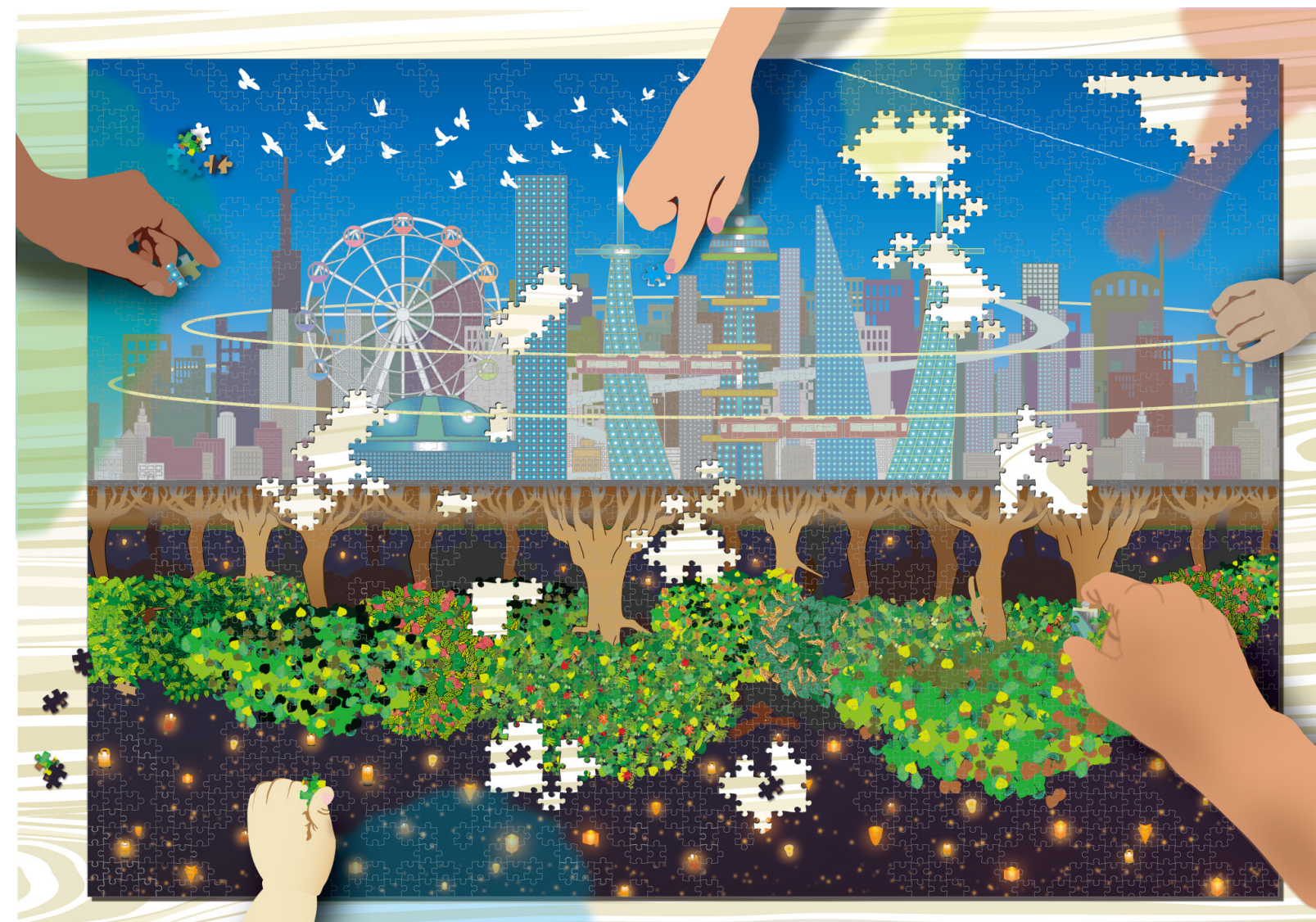


# Integrated Report 2021

PERSOL Group

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



"Piece of Peace—All we need is ...—" inclusion IT team (winner of the Paralym Art World Cup 2020)





## Group Vision

# Work, and Smile

Working life is a journey of growth and creation.

We all have big dreams,  
and there are many different paths to success.

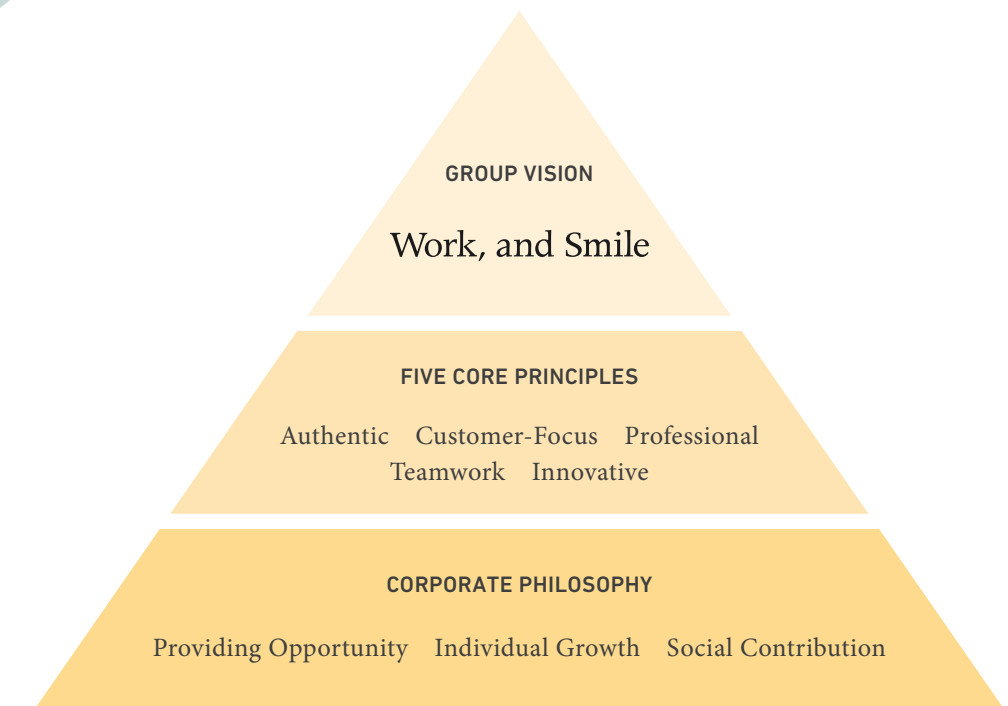
Thus, we need to make our own choices  
from a range of diversified work opportunities.

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



## Group Vision Structure

Group vision structure for realizing  
“Work, and Smile”



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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

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

When our founder Shinohara graduated from high school and began working, there were still few women joining the workforce. 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. In addition, the growth of our temporary staff is essential for them to have further opportunities to work. Our employees and temporary staff have grown synergistically based on the idea that the growth of our temporary staff must be supported by the growth of our employees. We have taken initiatives in the belief that the purpose of our existence is to expand our business to benefit society through the growth of our employees and temporary staff.



**January 1989**  
● Launch DODA (currently doda), a career change information magazine



**1986**  
● Tempstaff Co., Ltd. starts a temporary staffing business

**1993**  
● Tempstaff Co., Ltd. starts global expansion

**May 1996**  
● Tempstaff Co., Ltd. announces its Corporate Philosophy of “Providing Opportunity, Individual Growth and Social Contribution”

**October 2008**  
● Tempstaff Co., Ltd. and Tempstaff People Co., Ltd. merge and jointly establish Temp Holdings Co., Ltd.

**March 2006**  
● Tempstaff Co., Ltd. is listed on the First Section of the Tokyo Stock Exchange

**July 2016**  
● Announce the new Group brand, “PERSOL”  
  
● Announce the brand tag line, “Work, and Smile”



**October 2019**  
● Change the Group Vision to “Work, and Smile”

**July 2015**  
● Corporate Philosophy, Group Vision “Create social infrastructure for people and organizations that catalyzes growth and innovation” and Five Core Principles are announced

**April 2013**  
● Intelligence Holdings, Ltd. becomes a consolidated subsidiary

**May 2010**  
● Share of Kelly Services Ltd. is acquired

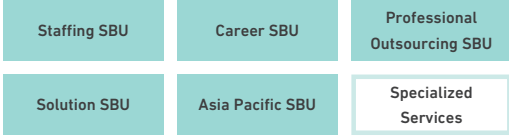
**July 2017**  
● Renew the Tempstaff Brand logo

**TEMPSTAFF**

**October 2018**  
● Renew the doda Brand logo

**doda**

**April 2020**  
● Shifted to a five SBU (Strategic Business Unit) structure



**August 2020**  
● Formulated the Group Mid-term Management Plan 2023, based on the Value Creation Story for 2030 (mid- to long-term strategic policy)

**January 2019**  
● Avanti Staff Corporation becomes a consolidated subsidiary of PERSOL TEMPSTAFF CO., LTD.

**July 2019**  
● FUJI XEROX LEARNING INSTITUTE INC. becomes a wholly owned subsidiary and changes its name to PERSOL LEARNING INSTITUTE CO., LTD.

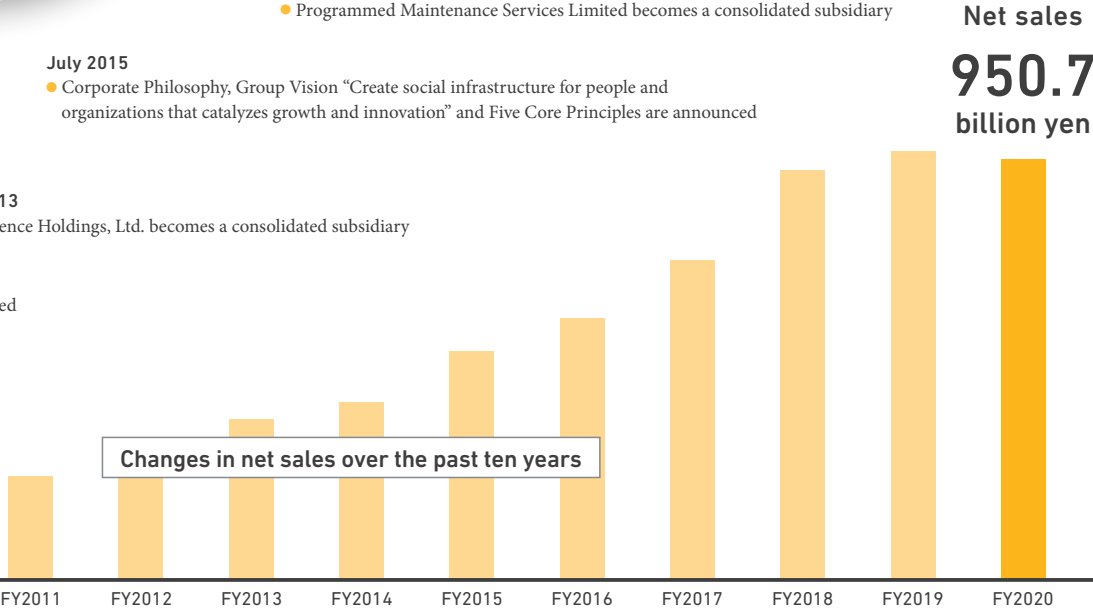
**December 2019**  
● Establish PERSOL Professional Outsourcing Co., Ltd.  
● Establish PERSOL Asia Pacific Pte. Ltd.

**December 2018**  
● Establish PERSOL INNOVATION CO., LTD.

**April 2017**  
● JAPAN TECSEED CO., LTD. and DRD CO., LTD. merge to become PERSOL RESEARCH & DEVELOPMENT CO., LTD.

**July 2017**  
● Temp Holdings Co., Ltd. changes to PERSOL HOLDINGS CO., LTD., and several of our core Group companies undergo a name change

**October 2017**  
● Programmed Maintenance Services Limited becomes a consolidated subsidiary



1970s to 1980s

Infancy of temporary staffing services

- 1972**  
● Industrial Safety and Health Act and Working Women's Welfare Law (changed to the Equal Employment Opportunity Act for Men and Women in 1986) enacted
- 1979**  
● Convention on the Elimination of All Forms of Discrimination against Women adopted by the United Nations General Assembly
- 1985**  
● The Worker Dispatching Act enacted, enabling worker dispatching for only 13 specialized businesses
- 1987**  
● Amendments to the Labor Standards Act enacted major reforms to the working hour system, including the gradual implementation of a 40-hour workweek, and the establishment of flextime

1990s to 2000s

Period of expansion of workers' rights and temporary staffing services

- 1993**  
● The central government ministries designated Wednesdays as a day for leaving the office at the scheduled time in response to the widespread use of a weekly no-overtime day
- 1996**  
● The Worker Dispatching Act revised to expand target businesses eligible for worker dispatching to 26 specialized businesses
- 1997**  
● Ordinance for Enforcement of the Employment Security Act revised to expand the scope of charged employment placement businesses
- 1998**  
● Labor Standards Act revised to establish a discretionary working system for managing-related work
- 1999**  
● The Worker Dispatching Act revised to liberalize the target business in principle

2010s

Era of diversification of work styles

- 2018**  
● Act on the Arrangement of Related Acts to Promote Work Style Reform enacted, came into effect gradually from April 1, 2019
- 2019**  
● Act on Promotion of Women's Participation and Advancement in the Workplace and the Act on Comprehensive Promotion of Labor Policies, Stability of Employment of Workers and Enhancement of Occupational Life revised to strengthen measures to prevent power harassment and sexual harassment
- 2007**  
● Labor Contracts Act enacted  
● Charter for Work-life Balance adopted
- 2008**  
● The global financial crisis

2020s onward

Era of new possibilities for work styles

- 2020**  
● Act on Improvement of Personnel Management and Conversion of Employment Status for Part-Time Workers and Fixed-Term Workers (Part-Time and Fixed-Term Employment Act)\* and the Act for Securing the Proper Operation of Worker Dispatching Undertakings and Protection of Dispatched Workers (The Worker Dispatching Act) revised to prohibit the establishment of unreasonable differences in treatment between regular and temporary workers in the same company with respect to all aspects of treatment, including basic wages and bonuses (equal pay for equal work). \*From April 1, 2021 for small and medium enterprises
- Due to the COVID-19 pandemic, transition to new work styles such as remote work, online meetings and remote sales made progress, as new lifestyles (the "new normal") by such measures as reducing the risk of infection and maintaining social distance took hold



和田孝雄

Takao Wada

Representative Director,  
President and CEO

### Taking to heart our founding vision, pursuing the challenge of addressing changing times by providing new value

It has been over 30 years since I first had the chance to learn about temporary staffing services. Sensing the attractiveness and possibilities of that business model, in 1991, I decided to join Tempstaff (now PERSOL TEMPSTAFF). At that time, temporary staffing was the company's sole business, but I continuously wanted to provide various services related to "work" beyond temporary staffing.

When we became a listed company in 2006, we embarked on a business strategy based on M&As. As a result, we

began working with a variety of companies and started offering a broad range of services. I feel that different cultures and diverse values have since spread rapidly. Having people with diverse ways of thinking and abilities working together while working individually with customers makes it possible to work together as a team to resolve issues and take action to provide the customer with new value. I consider this the PERSOL Group's strength.

I took office as President and CEO of PERSOL HOLDINGS in April 2021 and feel a strong sense of responsibility to steer the Group toward even further growth. Human resources are our business's driving force. Aging populations and decreasing birthrates are major social issues in Japan and other developed countries.

## We aim to be a reliable corporate group that will exist well into the future through realizing “Work, and Smile” for everyone

The PERSOL Group is pursuing Work × Technology × Operational improvement, in other words, the digital transformation (DX) of businesses, to improve working people's lives. By raising productivity, we will support the growth of not only companies but also of the people who work in them. By continuously providing society with new value through personal and organizational growth, we will meet the expectations of society, enabling the PERSOL Group to take special pride in being one of the leading companies among human resource service providers.

### Overcoming uncertainty and making steady progress to face an unpredictable future

The fiscal year ended March 2021 was the first year under the Mid-term Management Plan 2023, but with uncertainty due to the significant effects of COVID-19 we could have faced adverse impacts on results similar in degree to those of the 2008 financial crisis. Using our experience from that time, we were therefore paying close attention to market changes, while also engaging in dialogue and coordinating with industry associations and the rest of the industry to determine what was needed to lessen the reputational risk to the human resource services industry as a whole from large reductions in the number of temporary staff and what was needed to reduce contract terminations by companies.

The Group reported lower sales and profits compared with those of the previous year, but both net sales and operating profit were above our initial forecasts.

The Staffing SBU contributed much to our business results, with extremely solid performances in the temporary staffing and BPO fields. I believe this was due in part to a sense of emergency among our customers. Following the 2008 financial crisis, companies drastically shrank human resources, which created major obstacles in business operations when the economy began

to recover. From this experience, many customers emphasized maintaining employment. This can be seen as evidence that the clearer positioning of customers' own employees and temporary staff within their human resource portfolios, and more than 100,000 employed temporary staff, are essential to their businesses. In addition, the outsourcing field including COVID-19 support and operations at government offices achieved double-digit growth, leading to record profits for the Staffing SBU.

These results give us confidence that we have laid a strong foundation for achieving the Mid-term Management Plan 2023, despite the effects of COVID-19.

The shift to a new normal as a result of the COVID-19 pandemic has caused both companies and workers to change their mind and awareness about work, and major changes in work styles are occurring as a result. Even companies that had not done so previously quickly introduced remote work and other measures related to work style reform. Prompt responses to these changes are also expanding the range of areas where we can provide support.

Going forward, we can expect more companies than ever before to think about how to increase operational productivity and efficiency, how to make their employees happier, what contributes to greater engagement and how to provide true value to customers. Providing services to address these new needs gives us major business opportunities. Despite uncertain social conditions, we will find opportunities and resolve to work together as a group toward achieving the Mid-term Management Plan 2023 targets, while flexibly responding to environmental changes.

### Accelerating various initiatives at each SBU to increase our social value

The PERSOL Group has formulated a "value creation story" with a view toward 2030 and is pursuing corporate activities that aim for a society that has



realized “Work, and Smile” in 2030. The Mid-term Management Plan 2023 lays out five overall strategies: increasing social value; increasing economic value; shifting to a strategic business unit (SBU) structure; identifying growth areas; and strengthening business with technology. Each SBU is spearheading various initiatives in accordance with these strategies.

The Staffing SBU is responding flexibly to requests for staff who work from home and is creating an environment in which it can provide services to both clients and staff. In the continuously growing BPO field, coordination is being strengthened by both the Staffing SBU and the Professional Outsourcing SBU to address accurately changes in customer demand. Using our BPO service to address operations previously handled by employees, and also outsourcing entire operations in human resource management to PERSOL, will lead to even higher productivity for customers.

At the Career SBU, the market is expected to recover in the fiscal year ending March 2022, which we view as an opportunity to refine the unit’s existing business model for higher profitability. The SBU is also proactively resolved to making investments in digital areas. It has already engaged internal engineers to promote DX and built a solid foundation through overlapping initiatives to improve operations and increase productivity. The Professional Outsourcing SBU is also cooperating and further strengthening efforts tied to the IoT, MaaS, robotics and factory automation. The Solution SBU, whose role is to create new business fields, has begun developing a “reskilling” business, an area that has recently become a focus of attention, and other learning-related areas in addition to its human resource assessment matching and platform for the short-term human resource utilization businesses.

The Asia Pacific SBU is steadily strengthening its integrated operations across 12 countries through the establishment of the Asia-Pacific regional management company PERSOL Asia Pacific. In countries and regions like China, Singapore and Australia, which have seen earlier recoveries from the effects of COVID-19, we will increase our marketing force as appropriate to address the rapid growth in human resource demand and continue to record sales growth and improved profitability.

## Initiatives beyond those of the SBUs to realize “Work, and Smile”

The PERSOL Group is pursuing the twin aims of enhancing social value to maximize “Work, and Smile” and enhancing economic value to achieve business growth and expansion. As a representative initiative to enhance social value, PERSOL is participating in the Gallup World Poll, the world’s largest public opinion survey, which carried out a poll of roughly 120,000 people in 116 countries that measured the degree to which “Work, and Smile” has been realized among workers around the world.

The survey asked three questions, including one related to “self-determination in work,” which had an extremely high correlation with the enhancement of work engagement. One of our roles is to provide workers with many choices of work. We make it possible for them to exercise self-determination in both their type and style of work by selecting from varieties of choices. We believe that this enhances work engagement and leads to “Work, and Smile.”

Going forward, the PERSOL Group will use similar questions on surveys conducted among the users of our various services, to be sure to give rise to indicators related to “Work, and Smile” in our business activities. In addition, by spreading this concept and resonating with society, we will make serious efforts to realize “Work, and Smile” throughout the world.

We also aim for our employees to realize “Work, and Smile” to achieve our Group Vision. With more than 50,000 Group employees, we focus on promoting better use of the diverse pool of human resources. In addition to creating an environment in which everyone finds work rewarding and works with enthusiasm, regardless of gender or age, in September 2021, we established the Gender Diversity Committee to promote the active participation of the roughly half of our employees who are women. Our first goal is to increase the percentage of women in managerial positions, for which we are planning and carrying out specific initiatives.

Along with these initiatives to increase and strengthen our human capital, the PERSOL Group is also accelerating its response to Environmental, Social and Governance



(ESG) issues and the UN’s Sustainable Development Goals (SDGs), areas in which social awareness is rapidly increasing. Building on our basic businesses of creating employment and developing and supporting human resources, we are working to address various social issues as our key strategic policies, with the aim of contributing to a sustainable society.

## Partnering with customers and continuously providing value, based on a spirit of “Fueki Ryuko (being eternal and open to new changes)” and teamwork

Following our corporate philosophy of “Providing Opportunity,” “Individual Growth” and “Social Contribution,” the PERSOL Group shares with its employees the five core principles of “Authentic,” “Customer-Focus,” “Professional,” “Teamwork” and “Innovative,” and together we resolved to steadfastly pursue the realization of our Group Vision “Work, and Smile.”

Going forward, I intend to work to introduce the concept of “Fueki Ryuko” into the PERSOL Group’s management. This means pursuing new challenges while emphasizing absolute values such as our Group Vision and Corporate Philosophy.

We will quickly shift our services according to the change of demands of the market and customers as well as the change of work styles for workers, by continuing to pursue the challenge of proactively creating job opportunities and diverse work styles. In addition, with regard to “work,” I believe we should take the initiative to reform as a partner in the business growth of our customers and of the users of our services.

Since our founding in 1973, we believe our core value is to sincerely engage in providing the best services to our customers. The trust we have gained from our customers for close to 50 years is an irreplaceable asset, and we are proud to have produced a succession of employees wanting to contribute to society. During the current COVID-19 pandemic, our role has expanded and deepened by the big reformation of our lifestyle. In this sense, the PERSOL Group is engaged in a very social business. To continue to fulfill that responsibility, I believe we need to continue to be a reliable company that will exist well into the future.

We will make every effort to improve people’s lives and support growth of the market. Therefore, I would like to ask for the continued understanding and support of our stakeholders.







## Three Group Key Strategies to Deal with Reforms in the Current Work Environment



# INTERVIEW

We support all workers throughout their careers to help them realize “Work, and Smile”

**Hirotoshi Takahashi**  
Representative Director and Deputy President

### Reforming the current work environment

#### Reforms in the current work environment in the era of a 100-year lifespan and technological advances

The PERSOL Group has formulated three Group key strategies in response to reforms in the current work environment in the era of the 100-year lifespan and advances in technology, with the aim of achieving our Group Vision “Work, and Smile.”

With the extension of healthy lives and the era of the 100-year lifespan looking increasingly like an obtainable reality, values such as job satisfaction, diverse work styles and job “reskilling” are undergoing major changes. Companies are also changing how they approach human resources, including a shift from traditional membership-type employment to job-based employment. These changes have made it increasingly important for workers to be retrained to acquire new skills and knowledge that will be useful outside their company in addition to the experience and expertise they acquire in their current organization, to empower them to choose the job and work style that match their own values.

Furthermore, in addition to advances in technology, the COVID-19 pandemic has accelerated the necessity of taking advantage of AI and other digital technologies, for instance, the adoption of work from home, causing the

DX of society to leap forward. In addition to improving the productivity of workers, organizations and society, I believe that technological advances have revealed the importance of measuring work that can never be replaced by technology.

### Group Key Strategy 1: Focusing on each individual

#### Supporting careers as a lifelong partner as work values diversify

We believe that our mission is to support people’s careers by providing diverse work style choices and learning opportunities at all stages of life, as a partner that stays close to workers throughout their lives. To make it possible for each individual to choose a career independently from various options, we are pursuing the “Future Vision of Work” as a framework that links data and services across different HR services. Our aim is to provide opportunities for all workers that suit them, to realize their “Work, and Smile” on their own terms.

### Group Key Strategy 2: Innovating through technologies

#### Maximizing the use of technology to support workers as a partner throughout all stages of their careers

We are proactively pursuing the use of technology in three areas: increasing productivity, advancing existing

businesses and creating new businesses. We have increased productivity by automating more than 300,000 hours of operations annually by introducing robotic process automation (RPA) within the Group, a change that has made it possible to shift our employees to higher-value-added operations. We have pursued digitalization in our existing core businesses such as temporary staffing and placement, and have thus upgraded the quality of those businesses. However, to become a lifelong partner of our customers, we need to make even greater use of technology. This means connecting the dots of each service to analyze and make use of the huge amount of both corporate and personal data related to human resources that we have accumulated, to provide work opportunities that conform to each stage of an individual’s career and to the suitability and abilities of workers, while achieving optimal matching. Going forward, we will create new businesses from the perspective of using the latest technologies to improve our social value.

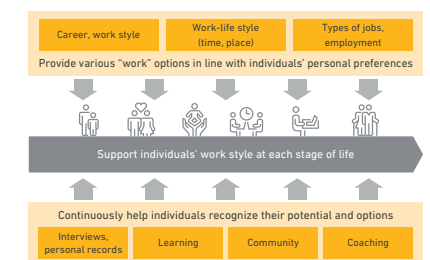
### Group Key Strategy 3: Extending our value globally

#### Increasing our presence in the Asia-Pacific region in pursuit of further synergies

Our business seeks to realize “Work, and Smile” not only in Japan but also in the Asia-Pacific region, and we are enhancing our presence in these countries. Expecting this market to continue to expand on demand for human resources in tandem with the region’s economic growth, we are exploring possibilities to improve our value. First, we recognize the importance of raising profitability and have therefore established a regional management company as a single SBU responsible for PERSOLKELLY and Programmed. We are also strengthening our unified management by consolidating our staffing/placement brands under PERSOLKELLY. Since we are offering the same temporary staffing and placement services in the Asia-Pacific region that we offer in Japan, we are able to make mutual use of technological knowledge and expertise to create additional synergies for the Group as a whole.

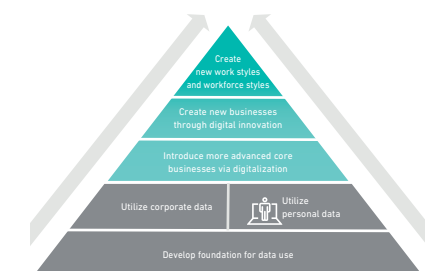
### 1 Focusing on each individual

We will promote initiatives to enhance work engagement from the perspective of all the workers we support. By creating diverse working styles, we will provide various opportunities as a partner throughout their careers.



### 2 Innovating through technologies

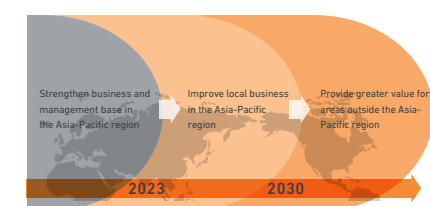
We will pursue digital transformation to maximize the use of technology. This will involve building an infrastructure for the analysis and use of the huge amount of personal and corporate data we have accumulated, and digitalizing existing businesses to further upgrade them. We will also create new businesses toward the future from the perspective of using the latest technologies.



### 3 Extending our value globally

We will establish a management system to provide the Asia-Pacific region with values from Japan, which, ahead of other nations, is already facing many work-related challenges.

We will contribute to meeting social challenges around the world to realize our Group Vision “Work, and Smile.”





Concept of Sustainability

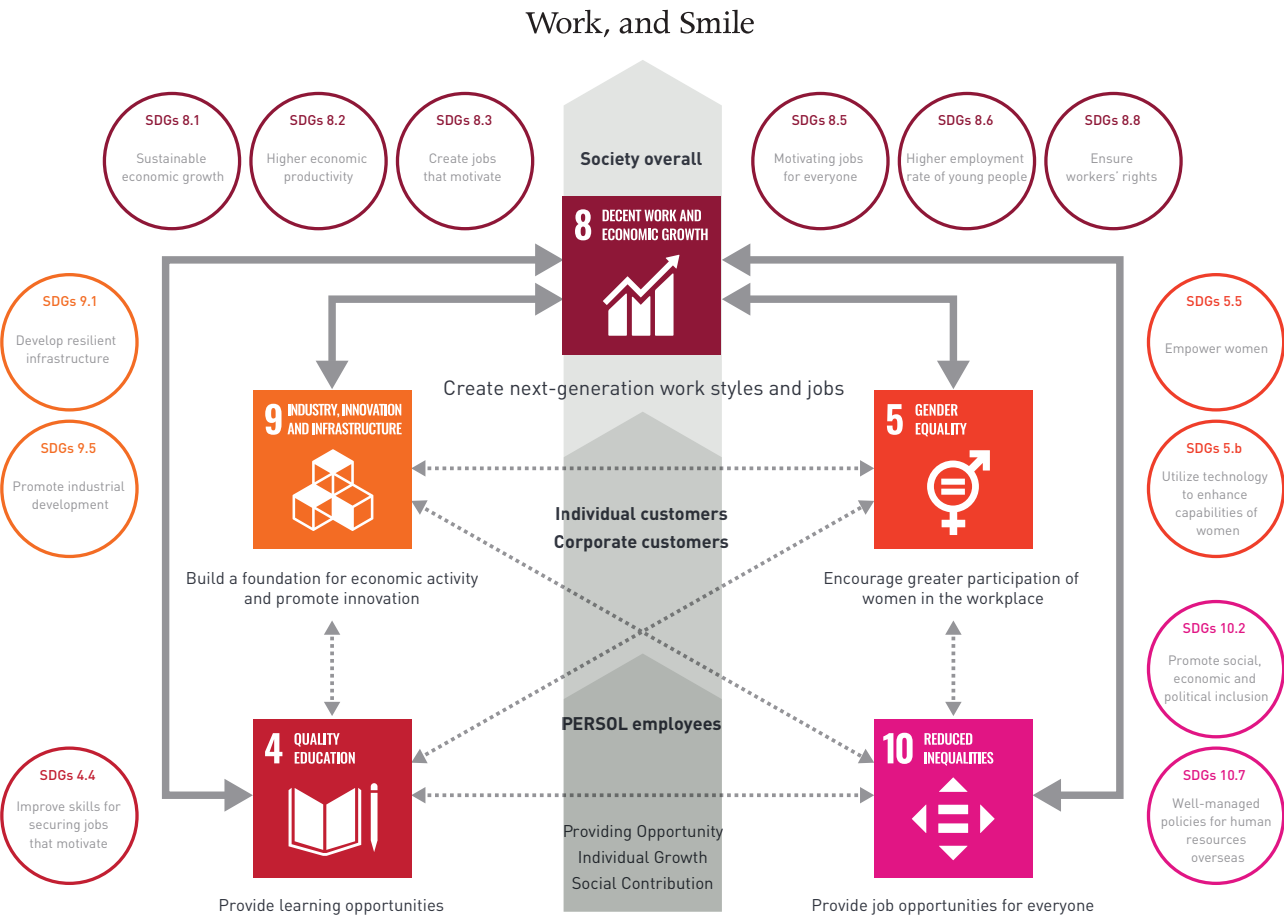
Imagining the kind of world we hope will exist in 2030, we formulated a Value Creation Story. We are focusing on five SDGs to help achieve a sustainable society and are actively working with diverse stakeholders to find solutions to social issues.

Sustainability Policy

Seeking to underpin the development of a sustainable society reinforced by its corporate philosophy that highlights “Providing Opportunity, Individual Growth and Social Contribution,” the PERSOL Group connects with diverse stakeholders and actively addresses social issues. With 2030 as our destination year, we are promoting business activities designed to realize the Group Vision “Work, and Smile” and contribute to achieving SDGs.

Five priority issues identified by PERSOL

We emphasize five SDGs as priority issues, and we also contribute to achieving all 17 SDGs through supporting the growth of people and creating jobs.



INTERVIEW

Visualize the situation, set indicators and develop policies.

Repeating this process will lead to the realization of “Work, and Smile.”

**Hirotaka Mino**  
Executive Officer CHRO

“Work, and Smile”

Thoughts behind the global survey and a vision for the future

As the Executive Officer responsible for human resources, my mission is to enhance employee engagement, promote diversity, handle labor-management issues and realize “Work, and Smile” for each and every employee of the PERSOL Group. We are also working to instill the concept “Work, and Smile” throughout society.

We believe that to instill the concept “Work, and Smile,” we first needed to visualize the degree to which individuals are already working and smiling. This quest gave us the opportunity to work with U.S.-based Gallup, Inc.\*, the world’s largest research and polling company, to conduct a global survey measuring the situation of “Work, and Smile.” The PERSOL Group currently conducts business in Japan and the Asia-Pacific region, but considering the possibility of expanding beyond these regions in the future and thinking that we would be able to learn more from a broader survey, we conducted the survey in 116 countries around the world, beyond the regions in which we do business.

The survey measured the level of “Work, and Smile” with three questions: Do you enjoy the work you do in your job every day, or not? Does your work have significance? and Do you select your work and work style from a variety of choices? We proactively disclosed the results of the survey, making them available for a range of uses by other

companies and researchers in addition to the PERSOL Group. We alone cannot achieve a situation where people around the world work and smile. We want to be able to learn from each other and exchange information, and if other companies implemented surveys using these three questions, we would be able to compare the scores. In addition, by linking the survey results with research into happiness and work engagement being carried out by our Group think tank, PERSOL RESEARCH AND CONSULTING, we would be able to gain new insights and provide information on how companies and individuals view “work.”

We are also using the survey to visualize “Work, and Smile” for PERSOL employees. We have previously carried out engagement surveys of employees to confirm whether they find their work rewarding and feel attached to their work, and we found a strong correlation between those results and the answers to the three questions in the survey with Gallup. Going forward, we will apply and verify these findings with users of our various services, including temporary staff and persons looking to change careers.

We intend to conduct this global survey next fiscal year and beyond, indexing “Work, and Smile,” measuring it and conveying its importance to society. We are confident that these initiatives will lead to “enhanced workplace well-being” more broadly in society as a whole, in addition to enhancing the PERSOL Group’s corporate value.

\* Gallup, Inc.: U.S.-based company that conducts opinion polls and offers strategic consulting services worldwide through co-creation with a huge pool of experts

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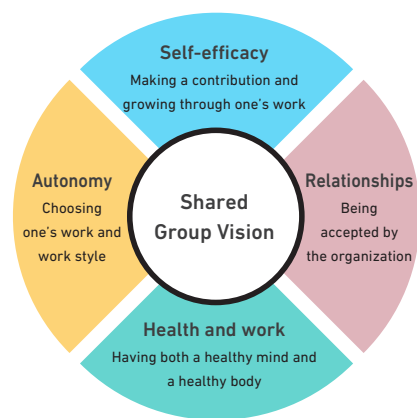
## Initiatives to Visualize “Work, and Smile”

### Five themes to enhance the work engagement of each employee

For PERSOL Group employees, another way of saying “Work, and Smile” is “enhanced work engagement.” Our human resources strategy reflects the hypothesis that the five themes of “autonomy,” “self-efficacy,” “relationships,” “health” and “shared Group Vision” contribute to this realization.

“Autonomy” can be understood as “We need to make our own choices from a range of diversified work opportunities,” as included in the Group Vision. To provide an opportunity for building on this capability, in 2017, we launched the Career Challenge program of open recruitment for job transfers within the Group. To date, roughly 900 employees have applied for transfers across Group companies under this structure, taking advantage of the chance to pursue the challenges of jobs in which they are interested or to which they aspire. At the same time, we recognize the possibility that employees will be afraid to throw themselves into a new workplace and realize that mismatches can occur. In response, in 2020, we launched the Job Trial program, offering trial postings to jobs at different divisions within the Group. This program allows employees to interact with different divisions and test their abilities for up to eight hours of their monthly work hours for a maximum of three months. Roughly 100 positions have already been filled through this program, and we expect it to contribute to employees taking on challenges for their own future careers as well. We also have a variety of programs to support career autonomy in different ways, including an original training program called Smyle, which is held roughly 30 times annually and is designed to have each and every employee think about his or her own career design, and a parallel work system

### ■ Five themes for enhancing employee work engagement (subjective well-being)



introduced in 2019 that has been used by approximately 360 employees.

In terms of “relationships,” we are steadily working to set up a structure and implement measures based on the concept Diversity, Inclusion & Equality (DI&E), while also strengthening team relationships through programs including Organization Development (OD) for section managers. We believe that these initiatives to enhance “autonomy” and “relationships” will enable us to improve “self-efficacy.”

With regard to “health,” we are able to carry out and analyze stress checks on an integrated Groupwide basis. Going forward, we also hope to integrate data for things like medical checkups, and cross-reference this physical and mental data with the results of our engagement surveys to discover clues for improving employees’ health and enhancing work engagement. We are also cultivating a “shared Group Vision” through proactive messaging from top management and recognition programs like the PERSOL Group Award.

### Synergies between individual growth and organizational growth will lead to the realization of our vision

In addition to tracking the results of these various initiatives through annual engagement surveys, we are using interviews to extrapolate common behavior of highly engaged organizations and working to instill it throughout the Group to take the Group to an even higher level.

We believe that three axes are required for personal growth. “What” indicates abilities for performing well and producing results, while “how” refers to superior knowledge and skills. Many companies tend to evaluate employees with those two components, but the PERSOL Group adds a third—“why”—that refers to a person’s attitude and integrity. “Why” is difficult to quantify, but we would like our employees to grow not only in capabilities and skills but also in a way that he or she is said to be a good person who can be trusted. We believe the value of a person is represented by the sum of these three axes. The five themes, which are engagement drivers, are closely related to the improvement of the “why” capability.

No one person is perfect. That is why it is important to accept differences in capabilities and values. On this basis, having each employee embody the five themes will definitely lead to the growth of the organization as a whole and the realization of “Work, and Smile.” We will continue to pursue our human resources strategy with this thinking in mind.

### “Work, and Smile” global survey

In collaboration with the Well-being for Planet Earth Foundation, the PERSOL Group in 2020 launched a survey related to well-being\*<sup>1</sup> in the area of work (“workplace well-being”) as part of the Gallup World Poll\*<sup>2</sup>, the world’s largest public opinion poll.

With the growing importance of human capital for sustainable corporate management, we believe we need to place greater emphasis on subjective factors that enable individuals to derive pleasure and satisfaction from their work, in addition to objective rewards such as compensation and status.

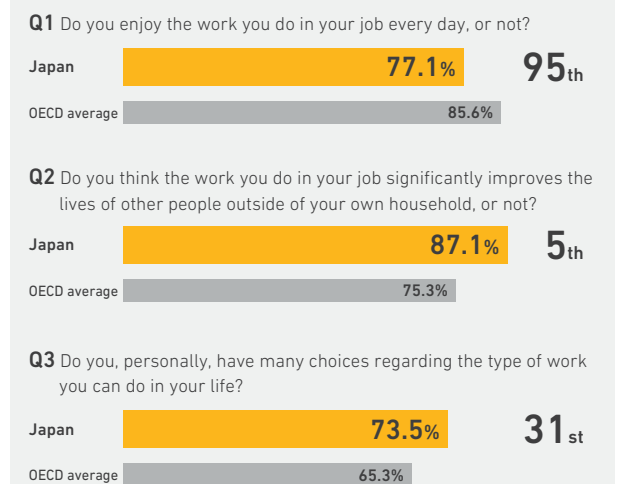
We believe that visualizing and enhancing subjective elements of work will lead to the realization of the Group Vision “Work, and Smile.” This survey covers the entire world, including regions where we do not provide services. We are using this survey to highlight the value that “Work, and Smile” brings to society.

In addition to using the survey data to enhance workplace well-being for our service users and employees, we are making the data available to the general public with the hope it will be used by a variety of organizations and companies in their human resource management.

\*1 The word well-being originates from “benessere,” a 16th-century Italian term that expresses the concept of “being well” or “living well.”

\*2 The world’s largest public opinion poll, carried out annually by the U.S. company Gallup, Inc. since 2005. The report is used for basic data of the UN’s Sustainable Development Goals and the World Happiness Report.

### Percentage of respondents replying “Yes” and global ranking of Japan



**Objective:** Formulate, survey and research indexes to measure “Work, and Smile”

**Partner:** Well-being for Planet Earth Foundation

**Target:** Approximately 1,000 individuals × 116 countries

**Period:** February 2020 through March 2021

**Approach:** Adding three new questions on “Work, and Smile” to the Gallup World Poll

GALLUP



### Measuring the “Work, and Smile” of employees (engagement survey)

We conduct an engagement survey of employees to maximize the Group Vision “Work, and Smile” of the PERSOL Group. There is a strong correlation between the outcome of the engagement survey and the three questions in the survey with Gallup. The results will be used for “enhanced workplace well-being” for society as a whole.

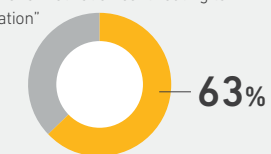
#### 1. Engagement survey

At PERSOL, engagement is defined as employees’ motivation to contribute to “work” and “organization.” The engagement survey is conducted once each year to measure engagement from the aspects of work and organization. To improve engagement, the Company will support employees by helping them achieve personal growth and self-realization, and build relationships that encourage mutual trust and contributions.

#### Key figures

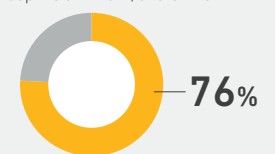
#### Engagement index

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



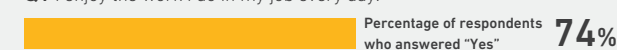
#### Vision empathy index

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



#### 2. Results of the “Work, and Smile” survey of employees

Q1 I enjoy the work I do in my job every day.



Q2 I think the work I do in my job significantly improves the lives of other people outside of my own household.



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



Initiatives for Value Creation

Diversity, Inclusion & Equality



**Initiatives in Diversity, Inclusion & Equality to support the realization of “Work, and Smile”**  
We believe that for the realization of a society in which all people truly feel “Work, and Smile,” it is important for us to understand and be receptive to diversity, while also engaging highly diverse employees. We have therefore positioned Diversity, Inclusion & Equality (DI&E) as an important way to support the realization of “Work, and Smile” and are accelerating our initiatives.

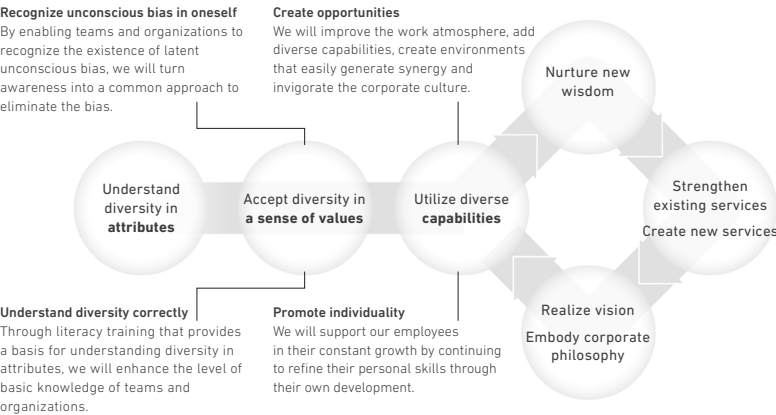
The PERSOL Group’s DI&E considers diversity from various perspectives including attributes, a sense of values and capabilities. Our operation policy is to create a corporate culture that gives rise to a positive environment by promoting a correct understanding of diversity, stimulating self-awareness of unconscious biases and providing opportunities and support that enable employees’ own capabilities to grow. We also believe that all employees who work within the Group need to

have basic knowledge and understanding of the DI&E way of thinking, and we hold literacy training. During the fiscal year ending March 2022, we carried out an e-learning program for 26,730\* employees at 35 domestic Group companies. After employees took part in the program, the percentage of those showing a correct understanding of DI&E exceeded 95% (as of August 18, 2021).

We also established the Gender Diversity Committee in September 2021 under the Headquarters Management Committee (HMC) to further promote active participation by women, and we plan to accelerate human resource development and support for balancing work and home across the Group. In addition, we consider it necessary to have common policies that include overseas Group companies to coordinate and promote DI&E across the entire PERSOL Group, and we are formulating a common Group DI&E policy.

\* Excluding certain employees of PERSOL THANKS and PERSOL TECHNOLOGY STAFF, and employees of Singular currently in the program

PERSOL DI&E SPIRAL



Note: DI&E: Diversity, Inclusion & Equality



Gender Diversity Committee

Initiatives at overseas subsidiary Programmed

**Monthly seminars and events to instill DI&E**  
As a leader in advocating equality and diversity, Programmed offers comprehensive human resource services in Australia and New Zealand with a workforce of more than 25,000 people, and engages in many forms of employment support, employee training and cultural formation.

In addition to internal seminars and events related to Diversity, Inclusion & Equality (DI&E) held monthly, another Programmed activity uses internal and external news feeds to disseminate various types of information including policies to instill and education about DI&E. The company has also introduced the Open Door anonymous reporting tool and provides appropriate support to ensure workplace safety and raise awareness of sexual harassment and inappropriate behavior.



Initiating various programs related to DI&E

Providing Opportunities to All Individuals



Promoting employment of persons with disabilities

Neuro Dive offices in Akihabara and Yokohama support employment transfers focusing on the IT field

Special subsidiary PERSOL CHALLENGE opened Neuro Dive, employment transfer support offices in Akihabara, Tokyo and Yokohama, Kanagawa Prefecture focusing on cutting-edge IT to offer services to persons with disabilities.

Neuro Dive’s special feature is online instruction that incorporates aspects like job details, current market value and demand in cutting-edge IT fields including AI, machine learning and data science, incorporating individualized support ranging from job seeking to job retention. By providing specialist training for persons with developmental disabilities, psychological disabilities and intractable diseases, Neuro Dive is helping alleviate the shortage of workers in the area of cutting-edge IT.



Employees of PERSOL CHALLENGE, which supports employment of persons with disabilities

Promoting employment of human resources with specified skills

Entering the business of recruiting and developing overseas human resources with specified skills, and the placement of non-Japanese persons

In April 2019, the Japanese government launched the new Specified Skilled Worker Program with new residence statuses to secure workers in 14 industries, including nursing care and restaurants, where human resource shortages are becoming increasingly critical.

PERSOL Global Workforce has established Japanese language training centers overseas to train human resources with specified skills for three to six months to pass Japanese language proficiency and other accreditation tests. Given the COVID-19 pandemic, as of August 2021, the company had trained and preliminarily placed more than 100 nursing-care workers, who are waiting for immigration restrictions on entering Japan to be eased.

PERSOL Global Workforce is currently working with partner companies in five countries, including Indonesia and Nepal, to train and place human resources with specified skills. Going forward, we aim to alleviate human resource shortages while

also realizing “Work, and Smile” for non-Japanese workers by training and placing non-Japanese human resources with Japanese language ability and skills to immediately contribute to companies struggling with human resource shortages, while at the same time promoting changes in awareness about non-Japanese workers at the companies where they work and within Japanese society.



Support for training and hiring of non-Japanese human resources, focusing on the specified skill of “nursing care”

Initiatives to enable work near home

Operation of places to “work close to home” and also make possible child care or nursing care

PERSOL TEMPSTAFF operates four Job Share Centers across Japan as places for people who want to “work close to home” so that they can also attend to things like child care or nursing care. As part of a public-private partnership with the city of Kobe, we operate the Kobe Myodani Work Lab AOZORA / Job Share Center Kobe Myodani, which utilizes the site of a kindergarten to facilitate local exchanges and community revitalization, and create employment. Providing a place where people who would otherwise be unable to work because of time or location constraints and who can commute on foot or by bicycle creates new work opportunities.



Kobe Myodani Work Lab AOZORA / Job Share Center Kobe Myodani



## Providing Opportunities for Learning



### Training programs for independent growth

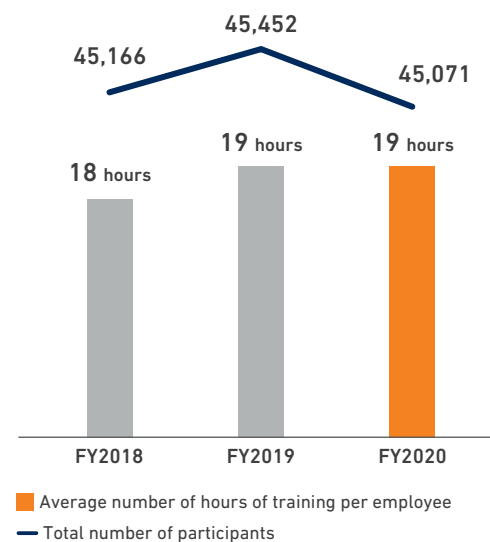
#### Various study programs for employees' growth and achievement

The PERSOL Group considers all the individuals who work for the Group the source of its corporate value. One of our basic policies is that "people themselves" are the agent of growth, and we have prepared and operate various study programs to encourage and support growth according to diverse values in line with employees' various roles and abilities.

In terms of manager training, we offer selective courses for senior managers to create a stable group of management executives for the medium to long term. For newly appointed managers, we hold mandatory training programs to impart the knowledge, skills and mind-set needed for management operations. The program has a satisfaction rate of more than 90%.

For general employees, we provide training programs that allow them to continue to grow independently and flourish in a highly uncertain business environment. We have consolidated various types of e-learning content on our internal platform, allowing employees to study at any time and at their own pace. We also offer open-type active learning to support career independence, in which more than 1,000 employees have already participated.

Total number of participants\*1 and average number of hours of training per employee



\*1 Total number of participants for all courses

### PERSOLKELLY's Asia-Pacific learning platform

#### Learning platform for all employees in Asia-Pacific region

In the belief that "our employees are our greatest assets," PERSOLKELLY has developed the "PSK Learning Journey training platform" for all employees. Besides raising the level of employees' specialization so they can provide customers with even better service, the platform provides opportunities for growth by offering regular learning opportunities to employees. PERSOLKELLY is developing a wide range of unique and practical programs with the aim of becoming Asia's largest and most comprehensive training platform.

Specific learning modules cover a wide range of topics from basic knowledge like legal issues and IT to areas including social intelligence and logical thinking. In addition to webinars, live events and other virtual sessions as well as group discussions, the platform has self-study materials to provide diverse and continuous learning opportunities.



### Fact-finding survey on online group training

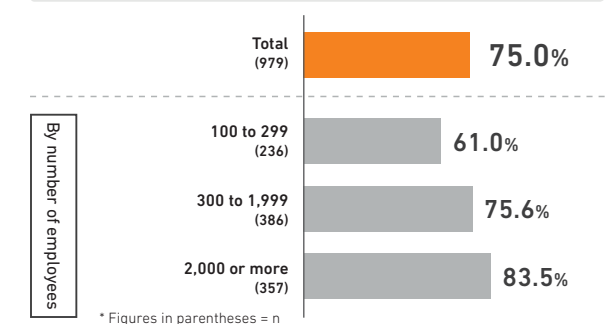
#### During the COVID-19 pandemic, 75% of companies have implemented online group training

PERSOL RESEARCH AND CONSULTING conducted a fact-finding survey on companies' online group training and released the results in July 2021.

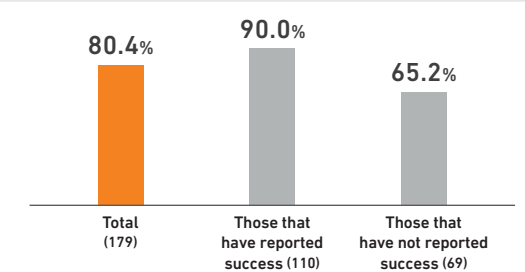
The survey found that since the outbreak of COVID-19, 75% of companies have moved their training for large numbers of employees online and carried out programs for large groups of employees, with a trend of more proactive shifts to online training as the size of the company increases. In addition, 80.4% of all companies that have implemented online group training, and even 65.2% of those companies that have not reported success with online group training, replied that they would like to move existing training online, suggesting that online group training will increase going forward.

When asked about the degree of achievement of learning objectives by training format, 46.5% of persons in charge of training at companies reported that online group training achieved at least 80% of its objectives, surpassing in-person group training. A checklist based on the survey results was published to increase the success of online group training. PERSOL RESEARCH AND CONSULTING has also begun offering corporate online group training services.

Percentage of companies that increased online group training over the past year



Percentage of companies that hope to move training online going forward



Basis: Companies that have implemented online group training (excluding those reporting uncertain success)

\* Figures in parentheses = n

### Training for temporary staff

#### Various initiatives to enhance skills and support careers of temporary staff

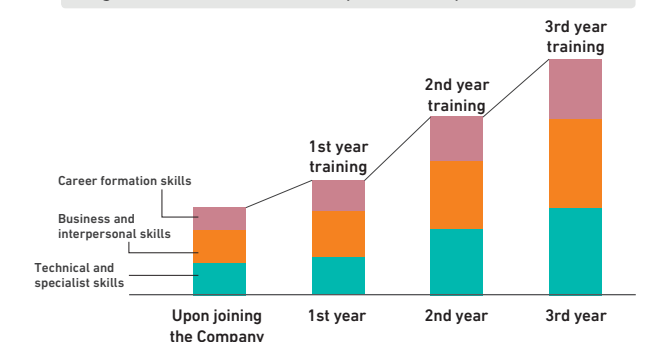
The PERSOL Group has more than 100,000 temporary staff in Japan. We provide training programs to enhance their specialist skills and we are expanding our online training to make training by e-learning easier to receive. Training leads to an increase in the quality of work performed on the job and also helps in the pursuit of different occupations, supporting temporary staff's independent career formation.

We also offer services that provide integrated support from skill enhancement through training to employment. PERSOL TEMPSTAFF offers services including "funtable," an unlimited term staffing service with career support for persons without experience who want to move into clerical positions, and RPA Associates, which dispatches staff who have acquired knowledge and skills in robotic process automation (RPA) that will lead to increased corporate productivity. We will create employment that meets the needs of companies, while expanding the choices available to working individuals.



Temporary staff taking online training

Diagram of skill enhancement plan with experience and skills



## Creating a Foundation for Economic Activity and Promoting Innovation



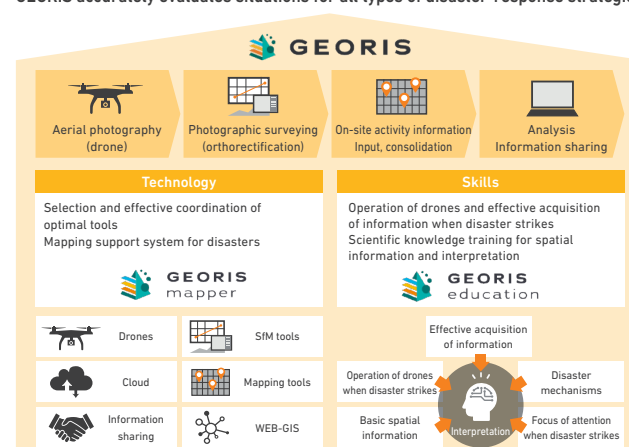
### ► Social implementation research for disaster-response drones

#### Commencing joint research with NIED toward social implementation of drones for firefighting and disaster prevention

In January 2021, PERSOL PROCESS & TECHNOLOGY began working with the National Research Institute for Earth Science and Disaster Resilience (NIED) to develop a disaster-response drone solution service called GEORIS.

This research aims to create a solution that uses drones and mapping systems to collect information for fire departments when disasters strike, leading to accurate and prompt on-sight decision-making.

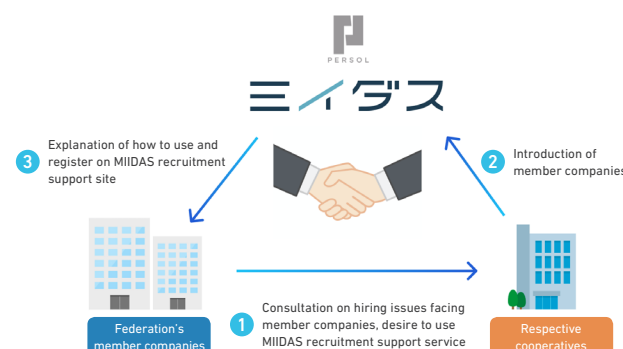
GEORIS accurately evaluates situations for all types of disaster-response strategies



### ► Recruitment support platform

#### Support for nationwide recruitment of electrical construction technicians for 32,000 member companies of the Federation of Electrical Engineering Contractors Cooperatives of Japan

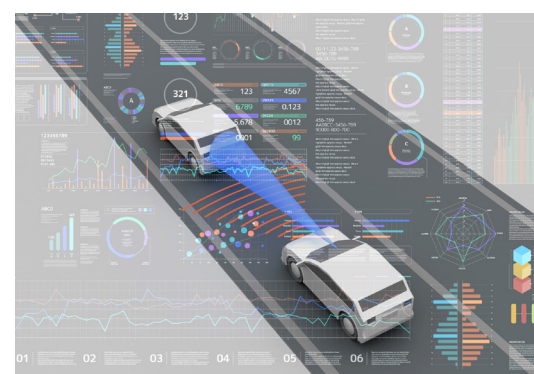
In cooperation with the Federation of Electrical Engineering Contractors Cooperatives of Japan, PERSOL HOLDINGS has launched a recruitment support service for electrical construction technicians for the federation's 32,000 member companies. With growing construction demand related to equipment in areas like next-generation energy, telecommunications and energy conservation, human resource shortages related to electrical construction, including electrical construction technicians, are becoming increasingly severe. This initiative allows local companies having difficulty securing human resources to use the "MIIDAS" recruitment support platform for integrated support for their hiring needs from human resource analysis, search and recruitment to evaluation and hiring. This service is helping alleviate the nationwide shortage of electrical construction technicians.



### ► Subcontracted testing of advanced driver assistance system

#### Taking on services to support development of advanced driver assistance system (ADAS)

PERSOL RESEARCH & DEVELOPMENT, which carries out the Group's technical engineering operations, has begun subcontracted testing services of an ADAS. This service uses a high-precision measuring system to arrange tests according to customer specifications to provide functional testing and legally compliant evaluation. Automakers are currently accelerating their ADAS development. As a company that provides one-stop human resource-based solutions from technical consulting to design and development support, PERSOL RESEARCH & DEVELOPMENT is contributing to realizing a society with safe and comfortable mobility.



## Environmental Initiatives

Following the Group Vision "Work, and Smile," the PERSOL Group is contributing to the realization of a sustainable society by creating a society in which all people can work safely and securely. To achieve this, we recognize environmental preservation as one of the Company's management issues and carry out corporate activities that take into account environmental considerations to reduce our environmental impact. Going forward, we will continue to strive to ensure that all employees at all Group companies understand the importance and value of environmental issues, and act accordingly.

### ► Main initiatives

#### Decarbonized society

- Promoting paperless operations
- Encouraging purchases of recyclable equipment
- Promoting remote work

#### Forest protection

- Promoting paperless operations
- Use of FSC® certified paper
- Use of environmentally friendly products
- Participation in environmental events

#### Climate change

- Encouraging casual office attire
- Thorough energy conservation measures
- Promoting remote work

#### Environmental considerations in office design

At the office design stage, we strive to reduce waste by using to the extent possible uniform specifications for furniture and fixtures. We are also taking steps including switching to LED lighting and consolidating trash collection at single locations to create environmentally friendly offices.



#### Environmental considerations in office life

We are pursuing the following initiatives to conserve energy and resources in office life:

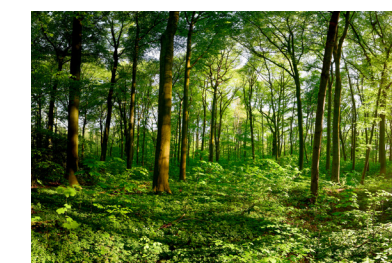
- Liberalizing the work dress code, in principle
- Ensuring appropriate temperature settings of air conditioners
- Encouraging required approval for after-hours air-conditioning
- Encouraging the use of personal, reusable water bottles
- Using PLA straws
- Setting up recycle bins for stationery and file folders
- Promoting recycling
- Posting electricity and energy conservation flyers
- Encouraging purchases of recyclable equipment
- Reusing company-use mobile phones

#### Promoting remote work

We are building remote work environments through the proactive use of ICT, including providing employees with laptop computers and introducing chat tools. At PERSOL HOLDINGS and some Group companies, Wednesdays are designated "no overtime" days, and efforts are made to finish operations by 6:00 p.m. These measures help reduce the number of commutes and lessen the amount of electricity used in offices, with the dual aims of work style reform and reduction of CO<sub>2</sub> emissions.

#### Use of FSC® certified paper

We consider forests, which are the source of paper, important resources, and take into consideration both environmental protection and cost reductions. When purchasing paper for copier/printer use, business cards and other uses, we encourage that priority be given to environmentally friendly products like those certified with the Eco Mark.



#### Promoting paperless operations

The Group is promoting paperless operations by discontinuing the sending of printed New Year cards and introducing tools for electronic contracts. PERSOL HOLDINGS and some Group companies are also cutting back on the use of printed materials for internal meetings and thoroughly sorting and recycling paper resources to reduce the use of paper. Going forward, we will monitor the amount of paper used and promote measures that can be expected to produce even greater results as we strive to preserve resources and reduce CO<sub>2</sub> emissions.

#### Participation in environmental events

PERSOL AVC TECHNOLOGY is participating in citizen-led environmental activities\* to clean up areas along rivers and beaches in Hokkaido. Events during the fiscal year ended March 2021 were canceled because of the COVID-19 pandemic but, going forward, we will strive to contribute to local communities and carry out environmental protection activities.

\* Results of citizen-led environmental activity "Love Earth Clean Up in Hokkaido 2019" Collected 900 kilograms of burnable waste, 450 kilograms of non-burnable waste, 1,050 kilograms of waste that should not be burned and 450 kilograms of large items "Cleanup of Kotonihassamu River" Participation by 12 employees



#### Reducing CO<sub>2</sub> emissions by 5.9 tons annually with digitalization of contracts and other documents

The Staffing SBU has installed a large backbone system called GENESIS for centralized management of things including staff salaries, paid vacations, year-end payroll tax adjustments and customer contracts and invoices, and is stepping up efforts to digitalize other documents.

PERSOL TEMPSTAFF projects that 1.15 million pages of documents will be digitalized during 2022, reducing CO<sub>2</sub> emissions by 5.9 tons, which is equivalent to the amount absorbed by 382 cedar trees.

Paper documents



Digitalization





Mid-term Management Plan 2023

1 Overview of Mid-term Management Plan 2023

The PERSOL Group formulated the Value Creation Story for 2030 (mid- to long-term strategic policy) to provide even greater value, achieve further growth and contribute to a sustainable society, given various environmental changes likely to occur going forward. The Mid-term Management Plan 2023 is the first three-year plan under the vision for 2030.

The Mid-term Management Plan positions these three years as a time for establishing the foundations for future growth by sophisticating the business and improving the operation base to provide value to society through the realization of “Work, and Smile.”



2 Overall Strategies in Mid-term Management Plan 2023

We have five overall strategies for the three years covered by the Mid-term Management Plan 2023: increase social value, increase economic value, shift to a strategic business unit (SBU) structure, identify growth areas and strengthen business with technology.

Increase social value	<div><div>• Create “Work, and Smile” index and implement measures that will contribute to improvement of component indicators to achieve the Group Vision</div><div>• Promote ESG-related initiatives and disclose them in the Integrated Report</div></div>
Increase economic value	<div><div>• Shift from the management focusing on single year P/L to the management that realizes sustainable growth of corporate value</div><div>• Introduce ROIC and other indicators of return on capital to improve the corporate value of the entire Group</div></div>
Shift to a strategic business unit (SBU) structure	<div><div>• Position Professional Outsourcing SBU as third pillar of operations while continuing to strengthen Staffing SBU and Career SBU, which underpin the PERSOL Group profitability</div><div>• Consolidate management under Asia Pacific SBU and improve profitability through enhanced cost synergy</div></div>
Identify growth areas	<div><div>• Actively pursue investment opportunities, including M&amp;A, to cement Professional Outsourcing SBU as the PERSOL Group’s third pillar of operations</div><div>• Actively promote creation of new business in Solution SBU</div></div>
Strengthen business with technology	<div><div>• Boost productivity and customer satisfaction through investments in digital transformation (DX)</div></div>

3 Strategies of the Group and Each SBU

In April 2020, we reorganized our business segments under an SBU structure. As part of this reorganization, we have transferred authority to each SBU to expedite decision-making and execution related to operational execution.

Under the Mid-term Management Plan 2023, we are also

proactively investing in the Professional Outsourcing SBU to make it the third pillar of operations. The Asia Pacific SBU is giving top priority to increasing profitability and intends to put large-scale M&As on hold for the time being.

Group	<div><div>• Shift to the SBU structure, and realize a new form of management by focusing on return on capital, using ROIC and other indexes</div><div>• Aggressively invest in the Professional Outsourcing SBU and Solution SBU for future growth</div></div>
Staffing	<div><div>• Establish a basis as the steadfast top company in Japan</div><div>• Increase profitability even further</div></div>
Career	<div><div>• Redefine the growth model to enhance the strength of data-driven business improvement to the level of competitive advantage</div><div>• Will ensure compatibility between high growth rate and profitability after the market recovery</div></div>
Professional Outsourcing	<div><div>• Address activities to create synergy within the SBU and expand business scale remarkably through M&amp;A</div></div>
Solution	<div><div>• Monetize new businesses and promote new business development activities</div><div>• Ensure a high growth rate and making profit in FY2022</div></div>
Asia Pacific	<div><div>• Increase profitability through back-office integration of PERSOLKELLY and Programmed and other means</div></div>

4 Numerical Targets

The impact of COVID-19 appears unavoidable, but in accordance with the overall strategies set in the Mid-term Management Plan 2023, the PERSOL Group will recover the profitability to build foundations for dramatic growth in and beyond 2023. We also plan to recover to pre-pandemic levels at an early date, while maintaining necessary investment.

	Results for the fiscal year ended March 2021	Estimates for the fiscal year ending March 2023
Net sales	950.7 billion yen	1,000 billion yen
Operating profit (Operating profit margin)	26.4 billion yen (2.8%)	45 billion yen (4.5%)
EBITDA (EBITDA margin)	43.9 billion yen (4.6%)	61 billion yen (6.1%)

5 Financial Strategy

For improving corporate value, return on capital will be introduced as an important indicator, and a capital cost-oriented management system will be realized with the target of at least “ROIC of 10%.” The IFRS is scheduled for introduction in the fiscal year ending March 2024, and the adjusted EPS will be constantly released for each term based on the net profit prior to amortization of goodwill. With regard

to shareholder return, in view of the future introduction of IFRS, the basic policy changed to a dividend payout ratio of 25% based on the adjusted EPS. In addition, the acquisition of treasury stock will be judged, considering the situation where the stock price is below the appropriate level and the investment execution status comprehensively.

Introduction of return on capital for increasing corporate value	<div><div>• From a viewpoint of increasing corporate value, shift to a policy focusing on return on capital from the existing one focusing on P/L.</div><div>• In view of future introduction of IFRS, PERSOL’s ROIC will be calculated based on the net operating profit after tax prior to amortization of goodwill divided by invested capital (=liabilities with interest + shareholder’s equity).</div><div>• A rate over 10% is set as a minimum standard for the fiscal year ending March 2023.</div></div>
IFRS introduction in the future	<div><div>• IFRS is planned to be applied in the fiscal year ending March 2024 which has been put off due to acquisitions overseas.</div><div>• In view of future introduction of IFRS, adjusted EPS based on net profit prior to amortization of goodwill will be continuously disclosed.</div></div>
Shareholder returns	<div><div>• Basic policy is a dividend payout ratio of 25% of the adjusted EPS.</div><div>• Adjusted EPS is based on net profit before amortization of goodwill excluding effects of extraordinary income/loss. It is therefore expected to be able to provide dividend at a relatively stable level.</div></div>
Cash position	<div><div>• The optimum cash position is defined as net cash/debt within 1.0 time of EBITDA.</div><div>• In case of excessive cash as a result of investments not implemented as planned or excessive debts as a result of implemented investments, the policy is as follows:<div><div>- If net cash exceeds 1.0 time of consolidated EBITDA, measures of strengthening shareholder return such as acquisition of treasury stock will be considered.</div><div>- If net debt exceeds 1.0 time of consolidated EBITDA, measures to strengthen capital such as equity finance will be considered.</div></div></div></div>

6 Basic Policy on Governance

The PERSOL Group will exert continued efforts for the improvement of its corporate governance as the foundation for all efforts to realize sustainable corporate growth and the increase of corporate value over the mid-to long-term and

solve social issues through its businesses. We are promoting governance with policies of a “strengthened the monitoring function of the Board,” “accelerated management decision-making” and “establishment of HMC.”

## 7 Progress under Mid-term Management Plan 2023

During the fiscal year ended March 2021, the first year under the Mid-term Management Plan 2023, we worked with U.S.-based Gallup, Inc., the world's largest opinion poll-conducting company, on a survey to measure the degree of realization of "Work, and Smile" among 120,000 people in 116 countries as a way to enhance PERSOL's social value. Going forward, we plan to use this data to carry out research on the value that "Work, and Smile" gives to society.

In November 2020, the PERSOL Group also released its first

Integrated Report, and throughout the year we carried out sustainability activities and various initiatives related to "work" including the promotion of new work styles, with the aim of realizing "Work, and Smile."

To enhance our economic value further, the Board and other management bodies have deliberated and monitored ROIC. Although ROIC fell temporarily in the fiscal year ended March 2021 from the effects of COVID-19, we anticipate a recovery in the fiscal year ending March 2022.

<b>Increase social value</b>	<ul style="list-style-type: none"> <li>In cooperation with Gallup, Inc., the U.S. based company, conducted a survey to measure the level of accomplishment of "Work, and Smile" in 116 countries in the world as well as a survey of engagement of PERSOL's employees</li> <li>Promoted ESG-related initiatives and disclosed them in the Integrated Report</li> </ul>
<b>Increase economic value</b>	<ul style="list-style-type: none"> <li>Carrying out discussion and monitoring based on ROIC at BOD meetings</li> </ul>
<b>Shift to a strategic business unit (SBU) structure</b>	<ul style="list-style-type: none"> <li>As optimum organizational restructure, PERSOLKELLY's business in Australia was transferred to Programmed and the business turned into surplus</li> <li>Established Investment Committee and other committees to increase the effectiveness of corporate governance</li> </ul>
<b>Identify growth areas</b>	<ul style="list-style-type: none"> <li>Through drastic business review reflecting the world after COVID-19, we will start establishing next Mid-term Management Plan</li> </ul>
<b>Strengthen business with technology</b>	<ul style="list-style-type: none"> <li>Established a technological strategy and strengthen investment in technologies which promotes building foundations for utilizing personal data beyond the borders of SBU</li> </ul>

## 8 PERSOL Group's Technology Strategy

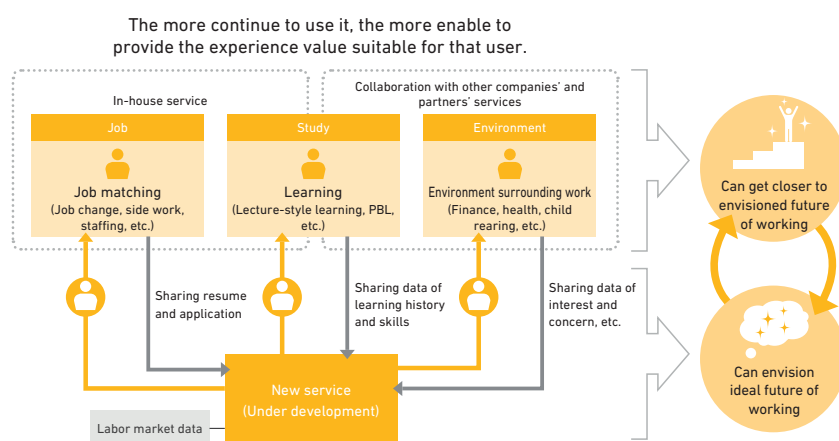
The PERSOL Group's Value Creation Story for 2030 includes three Group key strategies, one of which is "Innovating through technologies." By making the maximum use of technology, we aim to make our core businesses more advanced and create new businesses, and we are investing in digital transformation (DX) to increase both productivity and customer satisfaction.

Specifically, the core of our strategy is to use digitalization to raise profitability, use the latest technologies to overhaul operations and create new businesses and services, and hire

and train technological human resources.

During the fiscal year ended March 2021, we announced the "Future Vision of Work Initiative," which is intended to link data and services across human resource services and work with outside partners to support the ability to work in ways that suit all individuals and to draw up their own future. In addition, we are proactively promoting building a foundation for utilizing personal data across SBUs and investing in various technologies at each SBU.

### Future Vision of Work Initiative



## INTERVIEW

Implementing DX that cuts across SBUs and collaborates human resource services with other services to provide new ways of working and employment

Masayuki Furukawa  
Executive Officer CIO

### Promoting DX by redefining from a technological perspective the value provided up to now by the PERSOL Group

One of the overall strategies in the Mid-term Management Plan 2023 is to "strengthen business with technology." We are moving forward at full strength with digital transformation (DX) that cuts across SBUs and collaborates human resource services with other services.

I consider the comprehensive human resource services provided by the PERSOL Group to represent a calling to deliver the "wisdom" of people. Our business is to provide labor markets with optimal "wisdom" from employees' and other users' skills and careers. This "wisdom" is dramatically increasing in value through digitalization, which I believe is very compatible with DX. Creating value from the personal data representing the huge amount of "wisdom" accumulated within the Group up to now, and using this to create new employment, is the core of the PERSOL Group's technology strategy.

As the person responsible for promoting DX and IT throughout the Group, I believe my role is to manage as efficiently as possible the Group's personal data, information systems, human resources, investments and other technological assets, and to use digital means to further contribute to businesses and create economic value.

We established the Technology Committee under the Headquarters Management Committee (HMC). We consider its main role is to draw up and execute a mid- to long-term road map through close discussion and coordination with the managers of each SBU, who are thoroughly familiar with their respective businesses and improvement plans including mid- to long-term technology strategy and human resources.

### Strengthening technological governance and implementing DX measures to envision and realize the "Future Vision of Work"

During the fiscal year ended March 2021, the first year under the Mid-term Management Plan 2023, we strengthened our investment in the fields of IT and DX and implemented a variety of measures based on our technology strategy.

We are currently envisioning frameworks to draw up a future of work for individuals through services provided in work, learning and peripheral environments, focusing on working individuals and based on an analysis of labor market data and individual data. The key to realizing this will be to strengthen coordination across the services provided by respective SBUs, which we are working hard to achieve.

We recognize that building and reconfiguring infrastructure and security with strong governance functions will be important for realizing the "Future Vision of Work." With regard to the use of personal data in particular, in the belief that simply meeting legal requirements is not enough, we are introducing risk management that includes the increasingly important element of reputational risk. As part of this effort, in January 2021, we created an oversight function by establishing the Personal Data Utilization Council.

DX is just one method for accomplishing goals. We hope to develop and implement these initiatives in ways that do not make users think about DX. Comprehensive human resource services provided by the PERSOL Group and the data it accumulates are huge and useful. We can create new businesses by reexamining from the latest technological perspective the value provided to date. This means that as we go forward, it will be essential to develop DX human resources who are able to coordinate between IT divisions and respective SBUs and Group companies, and we will also proactively hire and develop experienced human resources from outside the Group.





# INTERVIEW

We will proactively implement our strategies to achieve sustainable growth, despite the uncertain environment.

Kiyoshi Seki  
Executive Officer CFO

**Steadily implementing financial strategies to achieve sustainable growth**

As a provider of human resource services, the PERSOL Group absolutely requires swift management decision-making based on each fiscal year's results. At the same time, the Group's healthy growth and definite existence are needed if we are to contribute to resolving social issues through our businesses, and for that, it is important to generate and secure funds for the medium- and long-term enhancement of corporate value. To this end, the Group is working to maintain a solid financial base.

To achieve medium- and long-term growth for the enhancement of corporate value, we are repositioning our financial strategy from the traditional profit and loss-based evaluation to business management that emphasizes return on capital with an awareness of the cost of capital. With existing businesses generating cash flow through earnings growth, we are making optimal allocations of overall resources including investment in marketing and human resources on the basis of return on investment. In addition, we will actively promote digital transformation to increase return on capital and have set a target of ROIC\* of at least 10% for the fiscal year ending March 2023, the final year of the Mid-term Management Plan 2023.

Recognizing the importance of quantifying and understanding return on capital, Group management is

conducting regular monitoring to visualize return on capital and incorporating ROIC and related indicators in the Group's management decision-making and business activities.

**Forward-looking discussion of portfolio management**  
In April 2020, the PERSOL Group shifted its business segment structure to a Strategic Business Unit (SBU) structure. This change will lead to expedited decision-making and execution, and also expand Group synergies. In addition to strengthening the client base and marketing structure for growth in existing businesses at each SBU, we will proactively work to develop new markets. Meanwhile, improving earnings at overseas businesses is a critical issue for the Group. With structural contraction forecast for the Japanese labor market, we not only need to make overseas businesses profitable but also must improve earnings further, and will put even greater effort into overseas businesses through continuous improvement and optimization.

We are currently conducting various discussions to add depth to the management of the PERSOL Group's business portfolio. This approach includes examining our business portfolio to achieve sustainable growth, while at the same time discussing business areas from which we should withdraw or businesses we should sell. We recognize

the urgency of having many discussions that go beyond conventional frameworks, with the aims of raising capital efficiency and enhancing corporate value.

**Proactive investment focusing on M&As and technology**  
Under the Mid-term Management Plan 2023, we aim to recover quickly to pre-COVID-19 pandemic levels while continuing to make necessary investment. The plan forecasts that business growth will be able to generate cash flow of more than 130.0 billion yen (cumulative for the three-year period), of which approximately 110.0 billion yen will be earmarked for flexible growth investment. M&As and technology have been designated as the main areas for this growth investment. For M&As, we will consider transactions to both expand existing businesses and create new businesses. At existing businesses, we will work to expand our market share in existing business fields such as the Professional Outsourcing SBU and achieve integrated development with BPO fields, which we have positioned as a growth driver going forward. In terms of new businesses, we will invest proactively to expand and accelerate new services, with the aims of creating new value and enhancing customer value in ways that go beyond our existing business models. Regarding technological investment issues, the PERSOL Group has a database of customer information and job information built up over many years. We believe we need to make targeted, proactive investment in technological fields to effectively use this data. In addition, it will be important to invest in advanced technologies and solutions like HR Tech (human resource technology) in both Japan and overseas, and in human resource development to drive businesses. At the core businesses represented by the Staffing SBU and the Career SBU, we will invest in technology to increase productivity while also providing added value. We will also invest in technology for BPO fields to demonstrate the strengths of the PERSOL Group even further.

To make these investments appropriately and flexibly, we established the Investment Committee in the fiscal year ended March 2021. The Investment Committee, an advisory body to the Headquarters Management Committee (HMC), invites outside experts to facilitate multifaceted deliberation on topics like strategies related to M&As and investment, business portfolio management and the evaluation of cross-shareholdings on a groupwide basis. In principle, we are selling cross-shareholdings and during the past

■ Investment Committee meetings and major subjects discussed during the fiscal year ended March 2021	
Number of meetings held	Major subjects discussed
10 meetings 5 regular meetings 5 extraordinary meetings	<ul style="list-style-type: none"><li>Investment Committee structure</li><li>Introduction of business portfolio management</li><li>WACC</li><li>M&amp;A strategy at each SBU</li><li>Evaluation of M&amp;A candidates</li><li>Investments (2 approved / 1 opposed) Of which, 1 acquisition (approved by Investment Committee) completed</li><li>Pipeline</li><li>Evaluation of cross-shareholdings</li></ul>

year reduced the number of issuing companies held to 18 from 24. With regard to investment, our comprehensive, flexible deliberation facilitates accurate feedback to and regular monitoring of each SBU and has the added benefit of adopting experts' perspectives in discussions of investment in cutting-edge technologies and solutions that cannot be determined by traditional expertise alone.

**Achieving closer dialogue with shareholders and investors, and appropriate returns**  
I have many opportunities to talk directly with shareholders and investors. Although I feel that they evaluate various activities of the PERSOL Group, I also recognize that our disclosure of information that accurately conveys our strategies is insufficient for their understanding. In addition to corporate management that gains the trust of shareholders and investors, I see the proactive pursuit of appropriate information disclosure and constructive dialogue as ongoing issues. For return to shareholders, our approach is to increase returns through steady growth. In anticipation of future disclosure based on IFRS, the Mid-term Management Plan 2023 sets a dividend payout ratio benchmark of 25% of adjusted EPS, which is similar to profits calculated under IFRS. If we are able to achieve the operating targets under the Mid-term Management Plan, we expect to pay a record-high dividend for the fiscal year ending March 2023.

The PERSOL Group will continue to work toward realizing the Value Creation Story for 2030, with the ongoing aim of sustainable growth by creating both social value and economic value.

\* Anticipating introduction of International Financial Reporting Standards (IFRS) in the future, the PERSOL Group calculates ROIC as "net operating profit after tax before amortization of goodwill / invested capital (= interest-bearing liabilities + equity capital)."

At a Glance

The PERSOL Group is engaged in a wide range of services aimed at realizing “Work, and Smile” in various business domains, by sincerely and closely assisting working individuals and with the customer contacts and trust that have been created with our people as the starting point.

Specialized Services

Providing high-level human resource and organizational consulting as well as education and training

We offer highly specialized services unique to the PERSOL Group, including PERSOL RESEARCH AND CONSULTING, which conducts surveys and research related to organizations and human resources, and provides consulting and training services centered on the development of people, organizations and management; and PERSOL CHALLENGE and PERSOL THANKS, which provide employment services for the disabled.

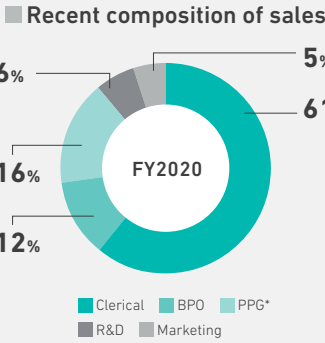
Services

- “Think tank” services
- Human resource/organizational consulting
- Education/training
- Employment of the disabled
- Corporate venture capital
- Global human resource placement

Core Company/Representative Companies

PERSOL RESEARCH AND CONSULTING, PERSOL CHALLENGE, PERSOL THANKS, PERSOL FACILITY MANAGEMENT, PERSOL INNOVATION FUND, PERSOL Global Workforce

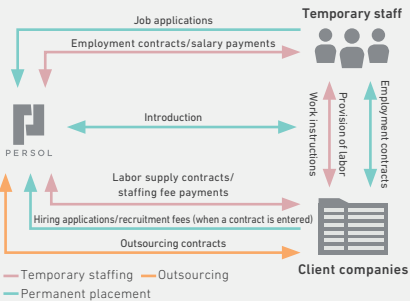
Staffing SBU



Services

- Temporary staffing (clerical work, research, clinical development, sales, tight work)
- Outsourcing (clerical work, government office contract business, call centers, helpdesks, CRO, manufacturing)
- Temporary job placement ahead of permanent employment/permanent placement

Features/Business Models



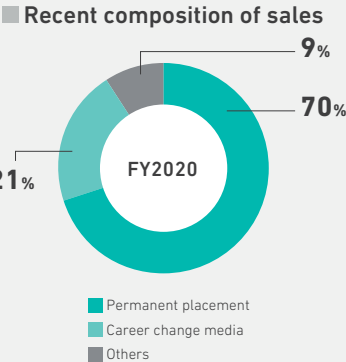
SBU Core Company/Representative Companies/ Examples of Handled Brands

- PERSOL TEMPSTAFF
- PERSOL EXCEL HR PARTNERS\*
- PERSOL FACTORY PARTNERS\*
- PERSOL MARKETING
- PERSOL WORKS DESIGN

\* The above two companies are referred to as PPG, for convenience.



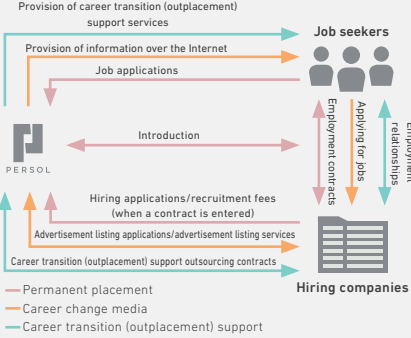
Career SBU



Services

- Permanent placement (mid-career, new grad recruitment)
- Career change media, direct recruiting
- Executive and advisory placement
- Outplacement support
- Career training

Features/Business Models



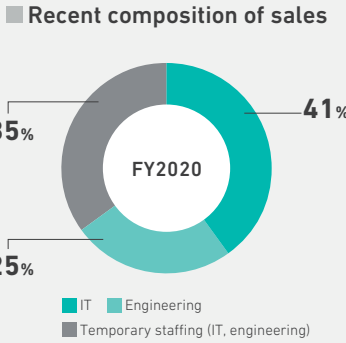
SBU Core Company/Representative Companies/ Examples of Handled Brands

- PERSOL CAREER
- PERSOL CAREER CONSULTING
- Benesse i-Career\*

\* Benesse i-Career is a non-consolidated company.



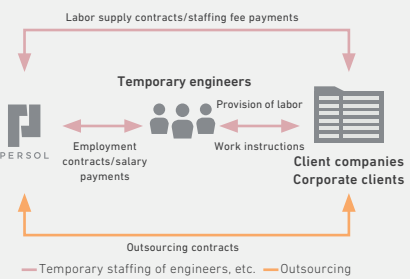
Professional Outsourcing SBU



Services

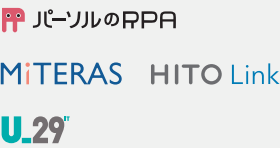
- Outsourcing (IT, business)
- Digital solutions, system development
- Business consulting
- Engineering (design and experiment)
- Temporary staffing (IT, engineering)

Features/Business Models

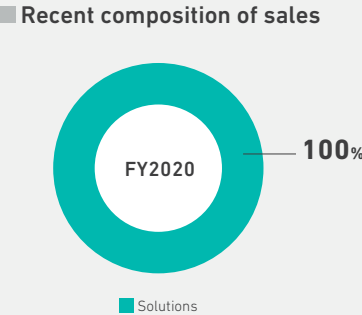


SBU Core Company/Representative Companies/ Examples of Handled Brands

- PERSOL Professional Outsourcing
- PERSOL PROCESS & TECHNOLOGY
- PERSOL RESEARCH & DEVELOPMENT
- PERSOL TECHNOLOGY STAFF
- PERSOL AVC TECHNOLOGY



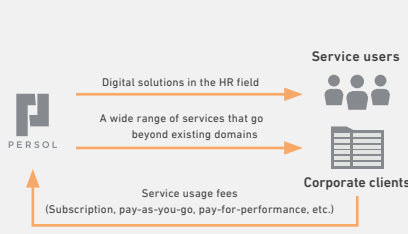
Solution SBU



Services

- Digital solutions (employment, human resources management, education)
- Incubation programs

Features/Business Models

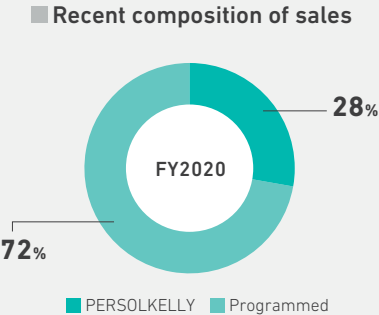


SBU Core Company/Representative Companies/ Examples of Handled Brands

- PERSOL INNOVATION



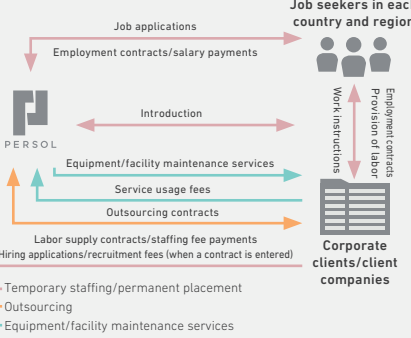
Asia Pacific SBU



Services

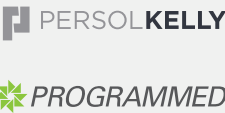
- Temporary staffing
- Permanent placement
- Equipment/facility maintenance
- Outsourcing
- Human resource management consulting
- Education/training
- Home care

Features/Business Models



SBU Core Company/Representative Companies/ Examples of Handled Brands

- PERSOL Asia Pacific
- PERSOLKELLY
- Programmed Maintenance Services



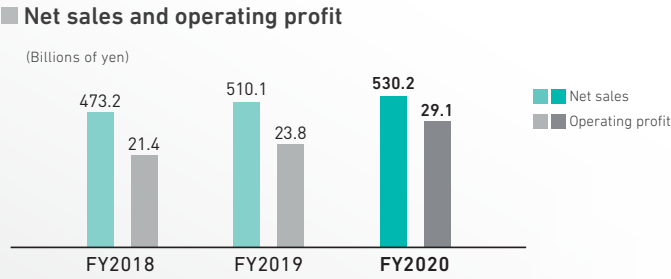


Business Overview by SBU



Kazunari Kimura  
Executive Officer,  
Staffing SBU Lead

Staffing SBU



■ Opportunities and risks

- |   |  |
|---|--|
| <b>Opportunities</b> <ul style="list-style-type: none"><li>• Creation of employment opportunities from diversification of work styles</li><li>• Increasing demand in outsourcing field</li><li>• Stronger foundation and improved productivity from use of technology</li></ul> | <b>Risks</b> <ul style="list-style-type: none"><li>• Declines in number of orders and operating rate, and increase in contract terminations, due to COVID-19</li></ul> |
|---|--|

Competitive Advantage and Strategic Direction

Expanding employment opportunities and strengthening engagement with temporary staff to increase reliability and a sense of attachment from temporary staff

The Staffing SBU is engaged in the temporary staffing business mainly for clerical work for a wide variety of industries and for developing Business Processing Outsourcing (BPO). With top market share\* in temporary staffing for clerical work, we are using our biggest strengths of a solid business foundation and trust to demonstrate our advanced capabilities in resolving issues through temporary staffing and outsourcing business tie-ups. We are developing optimal strategies in each field as we will expand our marketing in clerical work qualitatively and quantitatively and increase our share of the clerical staff-dispatching market. We are providing working individuals with opportunities, awareness and diverse choices to realize "Work, and Smile," with the aim of becoming the group continuously chosen by temporary staff with their reliability and a sense of attachment by having them become fans through an ongoing relationship.

\*Company survey as of February 2021

Results for Fiscal Year Ended March 2021

Achieving significant growth in the BPO field while maintaining employment despite COVID-19

During the COVID-19 pandemic, we put all our effort into maintaining temporary staff employment and strove to reduce the number of contract terminations. Moreover, with business tie-ups in the BPO field in addition to a smooth response to equal pay for equal work in the temporary staffing field, net sales rose 3.9% from those of the previous year, with a 22.0% increase in operating profit.

In the BPO field in particular, an increase in orders including those related to COVID-19 contributed to strong year-on-year sales growth while also raising profitability, contributing to the SBU's growth.

Progress under the Mid-term Management Plan

Using technology to strengthen the business foundation and pursuing increased reliability and a sense of attachment from temporary staff

We are using technology to strengthen the business, while also maintaining security and creating an environment that makes it possible to provide services to customers and temporary staff despite the pandemic. In response to the recent increase in telework, we have developed the Remote Temp home-based temporary staffing service. We are also boosting convenience for working individuals with the increasingly popular Temp App official

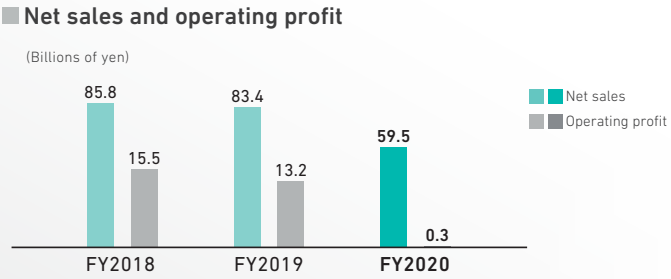
smartphone app for people working at TEMPSTAFF and the T-PLA business-to-business platform for customers.

By measuring the "fan index" focusing on the "work" of temporary staff, the Staffing SBU is making it possible to visualize "Work, and Smile" and striving to increase its degree of reliability and a sense of attachment (making fans). (Fiscal year ended March 2020 result: 39 points, fiscal year ended March 2021 result: 47 points, fiscal year ending March 2023 target: 55 points)



Taro Mineo  
Executive Officer,  
Career SBU Lead

Career SBU



■ Opportunities and risks

- |  |   |
|--|---|
| <b>Opportunities</b> <ul style="list-style-type: none"><li>• More interest in mid-career recruitment by companies as economy recovers</li><li>• Increased awareness of career formation among individuals in era of 100-year lifespan</li><li>• Development of work styles independent of formal employment such as freelance work and side jobs</li></ul> | <b>Risks</b> <ul style="list-style-type: none"><li>• Delayed recovery in corporate hiring demand from prolonged effects of COVID-19</li><li>• Digital technologies leading to rapid deterioration and replacement of existing business models</li></ul> |
|--|---|

Competitive Advantage and Strategic Direction

Increasing productivity through appropriate and balanced investment, stronger marketing processes and use of technology

The Career SBU's main businesses are in the field of regular employees, comprising the operation of the "doda" recruiting media, a permanent placement business and an outplacement support business. To meet a recovery in hiring demand when the economy rebounds from the effects of COVID-19, in addition to increasing headcount through mid-career recruitment, we will strengthen our ability to attract individual customers through increased investment in marketing and pursue coordination across services, while maintaining appropriate efficiency. We will also accelerate the digitalization of our businesses by using technology to increase matching precision and strengthen online response capabilities to enhance our medium-term competitiveness. We will support even more companies and working individuals using the brand power of "doda," which has a solid corporate client base of more than 29,000 counterparty companies and more than 6 million registered users (as of February 2021), and the higher-end career support service "iX."

Results for Fiscal Year Ended March 2021

Sales declines at both the permanent placement business and the advertising business from effects of COVID-19, but operating profit remaining in the black

Companies remain cautious about hiring because of the spread of COVID-19, and although sales for the fiscal year ended March 2021 declined from those of the previous year, both the permanent placement business and the job advertising business have been gradually recovering through the end of the fiscal year after bottoming out in the second quarter, when the COVID-19 effects were the greatest. Initiatives included adjusting marketing costs to make them more appropriate and efficient, and optimal employee allocation that achieved a final operating profit. Despite the decline in net sales after the failure to recover to pre-pandemic levels, orders are recovering at both the permanent placement business and the job advertising business. In addition, a greater-than-anticipated market recovery has led to an increasing trend in low-unit-priced projects including hiring persons without experience. Opportunities for making contracts are expanding, and we will work to achieve both a gradual rise in unit prices and maximization of the number of contracts.

Progress under the Mid-term Management Plan

Using technology to enhance value of customer experience and support autonomous career building

A pickup in corporate hiring is causing upward trends in both the number of contracts and the contract rates. The shift to online counseling is proceeding on track, and we continue to implement information security risk measures. We are also building on our use of technology to develop capabilities in direct recruiting to increase the number of recruitment offerings and to give individuals optimal selections with new functions like AI recommendations.

The Career SBU has introduced the Career Ownership Index\* to

increase the number of individuals determining their own "work." To expand this index, we promoted existing businesses like "doda" and launched new initiatives like a consortium related to career ownership. Our aim is to realize "Work, and Smile" by helping working individuals build careers on their own. (Fiscal year ended March 2021 result: 2.03 million individuals, fiscal year ending March 2023 target: 2.37 million individuals)

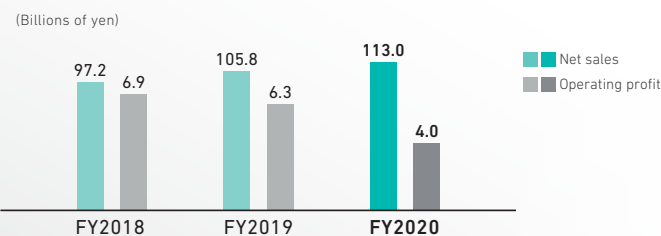
\* The number of people who are aware of and acting on career ownership who use the Career SBU's services.



**Shinji Masaki**  
Executive Officer,  
Professional Outsourcing SBU Lead

## Professional Outsourcing SBU

### ■ Net sales and operating profit



### ■ Opportunities and risks

#### Opportunities

- Accelerating companywide digital transformation on assumption of remote work
- Acceleration of automation and labor savings as domestic manufacturing sites recover

#### Risks

- Securing engineers and other specialist human resources
- Increased competition in the IT (software) field

### Competitive Advantage and Strategic Direction

Using diverse range of specialists including engineers and consultants to provide services from design and development to operation and maintenance as Group's third business pillar

With more than 13,000 engineers, the Professional Outsourcing SBU is engaged in design and development outsourced contracting businesses in IT and engineering, business consulting and a temporary staffing business that dispatches engineers. The unit is accelerating internal coordination and standardization with the aims of high growth and profitability as the Group's third business pillar. We will use our process expertise and technological capabilities developed to date to address the accelerating demand for operations that assume remote work, remote control and development caused by the COVID-19 pandemic. We will also offer approaches tailored to the business environment and innovation in work styles in manufacturing, construction and other industries in addition to our existing field of clerical positions, as a group of IT and engineering specialists.

### Results for Fiscal Year Ended March 2021

Robust demand in IT—maintaining high growth and increasing sales from those of previous year in IT field

With robust demand in the IT field, sales increased from those of the previous year as we maintained high growth with a more than 20% increase in net sales. Operating profit declined due to a rise in the labor-costs-to-sales ratio in the IT field from an increase in headcount and decreases in contracted orders and profit in the engineering field, but the profit trend is recovering. The operating rate in the IT field was stable, at more than 97% as of the fiscal year-end. In the engineering field, the operating rate recovered to 94% as of the fiscal year-end after bottoming out in the second quarter, due to successful initiatives to increase new orders through stronger marketing coordination within the Group.

### Progress under the Mid-term Management Plan

#### Initiatives to develop services and technologies to meet new demand from an expected market recovery in the engineering field while strengthening marketing coordination

Under the new SBU structure introduced in the fiscal year ended March 2021, we have been striving to coordinate operations while deepening mutual understanding among the companies in each SBU. Although there have been effects from the COVID-19 pandemic, the IT market has been solid, and the machinery and electricity markets are gradually recovering. To create new value for further growth by capturing demand for market innovation, including from the government, and the markets' recoveries, we are working to

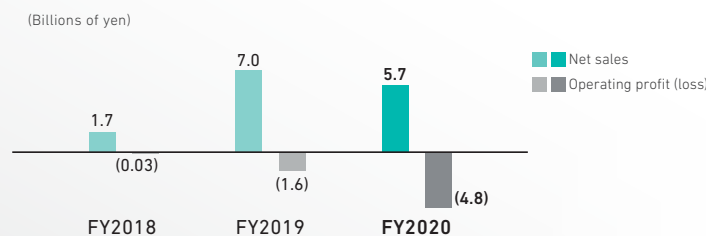
collaborate with Group companies, support operational digital transformation and carry out trial development related to the IoT (including building an example of a model factory for digital transformation), with the aim of entering the IoT business. We also intend to develop services to meet customer needs in areas including fully remote dispatching and remote development, and to strengthen our marketing activities further.



**Toshihito Nagai**  
Executive Officer,  
Solution SBU Lead

## Solution SBU

### ■ Net sales and operating profit (loss)



### ■ Opportunities and risks

#### Opportunities

- Changes in and diversification of individual work styles
- Increasing demand for promoting digital transformation and increasing productivity

#### Risks

- Appearance of new entrants and competitors in the technology field
- Intensifying competition for specialized human resources

### Competitive Advantage and Strategic Direction

Creating new businesses by entering fields new to the Group, and digitalizing and updating its existing business fields

The Solution SBU carries out proactive investment in business ideas that create the future. Using our human resource business expertise developed through existing businesses and contacts with a large number and variety of companies and individuals as a comprehensive human resource services company, as well as our culture of pursuing challenges, we aim to create new value that transcends today's human resource business frameworks. This year we are also entering the field of learning. With the recent increase in demand for online learning, we are addressing social issues in the areas of "learning" and "working" with coaching services offered by "persons" that only PERSOL can provide that follow each individual employee closely and continuously.

By creating businesses with the potential to become new business pillars for the Group through our own efforts and through joint creation with various stakeholders, we aim to achieve "Work, and Smile" for as many people as possible.

### Results for Fiscal Year Ended March 2021

Ongoing upfront investment to enter new business fields for expansion of each business's foundation and future growth

Although sales for the fiscal year ended March 2021 declined as the COVID-19 pandemic depressed companies' desire to hire and restaurants were asked to refrain from operation, each business's foundation expanded steadily. This included strong growth at the "MIIDAS" career change app business, with more than 230,000 registered companies and continued growth as one of the SBU's main businesses.

In terms of profit, the unit recorded an operating loss for the fiscal year ended March 2021, a reflection of the fact that our task is to make upfront investments in various business fields to create businesses that can become core Group businesses. However, we are aiming for sales growth and achieving profitability by continuously seeking exponential growth in existing businesses and by entering new fields.

### Progress under the Mid-term Management Plan

#### Continuous investment in and development of potential new Group business pillars while expanding the client base for profitability at each business

Despite the effects of COVID-19, we are continuing to invest in and develop businesses with the potential to become new business pillars for the Group. Both "MIIDAS" and the "Sharefull" platform for the short-term human resource utilization business are posting steady growth in their numbers of corporate and individual customers, and are acquiring new markets through the digitalization of core fields. The Digital Workforce business, which is proposing a new workforce by integrating people and technology, has seen its

"POS+" cloud POS business affected by the adverse environment for restaurants, but the number of new stores introducing the "POS+" is growing steadily. In October 2020, the Group acquired Dot Homes Inc. to promote the digital transformation of the accommodation industry. In the learning field, we have begun developing an online learning business, and going forward, we will create new businesses through "Drit" and continue to enter new business fields through M&As and alliances while promoting the rapid growth of all businesses.



## History of and Basic Policy on Governance at the PERSOL Group

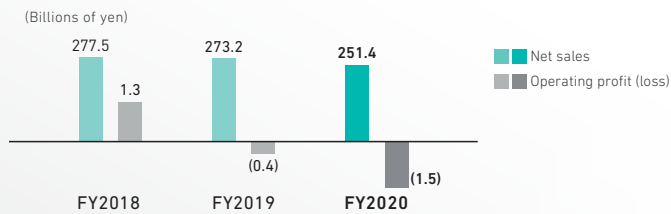


Takayuki Yamazaki

Executive Officer,  
Asia Pacific SBU Lead

## Asia Pacific SBU

## ■ Net sales and operating profit (loss)



## ■ Development areas

## 13 markets

Australia, China, Hong Kong, India, Indonesia, Malaysia, New Zealand, Philippines, Singapore, South Korea, Thailand, Taiwan, Vietnam

Note: Business expansion in the Philippines facilitated through business alliance with JOHN CLEMENTS CONSULTANTS, INC.

## ■ Opportunities and risks

## Opportunities

- Stronger synergies through integrated management of countries and territories in the Asia-Pacific region
- Use of technology to raise productivity and profitability and provide new services

## Risks

- Delayed recovery in demand for human resources from continued effects of COVID-19
- Appearance of new players in field and debut of alternative services due to technological advances
- Effects from currency fluctuations including weaker Australian dollar against Japanese yen

## Competitive Advantage and Strategic Direction

## Accelerating sales growth and improved profitability through stronger unified management

To create synergies between PERSOLKELLY, which boasts the largest market shares in its operational areas of temporary staffing and permanent placement, and Programmed, which has top market share in its operating market for a maintenance business and temporary staffing for blue-collar jobs, we established PERSOL Asia Pacific Pte. Ltd. as a regional management company at the beginning of the current Mid-term Management Plan, creating a structure of unified management as one SBU. We are working to raise profitability, including the integration of back-office functions. We are also aiming for business growth by establishing a technology division within the regional management company, accelerating investment and providing new services. Programmed is strengthening its temporary staffing business, where a steady market recovery is visible, as well as its healthcare business, which is expected to grow going forward, while PERSOLKELLY is focusing on China, which is marking an early return to pre-COVID-19 levels, and will work to establish a No. 1 position in Singapore, where stable growth is expected.

## Progress under the Mid-term Management Plan

## Further strengthening earnings base and executing strategy aligned to each market

With the establishment of PERSOL Asia Pacific Pte. Ltd. as a regional management company for the Asia-Pacific region, we have built a foundation for integrating back-office functions and a system that facilitates crosscutting initiatives. We are also accelerating our use of technology with investments in the human resource technological start-ups FREECRACY and Glints. In addition to ongoing appropriate investments for growth, we are looking to provide new services.

At Programmed, the maintenance business and the temporary

## Results for Fiscal Year Ended March 2021

## Sales decline from effects of COVID-19, but Singapore temporary staffing business growing and Australian business's cost structure improving through business integration

In addition to growth at the temporary staffing business in Singapore, the permanent placement business in China and the temporary staffing business for blue-collar jobs in Australia showed trends of recovery in the fiscal year ended March 2021. However, sales declined as the rest of Asia saw delayed economic recoveries from the effects of the COVID-19 pandemic, and the Australian dollar weakened against the Japanese yen. In terms of profit, the sales decline resulted in an operating loss, but we have been working to improve the cost structure with the transfer of PERSOLKELLY's Australian business to Programmed.

## Principles

The PERSOL Group 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 of the Group companies shall promote sustainable corporate growth and the increase of corporate value over the mid-to long-term and solve social issues through its

businesses by executing the corporate strategies in united efforts of the Group companies.

The PERSOL Group 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.

## ■ History of strengthening corporate governance

		2015	2016	2017	2018	2019	2020	2021
Strengthening of the oversight function	Oversight function	● Shifted to a Company with the Supervisory Committee					● Separated between Chairperson of the Board and CEO	
	Advisory committee	● Established the Corporate Governance Guideline					● Established the Corporate Governance Committee	
	Nomination of directors	● Appointed a woman director					● Appointed a Board whose majority is Independent Directors	
	Directors (of which, Independent Directors)	6 (1)	10 (4)	10 (4)	11 (5)	11 (5)	9 (5)	9 (5)
	Effectiveness evaluation	● Began effectiveness evaluation of the Board						
Compensation system		● Introduced a share-based compensation scheme for senior executives						
		● Revised the director and executive compensation system						
Execution system	Separation of execution and oversight	● Introduced an executive officer system						
	Acceleration of management decision-making	● Delegated decision-making about business to the CEO ● Established the HMC and internal committees ● Shifted to the Strategic Business Unit (SBU) structure						

Note: HMC = Headquarters Management Committee, SBU = Strategic Business Unit

The Corporate Governance Guideline lays out the principles and desirable state of corporate governance of the PERSOL Group and serves as the Guideline for the directors and the Group Senior Executives (collectively referring to the Representative Director, President and CEO, executive directors and executive officers, who are

responsible for the management of the PERSOL Group) towards the realization thereof. We will take actions in line with the Guideline and revise it as necessary in response to changes in the times and circumstances and consistently strive for better corporate governance.

## ■ Basic policy on corporate governance

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

Details of the Corporate Governance Guideline are available on our website.

[https://www.persol-group.co.jp/en/corporate/governance/corporate\\_governance/](https://www.persol-group.co.jp/en/corporate/governance/corporate_governance/)

## Panel Discussion with Independent Directors

## INTERVIEW



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



**Ryosuke Tamakoshi**  
Independent Director



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

The PERSOL Group recognizes that strengthening corporate governance is a crucial element for enhancing corporate value, and we are increasing the effectiveness of the Board. We held a panel discussion with three Independent Directors on themes deepening the PERSOL Group's governance structure and recommendations for continuous growth.

**Q: How do you evaluate the atmosphere, the focus on issues and governance structure of the PERSOL Group's Board?**

**Tamakoshi:** I have been involved in the corporate governance of the Company from an independent standpoint for 11 years, including my time as an Independent Audit & Supervisory Board Member before becoming an Independent Director. During that time, the governance structure has made dramatic advances, including the introduction of an executive officer system and the transition to a Company with a Supervisory Committee. The operation of the Board has also improved, with the secretariat implementing processes like using tablet devices to distribute materials. Meetings themselves also feature very free and open discussions.

**Enomoto:** The composition of the Board has changed significantly over the past three years, with Independent Directors making up a larger portion of the Board. The atmosphere at Board meetings encourages everyone to express opinions openly. Meetings have been held online because of COVID-19, but in a good way, I feel that the progress of the meetings has been smoother and the discussions have become even livelier.

**Tomoda:** I took office as an Independent Director last year. Initially, I expected more of a summary of the Headquarters Management Committee (HMC) deliberations to be presented to the Board. Recently, HMC activities have also been fully reported, and this is helpful for the Board's deliberations. Speaking as a Member of Supervisory Committee, I believe

the Company's governance includes ample organizational auditing. The internal audit division reports both to the executive side and to the Supervisory Committee, and I favorably view the close coordination between the Supervisory Committee and the internal audit division. I would like to see Board meetings present more opportunities to discuss mid- to long-term direction and strategy.

**Enomoto:** One issue is that it is difficult to know whether things pointed out by the Board have been acted upon, and we have to repeat the same thing several times. The Board's operations need a way to confirm progress on items that we identify.

**Q: What is your evaluation and opinion of the Board's effectiveness, and do you have any ideas for making it more effective?**

**Tamakoshi:** I am satisfied with the Board's effectiveness overall, but I sometimes wonder if Independent Directors are self-righteous. The reason is each Independent Director has a different background. I worry about whether we fully convey to management our true meaning.

**Enomoto:** I agree with Mr. Tamakoshi. To increase effectiveness even further, participants need to convey their own opinions accurately. Therefore, I think it would be helpful to have more opportunities for communication among Board members and constructive dialogue through which management pays attention to each Independent Director's experience and diverse opinions.

**Tamakoshi:** The Board meetings are often held online,

which has made it easier for SBU Leads to attend. I feel, however, that the operation of Board meetings still gives them little opportunity to speak. I would like to see meetings become more effective by intentionally asking them questions directly.

**Tomoda:** We receive full briefings of the day's agenda items in advance of Board meetings, which makes it easy to understand and participate in deliberations. Therefore, I believe the meetings run very well. I also feel that the Board is highly effective because each director speaks frankly. Meetings with the CEO after the Board meeting have been added as a new initiative this year. These are very useful because we can exchange opinions about the day's agenda items and other crucial items that we want to ask. Following that, sometimes there is another session for Independent Directors only to share information among ourselves. Holding meetings online also reduces time constraints. I hope that this positive direction of deliberations will continue.

**Q: What points do you think are crucial in areas like expectations of the CEO, the succession plan, and management training?**

**Tamakoshi:** The most recent CEO succession was the first in which Independent Directors were involved in the selection. We have to wait and see the results to know whether our selection was appropriate. In my opinion, I expect our new CEO and future leaders to be enterprising with a vigorous can-do spirit. At the same time, with significant legal, environmental and other changes with the times, management must be constantly aware of effects and challenges coming from outside the industry. Leaders must have the ability to see what is crucial. Therefore, I consider "taking on challenges" key to success for future leaders.

**Enomoto:** I hope that Mr. Wada, the CEO, will initiate bold reforms to create new value rather than continuing the management style used up to now. A commitment to create a future for the Company and the PERSOL Group that will contribute to society and change the world is particularly crucial. I also consider it crucial for leaders to have a special kind of motivation that makes all employees great fans of the Company.

**Tomoda:** My expectations of Mr. Wada are the same as Mr. Tamakoshi's and Ms. Enomoto's. I also believe that in terms of cultivating management from the perspective of further strengthening the functioning of the Board, it is crucial to further consideration of the skill matrix. Also, issues related to gender and nationality are not simply matters of increasing numbers of people. In terms of management,

the percentage of women promoted internally remains low, so we recognize the need to implement solid initiatives that will systematically identify potential superior women managers from among our employees and develop them. Our business will see a further acceleration of data-driven marketing, making it very important to invest and secure human resources for DX if we are to lead the industry.

**Q: You mentioned the percentage of women managers. What are your opinions regarding diversity and the advancement of women employees?**

**Enomoto:** Among our total of more than 50,000 employees in Japan and overseas, I feel that we fall short in terms of diversity of gender and nationality at the management level, including directors and executive officers. For example, why don't we promote motivated women internally, across SBUs or national boundaries, and regardless of age or work style? I would like to see the Company create a framework through which many women working in the PERSOL Group can pursue challenges and join the management ranks.

**Tomoda:** The Company already has large overseas operations, but we are still lagging in true globalization. It would also be effective for human resource and finance divisions to establish staff rotations with overseas subsidiaries. These types of programs would help instill the PERSOL philosophy overseas as well.

**Enomoto:** Human resource rotation and study abroad programs are crucial ways to promote globalization. They also lead to a gradual evolution of the corporate culture, increasing opportunities for future growth.

**Tamakoshi:** Each year the Group holds awards ceremonies to recognize the activities of various teams, and in fact, a relatively large number of these team leaders are women. Nevertheless, SBU Leads and other senior managers are almost all men. Many women excel at their jobs, so I believe the Board must have discussions that take a deeper look at diversity.

**Enomoto:** I believe that PERSOL will contribute to a sustainable society by becoming a leading company in terms of the advancement of women. That requires management commitment and speed. It is also crucial for supervisors to support their employees. I would like to see priority given to this area, for example, by having SBU Leads set targets for the number of women managers and carrying out systematic training, and by publicizing successful cases like the creation of diverse workplaces throughout the Group. Our goal is that the PERSOL Group will be known as a place where many women can work and smile.

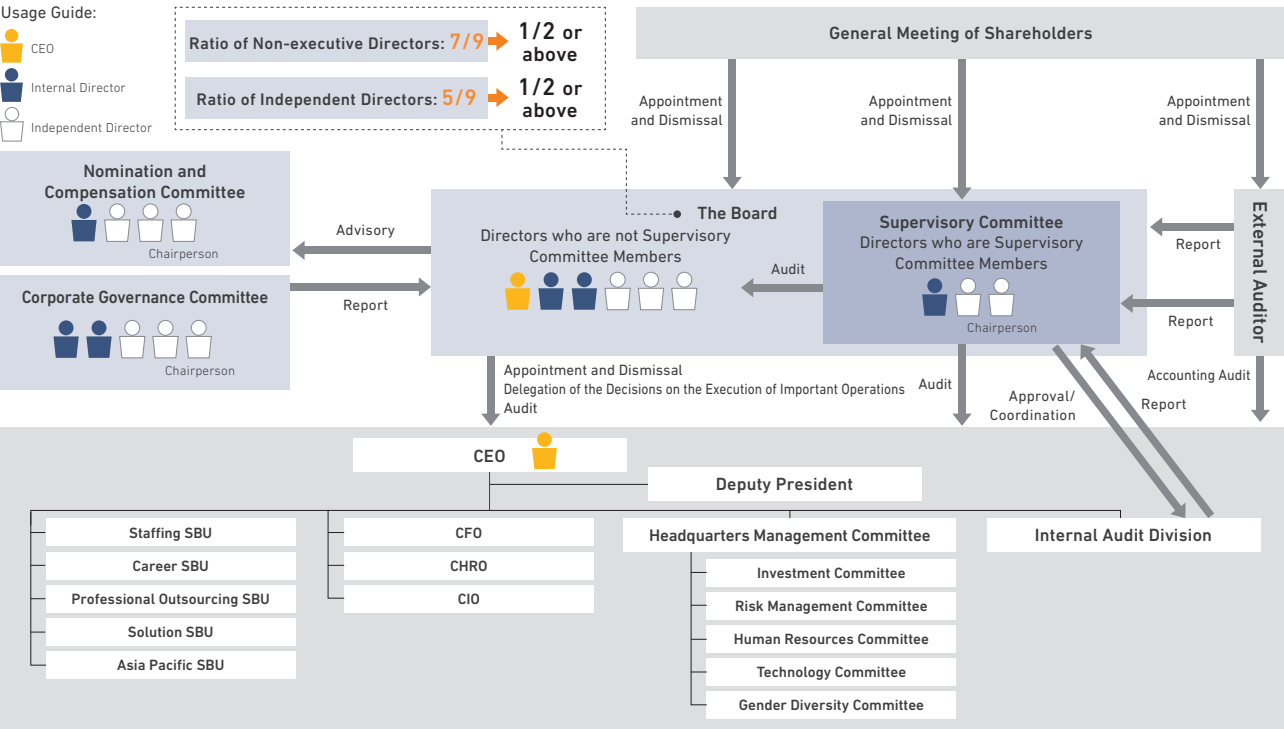


Corporate Governance Structure

**Overview of corporate governance structure**  
Based on the corporate governance principles, the PERSOL Group has adopted the form of organizational structure of “Company with Supervisory Committee” under the Japanese Companies Act. Furthermore, for the purpose of complementing the function of the Board, the Group has

established a Nomination and Compensation Committee and a Corporate Governance Committee as voluntary committees to increase transparency and objectivity concerning decisions on the nomination and compensation of the directors and the Group Senior Executives.

As of September 1, 2021



**The Board**  
The Board is responsible for the oversight of management and its main roles and responsibilities are to set the basic management policy, oversee the Group Senior Executives, and secure the construction and operation of appropriate internal control systems. For the purpose of enabling management to make timely, flexible and decisive decisions, management decisions other than those reserved for the Board by the Companies Act shall be delegated, in principle, to the CEO. Provided, however, that the decisions on the execution of important operations set forth in the Regulations for the Board shall be made by the Board.

**Supervisory Committee**  
The roles of the Supervisory Committee include securing the soundness of companies toward the increase of sustainable corporate value, acting for the common interests of the PERSOL Group and shareholders while performing the following duties:

- Oversight of the execution of duties of the directors and the preparation of audit reports
- Decision on the details of the agenda concerning appointment, dismissal and refusal of reappointment of an external auditor
- Decision on the opinion of the Supervisory Committee concerning appointment, dismissal, resignation or compensation of the directors (excluding directors who are the Supervisory Committee Members)

The Supervisory Committee may give specific instructions to the internal audit division, as necessary, for the purpose of effective audit. The Supervisory Committee shall appropriately share information with the internal audit division for the purpose of ensuring mutual cooperative systems. Important personnel affairs of the internal audit division shall be decided with the consent of the Supervisory Committee to ensure the effectiveness of audit by the Supervisory Committee.

**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 shall perform the following duties, and submit a report and recommendations to the Board:

**Matters concerning decision on candidates:**

- Decision on a recommendation of the appointment and dismissal of the directors for discussion at the general meeting of shareholders
- Decision on a recommendation of the appointment and dismissal of the CEO (authority of representation and the position)

- Approval of a CEO succession plan
- Matters concerning decision on compensation:**
- Setting the compensation standards for directors and the Group Senior Executives
  - Decision on a recommendation of the amount of compensation for the directors (excluding directors who are the Supervisory Committee Members)

**Corporate Governance Committee**  
The purpose of the Corporate Governance Committee is to enhance the supervisory functions of the Board by discussing the matters regarding the Company's corporate governance. Upon receiving requests from the Board, the Corporate Governance Committee shall perform the following duties, and submit a report and recommendations to the Board:

- Basic policy regarding corporate governance
- Composition of the Board and committees under the Board
- Measures to improve the effectiveness of the Board
- Basic policy regarding effectiveness evaluation of the Board and the committees under the Board

**Headquarters Management Committee (HMC)**  
The PERSOL Group adopts the Executive Officer system with the purpose of separating the oversight and management and clarifying where management responsibility lies. In addition, HMC is established to assist the CEO in making decisions on the Group's basic management policy and important operations. The decisions on the execution of important operations delegated to the CEO by the Board shall

be decided by the CEO on the condition that the HMC has made an affirmative resolution. Based on the concept that the members of the HMC (hereinafter, “the HMC members”) shall be the persons who assume the significant decisions on the execution of important operations delegated by the Board and comprehensive roles as members of the senior management of the Group, a proposal for the nomination of the HMC members shall be prepared by the CEO from among the executive officers, and shall be approved at the Board upon deliberation at the Nomination and Compensation Committee.

The Company has also established five committees (Investment Committee, Risk Management Committee, Human Resources Committee, Technology Committee and Gender Diversity Committee) under HMC to improve the effectiveness of the Group's internal control system.

The Investment Committee deliberates on important matters related to the Group's overall investment and aims to raise the Group's organizational knowledge of a series of knowledge related to investment promotion. The Risk Management Committee deliberates on the overall risk management of the Group. The Human Resources Committee deliberates on the Group's human resources strategy and succession planning for key talent. The Technology Committee deliberates on key issues concerning the Group's technology strategy and related management resources. The Gender Diversity Committee deliberates on the Group's strategies to promote the advancement of women and related key strategies.

Each of the five committees is accountable to HMC and is positioned to supplement and strengthen its functions.

Evaluation of Effectiveness of the Board

The Company, every year, evaluates the effectiveness of the entire Board to further improve the functions of the Board and discloses the evaluation method and outline of the result.

In the evaluation of the effectiveness of the Board for the fiscal year ended March 2021, the Company conducted a questionnaire survey of all directors. The Board at its meetings discussed the issues recognized based on the result and self-evaluation by each director over two occasions and then produced the final evaluation.

As a result, it was confirmed that the effectiveness of the Board of the Company is ensured in terms of its structure, operations, oversight function, support system, and its relationship with investors and shareholders, as it carries out open and constructive discussions, etc., by clarifying the points at issue at the Board meetings.

Further, we recognize that, in response to future challenges, we need to promote discussions on the basic management policy, proper monitoring of the Mid-term Management Plan, and continuous efforts toward securing sufficient time for discussing important agenda items.

The Board shall take into account these evaluation results and continue to improve its effectiveness and promote the implementation of the PDCA cycle for governance reforms to realize the sustainable growth and corporate value improvement of the PERSOL Group.

Progress in initiatives to address the issues recognized in the evaluation of effectiveness in the fiscal year ended March 2020

1. Monitoring of the progress based on management goals and implementation plan	Taking into consideration the sense of uncertainty caused by the COVID-19 pandemic, we postponed the formulation of the Mid-term Management Plan from the initially planned date. The Board discussed it over multiple meetings and confirmed it, and we disclosed the Mid-term Management Plan in August 2020. We are monitoring the progress being made every quarter based on the Mid-term Management Plan and KPIs.
2. Prior briefings and development of information base for further enhancement of the discussions at the Board	By providing prior briefing of the agenda items of the Board meeting to Independent Directors ahead of the Board meeting to clarify the points at issue of the agenda item and matters for confirmation, we promoted lively discussions at the actual meeting. Moreover, we provided tablet terminals to the Independent Directors and prepared an information base that enables them to access major meeting materials and also developed an environment where they can share the status of the discussions by the management.
3. Securing sufficient time to discuss important agenda items	We strived to prioritize important agenda items through close inspection of the items to be submitted based on the criteria for submitting agenda items to the Board and by turning some items into written reports. We also aimed to achieve appropriate time distribution in operation of the meetings.

Future challenges

1. Discussions on the basic management policy	Drafting of the policy for sustainability challenges including securing human resource diversity and finalizing and overseeing the business portfolio are important elements of the basic management policy, and it was decided that these should be periodically discussed at the Board meetings.
2. Proper monitoring of the Mid-term Management Plan	Amid the rapidly changing external environment, periodic oversight of the implementation status of the Mid-term Management Plan and exchange of opinions with the management is extremely important, and therefore it was decided that the oversight function including monitoring methods should be further reinforced.
3. Continuous efforts toward securing sufficient time for discussing important agenda items	Going forward, based on the recognition that it would be necessary for the Board to prioritize discussions on important agenda items such as those contributing to the basic management policy, it was sought to further improve the operation of the Board meeting so as to secure sufficient time for discussing important agenda items.

Director and Officer Compensation and Succession of CEO, etc.

Basic policy for Director and officer Compensation

The Compensation for Director and officer (hereinafter, "Executive Compensation") of the PERSOL Group is positioned as an incentive to achieve sustainable growth over the mid- to long-term. Following discussions by the Nomination and Compensation Committee, the Board resolved on a compensation policy for the fiscal year ended March 2021 and beyond at a meeting held on May 19, 2020, including a new policy on the forfeiture of Executive Compensation (clawback and malus clause). The PERSOL Group's basic policy for Executive Compensation is embodied in the following three perspectives.

1. Linked to the short-term, and mid- and long-term financial performance and the corporate value of the PERSOL Group

- A scheme that is linked not only to short-term financial performance but also to mid- to long-term financial performance and corporate value

2. Linked with shareholder value

- Aligns profit awareness with that of shareholders and raises awareness of shareholder-oriented management
- Ensures transparency and objectivity of the compensation determination process

3. Sets competitive level of compensation

- Makes compensation levels competitive with domestic companies of the same size and in the same industry, and is instrumental in securing high-quality human resources
- Provides a stronger incentive to directors and officers with regard to improving financial performance and corporate value

Determination process for compensation

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

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

Executive Compensation for the fiscal year ended March 2021

	Total amount of compensation, etc. (Million yen)	Total amount of compensation, etc., by compensation type (Million yen)				Number of eligible executives
		Basic compensation	Bonus (Short-term incentive compensation)	Share-based compensation		
				Performance-linked mid- to long-term incentive compensation	Fixed mid- to long-term incentive compensation	
Directors who are not Supervisory Committee Members (The amount of Independent Directors)	283 (30)	203 (25)	34 (－)	23 (－)	22 (4)	7 (3)
Directors who are Supervisory Committee Members (The amount of Independent Directors)	68 (26)	63 (23)	－ (－)	－ (－)	4 (3)	6 (4)
Total (The amount of Independent Directors)	351 (57)	267 (49)	34 (－)	23 (－)	26 (7)	13 (7)

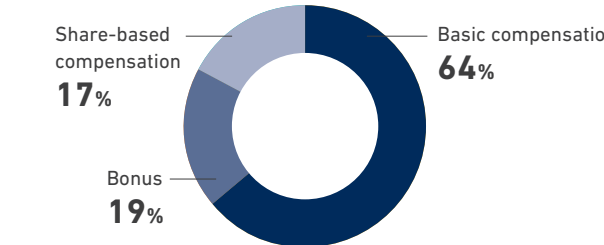
Note: The above includes three directors who retired from the position of directors during the fiscal year under review.

Level of compensation

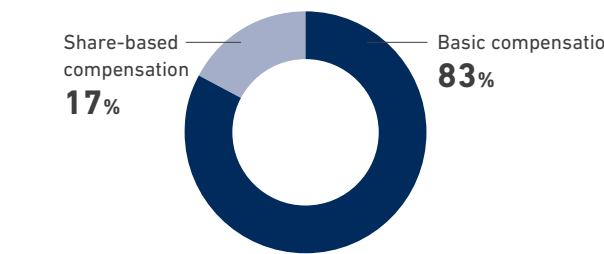
Executive Compensation is determined at a level deemed reasonable and fair based on the basic policy for Director and officer Compensation stated at the left. More specifically, we determine the level of Executive Compensation by studying and analyzing the compensation levels of a group of benchmark companies (20–30 companies) selected utilizing an external database, etc., and based on the business circumstances for the Group. In determining Executive Compensation during the Mid-term Management Plan through the fiscal year ending March 2023, we selected 22 companies as a group of benchmark companies among peer companies (in the personnel service industry) and other major companies of comparable size on the bases of market capitalization and the target values of the Mid-term Management Plan.

Standard compensation composition model

■ Directors who are not Supervisory Committee Members (excluding Independent Directors) and executive officers (assuming that each of the measures is largely fully achieved)



■ Non-executive directors



Note: The value of share-based compensation for non-executive directors is fixed at 2 million yen per director; as the amount of basic compensation varies among non-executive directors depending on their roles, the actual compensation composition may not be identical with that shown above.

Overview of the Executive Compensation system

	Basic compensation	Bonus	Share-based compensation	
Positioning	Fixed compensation	Short-term incentive compensation	Performance-linked mid- to long-term incentive compensation	Fixed mid- to long-term incentive compensation
Eligible director	• Directors	• Directors who are not Supervisory Committee Members (excluding Independent Directors)	• Directors who are not Supervisory Committee Members (excluding Independent Directors)	• Directors
Evaluation measures		■ Financial measures Evaluated in accordance with the levels of achievement of (1) net sales and (2) operating profit by the entire Company and each SBU, as well as the comparison of growth rates with competitors ■ Non-financial measures Evaluated in accordance with the levels of achievement of (1) the employee engagement index and (2) the percentage of women in managerial positions for the entire Company and each SBU ■ Theme-based evaluation Evaluated based on how they have worked on the themes set with the aim of improving operating performance and corporate value, and through interviews with evaluators (evaluation of directors who are not Supervisory Committee Members (excluding Independent Directors) lies with the Nomination and Compensation Committee)	■ Financial measures • Consolidated net sales • Consolidated operating profit • TSR • ROIC ■ Non-financial measures • Employee engagement index • Percentage of women in managerial positions • Ratio of investment in technology • ESG rating	
Provision method	Payment of fixed monthly compensation set by position	A short-term incentive paid depending on the level of performance milestone achieved towards the Mid-term Management Plan  Varies between 0% and 200%	Designed to vary depending on the level of achievement of financial targets in the Mid-term Management Plan towards the fiscal year ending March 2023, as well as non-financial measures  Varies between 0% and 200%	A fixed number of shares is delivered as share-based compensation to further increase linkage with shareholder value

Forfeit of compensation, etc. (Clawback/Malus)

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

Succession plan

At the Company, the Nomination and Compensation Committee deliberates on the CEO succession plan.

Specifically, the committee discusses and verbalizes the image of leadership required in the PERSOL Group, while securing contacts with Group Senior Executives and creating an environment and opportunities for multifaceted evaluation. Meanwhile, in formulating the Mid-term Management Plan, the Group has established financial and non-financial indicators as well as measures for achieving them, and the Board monitors their progress in evaluating Group Senior Executives while maintaining objectivity and transparency. Through this process, the Board decided on the change of the Representative Director, President and CEO on April 1, 2021.

The Board oversees the Representative Director, President and CEO and Group Senior Executives, while at the same time continuing to provide backup, to increase corporate value over the mid- to long-term through sustainable growth.



Directors and Executive Officers (as of June 22, 2021)

Director

◎: Chairperson

Directors who are not Supervisory Committee Members



Masamichi Mizuta

Director and Chairman  
Important concurrent posts  
External Director of Linkers Co., Ltd.  
Number of years in office  
12 years and 8 months

Career record

Apr. 1984 Joined Recruit Co., Ltd.  
Jul. 1988 Joined Tempstaff Co., Ltd. (currently PERSOL TEMPSTAFF CO., LTD.)  
Jun. 1995 Director of Tempstaff Co., Ltd.  
Oct. 2008 Executive Managing Director of the Company  
Jun. 2010 Vice President & Director of the Company  
Jun. 2013 President & Representative Director of the Company  
Jun. 2016 Representative Director, President and CEO of the Company  
Apr. 2021 Director and Chairman of the Company (current position)  
Jun. 2021 External Director of Linkers Co., Ltd. (current position)

Composition of and attendance at each committee (number of meetings attended/number of meetings held)

	The Board	Supervisory Committee	Nomination and Compensation Committee
Fiscal year ended March 2021	◎		○
	100%(13/13)		100%(10/10)
Fiscal year ending March 2022	◎		○



Takao Wada

Representative Director, President and CEO  
Important concurrent posts  
Director (part-time) of PERSOL TEMPSTAFF CO., LTD.  
Director (part-time) of PERSOL CAREER CO., LTD.  
Director (part-time) of PERSOL Professional Outsourcing Co., Ltd.  
Director (part-time) of PERSOL INNOVATION CO., LTD.  
Non-executive Director of PERSOL Asia Pacific Pte. Ltd.  
Number of years in office  
12 years and 8 months

Career record

Feb. 1988 Joined Sparrow Japan  
Sep. 1991 Joined Tempstaff Co., Ltd. (currently PERSOL TEMPSTAFF CO., LTD.)  
Jun. 2006 Director of Tempstaff Co., Ltd.  
Oct. 2008 Director of the Company  
Apr. 2015 Director, Executive Officer of the Company  
Jun. 2016 Director, Senior Executive Officer of the Company/President & Representative Director of Tempstaff Co., Ltd. (currently PERSOL TEMPSTAFF CO., LTD.)  
Apr. 2020 Director, Deputy President and Executive Officer of the Company  
Apr. 2021 Representative Director, President and CEO of the Company (current position)

Composition of and attendance at each committee (number of meetings attended/number of meetings held)

	The Board	Supervisory Committee	Nomination and Compensation Committee
Fiscal year ended March 2021	○		
	100%(13/13)		
Fiscal year ending March 2022	○		



Hirotoshi Takahashi

Representative Director and Deputy President  
Important concurrent posts  
Director (part-time) of PERSOL TEMPSTAFF CO., LTD.  
Director (part-time) of PERSOL CAREER CO., LTD.  
Director (part-time) of PERSOL Professional Outsourcing Co., Ltd.  
Director (part-time) of PERSOL INNOVATION CO., LTD.  
Number of years in office  
8 years

Career record

Apr. 1995 Joined Intelligence, Ltd. (currently PERSOL CAREER CO., LTD.)  
Apr. 1999 Director of Intelligence, Ltd.  
Dec. 2008 Representative Director & Chief Executive Officer of Intelligence, Ltd. (Apr. 2012 Intelligence Holdings, Ltd.)  
Jun. 2013 Vice President & Director of the Company  
Apr. 2015 Vice President and Executive Officer of the Company  
Jun. 2016 Vice President, COO & Director of the Company  
Dec. 2018 President and Representative Director of PERSOL INNOVATION CO., LTD.  
Apr. 2020 Director, Deputy President and Executive Officer of the Company  
Apr. 2021 Representative Director and Deputy President of the Company (current position)

Composition of and attendance at each committee (number of meetings attended/number of meetings held)

	The Board	Supervisory Committee	Nomination and Compensation Committee
Fiscal year ended March 2021	○		○
	100%(13/13)		100%(3/3)
Fiscal year ending March 2022	○		



Ryosuke Tamakoshi

Independent Director  
Important concurrent posts  
Honorary Advisor of MUFG Bank, Ltd.  
Number of years in office  
5 years

Career record

May 1970 Joined The Sanwa Bank, Limited (currently MUFG Bank, Ltd.)  
Jun. 2002 Deputy President, Representative Director, and Executive Officer of UFJ Bank Limited (currently MUFG Bank, Ltd.)  
Jun. 2004 President and Representative Director of UFJ Holdings, Inc. (currently Mitsubishi UFJ Financial Group, Inc.)  
Oct. 2005 Chairman and Representative Director of Mitsubishi UFJ Financial Group, Inc.  
Jun. 2010 External Audit & Supervisory Board Member of the Company  
Jul. 2011 Director of Morgan Stanley  
Jun. 2016 External Director, Member of Supervisory Committee of the Company  
Jun. 2018 External Director of the Company (current position)  
Jul. 2020 Honorary Advisor of MUFG Bank, Ltd. (current position)

Composition of and attendance at each committee (number of meetings attended/number of meetings held)

	The Board	Supervisory Committee	Nomination and Compensation Committee
Fiscal year ended March 2021	○		◎
	100%(13/13)		100%(10/10)
Fiscal year ending March 2022	○		◎



Naohiro Nishiguchi

Independent Director  
Important concurrent posts  
CEO of Japan Innovation Network  
Senior Advisor on Innovation of United Nations Development Programme (UNDP)  
Specially-appointed professor, Sophia University  
President of Japan Bosai Platform  
Number of years in office  
5 years

Career record

Apr. 1986 Joined The Long-Term Credit Bank of Japan, Limited  
Mar. 1998 Joined The World Bank Group  
Nov. 2001 Joined Mercer Japan Ltd. Representative Managing Director of Mercer Japan Ltd.  
Nov. 2009 Joined Innovation Network Corporation of Japan Executive officer of Innovation Network Corporation of Japan  
Jan. 2014 Established Japan Innovation Network Executive Managing Director of Japan Innovation Network  
Jun. 2016 External Director, Member of Supervisory Committee of the Company  
Jan. 2018 Senior Advisor on Innovation of United Nations Development Programme (UNDP) (current position)  
Oct. 2019 CEO of Japan Innovation Network (current position)  
Jun. 2020 External Director of the Company (current position)

Composition of and attendance at each committee (number of meetings attended/number of meetings held)

	The Board	Supervisory Committee	Nomination and Compensation Committee
Fiscal year ended March 2021	○	○	○
	100%(13/13)	100%(3/3)	100%(10/10)
Fiscal year ending March 2022	○		○



Masaki Yamauchi

Independent Director  
Important concurrent posts  
Chairperson of the Board of Yamato Holdings Co., Ltd.  
Number of years in office  
1 year

Career record

Apr. 1984 Joined Yamato Transport Co., Ltd.  
Apr. 2005 Executive Officer of Yamato Transport Co., Ltd.  
Mar. 2007 Executive Officer of Yamato Holdings Co., Ltd.  
Jun. 2011 Director and Executive Officer of Yamato Holdings Co., Ltd., and Representative Director, President and Chief Executive Officer of Yamato Transport Co., Ltd.  
Apr. 2015 Representative Director, Executive Officer and President of Yamato Holdings Co., Ltd.  
Apr. 2019 Chairperson of the Board of Yamato Holdings Co., Ltd. (current position)  
Jun. 2020 External Director of the Company (current position)

Composition of and attendance at each committee (number of meetings attended/number of meetings held)

	The Board	Supervisory Committee	Nomination and Compensation Committee
Fiscal year ended March 2021	○		○
	100%(10/10)		100%(7/7)
Fiscal year ending March 2022	○		○

Directors who are Supervisory Committee Members



Kazuhiko Tomoda

Independent Director  
(Member of Supervisory Committee)  
Important concurrent posts  
Outside Auditor of Hakuhodo DY Holdings Inc.  
Outside Auditor of Daiko Advertising Inc.  
Outside Auditor of INES Corporation  
Number of years in office  
1 year

Career record

Mar. 1979 Joined Price Waterhouse Accounting Office  
Jul. 1997 Representative Partner of Aoyama Audit Corporation (former Price Waterhouse Accounting Office)  
Sep. 2006 Representative Partner of Arata Audit Corporation (currently PricewaterhouseCoopers Aarata LLC)  
Jul. 2012 Executive Officer of Arata Audit Corporation  
Jul. 2019 Established Tomoda Certified Public Accountant Office  
Jun. 2020 External Director, Member of Supervisory Committee of the Company (current position)  
Outside Auditor of Hakuhodo DY Holdings Inc. (current position)/Outside Auditor of Daiko Advertising Inc. (current position)/Outside Auditor of INES Corporation (current position)

Composition of and attendance at each committee (number of meetings attended/number of meetings held)

	The Board	Supervisory Committee	Nomination and Compensation Committee
Fiscal year ended March 2021	○	◎	
	100%(10/10)	100%(11/11)	
Fiscal year ending March 2022	○	◎	



Chisa Enomoto

Independent Director  
(Member of Supervisory Committee)  
Important concurrent posts  
A member of Communication Strategy Committee of Meiji University  
External Director of AEON MALL Co., Ltd.  
Number of years in office  
3 years

Career record

Apr. 1984 Joined Recruit Co., Ltd.  
Nov. 2005 Joined Philips Electronics Japan, Ltd. (currently Philips Japan, Ltd.) (General Manager, Public Relations Department)  
Jul. 2012 Joined Janssen Pharmaceutical K.K. (General Manager, Communication and Public Affairs Department)  
Jan. 2014 Joined Tokyo Electric Power Company Executive Officer of Tokyo Electric Power Company (currently Tokyo Electric Power Company Holdings, Inc.)  
Apr. 2018 Joined Hitachi, Ltd. Executive Communication Strategist of Hitachi, Ltd.  
Jun. 2018 External Director, Member of Supervisory Committee of the Company (current position)  
Sep. 2018 External Director of JOYFUL HONDA CO., LTD.  
Apr. 2019 A member of Communication Strategy Committee of Meiji University (current position)  
May 2021 External Director of AEON MALL Co., Ltd. (current position)

Composition of and attendance at each committee (number of meetings attended/number of meetings held)

	The Board	Supervisory Committee	Nomination and Compensation Committee
Fiscal year ended March 2021	○	○	○
	100%(13/13)	100%(14/14)	100%(3/3)
Fiscal year ending March 2022	○	○	



Daisuke Hayashi

Director (Member of Supervisory Committee)  
Important concurrent posts  
Non-executive Director of PERSOL Asia Pacific Pte. Ltd.  
Number of years in office  
Newly appointed

Career record

Apr. 1993 Joined ITOCHU Corporation  
Jan. 2001 Admitted to the New York State Bar  
Dec. 2002 Joined Cisco Systems, Inc.  
Jul. 2007 Joined Sony Pictures Entertainment Inc. (Vice President, Legal Affairs)  
Oct. 2012 Joined Intelligence, Ltd. (General Manager, Legal & Compliance Division)  
Apr. 2015 Executive Officer of the Company  
Apr. 2020 Executive Officer and CLD of the Company  
Jun. 2021 Director, Member of Supervisory Committee of the Company (current position)

Composition of and attendance at each committee (number of meetings attended/number of meetings held)

	The Board	Supervisory Committee	Nomination and Compensation Committee
Fiscal year ending March 2022	○	○	
	Newly appointed	Newly appointed	

Executive Officer

Takao Wada

Representative Director, President and CEO

Hirotoshi Takahashi

Representative Director and Deputy President

Kiyoshi Seki

Executive Officer CFO

Hirotaka Mino

Executive Officer CHRO

Masayuki Furukawa

Executive Officer CIO

Kazunari Kimura

Executive Officer  
Staffing SBU Lead

Taro Mineo

Executive Officer  
Career SBU Lead

Shinji Masaki

Executive Officer  
Professional Outsourcing SBU Lead

Toshihito Nagai

Executive Officer,  
Solution SBU Lead

Takayuki Yamazaki

Executive Officer  
Asia Pacific SBU Lead

INTERVIEW



Naho Kan  
General Manager,  
Group GRC Division

Risk management of the PERSOL Group

At present, the industrial structure, the labor market and work styles are undergoing drastic changes at an unprecedented pace, and new issues are also emerging. Amid such circumstances, we believe that it is important for the PERSOL Group to implement integrated risk management groupwide to fulfill its responsibility to stakeholders, including customers, business partners, employees, corporate partners and shareholders, and to maintain and improve our corporate value.

We will not only fulfill our social responsibility and maintain our reputation but also support implementation of corporate strategies including appropriate risk taking by implementing a PDCA cycle of effective risk management, after obtaining the commitment of the CEO and other senior executives.

1. Basic approach to risk management

The PERSOL Group deems risk management activities essential for maintaining and improving the Group's corporate value. Following this approach, the PERSOL Group has established the Group Risk Management Regulation to identify risks that interfere with the implementation of business strategies and to control risks by taking suitable measures, while preparing to respond promptly and appropriately even when risks occur. Through these efforts, we fulfill our responsibility to stakeholders, including customers, business partners, employees and shareholders, and take initiatives to continue to earn their trust.

2. Risk management structure

With the transition to the SBU (Strategic Business Unit) structure in April 2020, we strengthened our risk management based on the idea that "the first line is the owner of business risk management," while introducing a risk management structure built on three lines of defense. The concept of each line of defense is as follows.

■ Concept of the three lines of defense of the PERSOL Group

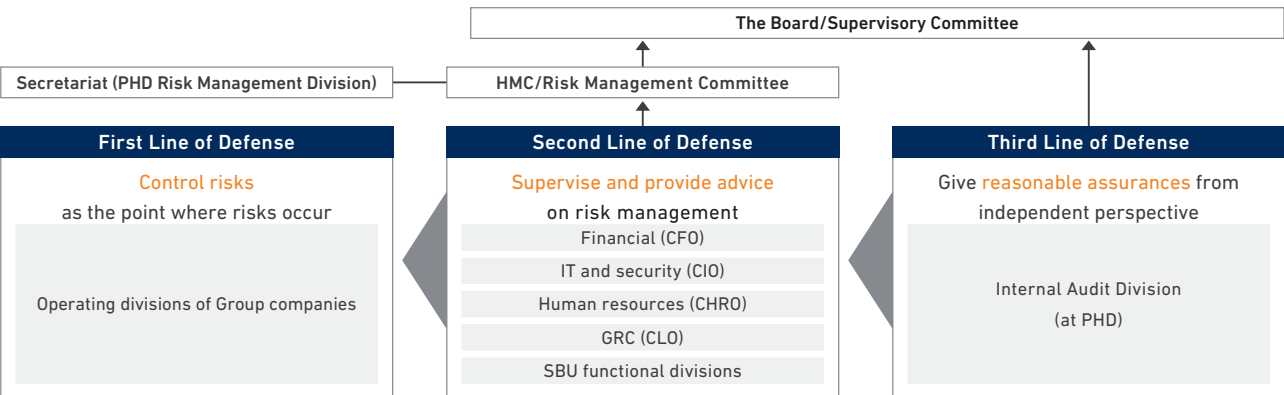
Line of defense	Role
First line: Group companies	At the point where risks occur, promotes risk management in business activities and daily activities
Second line: Functional divisions	Monitors and supports the risk management activities of each Group company
Third line: Internal Audit Division	Provides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

Regarding the Second line, the departments in charge of managing risks are set as below, according to the content and nature of the risk. The risk management context is reported to the Group risk management division within PERSOL HOLDINGS and the Risk Management Committee.

■ Classification of risk and risk management policy

Classification of risk	Risk management policy
Group-wide risk	Each functional division of PERSOL HOLDINGS manages risks across the PERSOL Group (mainly operational risks) for effective groupwide risk measures.
SBU-specific risks	For risks with SBU-specific business and regional characteristics, a risk management representative (= SBU Internal Control Promotion Manager) is assigned in each SBU to autonomously manage risks within that SBU.

■ Overview of the PERSOL Group risk management structure



Note: PHD = PERSOL HOLDINGS, HMC = Headquarters Management Committee, CFO = Chief Financial Officer, CIO = Chief Information Officer, CHRO = Chief Human Resources Officer, CLO = Chief Legal Officer, GRC = Governance, risk and compliance

3. Risk Management Committee

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

The committee, which is convened every quarter, is chaired by the officer in charge of the PERSOL Group's risk management division. The committee members are the CEO (Chief Executive Officer), other senior executives and each SBU Internal Control Promotion Manager, who discuss significant risks and monitor the context of risk management within the SBU.

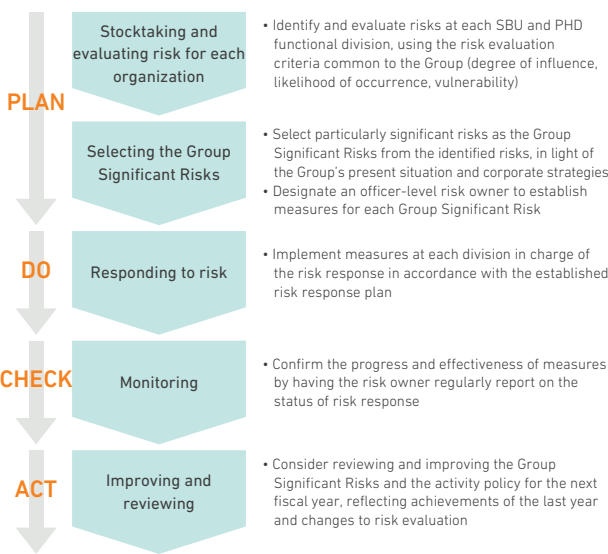
Management process for the Group Significant Risks

Among the Group's risks, those that are particularly significant are selected as the Group Significant Risks, in light of the Group's present situation and corporate strategies. Regarding these risks, we are not only preferentially allocating resources as management issues but also monitoring them by the RMC and the Board.

For the Group Significant Risks, officers of PERSOL HOLDINGS are designated as risk owners (those who assume final accountability for a risk) to make risk response more effective.

In addition, the risk response status is monitored by the RMC and the Board to confirm the progress of risk response and the effectiveness of measures, and improve and review the status annually. The framework allows for continuous improvement through implementation of the PDCA cycle.

■ PDCA cycle of the Management of Group Significant Risk



At the Risk Management Committee meeting for the fiscal year ended March 2021, the following six risks were selected as the Group Significant Risks. Officers in charge of each risk were designated as risk owners, to devise measures against risks.

■ The Group Significant Risks and the measures

Material risk	Details of risk	Measures against risks	Risk owner
IT-related risks (information leaks, system failures, etc.)	<ul style="list-style-type: none"><li>Information leaks due to external attacks (cyber attacks)</li><li>Information leaks due to internal fraud/negligence</li><li>Delays in and suspension of main functions due to system failures</li></ul>	<ul style="list-style-type: none"><li>Implement security measures for the Group's networks and systems</li><li>Establish a CSIRT (PERSOL-SIRT) for the PERSOL Group as a cross-group virtual organization to centrally manage security incidents occurring within the Group</li><li>Implement security education in response to new threats and analyses of information security incidents</li><li>Establish groupwide rules for system quality and security measures, and monitor compliance at each company</li><li>Confirm, both at the time of contract and periodically, that external services and contractors meet the information security standards specified by the PERSOL Group</li></ul>	CIO
Investments (M&A) risk	<ul style="list-style-type: none"><li>Reappraisal of affiliated companies' shares or impairment of goodwill, etc.</li><li>Failure to obtain the expected return on invested capital that impacts the Group's business development and operating results</li></ul>	<ul style="list-style-type: none"><li>Establish the Investment Committee</li><li>Set the investment amount to be deliberated for each SBU and deliberate on important matters related to the Group's overall investment</li><li>Monitor the progress of past investments and report regularly to the HMC</li></ul>	CFO
Privacy invasion risk	<ul style="list-style-type: none"><li>Decline in social trust of the PERSOL Group, administrative punishment or criticism on social media, by mishandling personal information, that resulting in significant impact on business operations</li><li>Violations of laws and regulations resulting from a delayed response to legal regulations related to personal information, etc.</li></ul>	<ul style="list-style-type: none"><li>Establish the Personal Data Utilization Council to deliberate on the overall privacy strategy of the PERSOL Group</li><li>Conduct a privacy review at the time of data utilization</li><li>Respond to the revised Act on the Protection of Personal Information</li></ul>	CIO
Business continuity risk	<ul style="list-style-type: none"><li>Natural disasters, such as earthquakes, or pandemics, etc., that significantly impact business operations</li></ul>	<ul style="list-style-type: none"><li>Strengthen the functions of the Emergency Response Headquarter</li><li>Automate monitoring of damage status</li><li>Formulate BCP and continuously implement review and improvement</li><li>Verify effectiveness by periodically conducting training</li></ul>	Representative Director and Deputy President
Pandemic risk	<ul style="list-style-type: none"><li>Spread of infections and long-term restrictions on activities imposed by the government that impact business operations and operating results</li></ul>	<ul style="list-style-type: none"><li>Review the operating performance plan in response to the recession and changes in the operating environment resulting from the pandemic and review the business scheme</li></ul>	Representative Director and Deputy President
Risks associated with compliance such as violations of legal rules, laws or regulations (including conduct risk)	<ul style="list-style-type: none"><li>Failure to properly operate any business or service, etc., of a highly public nature that does not meet the requests and expectations of stakeholders or significantly impacts the PERSOL Group's social trust and brand status</li></ul>	<ul style="list-style-type: none"><li>Hold deliberations related to businesses and services, etc., of a highly public nature and reestablish management structures and processes of these</li><li>Strengthen collection of information on risk</li><li>Conduct compliance training for all employees, as well as manager training</li></ul>	Representative Director and Deputy President



Compliance and Crisis Management

Basic approach to compliance

The PERSOL Group views compliance as meeting the demands and expectations of society and conducting business activities with integrity. Based on this view, the PERSOL Group established the PERSOL Group Code of Conduct in November 2019.

This Code of Conduct sets out the basic behaviors based on compliance required of all officers and employees of the PERSOL Group, both in Japan and abroad. We will act with high ethical standards and integrity based on the PERSOL Group Code of Conduct in order to continue to be trusted by our customers and society.

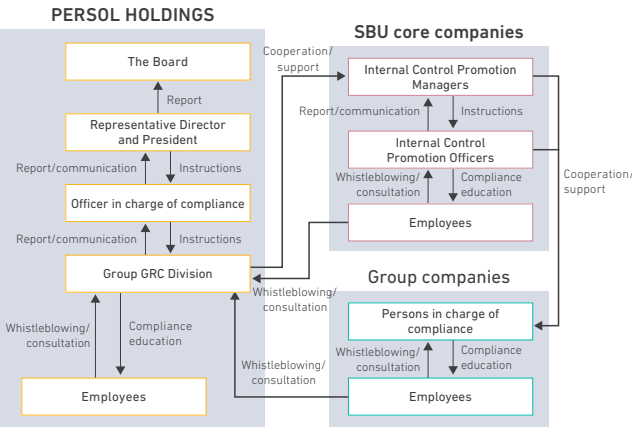
PERSOL Group Code of Conduct

https://www.persol-group.co.jp/en/corporate/governance/code\_of\_conduct.html

Compliance promotion structure

The PERSOL Group has established the Group GRC Division within PERSOL HOLDINGS to formulate basic compliance policies for the Group as a whole and to promote compliance at Group companies.

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



Efforts to raise employee awareness toward compliance

Publication of the Compliance Handbook

We have prepared a Compliance Handbook for employees in Japan as a guide to clarify how they should behave from the perspective of corporate ethics and compliance, and we utilize the Handbook to educate our employees about compliance.

Compliance training

In addition to providing annual compliance training to all Group employees in Japan, we also conduct education and training programs at each Group company tailored to each

business and region to raise awareness of compliance across the Group.

Compliance training for all employees in the fiscal year ended March 2021 focused on topics such as the importance of meeting stakeholders' expectations, cyberattack trends and the risks of cloud services. Among the 29,670 individuals in Japan eligible for the training, the completion rate within the three-month training period was 96.5%.

PERSOL Group compliance training

Name	Details	Scope	Results for fiscal year ended March 2021
Compliance training for all employees	Training for all employees of the PERSOL Group (once a year)	Entire Group	Number of people who completed training during the period: 28,622
Legal newsletter	Dissemination of legal knowledge related to the business through the intranet	Entire Group	Number of times distributed: 2
New graduate training	Training for new graduates when they join the Group	Entire Group	Number of participants in the joint company joining ceremony: 872
Mid-career hire training	Training for mid-career hires when they join the Group	Entire Group	Conducted at each Group company as necessary
Newly appointed manager training	Training for managers (section manager level), upon appointment and six months later	Entire Group	Number of participants: 491 Number of times conducted: Twice each, upon appointment and six months later

Conducting a compliance awareness survey

We conduct an annual compliance awareness survey on all Group employees in Japan in order to continuously monitor the instilling and establishment of compliance activities.

The results of the survey are analyzed and evaluated by the GRC Department of PERSOL HOLDINGS and then reported to management and the compliance divisions of core companies of SBUs as compliance indicators, with a view to reviewing and improving the compliance system and compliance activities.

Whistleblowing system

In Japan, the PERSOL Group has established the Corporate Ethics Hotline contact point at a specialized organization outside the PERSOL Group to receive whistleblowing and consultations from employees regarding activities that may constitute a violation of laws and regulations. Overseas, we have established internal contact points at Group companies and created an environment conducive to whistleblowing, in accordance with the circumstances in each country. PERSOL HOLDINGS and Group companies in Japan and abroad take various initiatives to ensure widespread awareness of these whistleblowing contact points, including postings on the intranet and training.

The Corporate Ethics Hotline is being used by Group employees in Japan. In the fiscal year ended March 2021, its recognition rate stood at 84%, and the number of consultations was 122.

In June 2019, the Corporate Ethics Hotline was registered in the Whistleblowing Compliance Management System (self-adaptation declaration registration system) under the jurisdiction of the Consumer Affairs Agency.



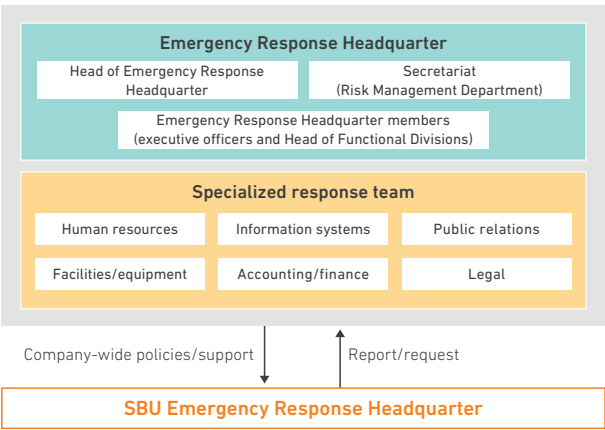
Initiatives for crisis management

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

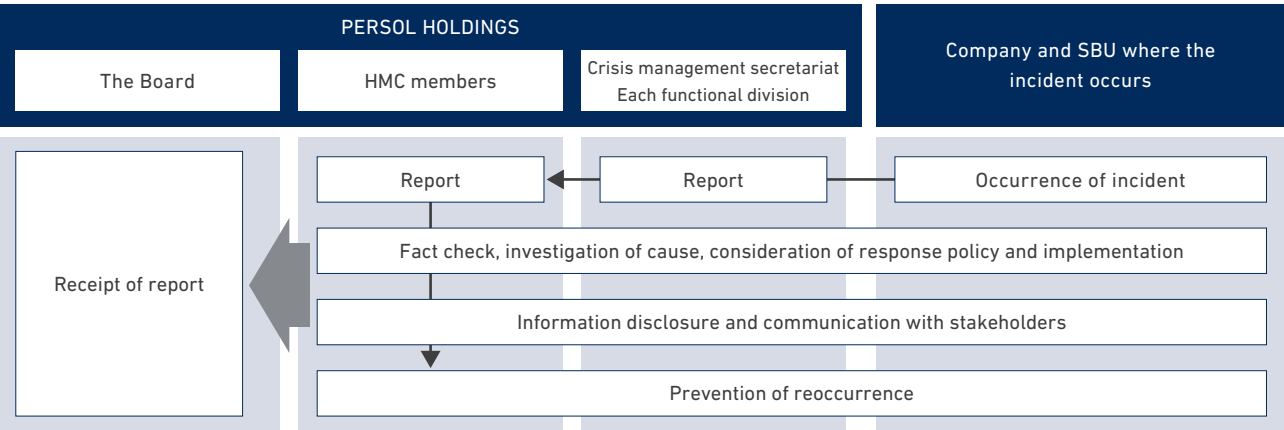
If an incident such as a large-scale natural disaster, compliance violations or cyberattacks occurs and is deemed a crisis (and in cases where such incidents may be so deemed occur), the department in charge of the incident promptly shares the information with the department in charge of risk management of PERSOL HOLDINGS. Both departments make a timely and appropriate response, according to the type of incident and its impact, in cooperation with the HMC

members of PERSOL HOLDINGS. If the Representative Director and President of PERSOL HOLDINGS determines that the incident is a particularly major crisis, the Emergency Response Headquarter is established at PERSOL HOLDINGS to pursue a groupwide response, while appropriately disclosing information to customers, relevant agencies, ministries and others involved.

Crisis management structure of PERSOL HOLDINGS



Information sharing and response flow in the event of a crisis (at the time the Emergency Response Headquarter is established)



Initiatives related to business continuity, etc.

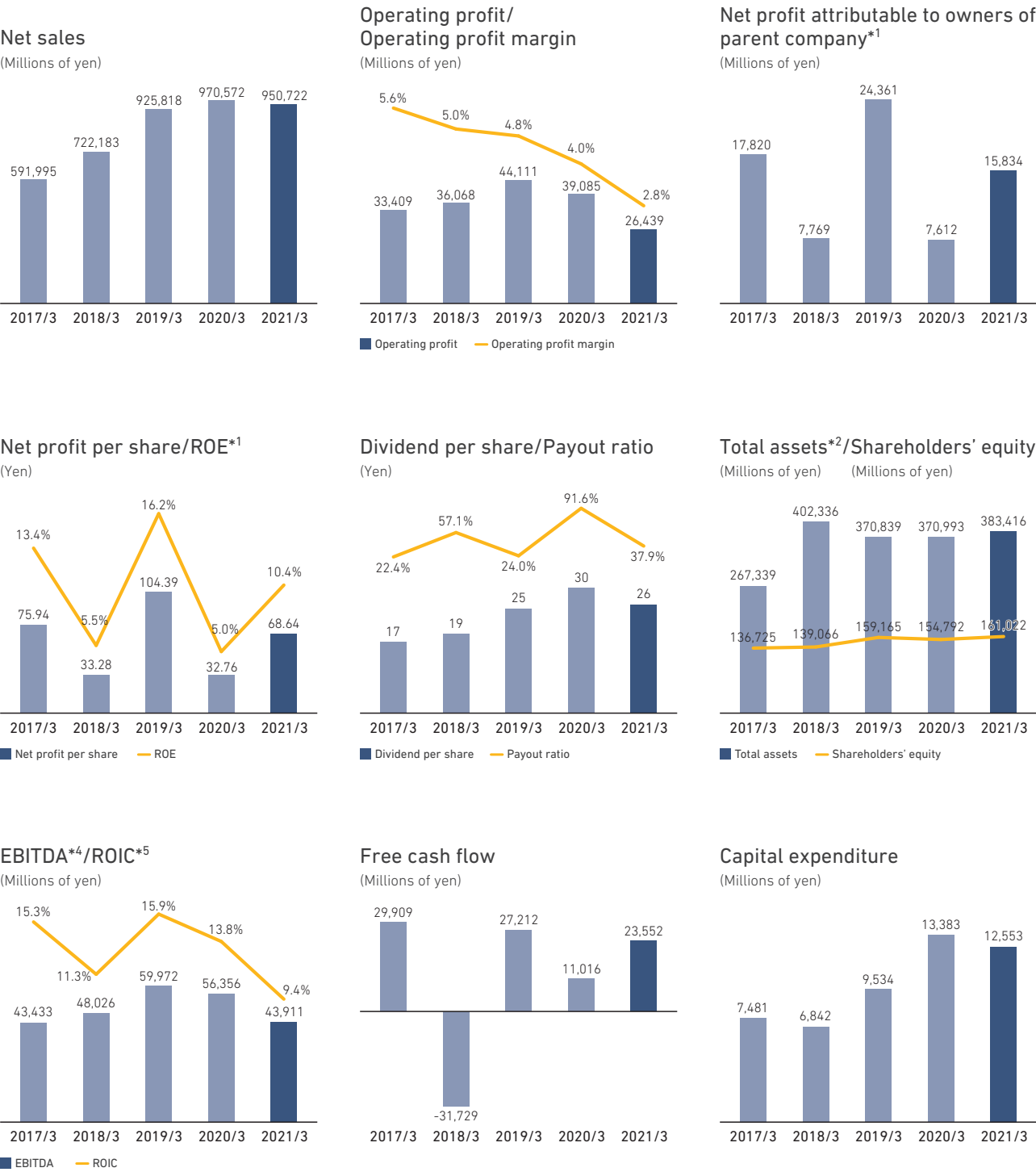
The PERSOL Group, which is engaged in the human resource service business, sets ensuring the safety of our employees and temporary staff, as well as payment of their salaries, as our most important tasks. In anticipation of a massive earthquake such as a Tokyo inland earthquake or Great Nankai Trough earthquake, the Group is working on reinforcing infrastructure for collecting information by utilizing IT, including introducing a safety confirmation system and another system that automatically identifies offices very likely to be affected in a large-scale disaster. In addition, regarding tasks related to the payment of salaries, the Group has established a business continuity plan in anticipation of the simultaneous occurrence of a large-scale disaster and a pandemic, in an effort to help employees and temporary staff maintain their livelihoods even in a crisis.

Response to COVID-19

In response to the COVID-19 pandemic, we continued our business activities under the basic policy of giving top priority to the safety and health of all our stakeholders. We have taken preventive measures such as encouraging teleworking and staggered work hours, encouraging holding internal and external events and meetings with large numbers of participants online, and thoroughly implementing infection prevention measures in order to create a safe and secure work environment.

In the event that an employee of the PERSOL Group is confirmed to have been infected, we work with relevant organizations to quickly implement the necessary measures to prevent the spread of the infection in order to prioritize the safety of our employees and others involved and minimize the impact on our business.

Financial data



\*1 During the fiscal year ended March 2018, an impairment loss on goodwill, etc., of 14.2 billion yen was recorded, because progress had not been made as initially anticipated at some subsidiaries engaged in developing business in the Asia-Pacific region under the PERSOLKELLY brand, as well as at the part-time job media business, "an." In addition, during the fiscal year ended March 2020, extraordinary losses of 19.3 billion yen were recorded, including a restructuring loss of 3.1 billion yen related to termination of the part-time job media business, "an," and an impairment loss on goodwill of 12.6 billion yen related to the staffing business of the Programmed segment.

\*2 "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018), etc., have been applied since the beginning of the fiscal year ended March 2019. Total assets prior to the fiscal year ended March 2019 represent figures to which the said accounting standards have been retroactively applied.

\*3 The consolidated tax return filing system has been applied since the fiscal year ended March 2021.

\*4 EBITDA = operating profit + depreciation + amortization of goodwill

\*5 ROIC = net operating profit after tax before amortization of goodwill / invested capital (= interest-bearing liabilities + equity capital)

Non-financial data

		Unit	2019/3	2020/3	2021/3
Number of employees*1	Total	Persons	44,795	52,005	54,759
	Number of full-time employees (regular employees)	Persons	38,964	46,155	49,434
	Number of contingent employees (temporary and part-time employees)	Persons	5,831	5,850	5,325
By employment	Staffing SBU	Persons	21,168	26,218	28,621
	Career SBU	Persons	4,616	4,759	4,291
	Professional Outsourcing SBU	Persons	10,312	11,929	12,715
By SBU	Solution SBU	Persons	286	460	611
	Asia Pacific SBU	Persons	7,134	6,851	6,317
	Holdings/directly managed companies	Persons	1,279	1,788	2,205
Percentage of women in managerial positions		%	18	19	20
Percentage of women employees		%	46	46	47
Number of new graduates recruited	Total	Persons	976	1,103	1,231
	Male/female	Persons	561/415	629/474	699/532
Number of mid-career persons recruited	Total	Persons	5,126	5,439	3,883
	Male/female	Persons	2,312/2,814	2,443/2,996	1,500/2,383
Average number of years of continuous service*2	Total	Years	6.7	6.4	6.8
	Male/female	Years	6.9/6.3	6.8/5.9	7.1/6.3
Average age	Total	Years old	37	36	37
	Male/female	Years old	37/36	37/35	37/36
Turnover rate*3	Total	%	10	10	8
	Male/female	%	10/11	9/10	8/9
Percentage of taking child-care leave*4	Total	%	43	49	50
	Male/female	%	7/95	11/95	10/95
Percentage of returning from child-care leave*5	Total	%	94	92	94
	Male/female	%	96/94	100/91	100/93
Number of persons taking nursing-care leave*6	Total	Persons	14	20	20
	Male/female	Persons	2/12	8/12	10/10
Number of persons with reduced working hours	Total	Persons	513	666	913
	Male/female	Persons	15/498	9/657	11/902
Average hours of overtime		Hours	20	18	16
Number of persons with side jobs		Persons	-	153	366
Number of employees with disabilities*7		Persons	1,191	1,410	1,670
Percentage of employees who received diversity literacy training		%	-	86	95
Percentage of employees who had a stress check		%	72	79	82
Participation rate in the shareholding association		%	9	10	11
Number of persons eligible for the share-based compensation scheme*8		Persons	100	102	193

\*1 The number of employees includes employees of overseas operations. The number of employees represents the total of the number of full-time employees (includes employees working at PERSOL Group companies; employees assigned to work at non-PERSOL Group companies not included) and the annual average number of contingent employees (including temporary and part-time employees). Due to the shift to an SBU structure from the fiscal year ended March 2021, the number of employees prior to that time is recalculated under the present structure.

\*2 The number of years is calculated for unlimited term employees only.

\*3 The turnover rate is calculated using the number of full-time employees.

\*4 The figures show the percentage of employees who started taking child-care leave, from among all employees with newborns (employees with a spouse who gave birth, in the case of male employees) or adopted children during each fiscal year.

\*5 The figures show the percentage of employees who returned to work, from among all employees who completed child-care leave during each fiscal year.

\*6 The figures show the number of employees who started taking nursing-care leave during each fiscal year.

\*7 The figures represent the number of employees with disabilities, as of June of each fiscal year.

\*8 The figures represent the number of employees eligible for the trust-type share-based compensation scheme (BIP/ESOP).



Corporate Profile	
Company Name	PERSOL HOLDINGS CO., LTD.
Established	October 1, 2008
Head Office	1-15-5 Minami-Aoyama, Minato-ku, Tokyo 107-0062, Japan
Registered Office	2-1-1 Yoyogi, Shibuya-ku, Tokyo 151-0053, Japan
URL	https://www.persol-group.co.jp
Consolidated Employees	54,760 (As of March 31, 2021) * Full-time employees–49,434 (includes employees working at group companies. Employees assigned to work at non-group companies not included.) Contingent employees (including temporary and part-time employees)–5,326 annual average.
Number of Group Companies	133 (39 domestic, 94 overseas) (As of September 1, 2021)
Number of Group Bases	647 (468 domestic, 179 overseas) (As of March 31, 2021)
Capital	17,479 million yen (As of March 31, 2021)
Stock Information	
Stock Code	2181
Stock Exchange	Tokyo Stock Exchange, First Section
Fiscal Year-End	March 31
Base Dates	Shareholders' Meeting date: March 31 Year-end dividend record date: March 31 Interim dividend record date: September 30
Trading Unit	100
General Meeting of Shareholders	June
Shareholder Register Administrator Special Account Management Institution	Mitsubishi UFJ Trust and Banking Corporation
Public Notice Method	Electronic public notice Notification URL: https://www.persol-group.co.jp (In case electronic notification is unavailable due to technical difficulties or other problems, the company will notify via The Nihon Keizai Shimbun.)

Editorial Policy

This integrated report is a tool for communicating comprehensive information, integrating financial and non-financial information about the PERSOL Group, including its business activities, IR activities and sustainability/SDGs initiatives. The purpose of this report is to deepen the understanding of our Value Creation Story toward achieving the Group Vision of "Work, and Smile" by a wide range of stakeholders, including our shareholders and investors.

This report extracts the basic information, financial data, corporate strategies, sustainability information and other information particularly needed by the readers, based on major guidelines.

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

Reporting Period

This report covers the fiscal year ended March 2021 (April 1, 2020 to March 31, 2021). However, it also mentions periods before and after this period when necessary.

Referenced Guidelines

In editing this report, we referred to the Sustainability Reporting Standard of the Global Reporting Initiative (GRI), the International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC) and the Guidance for Collaborative Value Creation, among others.

About Guidance for Collaborative Value Creation

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



Certified as "Excellent Temporary Work Agencies" (PERSOL TEMPSTAFF and PERSOL TECHNOLOGY STAFF)

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



"PRIDE Index" (PERSOL CHALLENGE)

The company received a gold rating, the highest level, in the PRIDE Index, an evaluation of efforts to support LGBT employees and other sexual minorities.



Great Place to Work (GPTW) (PERSOL CAREER)

The company has been selected as one of the best companies for nine consecutive years in the "Best Workplaces" ranking of GPTW, the world's largest awareness survey institute, which operates in roughly 60 countries around the world.



"Eruboshi" highest-level company certification (PERSOL CAREER)

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



"Sports Yell Company 2021" (PERSOL Group)

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



"HDI Certified Support Center" (PERSOL WORKS DESIGN)

The company was granted certification as an "HDI Certified Support Center" by HDI, the organization with the most members worldwide in the field of support services.

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.

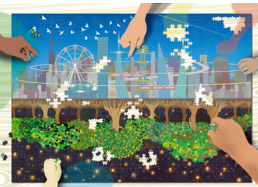
Although performance results announced in the future may vary greatly from these statements due to these various factors, the PERSOL Group is not liable for any losses incurred through the use of the information in this report.

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.

Artwork Used on the Cover

The PERSOL Group was a sponsor of Paralympic Art World Cup 2020, an art world cup for people with disabilities from around the world, aimed at creating opportunities for disabled artists all over the world to be active in society regardless of race, disability, gender or age.

The cover art, which is based on the 2020 theme of Peace, was created by the inclusion IT team, which designs corporate websites, brochures and flyers, name cards and logos at businesses that are providing type A support for continuous employment.



What is Paralympic Art?

Paralympic Art is a program by SHOUGAISHA JIRITSU SUISHIN KIKOU ASSOCIATION. It provides works of art by persons with disabilities to companies and individuals, and compensates the artists. Its main objective is to support the autonomy of persons with disabilities who cannot participate in society and are struggling economically. Through art, the program promotes participation in society and economic independence by people with disabilities, without relying on social security benefits. Artist registration is free, and as of August 2021, approximately 600 artists have registered with the program.