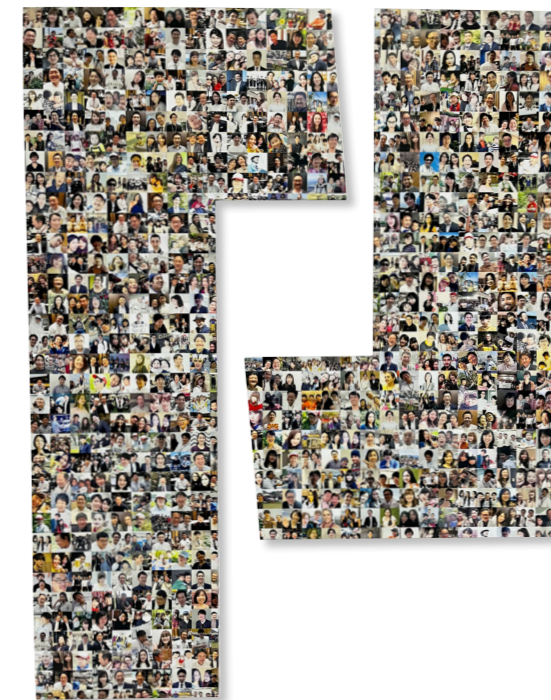


<https://www.persol-group.co.jp/>

Work, and Smile



PERSOL

Integrated Report 2022

PERSOL Group

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 2017

- Renew the Tempstaff Brand logo

TEMPSTAFF

October 2018

- Renew the doda Brand logo

doda

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"

May 2010

- Share of Kelly Services Ltd. is acquired

July 2015

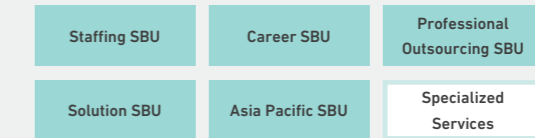
- Corporate Philosophy, Group Vision "Create social infrastructure for people and organizations that catalyzes growth and innovation" and Five Core Principles are announced

April 2013

- Intelligence Holdings, Ltd. becomes a consolidated subsidiary

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)

Net sales
1,060.8
billion yen

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

Changes in net sales

1970 1980 1990 2000 FY2005 FY2006 FY2007 FY2008 FY2009 FY2010 FY2011 FY2012 FY2013 FY2014 FY2015 FY2016 FY2017 FY2018 FY2019 FY2020 FY2021

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
- 2002
 - Percentage of companies implementing employment adjustments peaked
- 2004
 - The Worker Dispatching Act revised to lift the ban on dispatching to the manufacturing industry
- 2006
 - The Equal Employment Opportunity Act for Men and Women revised to prohibit discrimination of both men and women and disadvantageous treatment on the grounds of pregnancy and childbirth
- 2007
 - Labor Contracts Act enacted
 - Charter for Work-life Balance adopted
- 2008
 - The global financial crisis

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

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

Top Message



和田孝雄

Takao Wada

Representative Director,
President and CEO (Chief Executive Officer)

We are creating a society in which everyone can experience “Work, and Smile” by providing work opportunities and choices to support self-determination in work that is optimal for all.

This was a year during which society’s expectations of PERSOL increased. We clarified our strengths, the reasons for our existence and the role we should play in business and society.

During the roughly one-and-a-half years since I took office as President, the entire company has focused all its efforts on providing good work opportunities to realize its Group Vision “Work, and Smile.” I consider “Fueki Ryuko” (being eternal and open to new changes) an important management concept. The past year has been one in which our core tasks were to provide value that exceeds customers’ expectations by responding flexibly to economic, social and other changes

in the world around us and pursuing new challenges, while stressing the importance of the absolute values of our Group Vision, Five Core Principles and Corporate Philosophy.

Looking back on the fiscal year ended March 2022, I see a year in which we further clarified PERSOL’s strengths, market expectations and the role we should play amid ongoing social and market changes. COVID-19 has meant that society is expecting much more from the PERSOL Group, including the securing of essential workers, stable human resources and organizational management in an extremely fluid environment, and the execution of large projects during an emergency. By continuing to meet these expectations, we achieved record sales and profits.

These results were driven by our Staffing SBU business.

The past year made me realize that our presence is essential to our customers’ HR strategies. I believe we are able to say that PERSOL is uniquely able to meet the urgent demand for workforces of more than 1,000 by customers that need, for example, to “hire employees with specialized skills to promote a new project” or to “quickly secure many employees to process benefits and respond to the COVID-19 emergency.” Our responses have been highly evaluated by companies, central government agencies and local governments. Our results for the year are a true indication of the Staffing SBU’s true potential and strengths.

The Career SBU’s permanent placement business, which had a very challenging year in the fiscal year ended March 2021, recorded a V-shaped recovery in the fiscal year ended March 2022. The SBU achieved this success by anticipating the market and by being fully prepared when demand returned. The situation was similar at the Professional Outsourcing SBU, where the effect of COVID-19-related manufacturing stoppages and cutbacks meant that engineers remained on standby, but since the beginning of this year, standbys have been eliminated and now there is in fact a shortage of labor. When client companies restarted projects, PERSOL was given priority, which is evidence of the strong trust that our customers place in us.

On the other hand, our overseas businesses had to deal with continuing lockdowns in various countries and territories. Nevertheless, at PERSOLKELLY, both the temporary staffing and the permanent placement businesses grew and Programmed achieved sales growth while controlling costs. As a result, the Asia Pacific SBU achieved profitability.

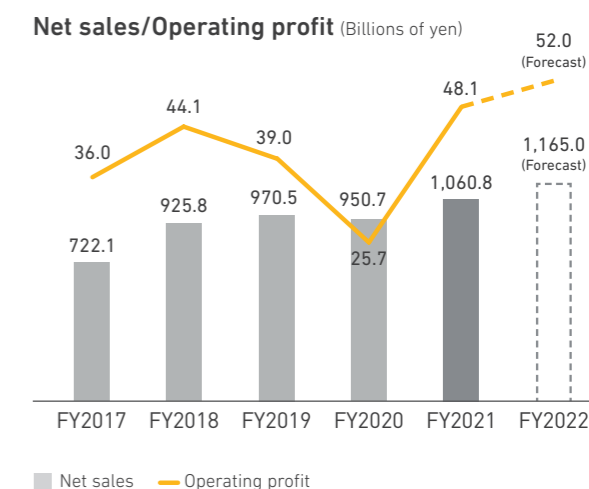
The Solution SBU’s mission is to use technology to create new business solutions. The business posted remarkable top-line growth in the fiscal year ended March 2022 and, as a result, continued its proactive service development and investment in marketing. We see all SBUs building on these positive trends and making solid progress during the fiscal year ending March 2023. We will work proactively for further growth that will lead to successful results.

The Mid-term Management Plan addresses both economic value and social value by promoting activities that directly take on sustainability issues.

We have already achieved the economic index targets of the Mid-term Management Plan and have upgraded our

initial plan with new targets of 1,165.0 billion yen in net sales and an operating profit of 52.0 billion yen for the fiscal year ending March 2023. The most important point is to increase the value of the PERSOL Group in terms of both economic value and social value. Accordingly, we will continue efforts to raise our sights even higher to enhance social value as well.

Human resources are the core of our business, and all our successes come from the achievements of working people. Therefore, the PERSOL Group’s first key strategy is to provide value that focuses on each individual. The Group as a whole, including overseas businesses, is pursuing various initiatives to realize “Work, and Smile.” One effort that symbolizes the enhancement of social value is the global survey we carried out to measure the degree of realization of “Work, and Smile” among roughly 120,000 respondents in 122 countries and regions around the world. We are analyzing and researching this data to determine which environments need to be created and which measures need to be implemented for people to have a true feeling of “Work, and Smile” or, in other words, to have a sense of well-being from their work. We are also carrying out and verifying measures in-house. Furthermore, we are publicly releasing and sharing the survey results globally to allow our client companies to incorporate them and work with us. While building relationships of trust with companies and local governments that endorse this initiative, we will promote a wider adoption of this index and work towards enhancing well-being in the workplace.





In addition, sustainability and diversity are major issues facing society, and the PERSOL Group is confronting these important issues head-on and promoting approaches to resolve them. Representative examples of this are the creation of the Gender Diversity Initiative in September 2021 and the Sustainability Committee in March 2022. The Gender Diversity Initiative has set a target for 2030 of raising the percentage of women in managerial positions to 37% (to match the percentage of women employees in the Group) from the current 22% (as of March 2022). Increases in diversity of nationality, age, gender and other factors within the Group are also essential for further growth, and I personally am deeply committed to this.

With the establishment of the new committee, we have created a structure to promote a deeper, more proactive and more concrete deliberation of major agenda items related to sustainability. Among these, addressing environmental issues cannot be overlooked in terms of social issues. If we do not tackle problems like climate change, the economy, society and our own business will not survive going forward. Recognizing this prospect, we have established a "carbon neutral target of net zero greenhouse gas emissions from our business activities by FY2030." In addition, various industries are seeing an increased need for environmental human resources, and we can make a major contribution by supporting human resources issues facing customers. Going forward, I hope that we will help resolve climate change and other social issues by working together with various stakeholders.

Striving to eliminate the uneven distribution of work and mismatches between individuals and companies today, when our founder's thought and the Group's future vision are converging.

The PERSOL Group's mission is to create a society in which anyone can feel a sense of "Work, and Smile," based

on our Corporate Philosophy of "Providing Opportunity, Individual Growth and Social Contribution." I believe that people experience personal growth through their work, and I want people around the world to grow through their work and improve their lives. This was precisely the thinking of our founder, Yoshiko Shinohara. I believe that the value of our business lies in spreading this philosophy and demonstrating it to even more people. As included in the SDGs, I also wish for a world that is at peace, a stable economy, the elimination of poverty and all people being able to live happy and fulfilling lives. Having an environment in which one can work with peace of mind is an important way to realize this.

It is essential that people experience well-being from their work and that this feeling spreads to their family, company and the society around them. Our top priority of "providing work choices and opportunities by focusing on each individual" is based on this concept, and we believe this initiative will continue to be required in the future. For example, the emergency presented by the COVID-19 pandemic has made it possible to increase the degree of freedom in various work elements like the place of work, hours of work and duration of work. The expansion of work choices means that possibilities are multiplying. Our role is to continue to expand those possibilities while also providing them to as many people as possible. I believe the use of technology will enable the significant expansion of those possibilities and, in addition, the value of people that are the PERSOL Group's strength will make it possible to offer optimal choices that will give greater satisfaction to working people.

Another issue we need to address is mismatches in employment between companies and individuals or, in other words, the fact that human resources and work are both unevenly distributed and do not match. These factors are creating a situation in which workplaces and geographic regions are unable to acquire the human resources they need or are unable to find human resources with the required skills. I believe it is very important that we provide value that eliminates this uneven distribution and that we reduce the asymmetry of information by disclosing the various work-related data we possess. These efforts will lead to realizing a society in which individuals can decide for themselves from among many choices the work that is optimal for them.

Overall image of PERSOL's aims and social issues to be resolved



We want the next Mid-term Management Plan to include goals that clearly specify what PERSOL aims to achieve by 2030.

We are forecasting that labor shortages in Japan will come to 6.44 million people in 2030 (according to research by PERSOL RESEARCH AND CONSULTING). In the 'era of a 100-year lifespan,' changes in employment conditions, including longer working lives and the end of lifetime employment, and improved productivity through technology will further change the ways companies use human resources. At the same time, individuals' values related to work will change significantly.

On the basis of these major social trends and future projections, we need to think about how to achieve "Work, and Smile" as we approach 2030 and clarify what kind of world we want to create. I will use my own words to convey this concrete vision to Group employees to enable them to do their best. I am confident that this will increase employees' sense of empathy and lead to even greater strength. The driving force for the achievement of the Group Vision lies within each individual employee.

Individuals who want to work can choose their work

by themselves, and that work will give them various experiences and skills. Of course, strenuous effort is involved, but if hurdles can be overcome, the future is certain to be one of "Work, and Smile." To realize a society in which all working individuals can have this feeling in 2030, we want the next Mid-term Management Plan to lay out clear strategies for advances of one step, two steps and a leap forward, as we consider where we want the PERSOL Group to be by the midway point of 2026.

In the future, no matter what technologies are developed or how far robotics and AI technology advances, the connection between people and work and the fact that people's lives are enhanced through their work are certain to remain. The PERSOL Group needs to continue to support these relationships for the next 100 to 200 years. I want people around the world to say, "PERSOL makes my work better" or "PERSOL is an essential infrastructure for choices in work and life." All PERSOL Group employees will make every effort to respond flexibly as the world changes, develop services and expand them, while listening to the needs of companies and individuals, and continue to be needed and valued by society.

Value Creation Story

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.

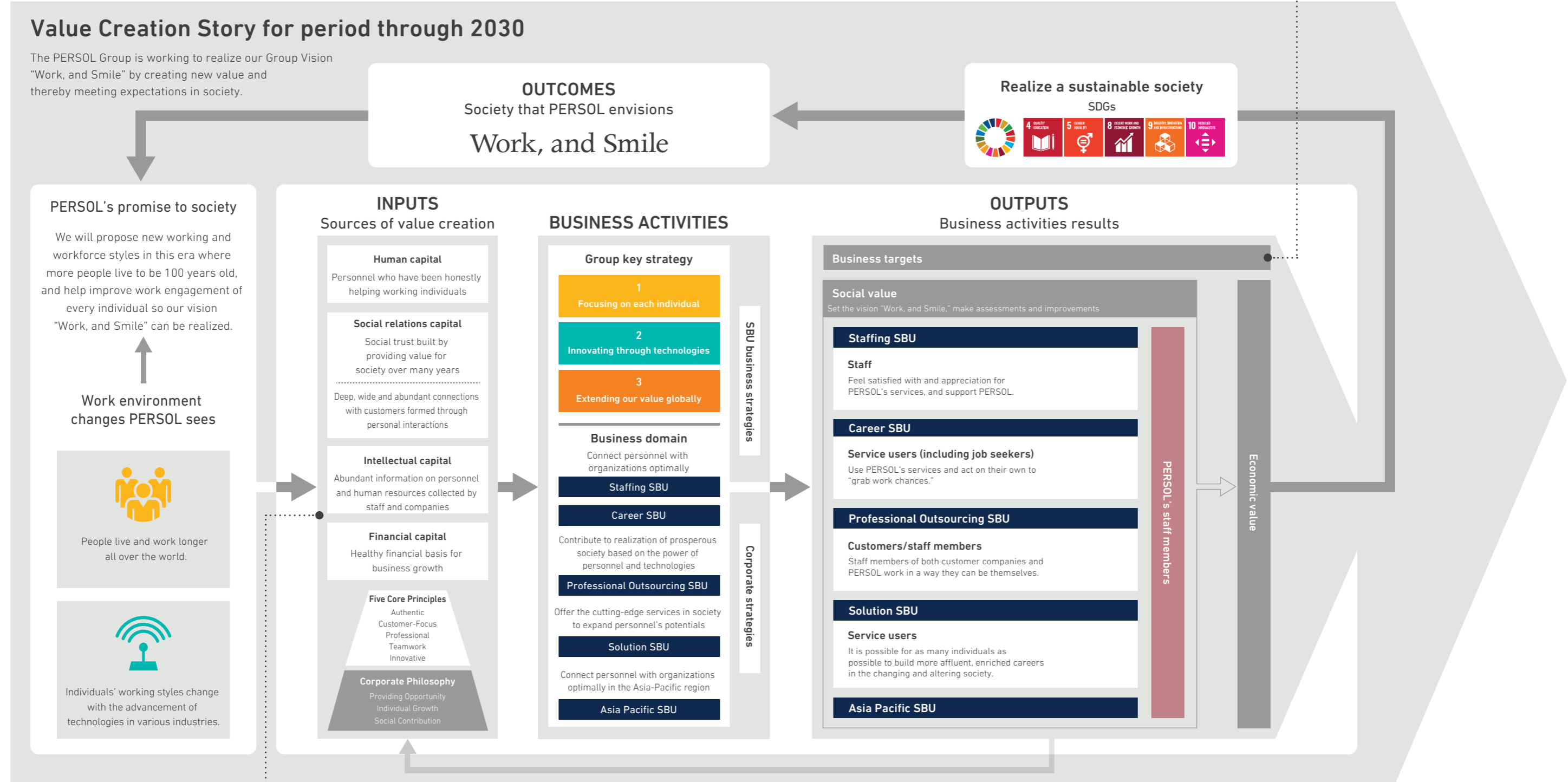
Business targets

Social value

- Create "Work, and Smile" index and implement measures that will contribute to improvement of component indicators to achieve the Group Vision
- Promote ESG-related initiatives and disclose them in the Integrated Report

Economic value

- Shift from the management focusing on single year P/L to the management that realizes sustainable growth of corporate value
- Introduce ROIC and other indicators of return on capital to improve the corporate value of the entire Group



PERSOL's capital

Human capital

- Number of Group employees: **60,675** (As of March 31, 2022)
* Includes contingent employees
- Number of dispatched temporary staff: **Approx. 114,000*** in Japan (As of July 1, 2022)

Social relations capital

- Number of operating bases: **469 domestic, 160 overseas** (As of February 28, 2022)
- Number of client companies: **Approx. 40,400** (As of March 2022)

Intellectual capital (results for 2021)

- Number of job postings: **Approx. 209,000** (As of August 2022)
- Hours of employee training (per person): **15**
- Number of research papers published: **13**

Financial capital (As of March 31, 2022)

- Shareholders' equity: **184,526 million yen**
- **Rating** (As of June 30, 2022): **A (Positive)** according to the Japan Credit Rating Agency (JCR)
- Equity ratio: **43.4%**

Group Key Strategy

We formulated Group key strategies to achieve a society that PERSOL envisions.

The future of employment that PERSOL envisions will embody the idea "Work, and Smile." Toward this end, the PERSOL Group formulated three key strategies for Groupwide implementation. The first is to focus on the individual and help improve their own work engagement. The second is to turn technology into a strategic tool that facilitates new work styles and constructive employment formats. The third is to utilize the insights and know-how that we have accumulated in Japan and spread the "Work, and Smile" concept from the Asia-Pacific region.

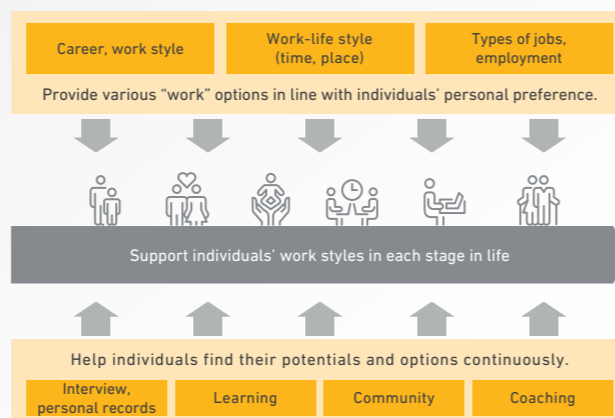
1 Focusing on each individual

We make priority investments on the activities that contribute to the increase of work engagement for all working individuals supported by PERSOL.

By asking "What is better job?", "What is better style of work?", and "What is better life?", from a viewpoint of a "working individual," we create and support diverse work that will shape our future.

More specifically, we provide work opportunities and insights best suited to respective life stages, aptitude and ability of individuals. We serve as partner that helps working individuals not only when finding a job but for lifelong career, additionally providing them with support for matters other than work.

We also provide individuals with opportunities to study so that they can have enough career options to choose from on a continual basis at all life stages.

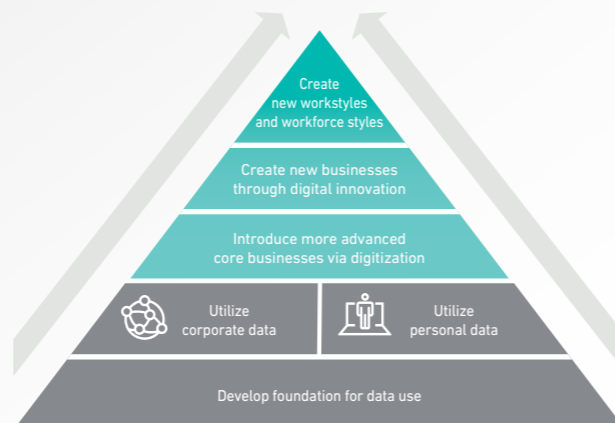


2 Innovating through technologies

By making the best use of technologies and promoting digital transformation, we propose new workstyles and employment.

We build the infrastructure for analyzing and utilizing the enormous personal and corporate data we accumulated in the past, and promote digitization of platform businesses including temporary staffing and job placement to further upgrade those businesses.

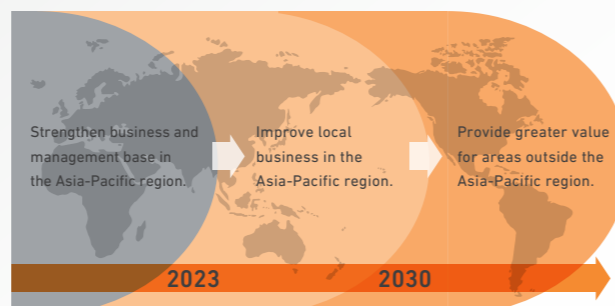
In addition, we create new businesses for future by reconsidering the conventional values we provided from a perspective of utilizing cutting-edge technologies.



3 Extending our value globally

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

We will contribute to the solution of social challenges around the world to realize our Group Vision "Work, and Smile."



Message from the CSO

Pursuing maximization of the corporate value of the Group by leveraging the full potential of each SBU

Taro Mineo
Executive Officer CSO
(Chief Strategy Officer)



The role of the CSO is to create "venues for discussion that will lead to higher growth for the PERSOL Group"

With annual net sales of more than 1 trillion yen, the PERSOL Group has become one of the world's few comprehensive human resource services companies. Following the launch of the SBU structure setup, I believe we have been enhancing competitive strengths of each SBU. At the same time, we are aiming for even higher growth while the businesses of the five SBUs cover a broad spectrum and each of them has different management issues at different stages. To succeed, I felt we would need to explain a clear direction for the entire Group and improve the level of management based on more strategic thinking. To embody "Work, and Smile" as we turn our attention to the diverse values of regions around the world, the PERSOL Group needs to maintain close and extensive communications with management from an even higher perspective than ever, and I consider it one of my roles as CSO to create venues for that discussion. I will share with management the awareness of issues I used to realize while I was engaged in execution as an SBU Lead and promote open-minded discussions to create management strategies that will lead to the Group's continuous growth.

Executing the Group key strategies

I view the fiscal year ended March 2022 as one in which the PERSOL Group was able to record results that were generally above those planned in terms of financial management targets. I am grateful that each individual business gave

an impression of strong growth, but I believe the degree of progress toward the three Group key strategies of "focusing on each individual," "innovating through technologies" and "extending our value globally" was mixed.

"Focusing on each individual" is a strategy represented by PERSOL's mission of closely supporting each individual's potential and values throughout their life stages. We launched the "Future Vision of Work Initiative" as a test product and are currently verifying the service. I believe we have had some success in deepening the direction of the vision, but it is still at the test stage. During the period of the next Mid-term Management Plan, we hope to advance to a full-fledged service with 10 million users.

In terms of "innovating through technologies," we intend to develop services proactively using technology products in Japan and overseas. By adding digital capabilities to the PERSOL Group's various in-person services, we hope to significantly improve customer experiences and make them more convenient. We recognize that the acquisition of technology personnel is an urgent issue, and after taking actions to create employment conditions and ensure good working environments, we have been able to drastically increase the number of engineering-related employees, compared with the number of the period of the previous Mid-term Management Plan. We will continue to work to create environments that make it easier for engineers to spur innovation and to implement human resource evaluation systems that reflect engineering employment conditions, which I believe will lead to an increase of new products and services that will have an instant impact.

With regard to “extending our value globally,” we have restructured our internal functions in the Asia-Pacific region and achieved profitability as one of the outcomes of these activities.

Although we are making steady progress with the Group key strategies, I recognize that growth strategies and aims for the Group as a whole are still abstract and challenges we are facing. In terms of investment for growth under these strategies, we deliberated multiple M&As but since some of them did not succeed, I feel that our lack of success in making strategic investments from a business portfolio perspective is an issue.

Creating a long-term Group growth strategy as a holding company

Under the next Mid-term Management Plan, which we intend to announce in 2023, we aim to include specific objectives for the PERSOL Group, outline a growth story and clarify the kinds of strategies we will pursue, with a medium- to long-term view of the entire Group’s future. PERSOL HOLDINGS CO., LTD. will work to create a structure for greater strategic cooperation across SBUs and a structure for each SBU to fully demonstrate its potential, with the aim of maximizing synergies in the use of Group resources.

We will begin by identifying key growth areas and allocate investment for growth to those areas. We intend to focus management resources on growth areas and create balanced business operations. In the Asia-Pacific region,

besides aiming to improve profitability, we will reorganize our platform to further facilitate significant advances and strengthen technological areas. We will also work to further enhance our strengths in matching people with organizations, attracting customers and designing operations that become the source of our competitiveness, while also continuing to explore new business areas.

Aiming to overcome various issues and difficulties in society to create a better world

Major social trends that relate to the PERSOL Group include the contraction of the working-age population, changes in work styles and skill requirements caused by transformation of industry structures and the diversification of individuals’ values and lifestyles. These trends saw gaps between the level of skills available and labor market needs becoming a major social issue. Given the “Work, and Smile” society to which the PERSOL Group aspires, I believe we need to renew our awareness of sustainability in the built-in value structure at the core of our management. In formulating the next Mid-term Management Plan, we have held extensive discussions to revise our materiality, using input from stakeholders and based on PERSOL’s business strategies.

The Sustainability Committee, which we established in March 2022, is intended to deepen management’s discussion of important agenda items related to sustainability. Going forward, the committee will formulate and pursue a sustainability strategy similar to our business strategy, financial strategy, human resources strategy, technology strategy, risk management strategy and other key strategies, while also being responsible for the monitoring function related to materiality. The Group also declared its Goal of Carbon Neutrality in May 2022. Under this declaration, the PERSOL Group aims to achieve net zero (Scope 1 & 2) greenhouse gas emissions from the entire Group’s business activities by FY2030 and, with that as a basis, we will pursue more environmentally friendly business activities.

Looking toward future growth, the PERSOL Group needs to create sustained value and continuously meet the expectations of various stakeholders. We consider it our responsibility to play a part in overcoming society’s issues and difficulties to create a better world. I hope that this will be the consensus of management, and that along with working to maximize corporate value, it will be the starting point of our growth story for the future.



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.

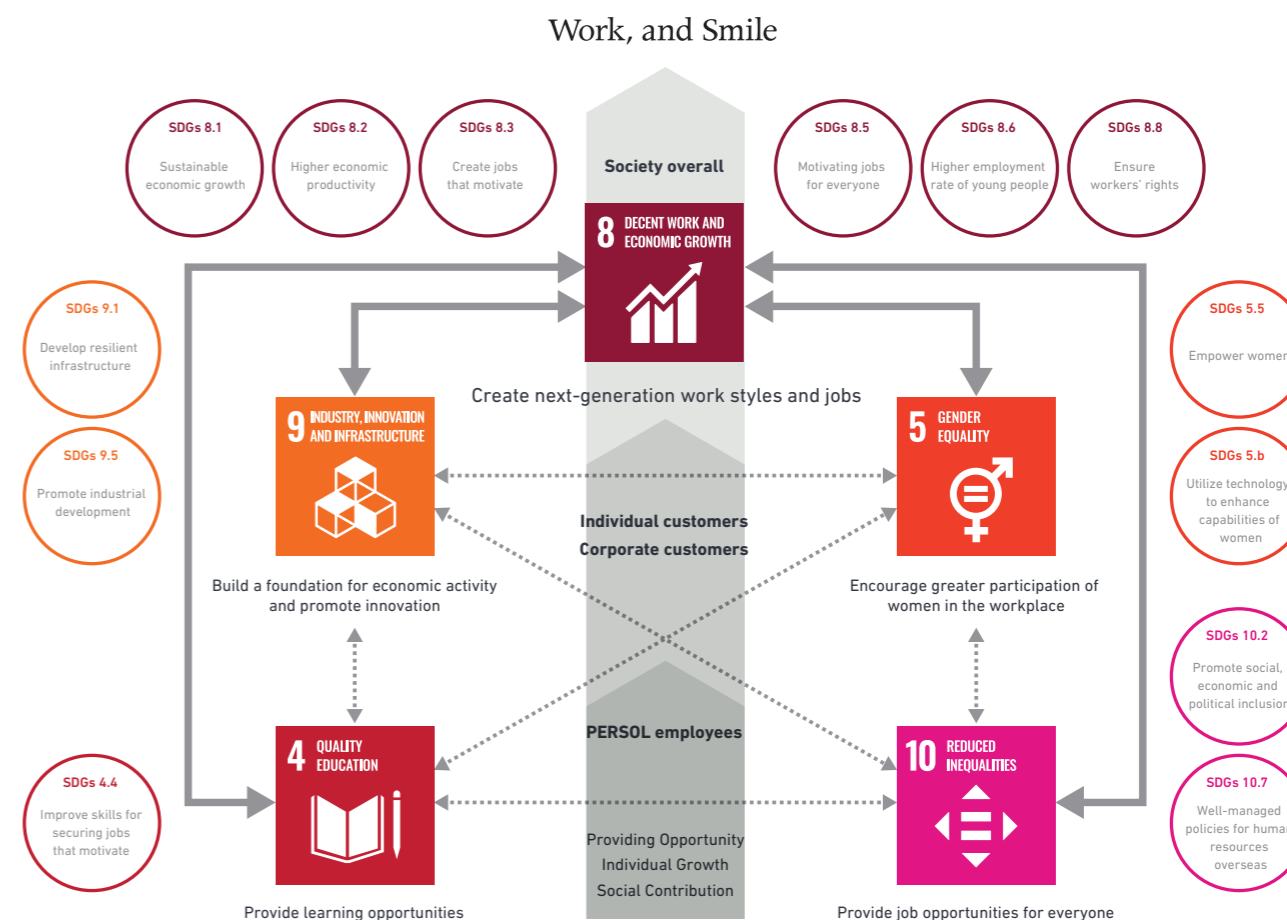
Sustainability Policy

Driven by our Corporate Philosophy of “Providing Opportunity, Individual Growth and Social Contribution,” the PERSOL Group works with diverse stakeholders to actively address social and environmental issues in the aim of building a sustainable society.

With appropriate governance, we will continue to engage in business that realizes our Group Vision, “Work, and Smile,” and enrich society so that all work leads to lives of happiness.

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.



Message from the CFO

Enhancing corporate value by leveraging the strength of our logical and open management structure

Junji Tokunaga
Executive Officer CFO
(Chief Financial Officer)



Fulfilling five roles as new CFO to maximize corporate value

I have recently assumed the position of the Chief Financial Officer of PERSOL HOLDINGS CO., LTD. I think the CFO's primary role is to enhance corporate value or, to put it simply, to maximize future cash flow. To maximize cash flow, I see five specific important roles for the CFO to play. The first is to refine the business model of each business for both the short term and the medium to long term. I am expected to identify short-term and medium- to long-term issues at each SBU at an early stage and make improvements. The second is to optimize all our multiple businesses to create an optimal business portfolio. All SBU Leads are carrying out their duties from the perspective of maximizing the value of their own business. I view looking beyond individual businesses to create greater synergies and optimize the overall portfolio as another important role of the CFO. The third is financial decision-making as it relates to management, in other words, making decisions on the optimal allocation, investment or withdrawal of management resources. Ordinarily, this means formulating the budget and seeing that it is followed, but the budget involves decision-making about which management resources to use to generate maximum output. The same holds true for M&As. The fourth is risk management in a broad sense. Risk is not necessarily related to finance, but most risks to a company are fundamentally related to money. I consider the identification and control of both near-term and future risks key CFO functions. The fifth and

finally, one of my essential roles is to maintain favorable relationships with shareholders, which plays a critical role in fund procurement for listed companies. It is very important to unfailingly return the gains from our business to shareholders or to use them for new investments. I consider these the five roles of the CFO.

■ Five roles of the CFO

- Identification and improvement of short-term and medium- to long-term issues at individual SBUs
- Portfolio optimization
- Optimal allocation of management resources
- Financial risk management
- Dialogue with shareholders and investors

Identifying changes in post-COVID-19 society and making thoroughgoing efforts to raise profitability

For the fiscal year ended March 2022, the PERSOL Group recorded high growth at all businesses, achieved record sales and profit and met the Mid-term Management Plan's numerical targets one year ahead of plan. During the fiscal year ending March 2023, the final year under the current plan, we are forecasting further growth at all SBUs and expect another year of continued sales and profit growth.

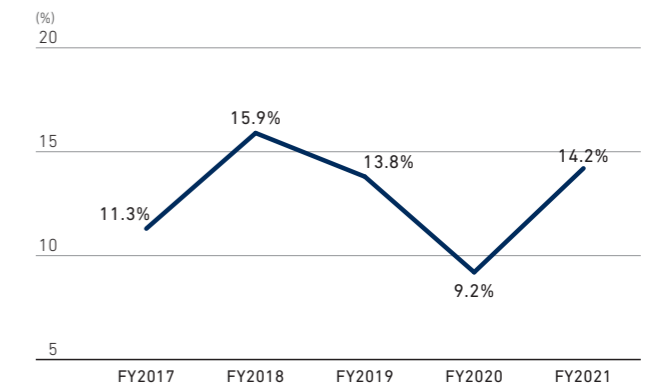
I see our business as being one of industries that have seen the greatest environmental shift from changes in social behavior due to COVID-19. With choices like remote work, people's work styles have altered significantly, increasing options in areas including place of work and type of work, which should allow people to reassess their own work style and career path. The expansion of opportunities for people to change jobs or choose their work style, and the opportunity for companies to raise productivity are positive trends for society as a whole and also favorable developments for the PERSOL Group. I sense that the time has finally come to make comprehensive efforts to raise profitability, which will be a major theme under the next Mid-term Management Plan.

In terms of organic investment, we will invest in resources to enhance the quality of our temporary staffing and permanent placement businesses and to increase our own headcount. In addition, the Group views M&As as a growth driver, and we want to invest in highly profitable, highly effective M&As after careful and cautious analysis. Our Investment Committee comprises not only financial people like me but also members highly specialized in areas including information technology, human resources and management strategy, as well as outside experts, and we work as a unit to make investment decisions. We have been steadily refining our use of weighted average cost of capital (WACC) and return on invested capital (ROIC) as benchmarks, and we intend to use these indexes to evaluate investment proposals and make appropriate investments.

Balanced resource allocation in pursuit of ROIC management and portfolio management

The PERSOL Group transitioned to an SBU structure from the fiscal year ended March 2021 and at the same time set an efficiency benchmark for management of ROIC of at least 10%, with an emphasis on capital efficiency. I believe it is important for the company to clear this ROIC benchmark, while also investing with the aim of achieving even higher ROIC. However, this does not mean we should concentrate all our resources in certain SBUs that maintain high ROIC. No one knows whether those businesses will be able to maintain high ROIC and sustainable growth. I believe we should carry out balanced resource allocation based on occasional changes in the operating environment, using both ROIC management and portfolio management to increase future cash flow.

■ Trend of ROIC

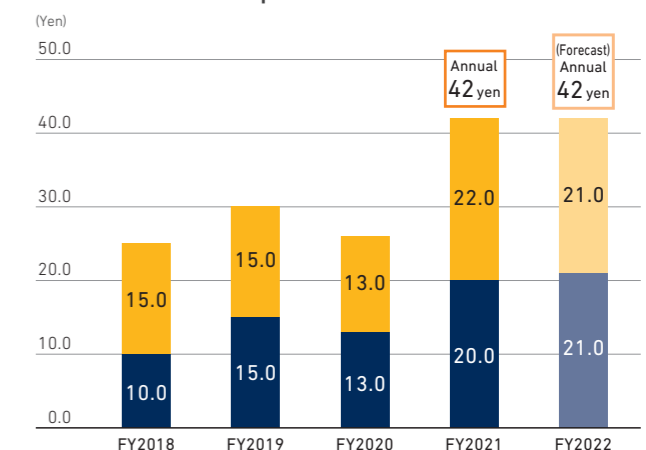


* ROIC: Net operating profit after tax before amortization of goodwill / invested capital (= interest-bearing liabilities + equity capital)

With regard to the return to shareholders, we have set a dividend benchmark of 25% of adjusted EPS. In terms of capital allocation for future growth, themes will always be deliberated according to the Company's stage, and we intend to discuss optimal capital measures for our business while seeking an optimal balance.

We also need to think about addressing future changes in our business environment. In this regard, I consider it important to increase opportunities for dialogue with shareholders and investors to further deepen our relationships through timely and appropriate communication.

■ Trend of dividend per share



	FY2018	FY2019	FY2020	FY2021	FY2022
Total dividend amount (million yen)	5,849	6,967	6,022	9,745	9,745*

* The forecast total dividend amount was estimated based on the number of shares issued and the number of treasury shares both at the end of March 2022.

Initiatives to Visualize “Work, and Smile”

“Work, and Smile” global survey

Every year since 2020, the PERSOL Group has collaborated with the Well-being for Planet Earth Foundation to carry out the “Work, and Smile” global survey, which is conducted as part of the Gallup World Poll,* the world’s largest public opinion poll. In the survey, we ask about the three components of what we call the Workplace Well-being Index. These are workplace experience (happiness and fulfillment), workplace evaluation (social contribution and meaningful feeling) and workplace self-determination.

In this survey, we measure and visualize the status of “Work, and Smile” throughout the world, including regions where the PERSOL Group does not provide services, with the aim of enhancing workplace well-being to realize our Group Vision “Work, and Smile.”

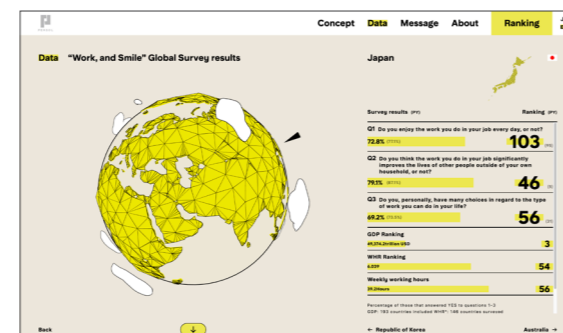
This survey highlights how important it is that individuals make their own decisions from a range of choices and how important it is that they gain a sense of happiness and satisfaction from work. Such subjective elements are key to improving individual work engagement and performance.

As human capital grows in importance, workplace well-being has come to the fore as a key factor for maximizing the value of human resources. The PERSOL Group will work to disseminate the Workplace Well-being Index to society, research it and apply results by collaborating with various organizations and companies to promote the initiative.

* 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

Q1	Q2	Q3
Do you enjoy the work you do in your job every day, or not?	Do you think the work you do in your job significantly improves the lives of other people outside of your own household, or not?	Do you, personally, have many choices in regard to the type of work you can do in your life?
2020: 77.1% (95th)	2020: 87.1% (5th)	2020: 73.5% (31st)
2021: 72.8% (-4.3%) (103rd)	2021: 79.1% (-8.0%) (46th)	2021: 69.2% (-4.3%) (56th)



We disclose the survey data on a dedicated web page to allow various organizations and companies to use it for human resource management. <https://www.persol-group.co.jp/en/sustainability/well-being/worlddata/>

Initiatives to promote workplace well-being

Using the index in Fukuoka City

The Workplace Well-being Index has been adopted in a system implemented by Fukuoka City, a first step in our efforts to promote the use of the index outside the PERSOL Group. In April 2022, Fukuoka City launched the Fukuoka City Well-being & SDGs Registration System, whose purpose is to support Fukuoka City businesses as they make efforts to improve the well-being of workers and to achieve the SDGs.

As a requirement for applying to the system, companies must measure their workers’ satisfaction levels using the Workplace Well-being Index. Businesses that meet the application requirements are eligible for favorable interest rates in the city’s loan system and for support from regional financial institutions.

The PERSOL Group will continue to work with various municipalities and other local governments as we broaden our efforts to promote the Workplace Well-being Index.

Initiatives with Marunouchi Work Culture Lab

The PERSOL Group participates in the Marunouchi Work Culture Lab, a project to test, propose and implement a culture of change (work culture) for the future that achieves both individual well-being and sustainable corporate growth. In this project, we demonstrate and analyze new work styles based on the current social situation where different work styles, such as working from home, are being tested. We aim to propose and disseminate a new work culture for the coming era.

In 2021, we conducted a demonstration experiment focusing on “workcation” in Shimoda City, Shizuoka Prefecture. The experiment explored the differences in work values and happiness between people living in an urban area and those in a more rural environment. We also carried out other research such as testing hypotheses on incorporating relaxation methods into work to increase productivity. Together with the participating companies, we will disseminate accounts of these activities and verification results through symposiums and white papers.



A workshop with Marunouchi Work Culture Lab

Topics

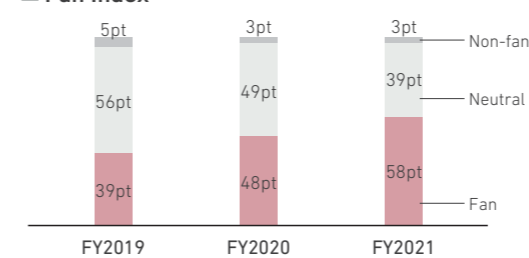
As a measure that contributes to social value, each SBU in the PERSOL Group has its own “Work, and Smile” index and carries out initiatives. In this section, we look at initiatives in the Staffing SBU and the Career SBU.

Fan Index

(Target: temporary staff, operational staff)

In the Staffing SBU, we have the “Fan Index,” which measures the degree of reliability and the sense of attachment that temporary staff and operational staff feel about our services. We are carrying out initiatives such as a staff awards program and fan meetings with the aim of improving ongoing relationships with staff. We improve the Fan Index every year and have upwardly revised our target level for the fiscal year ending March 2023 by 60 points, as we work to improve staff satisfaction and build trust.

Fan Index



* Fan Index: Calculated based on responses to the question “What does PERSOL TEMPSTAFF mean to you?” using the numbers of the top two positive answers, “I trust it and have a sense of attachment to it very much” and “I trust it and have a sense of attachment to it”
* Only temporary staff are included for the fiscal year ended March 2020. Temporary staff and operational staff are included from the fiscal year ended March 2021.

Career Ownership Index

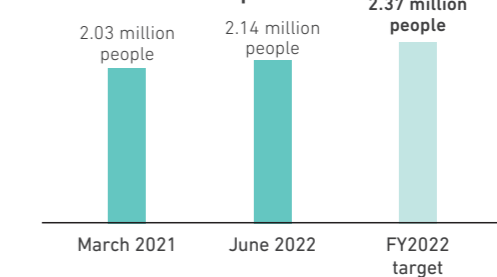
(Target: job seekers)

The Career SBU is working to increase the number of people in society who take responsibility for their own careers. As an initiative to increase that number, we have made the Career Ownership Index, which measures the number of people who use Career SBU services and whose attitude and behavior show a sense of career ownership.* Increasing the number of people in society who focus on career ownership and act accordingly means that the market for career changes and side jobs will expand. By increasing our share in this market, we will deliver economic value.

Through our services, we will help people build careers on their own and will increase the number of people who determine their own work.

* Equivalent to “determining their own work” or “taking responsibility for their own careers”

Career Ownership Index



PERSOL Group employee workplace well-being findings

In our engagement survey of our employees, we also ask the three questions of the Workplace Well-being Index. While there are some differences* in the results arising from our survey method, which is different from that of the “Work, and Smile” global survey with Gallup, we can see a high correlation between the responses to these three questions and the engagement index of PERSOL Group employees. We monitor each survey item over time, using it to understand employees’ workplace well-being and to analyze engagement improvement.

Q1 I enjoy the work I do in my job every day.
Percentage of respondents who answered “Yes” **61%**

Q3 I, personally, have many choices in regard to the type of work I can do in my life.
Percentage of respondents who answered “Yes” **56%**

Q2 I think the work I do in my job significantly improves the lives of other people outside of my own household.
Percentage of respondents who answered “Yes” **81%**

* Gallup carries out the “Work, and Smile” global survey by telephone and face-to-face, while we conduct our employee engagement survey online. We have confirmed that differences in the survey methods have led to a response bias, with Internet surveys tending to score about 10 points lower.

Message from the CHRO

Designating and analyzing indexes, and refining measures to achieve “Work, and Smile” Groupwide

Hirotaka Mino

Executive Officer CHRO
(Chief Human Resource Officer)



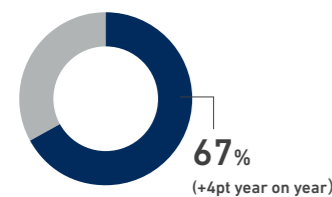
Engagement index rise for the second consecutive year

As the Executive Officer responsible for human resources, my primary focus is on realizing “Work, and Smile” among our employees for the further realization of “Work, and Smile” among our customers and society as a whole. Achieving “Work, and Smile” among employees can also be seen as enhancing engagement, and we have designated employee engagement as our most important human resource index and are carrying out annual engagement surveys. In 2021, the employee engagement index rose to 67% from the previous year’s 63%. The vision empathy index measuring employees’ empathy with the Group Vision also rose, to 77% from 76%, and this was the second consecutive year of improvement since the survey questions were significantly revised in 2020.

We have identified five engagement drivers as important elements for enhancing engagement—“autonomy,” “self-efficacy,” “relationships,” “health” and “shared Group Vision”—and have incorporated measures to achieve these in our human resources strategy. We believe that the successes of those measures are gradually showing up in the engagement survey results.

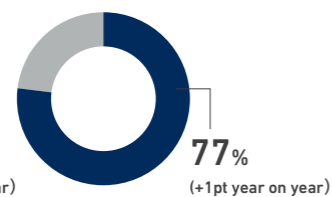
Engagement index

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”?



We have also rolled out a similar survey for the overseas employees of the Asia Pacific SBU since 2021, making it possible to measure the engagement of all Group employees. The engagement index from the first Asia Pacific SBU survey was 79%, which was higher than for domestic employees. Although we cannot make a straight comparison because of differences in culture and national characteristics, we view this as a favorable level. Going forward, we will pursue visualization and initiatives at the global level as we strive to raise engagement for the PERSOL Group.

Initiatives to maximize employee engagement

We have been able to enhance engagement to some extent through new initiatives.

The first is the formalization of a PDCA cycle at the companywide management level. On the basis of the results of the engagement survey, each SBU identifies issues and formulates measures for improvement, and these are reported to the Human Resources Committee on an ongoing basis. This cycle achieves a commitment to enhance engagement at all businesses at the management level, and in 2021 the engagement index rose at all SBUs.

The second is the establishment of a new “action index.” The results of past engagement surveys have shown that support for growth and trust from superiors affects the engagement of their subordinates. We therefore conducted interviews with managers of organizations with high engagement throughout the Group, and identified and analyzed characteristic actions. As a result, we discovered the following four actions that were common across job categories and business environments.

Managers’ Actions which Increase Engagement

Shared vision	Informing their staff members what is important in their work on a daily basis.
Communication of growth expectations	Verbally communicating expectations for staff members’ growth.
Feedback on strengths	Providing feedback that focuses on staff members’ strengths.
Self-disclosure	Sharing their concerns and thoughts.

These four actions were added to the engagement survey as an action index for managers from 2021, and analyzing those survey results confirmed that this action index makes a clear contribution to engagement. We continued to conduct interviews in 2022 and new common actions surfaced. Going forward, we will refine the action index and use this to bring about changes in managers’ actions.

The third initiative is related to career autonomy. The Group Vision includes the “need to make our own choices from a range of diversified work opportunities,” and we take employees’ career autonomy extremely seriously. We believe that high career autonomy means that employees have the motivation to want to build their own careers, and are able to take actions toward that career proactively and of their own accord. We have instituted a variety of opportunities to promote this ‘motivation’ and ‘action,’ including the Career Challenge program of open recruitment for job transfers within the Group, the Job Trial program, which offers trial postings to jobs at different divisions within the Group, and Smyle, an original career design training program. Analysis of past engagement surveys has shown that increasing employees’ career autonomy also contributes to engagement. Going forward, we will make efforts to develop initiatives that focus on the factors that prevent employees from taking ‘action’ on their ‘motivation.’

We have also introduced a restricted stock compensation scheme for all management-level employees of the Group. By enhancing managers’ own engagement and developing their awareness of a management perspective and a shareholder’s perspective, we aim to maximize the entire Group’s engagement.

Initiatives to cultivate the next generation of management

To continue to contribute to society and realize “Work, and Smile,” the PERSOL Group needs to begin to cultivate human resources who can become our next generation of management with a view 10 to 20 years into the future.

To do this, we have newly formulated PERSOL Leadership Competency, a framework for promoting a succession plan for management for the next generation and talent management that clearly states the requirements sought in the PERSOL Group’s senior executives. On the basis of this competency, we have carried out an executive assessment that combines a 360-degree survey to understand the level of those desired qualities and interviews with outside consultants, to visualize the most talented human resources and post them in appropriate positions. We will provide ongoing feedback to target senior executives to raise awareness, thereby supporting their growth and cultivating the next generation of management.

Data-based initiatives to enhance well-being

Employees with a shared vision who are dealing with working people and various companies are the primary source of the PERSOL Group’s value, and the number of these employees is growing. The number of Group employees rose by roughly 10% again during 2021, as we were able to secure human resources without disruption despite accelerating competition in the acquisition of human resources. Hiring was affected by the COVID-19 pandemic in 2020, which dampened mid-career recruitment to some extent, but this recovered to the pre-pandemic level in 2021.

At the same time, as the Group grows through M&As and other developments, the presence of employees who are new graduates is important for shaping and passing on the PERSOL Group’s corporate culture. Every year, we recruit roughly 1,000 new graduates, and we are cultivating awareness as PERSOL Group employees through activities like the Groupwide joint entrance ceremony.

Our turnover rate is roughly 10%, and has been rising slightly year on year, but our analysis shows that the stagnant job-changing market held the turnover rate in check last year because of the pandemic. Going forward, in addition to enhancing engagement, we will strive to stabilize the retention rate while focusing on the turnover rate.

Moreover, analysis of engagement survey results has shown that employees’ health has a strong correlation to the engagement index, and we have begun to disclose the percentage of employees taking leave due to mental health issues and the percentage of employees with high stress. To realize “Work, and Smile” among employees, we are implementing measures to reduce the number of employees with poor health as well as measures to enhance engagement, with the aim of enhancing well-being across the Group, and we are making steady progress on this front.

Initiatives for Value Creation

Diversity, Inclusion & Equality



PERSOL Group Common Policy

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

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

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

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

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

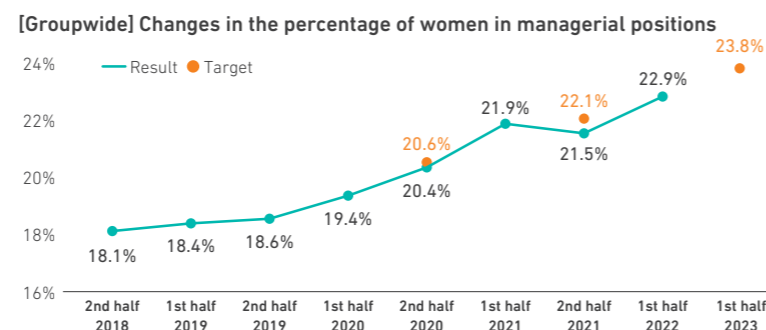
Progress on DI&E initiatives



Kyoko Kida

Chairperson of the Gender Diversity Initiative
PERSOL Group

We believe that it is important to promote diversity by accepting the attributes, values and abilities of our employees in order to realize “Work, and Smile” and increase our employees’ engagement. To this end, in February 2022, we announced a target of 37% women in managerial positions by 2030 as a key personnel indicator for DI&E. After discussions at the Gender Diversity Initiative, which was launched in September 2021, we decided to align our target gender ratio for managerial positions with the gender ratio for employees. We set individual targets for each SBU, taking into account the age composition and other factors. As you can see, the percentage of women in managerial positions has grown steadily over the past few years. We feel confident that we can reach our goal for 2030.



* Due to changes in the aggregation method, the figures from 2022 onward have been calculated as of the beginning of each fiscal year. (Figures up to 2021 were calculated as of the end of each fiscal year.)

Alongside these efforts, we have begun improving the work environment of our employees. Until recently, just as women had not had equal opportunities to participate in housework and child care. In response to this situation, the Gender Diversity Initiative began working to create an environment that allows men to use child-care leave and to take time off. We shared and promoted worthwhile initiatives at each company. As a result, the percentage of child-care leave among men rose to 19% in the fiscal year ended March 2022, with a total of 117 men employees taking leave.

In addition, the revised Act on Promotion of Women’s Participation and Advancement in the Workplace requires

disclosure of differences in wages between men and women. At the PERSOL Group, the average annual income of women in career positions is 90% of the average annual income of men in career positions. One factor in this is the difference in the ratio of women to men in managerial positions. We will continue to work toward a higher percentage of women in managerial positions as this will also narrow the wage gap between men and women.

At present, the Gender Diversity Initiative has the following four subcommittees and carries out activities every month.

Subcommittee name	Summary
Start a Movement	<ul style="list-style-type: none"> Consider and execute public relations strategy for the activities of the Gender Diversity Initiative, both internally and externally
Change One Step for Tomorrow	<ul style="list-style-type: none"> Create a system and environment for encouraging women to assume managerial positions and consider providing them training and opportunities Consider ongoing follow-up measures after duties are assumed
Build a Framework for Diverse Individuals to Evolve and Grow	<ul style="list-style-type: none"> Implement PDC cycle—understanding the factors that hinder the increase of women in managerial positions, setting targets and planning, improvement—to increase the percentage of women in managerial positions
Change from Management	<ul style="list-style-type: none"> Circulate among management examples of change from managers and experts at leading companies and link them to specific policy output

We are also working on topics other than women’s active participation. Every month we hold an event called “Let’s All Think about DI&E,” which aims to improve employee DI&E literacy and create fellowship within the Group. The number of participants at this event grew significantly to 1,303 in the

[Let’s All Think about DI&E]

Examples of topics

- Working with non-Japanese employees
- People with disabilities × Work
- Childbirth/parenting and women’s careers
- Learning about diverse career values and thinking about your own career

The number of employees with disabilities also grew significantly, from 1,981 in June 2021 to 2,417 in June 2022. As well as complying with the legally mandated employment rate, we will continue striving to provide work and a workplace that enable people with disabilities to play active roles and realize “Work, and Smile.”

Initiatives in the Asia-Pacific region

Guided by the principle that employees are our greatest asset, PERSOLKELLY organizes various DI&E events. As a specific example, in Indonesia, we hold a DI&E event every April on Kartini Day to express support for women’s empowerment and

FY2021 wage differentials between men and women

Employment category	Wage differentials between men and women	Number of people to be counted	
		Men	Women
Unlimited-term employment	Career position	90.1%	13,891
	Limited position	93.3%	1,051
Fixed-term employment		83.2%	1,276
All employees		77.8%	16,218

* The wage differential between men and women is calculated as the ratio of women’s wages to men’s wages in the fiscal year ended March 2022.
* Wages include basic salaries, overtime allowances, incentives, bonuses, etc., and exclude retirement allowances, commuting allowances, etc.
* Limited position employees are those in an employment category that specifies one or more of the following: region, job or working hours.
* Temporary employees are excluded from the employees in the calculations.
* The overall differential is affected by the large number of women employees in fixed-term employment and limited positions.

fiscal year ended March 2022, compared to 492 in the fiscal year ended March 2021. At the event, we held dialogues on the following topics, including LGBTQ and non-Japanese employees.

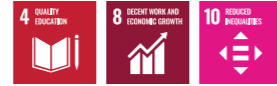


We also participated in Tokyo Rainbow Pride 2022, one of Asia’s largest LGBTQ-related events. More than 800 people visited our booth during the period. The event was a deeply meaningful chance for like-minded people to socialize and share information. We intend to continue to use such opportunities for engagement in the future.

promote awareness about women’s equality and diversity.

We will continue to improve understanding of the Group’s common policy on DI&E across the Asia-Pacific region, aligning our DI&E initiatives across the entire PERSOL Group.

Providing Opportunities for Learning



Training programs for independent growth of employees

Using a range of study programs to help employees improve their performance and develop their abilities

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. We have put in place various study programs to support growth in line with employees’ various roles and abilities. As well as helping employees improve their performance and develop their abilities, these programs focus on supporting employees in their inner growth, allowing them to live their lives in their own way. We work together at three levels of our organization—Groupwide, each SBU and each company—to provide opportunities for employees to grow.

As for training for all employees, we prepare uniform content for new graduates and mid-career employees to instill our corporate philosophy. In addition, we provide active learning-type training to increase employee career autonomy and growth opportunities as well as e-learning content through our internal platform. Active learning offers unique, advanced workshops and cross-boundary learning, giving employees the opportunity to rethink their attitude toward their career from various angles through experiences that differ from daily life. More than 1,000 employees have participated in this program.

In our training for managers across the Group, we develop programs for each role, from first-line managers to the

senior managers who will lead our management in the next generation. For newly appointed managers of each company, we have developed a one-year joint program that goes beyond the company’s boundaries, providing an opportunity to learn about the knowledge, skills and attitudes required for day-to-day management. For senior managers, we also provide selective training, assessment and coaching to help them grow into human resources who can become our next generation of management.

Examples of PERSOL Groupwide training programs*

Training for managers	Training for all employees
Training for newly appointed managers	DI&E literacy training
DI&E training for management class	Companywide productivity improvement program
Team performance (organizational development) program	Career design training “Smyle”
Executive assessment and executive coaching	Active learning-type training “@ (at)”
Selective training for senior managers	Groupwide e-learning system “PALMS”

* The Groupwide training described above is only a small part of all the training at the PERSOL Group, which also includes programs planned and run at SBUs and each company site.

Launch of Temp University, an in-house program in which employees teach and learn from each other

On April 1, 2022, PERSOL TEMPSTAFF, engaged in temporary staffing and outsourcing businesses, launched Temp University, an in-house program in which employees teach each other, learn from each other and create together. By addressing changes in society and the labor market environment, this new initiative helps working individuals grow independently and advance their careers through relearning and reskilling.

The curriculum is composed of two axes: abilities for effective performance of each person’s role and strong personal skills required as a member of society. By including support for in-house lecturers and an evaluation system, this initiative also allows for the sustainable development of highly original content. Temp University plans to offer 200 courses by March 2025.

Started developing DX and AI human resources with ExaWizards Inc.

Companies are focusing on digital transformation (DX) as a key to securing revenue and maintaining competitiveness. However, only 36% of companies are able to provide specialized training in the DX field in-house. It is estimated that by 2030 there will be a shortage of 124,000 workers in AI, the core technology for DX.

PERSOL TEMPSTAFF and PERSOL TECHNOLOGY STAFF each started developing DX and AI human resources in 2022 in collaboration with ExaWizards, a company that uses AI-based services to help solve social issues.

Both companies will provide trainees with optimized training programs based on the results of a human resource

assessment conducted through exaBase DX Assessment & Learning, a DX personnel discovery and training support service provided by ExaWizards, to help them acquire the required specialized skills.

Through this training program, PERSOL TEMPSTAFF aims to accelerate the acquisition of specialized skills needed for certain departments and roles, including e-learning, planning skills and communication skills.

PERSOL TECHNOLOGY STAFF selects trainees from among its engineer employees through an assessment process. These employees learn DX and AI technologies ranging from general-purpose DX literacy to image recognition and natural language processing. We support these employees after they complete the training by providing opportunities to gain hands-on experience by such means as working as temporary AI engineers at a major system integrator.

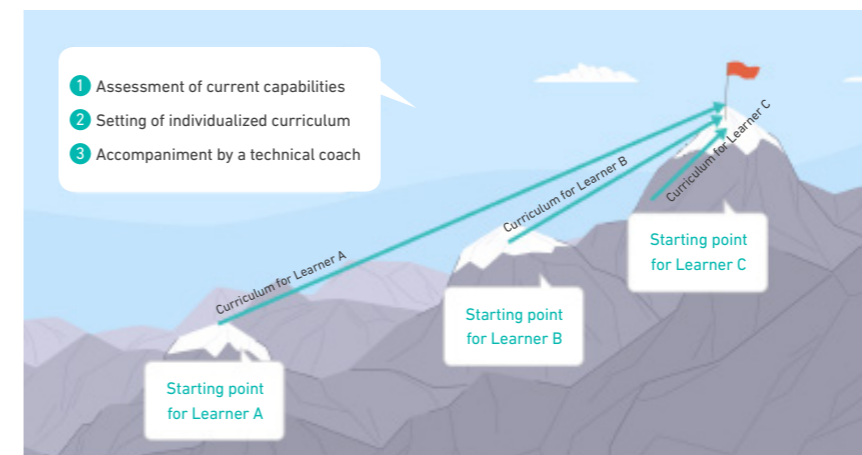
“Learning with Coach,” an online coaching service that closely assists individuals

In addition to specialist expertise, employees must gain new skills that will enable them to adapt to changes in the market environment and business category. This is vital for companies to grow sustainably in the volatile, uncertain, complex and ambiguous (VUCA) era. In particular, there is

a growing need for reskilling in cloud and AI technology to drive DX.

PERSOL INNOVATION provides “Learning with Coach,” a corporate online coaching service designed to enable learning optimized for each individual. Drawing on the expertise of

the PERSOL Group and specializing in reskilling, the service has produced solid results in developing human resources for cloud and AI technology. “Learning with Coach” provides career coaching that motivates individuals to learn, a learning environment where they are accompanied by a coach and a curriculum personalized according to the learner’s skill level. In this way, we will realize individual optimization and support the improvement of new skills for the digital age.



Workshops for elementary and junior high school students to think about work

As part of its efforts to provide career education for future generations, PERSOL CAREER offers free workshops to elementary and junior high schools throughout Japan, creating opportunities for children to think about work. The workshops target students from the fourth grade of elementary school through the third grade of junior high school. Through a work experience program in which students act as career advisors and an industry research program, students learn about a wide range of professions. As they communicate with PERSOL CAREER employees, they also learn about the importance of thinking about their careers. Since beginning in 2018, the workshop has been held 149 times and 7,794 children have participated (as of the end of July 2022).

The workshops for thinking about work won an award for excellence at the 11th Career Education Awards*, sponsored by the Ministry of Economy, Trade and Industry.

* The awards recognize companies in industries for outstanding educational support activity initiatives.



Providing Opportunities to All Individuals



Providing “Employment of people with disabilities × RPA Service”

As part of their work style reforms, companies have recently been increasingly introducing operational automation and robotic process automation (RPA), but a shortage of RPA human resources to develop and operate robots exists, giving rise to cases of insufficient progress within companies and insufficient operational management.

PERSOL CHALLENGE and PERSOL PROCESS & TECHNOLOGY are addressing these concerns with “Employment of people with disabilities × RPA Service” to train such people as RPA staff, with the aims of expanding areas of employment for people with disabilities and

eliminating the shortage of RPA human resources.

With this service, PERSOL CHALLENGE confirms the specifics of a disability, vocational aptitude and environmental compatibility of people who will be tasked with RPA operations, and on the basis of that information, PERSOL PROCESS & TECHNOLOGY provides technological training to enable those people to handle operation, maintenance and small-scale development. PERSOL CHALLENGE’s specialist consultants support corporate administrators to make it possible that operations are carried out smoothly if a person experiences uncertainty or an issue arises.

“HiPro” service comprehensively supports professional human resources

As companies allow employees to take side jobs and remote work spreads, individual work styles have been diversifying as more people seek second jobs or freelance work. However, roughly only 10% of companies have experience using outside human resources through those arrangements.

To make the use of people working side jobs, freelancers and other outside human resources become a matter of course, in May 2022, PERSOL CAREER launched the “HiPro” service to comprehensively support professional human resources. In addition, the existing services for using outside human resources—the “i-common” placement service for management advisors and the “i-common tech”

agency service for freelance specialist IT engineers—have been consolidated under the “HiPro” service to provide multifaceted support for the resolution of increasingly complicated corporate issues. The “HiPro” service supports the realization of diverse work styles by increasing choices for individuals who want to expand their possibilities using their own experience and skills as well as for companies looking to address increasingly complicated issues.

HiPro

Conclusion of agreement for comprehensive cooperation to promote regional revitalization through telework

On July 8, 2021, the PERSOL Group concluded an agreement with the Secretariat of the Council for the Realization of the Vision for a Digital Garden City Nation of the Cabinet Secretariat for comprehensive cooperation to promote regional revitalization through telework.

The spread of COVID-19 has triggered an increase in people working remotely. While this is bringing about major conceptual changes in terms of the lifestyles, work styles and work locations of working individuals, companies outside major metropolitan areas are increasingly facing worker shortages. In response, people working for companies in large cities are using telework to do work for regional companies, and there is increasing interest in continuing with their current employer but moving to the countryside without changing jobs.

Under this agreement, the PERSOL Group will set up

joint projects with local governments, support side jobs and multiple jobs at regional companies and promote cooperation and interchange with regional companies. By promoting regional revitalization through telework, we are supporting diverse work styles to achieve our “Work, and Smile” Group Vision.

Specific initiatives

- PERSOL PROCESS & TECHNOLOGY, which endorses the Action Declaration of Regional Revitalization Telework Promotion, is revitalizing the businesses of regional companies, increasing the number of regional satellite offices and hiring for positions not tied to a specific location
- PERSOL CAREER has added a new Special Feature on Telework Recruiting to its career change “doda” website
- PERSOL WORKS DESIGN is promoting a “workcation” project in collaboration with Hyuga City in Miyazaki Prefecture

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

To maintain workforces in industries like nursing care and manufacturing, where the shortage of human resources is becoming increasingly serious, PERSOL Global Workforce is providing human resource services tailored to overseas human resources, with a focus on Japan’s new Specified Skilled Worker residency status.

The company has established Japanese language training centers overseas and is working with partner companies to train human resources with specified skills through programs of three to six months for passing Japanese language proficiency and other accreditation tests. This training is currently taking place in Indonesia, Nepal and

three other countries. Despite the COVID-19 situation, as of the end of August 2022, the company had trained and tentatively placed more than 400 workers, of whom 300 have begun working in Japan.

In addition to training and placing non-Japanese human resources with Japanese language ability and other skills that enable them to contribute immediately, the company is working to change thinking about non-Japanese people at the companies where they work and in society in general, aiming to eliminate human resource shortages while also achieving “Work, and Smile” for non-Japanese human resources.

Contributing to and creating employment in local communities in Australia

In Australia, Programmed, which is engaged in a broad range of temporary staffing and maintenance businesses with more than 4,500 employees and roughly 1,000 partners, is working with the SPARK Ginninderry Construction Taster Program, which offers training programs for local residents for educational, social and economic revitalization. Together, we are providing programs that develop skills and support hands-on experience and accreditation for people wishing to work in industries including construction. Participants receive roughly one month of training to learn the skills required and experience the actual social environment of the career they wish to pursue. This program supports career paths aligned with the needs and unique characteristics of all individuals and creates employment opportunities in local communities.



“Athlete Career Support Project” increases postretirement career choices

Although individual work styles and careers are diversifying, athletes, who have few opportunities to acquire business knowledge and experience while they are active, are often at a loss for a career after their playing days have ended. PERSOL CAREER has launched and is promoting the “Athlete Career Support Project” to help create medium- to long-term careers for athletes.

Organized around the “SPORT LIGHT” for sports industry media, this project provides broad support for athletes’ career formation through offerings like training programs that allow athletes to consider their medium- to long-term career from when they are active, events that facilitate business contacts

and postretirement career advice from dedicated advisors to eliminate uncertainty about the future.



Innovation & Technology



Introduced RPA within the Group to automate more than 200,000 hours of operations

In April 2020, PERSOL PROCESS & TECHNOLOGY launched "PERSOL Automation PJT" to improve productivity and promote digitalization within the Group, automating more than 200,000 hours of operations in two years. Furthermore, the RPA engineers trained in this project have successfully launched new businesses, while the 270 employees who received RPA training have also advanced their careers.

In addition, we have developed the "PERSOL RfE* Guide" and are enhancing our training programs using the knowledge and expertise we have gained from helping many customers introduce RPA and train RPA personnel. Through these and other initiatives, we will further improve productivity within the Group.

* RfE: Abbreviation for "A Robot for Every Person," a concept that aims to enable all employees to use robots, design and develop robots and leverage robots



"Manufacturing DX" for supply chain optimization

Since May 2021, PERSOL PROCESS & TECHNOLOGY has been providing the support service "Manufacturing DX" to promote DX in manufacturing.

The service builds on the PERSOL Group's long-standing track record of temporary staffing to the manufacturing industry and contracting tasks in the field of design and development. It combines IT consulting knowledge such as operational process transformation, data analysis and system construction to support manufacturing companies in actively deploying digital technologies to optimize the supply chain. In addition to simply introducing digital technology, we support organizational growth by helping develop digital human resources who can master the technology and continuously improve it on the client side.

Robot mobility development

PERSOL RESEARCH & DEVELOPMENT, which carries out the Group's technical engineering operations, supports

development in the field of next-generation mobility to realize a future where people can work together with robots and drones.

We provide a full range of development support, from contracting services that combine various in-house technologies, such as robot operating system (ROS) development, mechanical design, electrical and electronic design, control software development, experimentation and certification, and model-based development (MBD), to engineer staffing services that meet our customers' needs. We will support the development of robots that can become human partners, such as automatic transport robots for logistics, nursing care robots and drones. In this way, we will boost individual productivity and contribute to the development of society.



Using the metaverse to create new work styles and employment

PERSOL MARKETING, which is engaged in temporary staffing and outsourcing businesses for marketing support and store and sales support, entered the metaverse business in January 2022 and began offering VR human resource development, temporary staffing services and store operation support services in a virtual space. With the metaverse, people can use their knowledge and experience to work without regard to where or when they work, their age and gender, and whether or not they have a disease or disability, thereby expanding their work choices. In addition, we will provide new channels to respond to changes in the environment to solve social issues such as sustainability transformation (SX) and to grow client companies, and contribute to expanding client companies' sales channels.

In July 2022, we signed a comprehensive partnership agreement with GAIA LINK INC., the official distributor of "Virbela," the leading metaverse platform in Europe and the United States. Using the metaverse, we will provide solutions to get more customers and expand sales channels for educational institutions such as companies and universities, and municipalities. Through such initiatives, we aim to create employment by providing a variety of workplaces within the metaverse.

Message from the CIO/CDO

Look forward to the PERSOL Group using technology as a strength to create a new society and work styles

Yuta Tsuge

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



Reflecting major trends in technology, the human resource services industry is undergoing dramatic change. At this juncture, I assumed the position of the PERSOL Group's CIO/CDO in April 2022, and with both nervousness and determination, I will make every effort to meet the expectations for the position. Further, I will advance initiatives to enable achieving one of our Group key strategies of "innovating through technologies" to make additional breakthroughs in our management.

During the fiscal year ended March 2022, we worked to enhance the level of digital transformation (DX) in our core businesses and also launched services that symbolize the creation of new ways of employment. One of these, the "PERSOL MIRAIZ" service for job seekers, embodies the "Future Vision of Work Initiative," which supports all individuals in finding work that suits them and charting their career through the broad-ranging support needed for career development, including job matching and learning. For corporate clients, we have released the "Salaries" service that supports them to introduce job-based employment by showing appropriate salary and compensation levels, and new human resource strategies. Going forward, we also want to strive to improve user experiences while expanding our services by pursuing initiatives like data alliances that go beyond human resource services.

In addition, the activities of the Technology Committee started in the fiscal year ended March 2021. Over the year, the committee has focused on accurately identifying the situation at each SBU and issues the Group is facing. We also developed digital talent in the tech sector, provided advanced training to get to the next level in their career and clarified the purpose of investment in information technology (IT). While we have promoted DX by securing human resources and reinforcing our foundation, we have also clarified the issues that need to be addressed. One of these is disparities

of the progress for DX among SBUs. Since the SBU structure setup was launched, progress has been made in transferring discretionary authority, but certain SBUs have made dramatic advances in DX while others have not. I believe that to obtain the maximum effect from DX, we need to build an appropriate organization from an overall Group perspective.

I believe that technology has the power to expand work possibilities for both individuals and companies. I see three things as important for us to make maximum use of that power: working as a Group to maximize the energy of digital human resources; putting forth strategies to maximize the gains from DX over the medium to long term; and creating IT governance. Under the next Mid-term Management Plan, we want to seek out and invest in growth areas that enable the Group as a whole to "expand possibilities" and influence society.

We must accurately understand the expectations of both companies and working individuals and offer services that meet those expectations. As companies see markets expand and become borderless and the speed of management accelerates, management evolution is becoming crucial. Management evolution involves human resources strategies, and we realize that PERSOL is expected to provide new frameworks. This is an age in which working individuals need to build their own careers themselves and need to take action to fill in gaps in the path to their desired career. We recognize the need for tools to assess each person's capabilities and learning opportunities for career advancement. By utilizing and structuring the huge amounts of data we have accumulated, we will create a new standard of value for job selection. We consider addressing those needs our main mission.

I am confident that the PERSOL Group has the strength to propose new work styles and create a better society. Please look forward to our future growth.

Environmental Initiatives



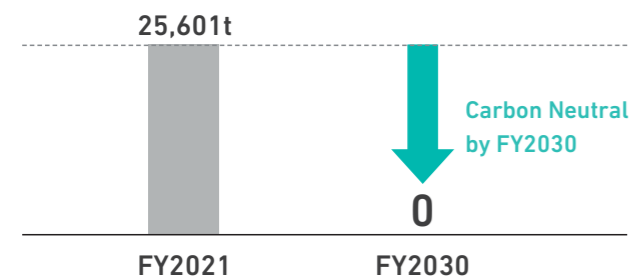
The PERSOL Group contributes to the realization of a sustainable society in which all people truly feel “Work, and Smile.” To achieve this, we recognize addressing climate change and conserving the environment is one of our management issues, and we are pursuing a range of initiatives in these areas.

• Setting a “Carbon Neutral” target by FY2030

In May 2022, we set ourselves a “Carbon Neutral” target as an environmental goal, aiming to achieve net zero greenhouse gas emissions from our business activities by FY2030.

We will continue to strengthen our efforts toward realizing a decarbonized society.

* The greenhouse gas emissions from business activities represent the total of Scope 1 and Scope 2.



• Participation in climate change-related initiatives

The PERSOL Group declared its endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in March 2022 and joined the TCFD Consortium, a forum established to discuss initiatives based on the TCFD recommendations.

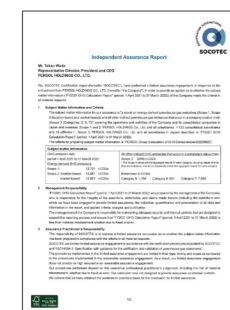
In response to the TCFD recommendations, in May 2022, we began to disclose “Governance,” “Strategy,” “Risk management” and “Metrics and targets” in relation to climate-related risks and opportunities.

Based on TCFD recommendations, we will continue to strengthen our governance and proactively disclose information and enhance its disclosure.



PERSOL Group greenhouse gas emissions

To ensure the accuracy and reliability of the emission calculations, we obtained third-party verification from SOCOTEC Certification Japan for the figures marked with ✓ for the actual greenhouse gas emissions in the fiscal year ended March 2022.



Item	Unit	FY2020	FY2021
		(April 2020—March 2021)	(April 2021—March 2022)
Total Emissions (Scope 1 + 2)*	t/CO ₂	25,253	25,698
Scope 1*	t/CO ₂	12,395	12,721 ✓
Of above, “Programmed”*	t/CO ₂	9,379	10,034
Scope 2*	t/CO ₂	13,028	12,977 ✓
Emission Unit (Scope 1 + 2)*	t-CO ₂ /1 billion yen sales	26.7	24.2
Scope 3 (Japan)*			
Category 5: Waste Generated in Operations*	t/CO ₂	1,445	1,154 ✓
Category 6: Business Travel*	t/CO ₂	515	601 ✓
Category 7: Employee Commuting*	t/CO ₂	9,369	7,889 ✓
Electricity Consumption*	Million kWh	26.3	26.5

* Rounded off to the nearest whole number

Environmental initiatives of Group companies

• Support services for implementing greenhouse gas emission visualization and reduction plans

PERSOL PROCESS & TECHNOLOGY

PERSOL PROCESS & TECHNOLOGY, which is engaged in business consulting and system-related business, provides support services for implementing greenhouse gas emission visualization and reduction plans. Using expertise gained through its energy business since October 2011 and its proprietary method of business design through outsourcing business, the company is contributing to managing decarbonization at companies by providing support as a partner in the pursuit of problem specification, consideration of action plans, project management and the introduction and implementation of reduction solutions.



• Reducing the use of paper resources by introducing E-Contracts

PERSOL TEMPSTAFF

PERSOL TEMPSTAFF, which is engaged in temporary staffing and outsourcing businesses, provides the Temp App, an official smartphone application for temporary staff. Featuring an e-contract function, the app has been downloaded more than 100,000 times. Contracts with staff have traditionally used paper. With the Temp App, users can select an e-contract to handle the contract by electronic means. Of the dispatched temporary staff, 82% agreed to use E-Contracts. This will reduce the number of sheets of paper by 2,312,000 by March 2023, equivalent to 1,156 cedar trees (where 2,000 sheets of A4 paper are estimated to be equivalent to one cedar tree). Expanding use of the Temp App will help protect environmental resources.

• Engine testing with carbon-neutral fuel

PERSOL RESEARCH & DEVELOPMENT

PERSOL RESEARCH & DEVELOPMENT, which is engaged in technical engineering operations, provides performance, functionality and durability testing services for engines that use carbon-neutral fuel. The automotive industry has in recent years made rapid advances in fuel efficiency and electric vehicle development. At the same time, carbon-neutral fuel is gaining attention for large commercial vehicles that are difficult to electrify and require large power output due to their long driving range, as well as for agricultural and construction machinery whose power supply infrastructure presents a challenge. Recently, needs have also been growing in the area of testing engines that use carbon-neutral fuel. PERSOL RESEARCH & DEVELOPMENT is working with the commercial vehicle industry, the agricultural and construction machinery industry and fuel



producers by using the engine development technology that the company has cultivated over the years to help make carbon-neutral engines a reality.

• Temporary staffing of “Green Engineers”*

PERSOL TECHNOLOGY STAFF

PERSOL TECHNOLOGY STAFF, which is engaged in temporary staffing of IT and manufacturing engineers, offers a temporary staffing service for “Green Engineers” who can visualize greenhouse gas emissions in manufacturing and design in consideration of the environment. As well as promoting projects to calculate CO₂ emissions at automakers, the company will strengthen its recruitment, training and development of engineers committed to carbon neutrality and strive to position “Green Engineers” to support design and development and increase their value as engineers.

* Engineers who have the technical ability to support corporate green transformation, as defined by PERSOL TECHNOLOGY STAFF

Future environmental initiatives

The PERSOL Group has set a “Carbon Neutral” target for greenhouse gas emissions, aiming for net zero greenhouse gas emissions from our business activities by FY2030. By promoting energy conservation measures in our offices, switching to hybrid vehicles (HVs) and electric vehicles (EVs), and using renewable energy, we will work toward the realization of a carbon-neutral society, a common global issue.

• HV/EV switching policy

We will switch to HVs and EVs, which have relatively low environmental impact, to help reduce greenhouse gas emissions. From the fiscal year ending March 2023, we will work to switch over to HVs wherever possible for vehicles used at our domestic and overseas bases. Expecting an expanded EV lineup and infrastructure development, we will gradually convert our fleet to EVs starting with locations in Japan from around 2025.

• Energy conservation measures

We will work to reduce wasteful power usage at each of our locations. We will strive to create offices that are environmentally friendly by carrying out thorough energy conservation activities including setting air conditioning and PCs to be energy-efficient to the extent that they do not interfere with work as well as turning the power off when offices are unoccupied and by investing in energy-saving equipment.

Details of our environmental initiatives are available on our website.

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

Mid-term Management Plan 2023

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."



Numerical Targets

In the fiscal year ended March 2022, we achieved the planned targets for the fiscal year ending March 2023, the final year of the Mid-term Management Plan, a year earlier than initially planned. Accordingly, new numerical targets for the fiscal year ending March 2023 were set at higher forecast figures than the initial plan.

	FY2021 Results	Initial Plan for FY2022 (Announced in August 2020)	FY2022 Forecasts
Net sales	1,060.8 billion yen	1,000.0 billion yen	1,165.0 billion yen
Operating profit (Operating profit margin)	48.1 billion yen (4.5%)	45.0 billion yen (4.5%)	52.0 billion yen (4.5%)
EBITDA (EBITDA margin)	67.1 billion yen (6.3%)	61.0 billion yen (6.1%)	74.2 billion yen (6.4%)

Progress under Mid-term Management Plan 2023

Improving social value was a significant theme during the second year of the Mid-term Management Plan 2023, so we established two new committees during the year—the Gender Diversity Initiative in September 2021 and the Sustainability Committee in March 2022. We recognize gender diversity as a particularly important issue and are taking actions so that opinions and suggestions from women obtained through dialogue are fed back to management to support and promote women's active participation.

Also, we have issued an Integrated Report since 2020 and expanded disclosure of our environmental, social and

governance-related information.

We also established the Group Sustainability Division, aiming to steadily achieve "Work, and Smile."

In terms of increasing economic value, we are pursuing ongoing discussions and monitoring by the Board and other management entities based on return on invested capital (ROIC). Although ROIC temporarily fell during the fiscal year ended March 2021, we achieved 14.2% for the fiscal year ended March 2022, surpassing our designated minimum level of 10%.

Increase social value	<ul style="list-style-type: none"> Integrated Report 2021 was published in September 2021, thus enhancing ESG-related information. The Gender Diversity Initiative and the Sustainability Committee were established in September 2021 and March 2022, respectively.
Increase economic value	<ul style="list-style-type: none"> Discussion and monitoring based on ROIC were continued by the Board of Directors, etc. In the fiscal year ended March 2022, ROIC was 14.2%, exceeding 10% that was set as the minimal level.
Shift to a strategic business unit (SBU) structure	<ul style="list-style-type: none"> The Corporate Governance Committee was established in July 2021 to enhance the governance function. This ensured the management oversight function even under an SBU structure that permits more prompt decision-making.
Identify growth areas	<ul style="list-style-type: none"> Investment in M&A continues to be sought by the Professional Outsourcing SBU.
Strengthen business with technology	<ul style="list-style-type: none"> The beta version of "PERSOL MIRAIZ," a career management service as the core of the "Future Vision of Work Initiative*," was launched in February 2022.

* An initiative that supports all individuals to work in ways that suits them and to chart their own future.

Asia Pacific SBU Mid-term Management Plan (April 2023–March 2026)

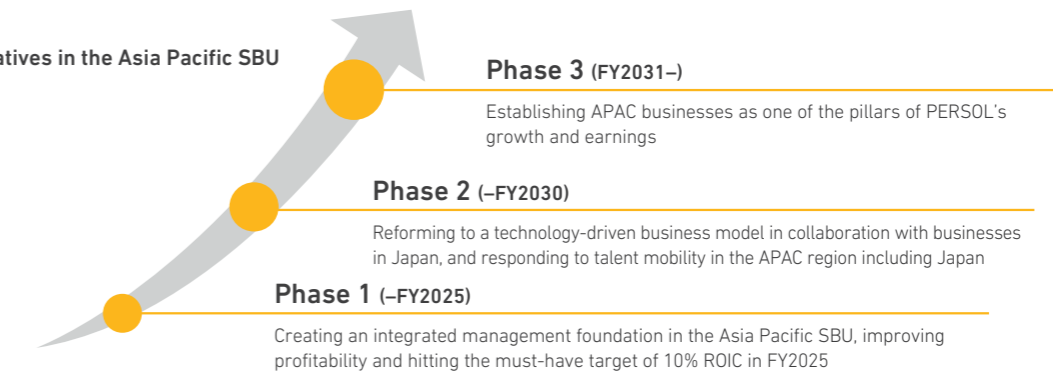
Overview of Asia Pacific SBU Mid-term Management Plan

Ahead of the planned announcement of the Group's next Mid-term Management Plan in May 2023, we released the Mid-term Management Plan for the Asia Pacific SBU in August 2022. The plan positions the three-year period as one for building a foundation for 2030 to improve profitability.

Our approaches in the Asia-Pacific region will be promoted in three phases. In the first phase, we

will initially strengthen our integrated management foundation and thoroughly improve profitability. In the second phase, we will use technology to transform our business model in collaboration with businesses in Japan and address the mobility of human resources. In the third phase, which starts from 2031, we aim to have Asia Pacific businesses become a pillar of the Group's growth and earnings.

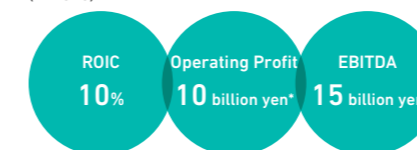
Future Initiatives in the Asia Pacific SBU



Financial Targets

Under the Asia Pacific SBU Mid-term Management Plan, we aim to enhance the SBU's overall profitability and have set targets of ROIC of 10%, operating profit of 10 billion yen and EBITDA of 15 billion yen for the fiscal year ending March 2026.

Numerical Targets of Particular Importance (FY2025)



* Calculated on an IFRS basis

	FY2021 Results* (January to December 2021)		Final Year of the Mid-term Management Plan (April 2025 to March 2026)	
	APAC SBU Total	Staffing business	APAC SBU Total	Staffing business
Net sales	338.0	241.0	400.0	300.0
Operating profit	3.8	4.7	10.0	9.0
Operating profit margin	1.2%	2.0%	2.5%	3.0%
EBITDA	8.9	5.2	15.0	11.0
EBITDA margin	2.6%	2.2%	3.8%	3.7%

* For the FY2021 results, to enable comparison with the targets in the final year of the Mid-term Management Plan under the same conditions, exchange rates are converted to national currency rates based on 130 yen to the US dollar, and figures based on the assumption of the transition to IFRS planned for introduction from the FY2023 were used.

Business Strategy

The Asia Pacific SBU Mid-term Management Plan contains three strategies for improving profitability. The first is to revise the business portfolio. We will create an optimal portfolio through selection and concentration, including improved profitability at the staffing business by expanding the placement business across the entire Asia Pacific SBU. The second is implementing structural reforms and cost optimization, which will involve cost reductions through initiatives including consolidating the Asia-Pacific business's head office functions and pursuing increased efficiency by moving functions and operations offshore. The third is to boost productivity

through DX investment. We will work to improve the productivity of placement business consultants by developing AI matching and to raise productivity at the temporary staffing business with automation tools and process improvement tools.

- 1 Revise the business portfolio
- 2 Implement structural reforms and cost optimization
- 3 Boost productivity through DX investment

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.

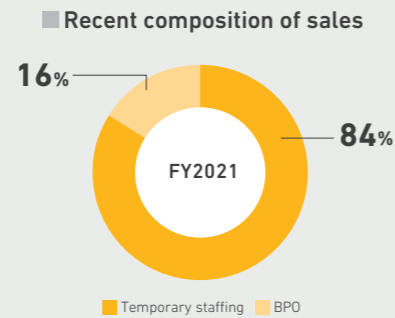
Services

- "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 NEXTAGE, PERSOL FACILITY MANAGEMENT, PERSOL VENTURE PARTNERS, PERSOL Global Workforce

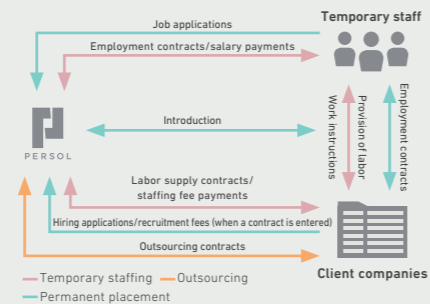
Staffing SBU



Services

- Temporary staffing (clerical work, research, clinical development, sales, light 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

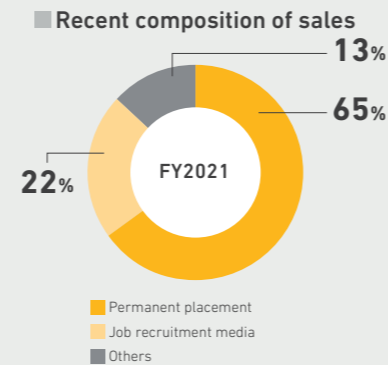


SBU Core Company/Representative Companies/Examples of Handled Brands

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



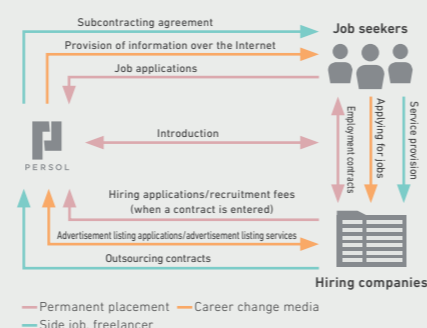
Career SBU



Services

- Permanent placement (mid-career, new grad recruitment)
- Career change media, direct recruiting
- Side job, multiple jobs, freelancer support
- Career self-reliance training
- Outplacement support

Features/Business Models

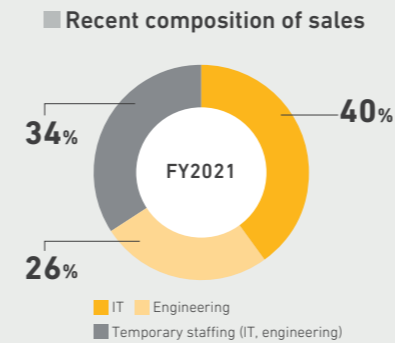


SBU Core Company/Representative Companies/Examples of Handled Brands

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



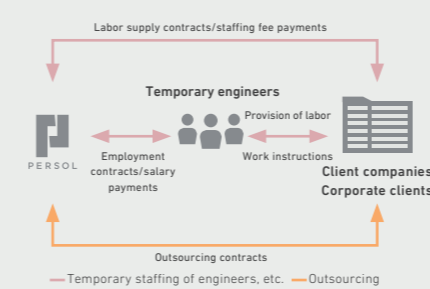
Professional Outsourcing SBU



Services

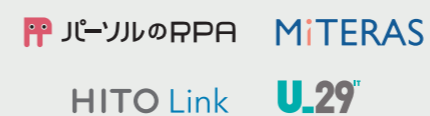
- Outsourcing (IT, business)
- Digital solutions, system development
- Business consulting
- Engineering (design and experiment)
- Temporary staffing (IT, engineering)

Features/Business Models

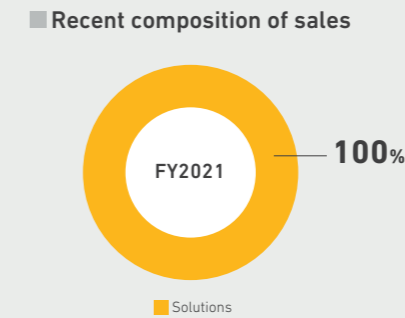


SBU Core Company/Representative Companies/Examples of Handled Brands

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



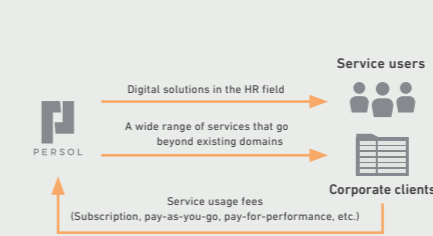
Solution SBU



Services

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

Features/Business Models

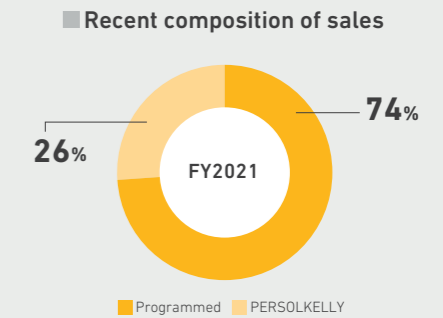


SBU Core Company/Representative Companies/Examples of Handled Brands

- PERSOL INNOVATION



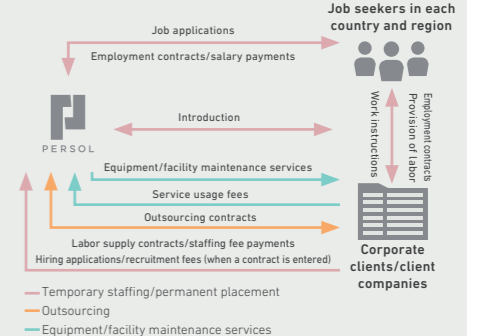
Asia Pacific SBU



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



Message from the Deputy President



PERSOL will use the comprehensive strength of the Group to create new value to eliminate mismatches in the growing labor markets as the work environment changes.

Hirotoshi Takahashi

Representative Director and Deputy President

The PERSOL Group is working with five SBUs. The Staffing SBU is engaged in temporary staffing, which is the Group's original business, and Business Process Outsourcing (BPO). Permanent placement, including mid-career placement, is the core business of the Career SBU. The Professional Outsourcing SBU handles the temporary staffing of specialists and engineers in fields including IT & engineering as well as the development of outsourced contracting businesses. The Solution SBU provides digital solution services in fields, including employment support and human resources management while creating new businesses. The Asia Pacific SBU is engaged in temporary staffing, permanent placement and other services in major cities in the Asia-Pacific region. Each SBU will continue to expand the value it provides to customers and achieve "Work, and Smile" during the fiscal year ending March 2023.

Recently, the markets for hiring and employment have been undergoing drastic changes, and we recognize that the changes in the PERSOL Group's operating environment are also significant. The digitalization of society in general is accelerating change in the business environment, a trend accompanied by changes in the knowledge and skills that organizations seek in workers. At the same time, COVID-19 has brought about paradigm shifts in individual lifestyles and values, and these changes in both organizations and individuals are causing "mismatches in employment" to increase even more. We consider our top priorities to be the presentation of PERSOL's unique possible solutions to the issue of expanding choices for working individuals and the issue of eliminating labor shortages and insufficient human resources at companies. Using the huge amount of work-related information collected through our diverse services and the experience of our tens of thousands of employees and more than 110,000 people dispatched as temporary staff, we will refine our existing services and create new services. By doing this, we hope to eliminate as many issues facing society, individuals and companies as possible and to meet the expectations of our customers.

In terms of progress under the key strategies of the Mid-term Management Plan, in April 2020, we transitioned to an SBU structure and expedited execution by transferring decision-making related to operational execution to the respective SBUs. In addition, we established the Corporate Governance Committee in July 2021 and, through this and other measures, have been further increasing the effectiveness of our corporate governance. With regard to "identifying growth areas," we are prioritizing investment in areas including the hiring of engineers at the Professional Outsourcing SBU to make it the Group's third business pillar, while continuing to explore large-scale investments, including M&As. We have also worked on building foundations and improving profitability with the aim of making proactive investment from 2023 at the Solution SBU and the Asia Pacific SBU. Under these circumstances, regarding the Asia Pacific SBU, we made an early announcement of the unit's next Mid-term Management Plan in August 2022 to look toward the future and achieve rapid and significant growth (refer to page 32). We are working to "strengthen our business with technology" through investment in IT and DX to raise productivity and increase customer satisfaction, while building platforms to promote the "Future Vision of Work Initiative." Going forward, we will continue to fuse people and technologies in each business field to meet the diverse needs of customers, an approach that will lead to providing even greater value.

As we enter "the era of a 100-year lifespan," we expect opportunities for changing jobs throughout one's life to increase and to see diverse work styles evolving further. In addition to providing job choices, it is becoming increasingly important to help make it possible to achieve career goals while shortening job search periods and minimizing mental stress. We recognize that this is the role of the PERSOL Group. During the fiscal year ending March 2023, the final year of the Mid-term Management Plan, we will refine our businesses and build management foundations for a smooth transition to the next Mid-term Management Plan, making every effort to achieve "Work, and Smile."

Business Overview by SBU

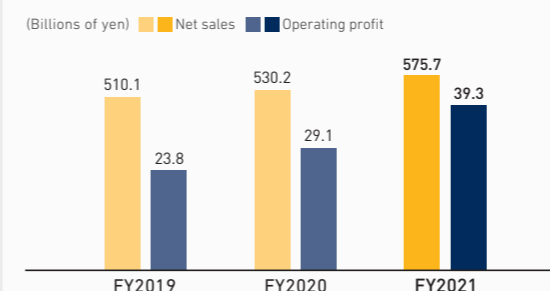


Staffing SBU

Making steady progress in using technology to strengthen our business foundation and increase staff satisfaction (gaining fans)

Kazunari Kimura

Executive Officer,
Staffing SBU Lead



Opportunities and risks

Opportunities

- Creation of employment opportunities from diversification of work styles
- Stronger foundation and improved productivity from use of technology

Risks

- Declines in number of orders and operating rate due to renewed spread of COVID-19
- Medium- to long-term decline in working-age population and lower demand due to advances in automation

Progress under the Mid-term Management Plan

Following the "Temp App" for people working at TEMPSTAFF and the "T-PLA" platform for corporate clients, we are also developing an application in-house for employees and building a platform for consolidating and analyzing the information collected, as we make maximum use of evolving technologies to accelerate our DX to increase the value of people and boost operational productivity.

To provide a broad range of employment opportunities, we are also developing services including FlexibleCAREER, Remote Temp, funtable, Chall-edge, RPA Associates and Nekusuku.

In addition, we are carrying out initiatives including staff recognition programs and fan meetings. As a result, staff members' Fan Index (degree of reliability and a sense of attachment) has been improved year by year, leading to ongoing relationships.

* Please refer to page 18 for more information about the Fan Index.

Competitive Advantage and Strategic Direction

Working to expand market share further with our advanced capabilities in resolving issues and support from working individuals

The Staffing SBU is engaged in the temporary staffing business mainly for clerical work for a wide variety of industries and for developing Business Process 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 working to increase our share of the market for temporary clerical staffing by proposing optimal solutions tailored to customers' needs and strengthening our dispatching of human resources who can respond to diverse work styles and digitalization. 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 2022

Strongly driving the Group's growth with solid results in temporary staffing and BPO fields

Despite the COVID-19 pandemic, the numbers of both orders and confirmed contracts in the temporary staffing field were solid. We also invested proactively in advertising for temporary staff recruitment. The number of dispatched temporary staff members grew throughout the year and, as of March 2022, exceeded 110,000. Orders in the highly profitable BPO field were strong, particularly for public-sector projects. As a result, the Staffing SBU as a whole recorded high sales and profit growth, with increases of 8.6% in net sales and 35.1% in operating profit, results that drove the PERSOL Group's overall growth. We will continue to work for steady growth in both the temporary staffing and BPO fields and to establish a firm position in the domestic market.



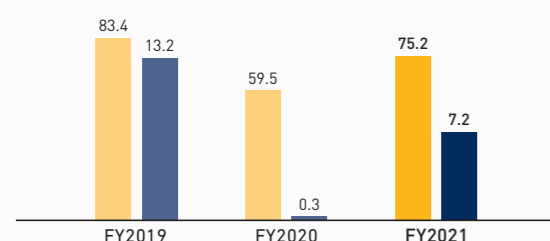
Career SBU

Appropriately identifying and addressing circumstances of job seekers and companies and steadily improving value of customer experience

Yu Senoo

Executive Officer,
Career SBU Lead

(Billions of yen) ■ Net sales ■ Operating profit



Opportunities and risks

Opportunities

- Medium- to long-term market growth in career change business
- Growth in career change demand from increased desire for individual career formation
- Increased productivity through digitalization and use of AI

Risks

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

Progress under the Mid-term Management Plan

The number of people changing jobs per year in the working population is expected to grow beyond the pre-pandemic level, and we are therefore forecasting growth in the permanent placement market as a channel for the influx of people changing jobs. We are building an even more data-driven structure, developing matching models that appropriately address the situation and circumstances of individuals and projects and introducing an AI matching system to appropriately define application requirements to deliver “appropriate services and appropriate information for each customer, with appropriate timing.” In addition, we are strengthening our ability to secure projects in high-class fields and working to maximize our ability to attract customers and in matching in the IT field, with the aims of maintaining and raising unit prices. We will continue to lead the Group as a growth driver.

Competitive Advantage and Strategic Direction

Working to grow our business by increasing the number of individuals who are aware of and act on determining their own “work” themselves

The Career SBU’s main businesses cover the field of regular employees, including the operation of the “doda” recruiting media, a charged employment placement business, a business that supports side jobs, multiple jobs and freelance work, and an outplacement support business. To increase the number of individuals who determine their own “work” themselves, from the fiscal year ended March 2021, we regularly measure the Career Ownership Index*, which incorporates both awareness and action. Although demand for our main services was temporarily sluggish during the fiscal year ended March 2022 due to the COVID-19 pandemic, the monthly number of active users for the majority of services grew steadily during the year.

Going forward, we aim to achieve “Work, and Smile” by improving the customer experience in existing services, by developing new services and by repeatedly identifying significant points from survey results to increase the number of service users, helping working individuals to build careers on their own.

* Please refer to page 18 for more information about the Career Ownership Index.

Results for Fiscal Year Ended March 2022

Achieving sales and profit growth by strongly recovering in both the permanent placement business and the job advertising business

With both the number of informal appointments of workers in the permanent placement business and the number of orders in the job advertising business recovering, the SBU recorded higher sales and significantly higher profit growth, increasing net sales 26.4% and operating profit 2,088.9% over those of the previous year. Demand was steady, with orders from companies recovering to pre-pandemic levels. The number of newly registered job seekers fell in the fiscal year ended March 2021 largely due to COVID-19, but in the fiscal year ended March 2022, it recovered to above the pre-pandemic level.

Aiming for further growth, we will continue to refine processes, including improving the quality of matching, and continue to invest in marketing to increase the number of newly registered job seekers.



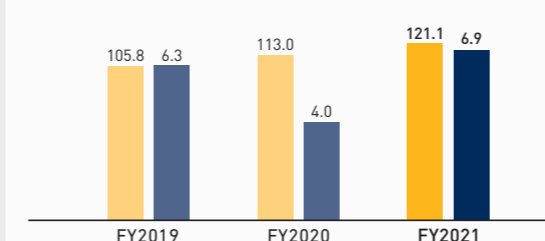
Professional Outsourcing SBU

Pursuing challenges of new fields (technologies, processes, industries) while maintaining solid growth in existing fields

Shinji Masaki

Executive Officer,
Professional Outsourcing SBU Lead

(Billions of yen) ■ Net sales ■ Operating profit



Opportunities and risks

Opportunities

- Reviews of operational processes and growing automation needs for increased operational efficiency and labor savings against backdrop of labor shortages
- In light of the above, growing need for recurrent education for individuals and more people wanting to change jobs including those without experience

Risks

- Intensifying recruitment of engineers
- Response to technology obsolescence amid increasingly rapid transformations in demand

Progress under the Mid-term Management Plan

The companies within the Professional Outsourcing SBU are further refining their strengths in their existing business fields while maintaining solid growth and pursuing challenges in new fields.

With trends of recovery in the IT, machinery and electricity markets, operating rates are higher than those of most other years, but we are keeping a close eye on the shortage of engineers and continuing to strengthen our expansion of education and training, including recurrent education, and rotations to increase engineers’ added value. We are also proactively taking up the challenge of the IoT and other new fields to address needs for automation and labor savings, while aiming for further growth through stepping up our recruitment of engineers and M&As.

Competitive Advantage and Strategic Direction

Seeking growth by strengthening businesses with technology and stepping up hiring of engineers

The Professional Outsourcing SBU is engaged in design and development outsourced contracting businesses and temporary staffing business in the IT and engineering fields, as well as business consulting. We expect another year of solid growth in the fiscal year ending March 2023 and are aiming for a roughly 50% increase in our hiring of engineers over that of the previous year, while expanding our career support and training programs for engineers to bolster their technological capabilities. In addition, we are working to raise billing rates by continuing to strengthen our marketing capabilities and providing high-unit-priced services including business consulting using our outsourcing expertise. At the same time, we are proactively using our technological capabilities to address increasingly important social issues like decarbonization.

Results for Fiscal Year Ended March 2022

Steady recovery in engineering field, continuation of solid growth in IT field

Demand in the IT field remains solid, and in the engineering field, we are strengthening our marketing and stepping up recruiting to raise engineers’ operating rates. With growth in both fields, the SBU’s net sales rose 7.1% from those of the previous year, with a 72.1% increase in operating profit. Also, we maintained high operating rates of roughly 95% in both the IT and engineering fields. The number of client companies for the SBU as a whole surpassed 2,000, as we strengthened our new client development in the engineering field in particular, as the market rebounded and inquiries rose, and as other fields continued to show solid results. The number of engineers also increased from that of the previous year to roughly 14,000, and going forward we intend to focus on the recruiting of engineers.



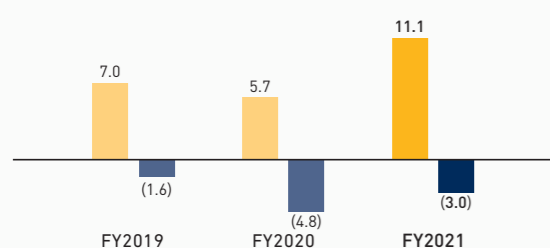
Solution SBU

Maintaining high growth through portfolio and investment management by creating, verifying and expanding businesses

Toshihito Nagai

Executive Officer,
Solution SBU Lead

(Billions of yen) ■ Net sales ■ Operating profit (loss)



Opportunities and risks

Opportunities

- Evolution of diverse work styles in response to labor shortages including that from contraction of working-age population
- Appearance of Web 3.0 and other new work environments that support changes in values and diversification of individual work styles
- As technology and job-based employment spread, increased demand for update of skills needed for work

Risks

- Low rate of digitalization and productivity increases at companies against backdrop of Japan's unique low human resource mobility

Progress under the Mid-term Management Plan

Aiming for higher business growth, the Solution SBU is managing and investing in its portfolio to develop businesses with the potential to become new business pillars for the Group.

Growth stage businesses such as "MIIDAS" have steadily expanded their market position through proactive investment. In the learning business and "Drit" incubation program, which are in the research and development stage, we invested in a balanced manner, proposing new services to the market including withdrawal from businesses at an early stage depending on their verification status. Through M&As and business tie-ups, we have also entered the nursing care business, which has major human resource issues.

Going forward, we will maintain high growth rates by speedily creating and expanding next-generation businesses.

Competitive Advantage and Strategic Direction

Speedy creation of new businesses through "healthy, prolific and efficient" management system and use of existing assets

To achieve "Work, and Smile" in the future, the Solution SBU is using a management system separate from that of existing businesses to provide new value that transcends the divisions within the human resource business.

We are nurturing businesses while creating many new businesses needed for the future, verifying them and making decisions to withdraw some at an early date. These efforts include a new matching business that connects companies and individuals to eliminate labor shortages, services that integrate people and digital technologies to reduce work-related burdens, and a learning business that maximizes possibilities through relearning. We are also using M&As to pursue new fields including nursing care and Web 3.0.

Going forward, we will use assets including expertise gained by the Group through its existing businesses to quickly realize next-generation businesses that contribute to the Group's development and transformation.

Results for Fiscal Year Ended March 2022

Continuing upfront investment while reducing losses with a contribution from sales growth of our main business

In our main business, the "MIIDAS" career change app business, the cumulative number of corporate accounts grew through services that meet the hiring and training needs of small and medium-size companies. Also, in the "POS+" cloud-based POS business, the cumulative number of installations at stores increased due to improvements in operational efficiency at local governments and major restaurants by strengthening the direct sales structure. These led to high sales growth at both of the SBU's businesses. In addition, improved usability for the "Sharefull" platform for the short-term human resource utilization business has led to the steady expansion of the client base, especially among younger users and, as a result, the SBU as a whole recorded a large increase in net sales.

In terms of profit and loss, upfront investment in businesses to gain superior competitive positions over the medium to long term meant that the SBU recorded an operating loss for the fiscal year ended March 2022, but the loss narrowed from that of the previous year.



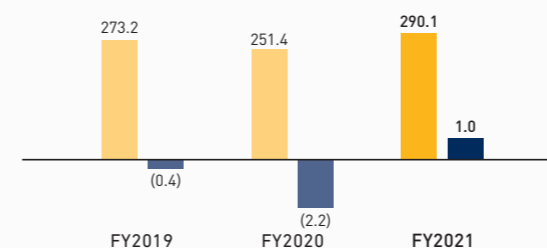
Asia Pacific SBU

Steady sales growth and improved profitability centered on staffing business

Takayuki Yamazaki

Executive Officer,
Asia Pacific SBU Lead

(Billions of yen) ■ Net sales ■ Operating profit (loss)



* Effective in the three months ended December 2021, the accounting process was changed for SaaS (Software as a Service) in the Australian business in the Asia Pacific SBU. Accordingly, the said change is also reflected in the values for the fiscal year ended March 2021 and the fiscal year ended March 2022, respectively.

Opportunities and risks

Opportunities

- Recovery from COVID-19 in demand for human resources
- Expectations for growth in working-age population, especially in Southeast Asia
- Opportunities for business expansion by addressing diverse work styles post-COVID-19

Risks

- Appearance of new players in field and debut of alternative services due to technological advances
- Risk from foreign exchange rate fluctuations
- Human resource shortages from drastic market recovery

Progress under the Mid-term Management Plan

Having completed a reorganization to increase profitability, the Asia Pacific SBU is focusing on highly profitable businesses and businesses where future growth is forecast under its renewed structure. Boosted by a recovery from COVID-19, the staffing business aims to maintain its No. 1 position in Singapore and Malaysia, while achieving steady sales growth in other emerging Southeast Asian countries, Australia and New Zealand by focusing on staffing in the office-based job domain. The maintenance business is also recording steady growth, aiming for further growth from the fiscal year ending March 2023 by focusing on the highly capital-efficient facility management business.

At the same time, we are working to improve cost efficiency further with an additional push toward integrating and consolidating back-office functions, while pursuing business in the "human resource (HR) technology" field and DX of operation.

Competitive Advantage and Strategic Direction

Restructuring to optimize cost structure and focus on highly profitable businesses

The PERSOL Group's overseas business is organized for integrated management across the SBU. Having acquired additional shares in PERSOLKELLY to bring our shareholding to 97.5%, the Asia Pacific SBU has carried out major restructuring across the unit. Following the integration of back-office functions that began with the launch of the current Mid-term Management Plan, the staffing business (temporary staffing, permanent placement) at Programmed and PERSOLKELLY, which previously operated independently, has been restructured.

This is intended not only to improve profitability and create synergies but also to facilitate swift business decision-making to respond as quickly as possible to changes like offshore hiring across national borders, with the aim of becoming the Asia-Pacific region's No. 1 comprehensive human resource services company.

In addition, the regional management company PERSOL Asia Pacific is taking the lead in investing in and developing new technologies to improve consultants' operational efficiency with investments in AI matching technologies and to provide customers with added value.

Results for Fiscal Year Ended March 2022

Returning to profitability on growth at both staffing and maintenance businesses

With the recovery in the global economy, the temporary staffing business was solid and the permanent placement business recorded high growth, resulting in an 8.4% increase in net sales from those of the previous year. We also made investments to increase headcount for the future but maintained solid results in all areas in which we operate, including Singapore and Malaysia, where we have the top market share. As a result, the operating loss turned around to an operating profit.

In Australia and New Zealand, both the staffing and maintenance businesses saw a recovery in new orders and, with a positive foreign exchange effect as well, net sales increased 18.1%. In addition, efforts to control costs in back-office functions resulted in a turnaround to an operating profit. As a result, the Asia Pacific SBU as a whole turned around to an operating profit.

Message from the Chairperson of the Board

Making every effort to enhance sustainability and corporate value through more advanced corporate governance

Masamichi Mizuta
Chairperson of the Board



As the change in the work environment accelerates, we are constantly striving to transform corporate governance as we actively establish a management structure for swift, flexible decision-making and the further deployment of management oversight functions.

Yoshiko Shinohara, PERSOL's founder, used to advise me: "Never get angry, Never be overbearing, and Never put on airs." Throughout my eight years as President and CEO, and since becoming Chairperson of the Board, I have kept the "Three Nevers" in mind as a crucial underpinning of the PERSOL's corporate governance.

The purpose of corporate governance is to enhance corporate value over the medium to long term. Therefore, the Board of Directors is entrusted by shareholders to undertake the crucial function of management oversight. I do not believe management oversight is looking down from above on the CEO and other senior executives. Instead, I see it as building relationships of mutual trust through daily dialogue with them, designing an environment in which they are fully engaged in management, and occasionally providing encouragement so that they make firm decisions.

During the global COVID-19 pandemic of the last two and a half years, I sense that the change in the work environment has accelerated compared to what we thought before the pandemic. These are described by factors like the aging of most workers, the increasing frequency of job changes, the blurring of the distinction between regular and non-regular employees, the shift to job-based employment, and the increase of freelance work, side jobs, and multiple jobs.

To address these changes promptly, the Company has been actively pursuing various reforms in corporate governance. We intend to maintain a "monitoring board" as a type of Board, with Independent Directors now

composing the majority of the Board. In addition, we have a management structure that delegates crucial decisions regarding operational execution to the CEO, and senior executives can make their decisions swiftly and flexibly. Furthermore, the Nomination and Compensation Committee oversaw the CEO succession plan, and the Board unanimously approved Takao Wada as President and CEO after extensive deliberation. It means that there is an appropriate separation of management and oversight between Mr. Wada, who has ultimate management responsibility as CEO, and me, as Chairperson of the Board.

In this context, the Board engages in truthfully open, vigorous, and constructive deliberation, which senior executives approach with intensity. I believe this results in Board deliberations in which Independent Directors and other Board members with various backgrounds willingly make use of their diverse knowledge, experiences, and capabilities, as shown in the skill matrix on the following page.

As sustainability becomes a major issue globally, the Company is strengthening its structure for addressing climate change and other aspects of sustainability to achieve a sustainable society that gives a true feeling of "Work, and Smile" to all people. We consider overseeing sustainability management a crucial Board responsibility.

Through more advanced corporate governance, we will make every effort to enhance PERSOL's sustainability and corporate value.

History of and Basic Policy on Governance at the PERSOL Group

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	2022
Strengthening of the oversight function	Oversight function		● Shifted to a Company with the Supervisory Committee					● Separated between Chairperson of the Board and CEO ● Established the Lead Independent Director	
	Advisory committee			● Established the Nomination and Compensation Committee				● Established the Corporate Governance Committee	
	Nomination of directors				● Appointed a 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)	9 (5)
	Effectiveness evaluation			● Began effectiveness evaluation of the Board					
	Dialogues with shareholders							● Formulated the Policy for Constructive Dialogue with Shareholders and Investors	
Compensation system				● Introduced a share-based compensation scheme for senior executives				● Revised the director and executive compensation system	
						● Revised the director and executive compensation system			
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/

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.

Features of corporate governance structure

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

The Board

(Fiscal year ended March 2022: held 13 times)

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.

Nomination and Compensation Committee

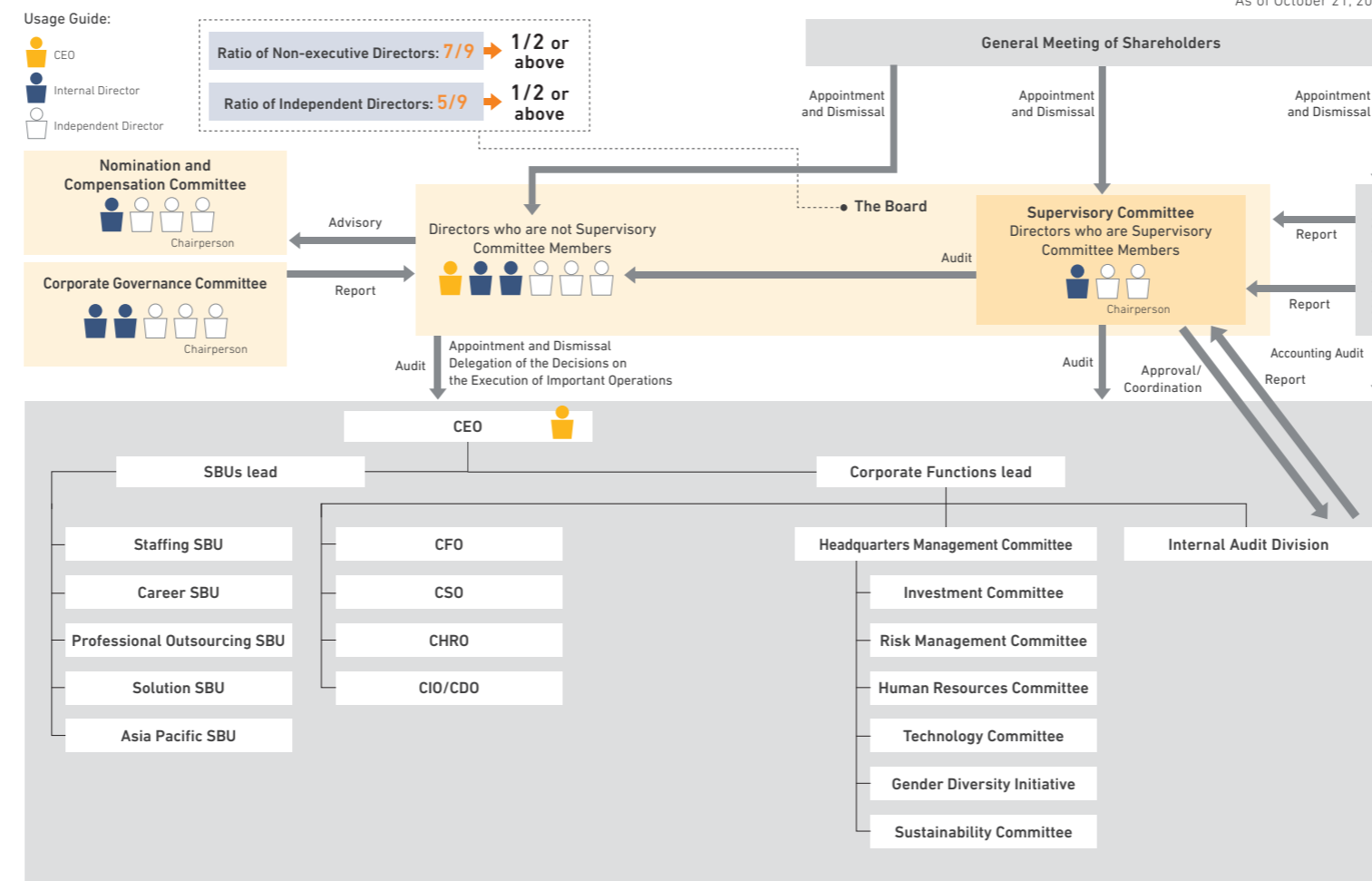
(Fiscal year ended March 2022: held nine times)

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

Corporate governance structure



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

(Fiscal year ended March 2022: held eight times)

The purpose of the Corporate Governance Committee is to enhance the supervisory functions of the Board by discussing matters regarding the Company's corporate governance. Upon receiving requests from the Board, the 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 committees under the Board

Headquarters Management Committee (HMC)

(Fiscal year ended March 2022: held 24 times)

The Company adopts the Executive Officer system with the purpose of separating the oversight and management and clarifying where management responsibility lies. In addition, Headquarters Management Committee (HMC) is established to assist the CEO in making decisions on the PERSOL Group's basic management policy and important operations. The decisions on the execution of important operations delegated to the CEO by the Board shall be decided by the CEO on the condition that the HMC has made an affirmative resolution. Based on the concept that the members of the HMC (hereinafter, "the HMC members") shall be the persons who 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 six committees (Investment Committee, Risk Management Committee,

Human Resources Committee, Technology Committee, Gender Diversity Initiative and Sustainability 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 Initiative deliberates on the Group's strategies to promote the advancement of women and related key strategies. With the CEO as the chairperson, the Sustainability Committee deliberates on sustainability and related management agenda to further promote sustainability management, in the belief that sustainability is the highest priority management issue.

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

Supervisory Committee

(Fiscal year ended March 2022: held 13 times)

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

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.

Discussion with Independent Directors



Masaki Yamauchi

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

Chisa Enomoto

Independent Director
(Member of Supervisory Committee)

The PERSOL Group is pursuing various measures to increase the Board's effectiveness. Seeking further improvement, we discussed issues in the Group's corporate governance and sustainability management with the Independent Directors.

Q: How would you evaluate the PERSOL Group Board's effectiveness?

Enomoto: In addition to promoting understanding and deliberation in setting the agenda and sharing information about progress under the Mid-term Management Plan, I believe the Board does an excellent job of appropriately allocating time during its meetings. It also creates an environment where it is easy to speak out, and I feel that other members are proactively receptive to the opinions of Independent Directors. For example, the seating arrangement at Board meetings does not separate the internal directors from the Independent Directors, which is a good way of promoting honest discussion. I also feel that the wrap-up of the day's proceedings by Mr. Wada before the end of each meeting is perfect.

Yamauchi: The Board of the PERSOL Group has free and open deliberation. The Board's effectiveness has improved over the two years since I joined. One example is that explaining agenda items before the meeting makes the reviews very meaningful. I also appreciate the wrap-up that Ms. Enomoto mentioned as a helpful way to continue these deep deliberations until the next meeting. To encourage further Board deliberation, I

believe we must make better use of time allocation and advance explanations of essential agenda items. In addition, during our ongoing consideration of the formulation of the next Mid-term Management Plan in the fiscal year ending March 2023, a significant point to discuss will be what kind of monitoring is needed to understand the progress being made under the plan accurately.

Enomoto: I agree about the importance of involving the Board in formulating the next Mid-term Management Plan. I also consider it extremely important to proactively exchange opinions with the executive officers attending Board meetings, as we can develop a better plan. As an issue for the future, I would like to consider more effective ways of communicating the outcomes of these Board deliberations to employees. We Directors, also want to encourage the Group's roughly 60,000 employees. I hope to convey this feeling to employees and believe it would be ideal for both Directors and employees if Directors were able to receive workplace deliberations and



opinions more efficiently.

Yamauchi: The PERSOL Group's Board carries out an ongoing PDCA cycle by summarizing various measures for improvement as comprehensive evaluations of the effectiveness of the Board of Directors and identifying additional areas for improvement. I consider the external assessments in the future essential for maintaining a third-party perspective and preventing the Board from becoming self-satisfied with measures for improvement.

Q: What do you view positively, and what do you see as areas for improvement in the Board's composition and "diversity of perspectives"?

Yamauchi: "Diversity of perspectives" is crucial for increasing the Board's effectiveness. PERSOL discusses the role the Board should play and the composition and skills needed to perform that role, then releases the results as a skill matrix. Based on those discussions, we have further strengthened the governance structure by having Mr. Kazuhiro Yoshizawa, who has a wealth of expertise in technology, join the Board as an Independent Director in June 2022 to address the critical Group management issue of strengthening our technology. However, this arrangement is not the final step. I believe that in the future, we should continue reviewing the skills needed to anticipate changes in the times to strengthen the Board regularly. Also, a favorable organizational culture will be indispensable for deploying the full effect of this "diversity of perspectives." We must create a culture where different perspectives and opinions are mutually recognized. Achieving and maintaining an organizational culture that supports diversity would facilitate healthy deliberation in management decision-making about risk-taking. I am confident that this would lead to swift, proactive decision-making by senior executives.

Enomoto: This is why we cannot rely only on our experience to date; we need to polish our skills with a view toward changes in the social structure going forward. I also hope that senior executives will continue to have the same diversity of perspectives and further polish their skills. Deliberation based on sufficient and highly transparent information from senior executives and diverse opinions can be essential for future Board meetings.

Q: What are your views about the meaning of sustainability management and its effect on corporate value?

Enomoto: I am an advisor to the Sustainability Committee of the Company. The PERSOL Group has set targets for promoting diversity and achieving carbon neutrality and has begun formulating a road map to meet them. Let us work on

achieving the targets and have more in-depth deliberation internally about what role the PERSOL Group can play in addressing these social issues. I want the results of those deliberations to focus on our sustainability management.

Investing proactively in solutions and innovation will be essential to realize "Work, and Smile" in the Asia-Pacific region and Japan.

Yamauchi: It is just as Ms. Enomoto has said. Although the Company has been addressing sustainability to date, I do not see this as having led to measures that recognize sustainability as a driver to enhance corporate value over the medium to long term. Sustainability management, in the true sense of the time, is something we have just begun, and I would like to see more focus on efforts to achieve it. I believe that the PERSOL Group is one of the significant corporate groups that can offer solutions to an aging population and a labor shortage, which are critical social issues facing Japan. Strengthening our management by focusing on sustainability means that the PERSOL Group's role in shaping Japan's future is bound to increase.

Q: Finally, do you have any thoughts about management issues that the PERSOL Group should address?

Enomoto: The PERSOL Group seeks to connect people throughout Japan and the Asia-Pacific region to increase choices related to "work" to create unlimited possibilities. This initiative will lead to the embodiment of "Work, and Smile." To achieve this, contributing to resolving social issues related to working by leveraging our aggregated data about the awareness and thinking of the working people who play the leading role in human capital management will be essential. Then, the PERSOL Group, which brings together people with various abilities, should demonstrate a successful example of corporate growth by aligning its trajectory with the future and enhancing employee engagement.

Yamauchi: People live to be happy. Nevertheless, what constitutes happiness and which choices are needed to achieve satisfaction varies from person to person. The PERSOL Group has many contact points for working people and companies and a good understanding of their various needs. The Group considers the achievement of workplace well-being a vital management issue and should disseminate ways to achieve this for society as a whole. I sincerely hope that the PERSOL Group will become a company with tremendous competitiveness by handling this management issue.



Directors and Executive Officers (as of October 21, 2022)

Director

Directors who are not Supervisory Committee Members



Masamichi Mizuta
Director and Chairperson
Important concurrent posts
External Director of Linkers Co., Ltd.
Number of years in office
13 years and 8 months



Takao Wada
Representative Director, President and CEO
Important concurrent posts
Non-executive Director of PERSOL Asia Pacific Pte. Ltd.
Number of years in office
13 years and 8 months



Hirotohi 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.
Non-executive Director of PERSOL Asia Pacific Pte. Ltd.
Number of years in office
9 years



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



Masaki Yamauchi Independent Director
Important concurrent posts
Executive Advisor of Yamato Holdings Co., Ltd.
External Director of Resona Holdings, Inc.
Number of years in office
2 years



Kazuhiro Yoshizawa Independent Director
Important concurrent posts
Corporate Advisor of NTT DOCOMO, INC.
Outside Director of Sony Financial Group Inc.
Number of years in office
Newly appointed

Directors who are Supervisory Committee Members



Daisuke Hayashi
Director (Member of Supervisory Committee)
Important concurrent posts
Non-executive Director of PERSOL Asia Pacific Pte. Ltd.
Number of years in office
1 year



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.
External Director of JAPAN POST Co., Ltd.
Number of years in office
4 years

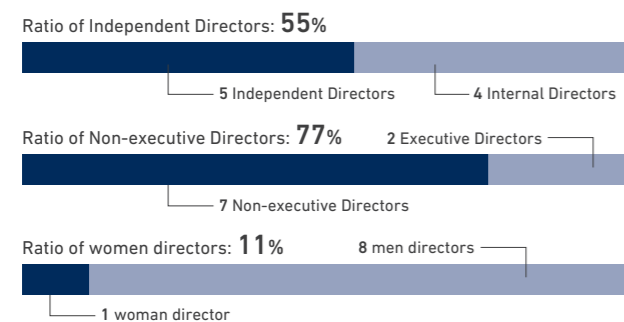


Kazuhiko Tomoda Independent Director (Member of Supervisory Committee)
Important concurrent posts
Outside Auditor of Hakuholdo DY Holdings Inc.
Outside Auditor of Daiko Advertising Inc.
Outside Auditor of INES Corporation
Number of years in office
2 years

Executive Officer

Takao Wada	Representative Director, President and CEO	Kazunari Kimura	Executive Officer, Staffing SBU Lead
Hirotohi Takahashi	Representative Director and Deputy President	Yu Senoo	Executive Officer, Career SBU Lead
Taro Mineo	Executive Officer CSO	Shinji Masaki	Executive Officer, Professional Outsourcing SBU Lead
Hiroataka Mino	Executive Officer CHRO	Toshihito Nagai	Executive Officer, Solution SBU Lead
Yuta Tsuge	Executive Officer CIO/CDO	Takayuki Yamazaki	Executive Officer, Asia Pacific SBU Lead
Junji Tokunaga	Executive Officer CFO		

Composition of the Board (as of October 21, 2022)



Board Skill Matrix (as of October 21, 2022)

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

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

Corporate Management and Strategy	Experience and ability of engaging in important decision making and successor selection of own company gained as a corporate executive
Innovation/Technology	Knowledge and experience regarding technology utilization and innovation in corporate management gained as a CTO of a company, etc.
Human Resource and Organizational Development	Knowledge and experience regarding human resource strategy and health management, etc., gained as a CHRO of a company, etc. Knowledge and experience regarding education business
Internationality	Experience and ability of organizational operation, business management and business operation involving multiple countries at an international organization or company

Risk Management/Legal Affairs	Knowledge and experience regarding risk management gained as a CRO of a company, etc. Knowledge and experience regarding business law and governance gained as a CLO of a company, etc.
Finance/Accounting	Knowledge and experience regarding business plan, budget and capital policies gained as a CFO of a company, etc. Sufficient knowledge and experience as a specialist of financial accounting
Sustainability/ESG	Experience and ability of working on promotion of sustainability and solving social issues in business management

Details of the career records of the directors are available on our website.

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

Major Activities of Independent Directors

Each Independent Director is expected, from an objective standpoint independent from the Group Senior Executives, to oversee management through making important decisions of the Board, including the appointment and dismissal of the Group Senior Executives, and to oversee conflicts of interest among the Company, Senior Executives, and controlling shareholders and provide advice to increase mid- to long-term corporate value by encouraging the

sustainable growth of the PERSOL Group, based on not only his/her experience and expertise but also conventional wisdom and common sense.

Independent Directors actively express their opinions and recommendations from a professional perspective at the Board and other crucial meetings and contribute to overseeing the Company's management, as indicated below.

Major activities in the fiscal year ended March 2022

Category	Name	Attendance at Board meetings	Attendance at Supervisory Committee meetings	Attendance at Nomination and Compensation Committee meetings	Attendance at Corporate Governance Committee meetings	Status of opinions expressed and summary of duties performed in response to expected roles
Independent Director	Ryosuke Tamakoshi	13/13 (100%)	–	9/9 (100%)	8/8 (100%)	Attended the Board and other crucial meetings and expressed opinions, as appropriate, from a comprehensive perspective based on his extensive knowledge and experience as a corporate manager both in Japan and overseas. In addition, he led the activities of the Nomination and Compensation Committee as its chairperson while also serving as the Lead Independent Director and a member of the Corporate Governance Committee.
	Naohiro Nishiguchi	13/13 (100%)	–	9/9 (100%)	–	Attended the Board and other crucial meetings and expressed opinions, as appropriate, from a comprehensive perspective based on his extensive knowledge and experience with innovation and internationality. He also served as a member of the Nomination and Compensation Committee.
	Masaki Yamauchi	13/13 (100%)	–	9/9 (100%)	8/8 (100%)	Attended the Board and other crucial meetings and expressed opinions, as appropriate, from a comprehensive perspective, such as commenting on growth strategies and management issues in Japan and overseas from the standpoint of the entire Group, using his extensive knowledge and experience mainly as a top executive. In addition, he led the activities of the Corporate Governance Committee as its chairperson while also serving as a member of the Nomination and Compensation Committee.
Independent Director (Member of Supervisory Committee)	Chisa Enomoto	13/13 (100%)	13/13 (100%)	–	–	Attended the Board and other crucial meetings and expressed opinions, as appropriate, at the Board meetings and the Supervisory Committee meetings from a comprehensive perspective based on her extensive knowledge and experience in public relations strategy to mainly enhance the Company's brand value and reputation. She also served as a Member of the Supervisory Committee.
	Kazuhiko Tomoda	12/13 (92%)	12/13 (92%)	–	7/8 (87%)	Attended the Board and other crucial meetings and expressed opinions, as appropriate, mainly from a professional perspective as a certified public accountant. In addition, he led the activities of the Supervisory Committee as its chairperson while also serving as a member of the Corporate Governance Committee.

Supervisory Committee

Number of members	3 (2 Independent Directors, 1 internal director)
Number of meetings held in the fiscal year ended March 2022	13



Kazuhiko Tomoda
Independent Director
Chairperson of Supervisory Committee

The Supervisory Committee's roles include securing the Company's soundness to increase sustainable corporate value and acting for the company and its shareholders' common interests. The committee oversees the execution of the duties of directors. It prepares audit reports and decides on details of the agenda concerning the appointment, dismissal, and refusal of reappointment of an external auditor. Also, it determines the opinion of the Supervisory Committee concerning the appointment, dismissal, resignation, and compensation of directors (excluding directors who are the Supervisory Committee Members), among other duties.

Organization and members

The Supervisory Committee consists of one internal director, a full-time member of the Supervisory Committee, and two Independent Directors.

The Supervisory Committee determines the audit policy, the priority of audit items, and the division of duties in the audit plan. Also, it cooperates with the Company's internal audit and internal control divisions by using online methods of exchanging information, among others. In addition, it attends important meetings, regularly trades opinions with Representative Directors, and receives reports on matters related to the execution of duties from directors, executive officers, and employees. Furthermore, it demands explanations as necessary, examines important approval documents and other materials, and audits the implementation of duties of directors, executive officers, and other members of management. Regarding subsidiaries, the Supervisory Committee communicates and exchanges information with directors and audit and supervisory board members of the subsidiaries and receives business reports as needed.

Activities of the Supervisory Committee Members and the Supervisory Committee

Activities of the Supervisory Committee Members

A full-time member of the Supervisory Committee attends the HMC, Corporate Governance Committee, Risk Management Committee, Investment Committee, Human Resources Committee, and other important meetings. Also, it gathers information from business reports by the Representative Directors, executive officers, and other members of management. In addition, it strengthens cooperation with the external auditor and the audit and supervisory board members of the core companies of each SBU, internal audit, and internal control divisions. Furthermore, it shares the information obtained with the other independent Supervisory Committee Members to raise the effectiveness of the audit and oversight functions.

Independent Supervisory Committee Members actively fulfill their roles by speaking out and giving advice based

on their professional expertise and wealth of experience at Board meetings, in the Corporate Governance Committee, Sustainability Committee, Risk Management Committee, and the three-way audit council (forum for the cooperation of the Supervisory Committee, external auditor and internal audit division).

Activities of the Supervisory Committee

The Supervisory Committee regularly convenes once a month and more frequently if needed. In addition, a preliminary briefing is also given before each Supervisory Committee meeting to share information among the members and confirm the agendas of the Board and Supervisory Committee to enhance the committee's effectiveness.

Significant matters considered by the Supervisory Committee

The Supervisory Committee primarily considered the following items during the fiscal year that ended in March 2022:

- Audit policy, priority audit items, audit plan, and division of duties
- Execution of duties by Representative Directors, executive officers, and other members of management
- Status of development and operation of Group internal control systems
- Approval of the internal audit plan and receipt of reports from the internal audit division
- Report of audits and reviews by the external auditor and consultation with the external auditor on key audit matters

Priority audit items

In the fiscal year that ended in March 2022, the Supervisory Committee prioritized audit items:

- 1) the progress of the Mid-term Management Plan
- 2) the status of the development and operation of data governance and information security structures
- 3) the state of development and operation of the compliance system

Nomination and Compensation Committee

Number of members	4 (3 Independent Directors, 1 internal director)
Number of meetings held in the fiscal year ended March 2022	9



Ryosuke Tamakoshi

Lead Independent Director
Chairperson of the 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 performs its duties regarding decisions on candidates and decisions on compensation and submits a report and recommendations to the Board.

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.

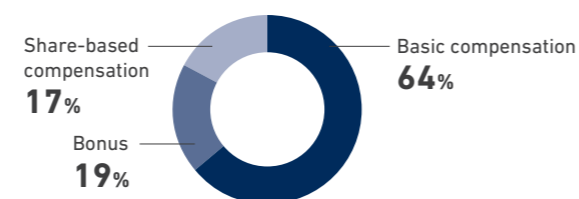
Level of compensation

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.

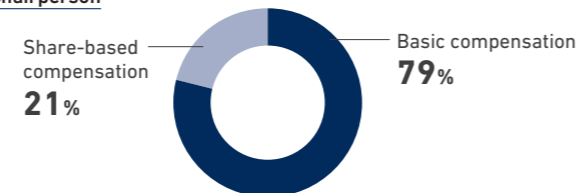
Standard compensation composition model

Executive directors, etc. (assuming that each of the measures is largely fully achieved)

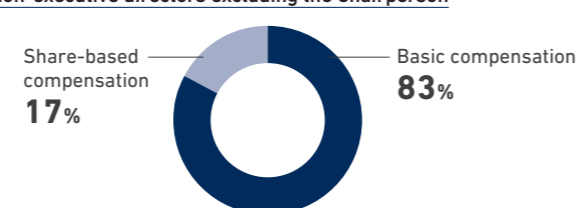


Non-executive directors

Chairperson



Non-executive directors excluding the Chairperson



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

Executive Compensation for the fiscal year ended March 2022

	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	Fixed mid- to long-term incentive compensation	
Directors who are not Supervisory Committee Members (The amount of Independent Directors)	325 (38)	212 (32)	39 (—)	52 (—)	21 (6)	6 (3)
Directors who are Supervisory Committee Members (The amount of Independent Directors)	63 (25)	56 (21)	— (—)	— (—)	6 (4)	4 (2)
Total (The amount of Independent Directors)	389 (64)	269 (53)	39 (—)	52 (—)	27 (10)	10 (5)

Note: The above includes one director who was a Supervisory Committee Member and retired during the fiscal year ended March 2022.

Total amount, etc., of consolidated compensation, etc., of internal directors who are not Supervisory Committee Members

Name	Position	Total amount of compensation, etc. (Million yen)	Total amount of compensation, etc., by compensation type (Million yen)			
			Basic compensation	Bonus (Short-term incentive compensation)	Share-based compensation	Fixed mid- to long-term incentive compensation
Masamichi Mizuta	Director and Chairperson	81	55	11	10	4
Takao Wada	Representative Director, President and CEO	107	65	15	21	5
Hirotohi Takahashi	Representative Director and Deputy President	98	60	12	20	4

Overview of the Executive Compensation system

	Positioning	Eligible director	Evaluation measures	Provision method
Basic compensation	Fixed compensation	Directors		Payment of fixed monthly compensation set by position
Bonus	Short-term incentive compensation	Directors who are not Supervisory Committee Members (excluding Independent Directors)	<ul style="list-style-type: none"> 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) 	A short-term incentive paid depending on the level of performance milestone achieved towards the Mid-term Management Plan Varies between 0% and 200%
Share-based compensation	Performance-linked mid- to long-term incentive compensation	Directors who are not Supervisory Committee Members (excluding Independent Directors)	<ul style="list-style-type: none"> Financial measures Evaluated in accordance with the levels of achievement of (1) consolidated net sales, (2) consolidated operating profit, (3) TSR and (4) ROIC Non-financial measures Evaluated in accordance with the levels of achievement of (1) the employee engagement index, (2) the percentage of women in managerial positions, (3) ratio of investment in technology and (4) ESG rating 	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%
	Fixed mid- to long-term incentive compensation	Directors		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.

In addition, the PERSOL Group has verbalized its image of the ideal leadership required of Group Senior Executives in the PERSOL Leadership Competency. Assessments based on this competency are conducted to visualize human resources and utilized to formulate succession plans, transfer personnel and develop human resources.

By overseeing the Representative Director, President and CEO and Group Senior Executives, while providing appropriate support and advice, the Board will aim to increase the Group's corporate value over the mid to long term through sustainable growth.

Corporate Governance Committee

Number of members	5 (3 Independent Directors, 2 internal directors)
Number of meetings held in the fiscal year ended March 2022	8



Masaki Yamauchi

Independent Director
Chairperson of the Corporate Governance Committee

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

Composition and roles of the committee

The Corporate Governance Committee was established in July 2021 as an advisory body to the Board to enhance the Board's oversight functions by discussing matters regarding the Company's corporate governance.

The committee must have at least three members. The Company stipulated that Independent Directors must make up the majority of the committee and that the committee will also elect the Chairperson from members who are Independent Directors.

In the period under review, the committee comprised five members, including two internal directors (Masamichi Mizuta and Daisuke Hayashi) and three Independent Directors (Ryosuke Tamakoshi, Masaki Yamauchi, and Kazuhiko Tomoda) and Masaki Yamauchi chaired the committee.

Upon the request of the Board, the Corporate Governance Committee primarily considered the following matters and submitted reports and recommendations to the Board.

1. Basic policy regarding corporate governance
2. Composition of the Board and committees under the Board
3. Measures to improve the effectiveness of the Board
4. Basic policy regarding effectiveness evaluation of the Board and committees under the Board

Major activities

In principle, the Corporate Governance Committee convenes at least four times a year, and the fiscal year ended in March 2022 met eight times.

The committee has been operating under the policy of deliberating on various issues and measures that will improve the effectiveness of the Company's corporate governance by considering compliance with the Corporate Governance Code revised in June 2021 and offering recommendations to the Board.

The primary activities of the Corporate Governance Committee in the fiscal year that ended in March 2022 were as follows:

1. Basic policy regarding corporate governance

The committee clarified the role of the Director and Chairperson and reported the results to the Board. Subsequently, it cooperated with the Nomination and Compensation Committee to establish a compensation system for the Director and Chairperson.

Additionally, it deliberated on the role of the Lead Independent Director and reported on the adoption of this framework to the Board. Subsequently, in December 2021, Ryosuke Tamakoshi was appointed the Lead Independent Director.

2. Composition of the Board and committees under the Board

The committee determined the skills required of the Company's Board based on the Board's roles and the mid- to long-term Value Creation Story and formulated the skill matrix of the Board. The committee also submitted a report to the Board on skills of the Board requiring reinforcement and, after deliberation by the Nomination and Compensation Committee, successfully chose a candidate for director.

3. Measures to improve the effectiveness of the Board

The committee received reports and deliberated on topics such as ensuring the diversity of core human resources and working on sustainability challenges required by the Corporate Governance Code, which the Tokyo Stock Exchange revised in June 2021.

4. Basic policy regarding effectiveness evaluation of the Board and committees under the Board

The committee recommended having the Chairperson of the Board interview individual directors and having members of management conduct questionnaires and engage in other activities in addition to the self-assessments and Board discussions, which have already taken place. Through these efforts, an even more objective effectiveness evaluation of the Board was made possible from multifaceted information.

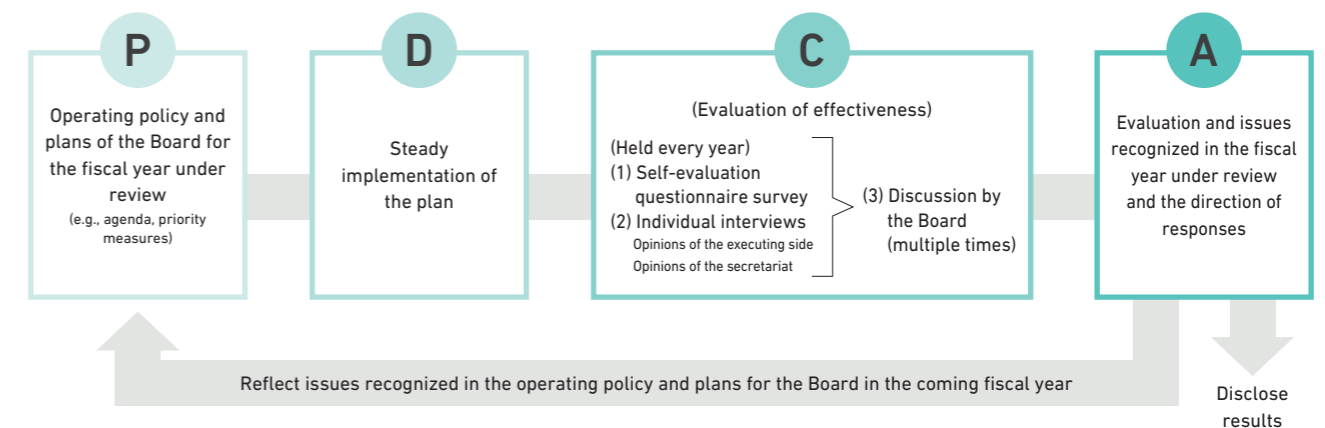
Evaluation of Effectiveness of the Board

Every year, the Company evaluates the effectiveness of the entire Board to further improve its oversight functions and discloses the evaluation method, process and an outline of the results.

In the evaluation of the effectiveness of the Board for the fiscal year ended March 2022, the Company conducted a self-

evaluation questionnaire survey of all directors, individual interviews of each director by the Chairperson of the Board and a questionnaire survey of senior executives who are being supervised. At two meetings, the Board discussed issues recognized from the results and then produced the final evaluation.

Process of evaluation of the effectiveness of the Board



Results of evaluation of effectiveness of the Board (Overview)

As a result of multiple discussions at the Board meetings based on the analysis results, the Board of the Company confirmed that its effectiveness 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 points at issue at Board meetings. Further, it was confirmed that the effectiveness of the Board has

been improving given the appropriate implementation of initiatives addressing issues recognized in the fiscal year ended March 2021 and other factors. At the same time, the Board confirmed issues to be addressed in the future to further demonstrate the oversight function by the Board.

The Board of the Company will take into account these evaluation results, continue to improve its effectiveness and promote implementation of the PDCA cycle for governance reforms to realize 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 2021		Issues to be addressed in the future	
Discussion of the fundamental management policy	<ul style="list-style-type: none"> The Board received reports on human resource development policy for ensuring diversity in human resources, sustainability issues including climate change, and the concept of the business domain, among other topics, deliberated on them, and advanced discussions about the basic management policy. 	Setting forth crucial agenda items to be given priority in discussions at Board meetings	<ul style="list-style-type: none"> The need for discussions of mid- to long-term strategies like sustainability and companywide strategies (resource allocation for the business portfolio and others, capital policies, and other items), and the need to further clarify goals to aim for in the Mid-term Management Plan and to conduct appropriate monitoring Discussion of management issues, keeping in mind a consistent story that leads to the Group Vision "Work, and Smile"
Appropriate monitoring of the Mid-term Management Plan	<ul style="list-style-type: none"> Monitored progress every quarter using the Mid-term Management Plan and key performance indicators (KPIs) Recognized issues for further improvement in better clarification of goals and sophistication of monitoring methods 	Composition of the Board	<ul style="list-style-type: none"> Consider gender and internationality to ensure diversity of perspectives reflecting the external environment while maintaining the current Board size Ensure opportunities for a better understanding of potential successor candidates for the Board and senior executives
Continuous initiatives for securing sufficient deliberation time for crucial agenda items	<ul style="list-style-type: none"> Promoted the vitalization of deliberations at Board meetings through prior dissemination of meeting materials and preliminary briefings Implemented sessions between Representative Directors and Independent Directors and sessions among just Independent Directors for sharing awareness regarding important management issues 	Allocation of time to crucial agenda items and the concept of meeting management for generating high-quality discussions	<ul style="list-style-type: none"> Secure deliberation time for crucial agenda items with focused discussions and enhanced individual briefings Simplify explanations of agenda items in meetings to share information

Risk Management



Naho Kan

General Manager,
Group GRC Division

Risk management of the PERSOL Group

To realize the Group Vision of "Work, and Smile," I believe that the PERSOL Group needs to continue earning the trust of its customers while providing value to society. Risk management activities are indispensable for achieving these goals, and the Group as a whole is engaged in initiatives for that under the commitment of the Representative Director, President and CEO and other senior executives.

We have engaged in initiatives addressing risks such as information leaks and privacy invasions, in light of the Group's handling massive volumes of information of customers and employees, etc., as one of the Group Significant Risks with a particularly significant impact on the Group as a whole. However, amid the unprecedented speed at which changes are taking place in the environment surrounding the Group, the accompanying risks are also changing at lightning speed. Accordingly, for the fiscal year ending March 2023, we have revised our risk scenario in light of these changes to the environment, identified new

risks from the standpoint of social issues and added risks associated with human rights violations to the Group Significant Risks, in response to expectations for the Group to make further contributions as a company offering human resource services.

Going forward, to contribute to realizing a society in which all work inevitably results in smiles, we will make a concerted effort through these risk management activities to enable the PERSOL Group to earn the trust of all our stakeholders, including our customers, and allow them to use our services with peace of mind.

The basic approach to risk management

The PERSOL Group positions risk management activities as essential for keeping losses and damages to a minimum when risks materialize as well as for maintaining and improving the Group's corporate value. Following this approach, the PERSOL Group has established the Group Risk Management Regulations to identify risks that interfere with the implementation of business strategies and to control risks by taking suitable measures. The PERSOL Group has also established the Group Crisis Management Regulations to respond promptly and appropriately when risks materialize.

Meanwhile, given that there is no right answer to the risk management method, we believe it is essential to constantly optimize it in accordance with our corporate culture, management strategy, governance structure, and others. We will continue to review it to ensure that it is optimal for our customers, business partners, employees, shareholders, and all other stakeholders.

Risk management structure

With the transition to the SBU (Strategic Business Unit) structure in April 2020, we adopted the three-line model for risk management, based on the idea that "the first line is the owner of business risk management."

■ Concept of the three-line model of the PERSOL Group

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

■ Overview of the PERSOL Group risk management structure



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

■ Classification of risk and Policy for Risk Management

Classification of risk	Policy for Risk Management
Group-wide risk	Each functional division of PERSOL HOLDINGS manages risks where uniform risk measures across the PERSOL Group would be effective.
SBU-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.

Especially regarding the Second line, risk management departments were set up, upon the establishment of the Policy for Risk Management according to the content and nature of the risk. The risk management status of the Second line is reported to the Group risk management division within PERSOL HOLDINGS and the Risk Management Committee, as described below.

Risk Management Committee

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

The committee is convened every quarter with members including the Representative Director, President and CEO, Group Senior Executives and SBU Internal Control Promotion Managers. At each meeting, in addition to deliberations on significant risks, the status of risk management by the functional divisions of PERSOL HOLDINGS and the SBUs is monitored.

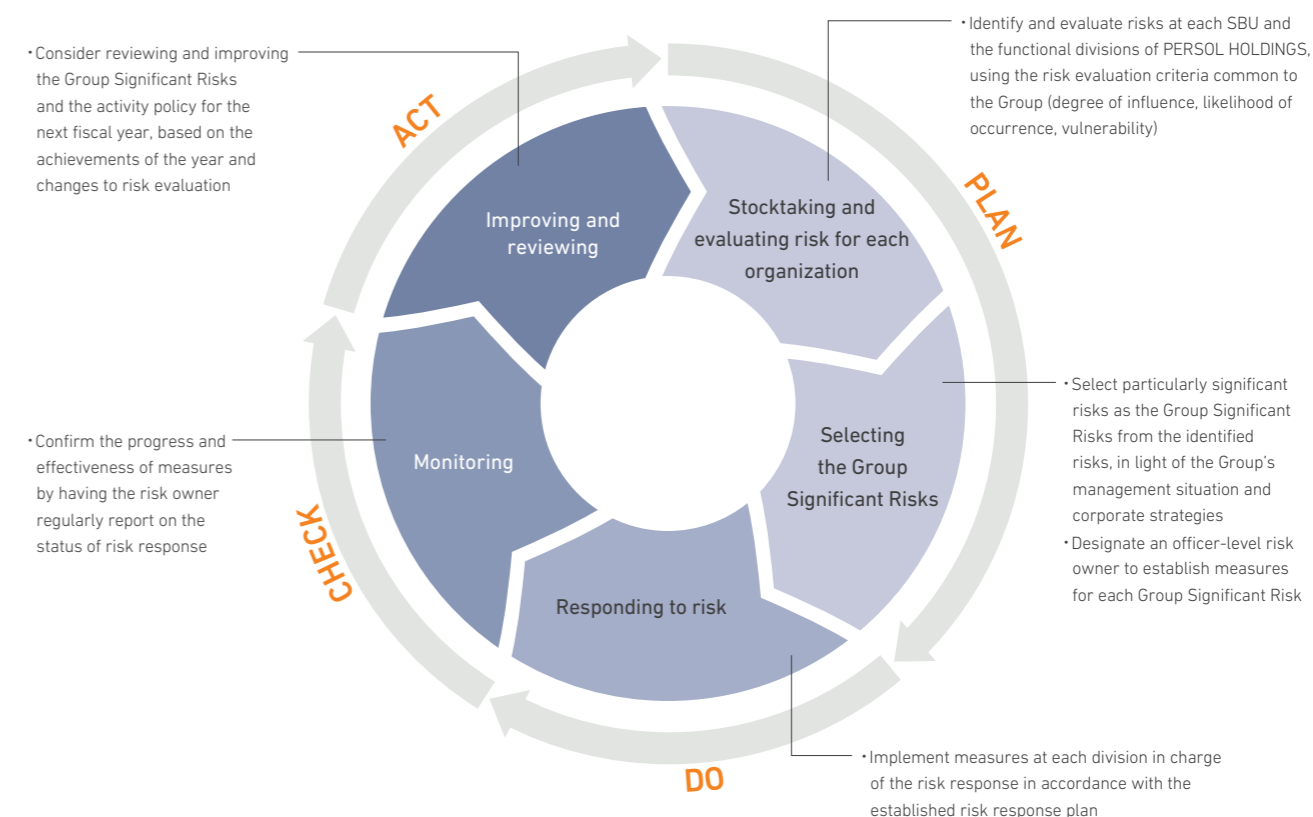
The management process for the Group Significant Risks

Among the Group's risks, those that are particularly significant are selected as the Group Significant Risks, in light of the Group's management situation and corporate strategies. Regarding these risks, we preferentially allocate resources as management issues and conduct monitoring at the Risk Management Committee and the Board.

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

In addition, the framework allows for continuous improvement by confirming the progress and effectiveness of risk responses at the Risk Management Committee and the Board and by implementing the PDCA cycle to consider improvement and review of the status annually.

■ PDCA cycle of the Management of Group Significant Risks



Group Significant Risks for the fiscal year ending March 2023 were selected, as indicated in the table below, and we are working to strengthen measures led by the risk owners against each Group Significant Risk.

Among the selected Group Significant Risks, "risks

associated with climate change" and "risks associated with human rights violations" are considered not only risks for the PERSOL Group but also important issues for the Group. We are making efforts to contribute to resolving these social issues through our business.

■ Overview of Group Significant Risks for the fiscal year ending March 2023

Significant risks	Details of risks	Reasons for selection	Status of measures against risks	Risk owners
IT-related risks (personal information leaks, system failures, etc.)	[Personal information leaks] • Information leaks due to external attacks (cyberattacks) • Information leaks due to internal fraud/negligence	The PERSOL Group possesses and handles a large amount of personal information regarding registered staff, temporary staff, job seekers, client companies, employees and other related parties, and the social impact of a leak would be massive.	<ul style="list-style-type: none"> Implement security measures for the Group's networks and systems Strengthen the capabilities for responding to security incidents within the Group by establishing a CSIRT (PERSOL-SIRT) for the PERSOL Group Implement security education and targeted e-mail attack response training for employees Establish groupwide security rules and monitor compliance with them Confirm the security levels of external services and contractors (at the conclusion of the contract and periodically review them) 	CIO/CDO
	[System failures] • Delays and suspension of services provided by the PERSOL Group and main functions due to a system failure	The Group's businesses greatly depend on computer systems and their networks, and the impact on business of a system failure would be massive.	<ul style="list-style-type: none"> Establish a structure and a reporting flow for a system failure Bolster telecommunication lines and hardware 	CIO/CDO
Risks associated with investment for company acquisition	<ul style="list-style-type: none"> Reappraisal of affiliated companies' shares or impairment of goodwill, etc. Failure to obtain the expected return on invested capital 	The PERSOL Group has achieved growth through company acquisition and business collaboration, and intends to increase its corporate value through similar methods in the future.	<ul style="list-style-type: none"> Establish the Investment Committee to deliberate important matters relating to the Group's overall investments Monitor the progress of past investments as well as return on investment and report to the HMC 	CFO
Privacy invasion risk	<ul style="list-style-type: none"> Administrative punishment, litigation and troubles or criticism on social media from mishandled personal information Increase in service user defection and deterioration of the corporate image due to disadvantages to or mistrust of the data provider 	While increased utilization of personal data is expected from the standpoint of enhancing the convenience of services and the PERSOL Group's growth strategies, the risk of disadvantages to data providers due to factors such as the development of AI is increasing in society.	<ul style="list-style-type: none"> Establish the Personal Data Utilization Council to deliberate privacy policies and measures of the Group as a whole Develop a prescreening process from a privacy perspective when planning new services and measures 	CSO
Business continuity risk in emergencies such as natural disasters	• In the event of a natural disaster such as an earthquake or a pandemic, the Company might suspend its business to ensure the safety of its employees, because of restrictions on their activities or because of damage to the Company's assets.	The damage from risks associated with natural disasters is intensifying each year due to climate change. Also, multiple and synchronized natural disasters should be anticipated.	<ul style="list-style-type: none"> Strengthen the functions of the Emergency Response Headquarter Automate grasp of the disaster situation Formulate BCP and continuously implement review and improvement Verify effectiveness of BCM by periodically conducting training 	CEO
Risks associated with climate change	• Rising temperatures due to greenhouse gases, which adversely affect the PERSOL Group's businesses and financially impact the Group due to increased costs	To realize a sustainable society where everyone can work safely and securely	<ul style="list-style-type: none"> Declare intention to become carbon neutral by 2030 Deliberate next measures to reduce emissions toward becoming carbon neutral <ul style="list-style-type: none"> Promote activities to conserve energy and resources at offices Switch to EV/HV Switch to renewable energy, etc. 	CHRO
Risks associated with human rights violations	• Cases of human rights violation occurs in the PERSOL Group, which provides human resource services, leading to administrative penalties in each country and damage to the social credibility and brand image of the PERSOL Group.	Addressing this risk is essential for realizing the Group Vision "Work, and Smile," and the social impact of a human rights violation would be massive due to the Group's business characteristics.	The following preparations to establish a framework are planned: <ol style="list-style-type: none"> Formulate a human rights policy Conduct human rights due diligence Establish grievance mechanisms, etc. 	CEO

Actions Taken to Reduce the Risk of Privacy Infringement

Basic Policy on the Use of Personal Data

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

On the other hand, as information technology has advanced rapidly in recent years, the use of Personal Data has become more sophisticated and complex. As a result, the risk of personal privacy issues (including human rights violations such as discrimination) becoming public (hereinafter referred to as "Risk of Privacy Infringement") is higher than ever unprecedentedly.

To handle this Risk of Privacy Infringement, the PERSOL Group has built a management system and review process. In addition to that, the PERSOL Group has also established privacy policies and explanation pages of these privacy policies

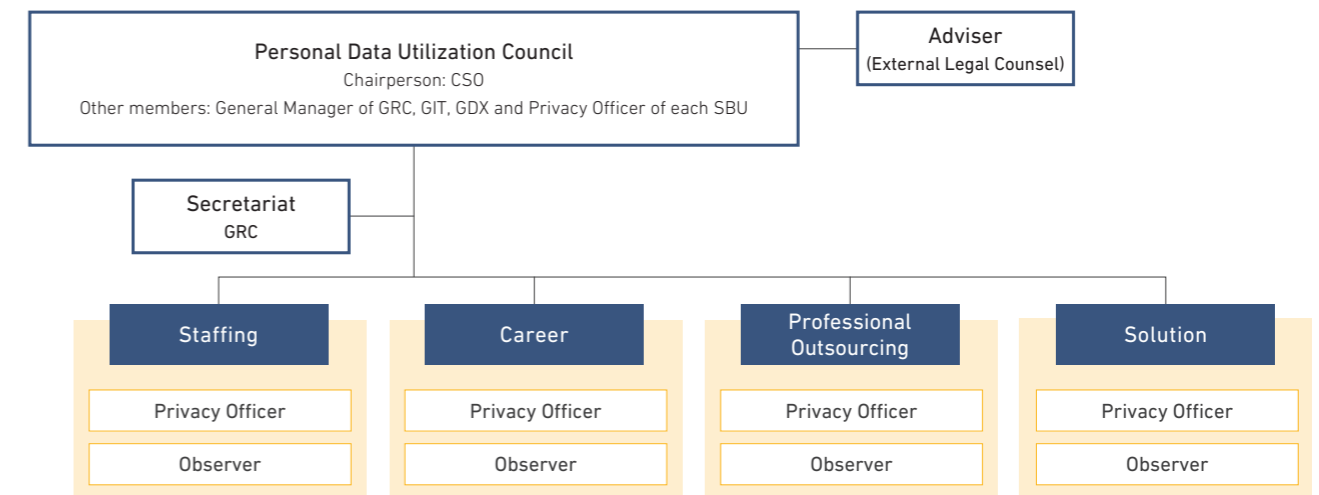
(including our services) to simply and plainly explain the data acquired (and its use) to ensure stakeholders' security in its acquisition and use of personal data.

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

Management System for the Risk of Privacy Infringement

The PERSOL Group has established the "Personal Data Utilization Council" to examine the appropriate use of Personal Data across the PERSOL Group and manage the Risk of Privacy Infringement. The Council deliberates on (1) policies and rules governing the use of Personal Data; (2) policies for addressing use of Personal Data which could be attributed to the significant Risk of Privacy Infringement; and (3) factors to take into consideration for the proper management of the Risk of Privacy Infringement.

■ Management System for the Use of Personal Data



Establishment and Operation of the Privacy Review Process

The PERSOL Group has established a system to assess the impact of new performing services under contract or new measures involving the use of Personal Data before implementation. During this process, specialized departments in legal affairs and information management

conduct examination processes (involving data from various perspectives) to determine the negative impact of the use of Personal Data on stakeholders, predictability, and scope of data usage and acquisition. In order to meet and exceed the trust and expectations from society at large, we consider the implementation and privacy protection measures to be feasible.

Crisis Management

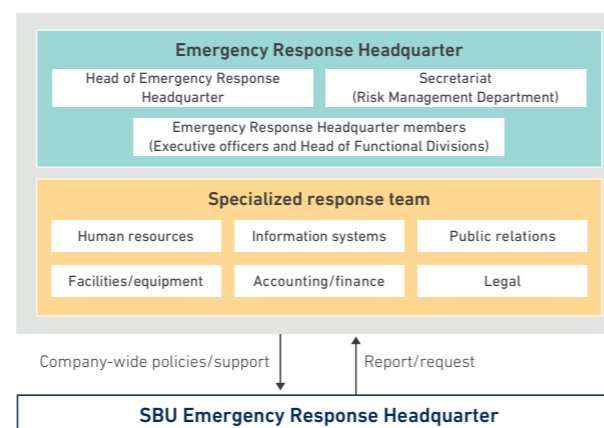
Initiatives for crisis management

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

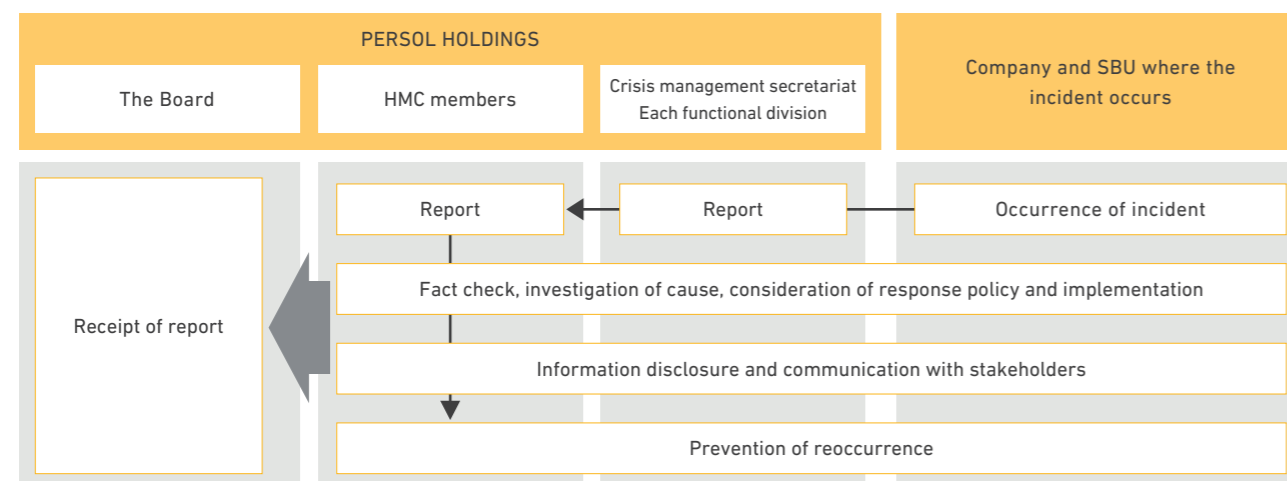
Specifically, if an incident such as a large-scale natural disaster, compliance violation or cyberattack occurs and is deemed a crisis (and in cases where such incidents deemed so might occur), the department in charge of the incident promptly shares the information with the HMC members and the department in charge of risk management of PERSOL HOLDINGS, and they make a timely and appropriate response, according to the type of incident and its impact. If the Representative Director, President and CEO of PERSOL HOLDINGS determines that the incident is a particularly major crisis, the Emergency Response Headquarter is established at PERSOL HOLDINGS to pursue a groupwide response, while

appropriately disclosing information to customers, relevant agencies, ministries and others involved.

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



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



Initiatives related to business continuity, etc.

The PERSOL Group sets ensuring the safety of our employees and temporary staff, as well as the payment of their salaries, as our most important tasks. The Group is working on establishing systems for collecting information by utilizing IT, including introducing a safety confirmation system in anticipation of a massive earthquake such as a Tokyo inland earthquake or Great Nankai Trough earthquake, and another system that automatically identifies offices very likely to be affected in a large-scale natural 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 natural disaster and a pandemic, while conducting regular drills, to help employees and temporary staff maintain their livelihoods even in a crisis.

Furthermore, the PERSOL Group is making efforts to reinforce safety measures for employees in Japan and the

Asia-Pacific region. We have always had safety measures in place, including safety confirmation rules, but in response to the recent escalation in international tension, we are currently working to further improve safety measures that assume the possibility of war and terrorism, carry out training and formulate evacuation rules to maintain the safety and protect the health of local employees, expatriates and those traveling abroad on business.

Response to COVID-19

During the COVID-19 pandemic, we have continued our business activities under the basic policy of giving top priority to the safety and health of all our stakeholders. On the basis of this policy, we are also cooperating with relevant organizations to implement measures needed to prevent infections and the spread of infections.

Compliance

The basic approach to compliance

The PERSOL Group views compliance as meeting the demands and expectations of society and conducting business activities with integrity. 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.

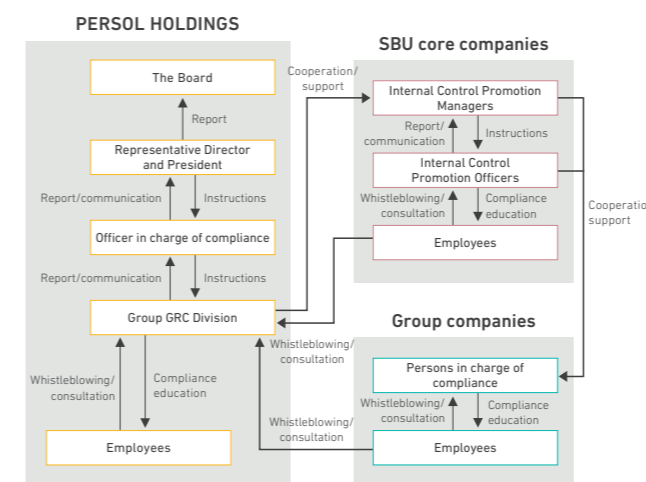
PERSOL Group Code of Conduct

https://www.persol-group.co.jp/en/corporate/governance/code_of_conduct.html

Compliance promotion structure

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

In addition, the SBU Internal Control Promotion Managers and Officers, 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 in Japan and overseas as a guide to clarify how employees should act from the perspective of corporate ethics and compliance, and made all our employees aware of its content. The Handbook includes the entire text of the PERSOL Group Code of Conduct and is used for raising compliance awareness.

Compliance training

In addition to providing regular compliance training to all Group employees in Japan and overseas, we also conduct education and training programs at each Group company that are tailored to each business and each region to raise

awareness of compliance.

The compliance training for all employees in Japan in the fiscal year ended March 2022 focused on education on Group compliance and information security. Among 30,564 individuals eligible for the training, the completion rate within the three-month training period was 99.5%.

PERSOL Group compliance training (in Japan)

Name	Details	Scope	Results for fiscal year ended March 2022
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: 30,412
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: 968
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: 666 Number of times conducted: Twice each, upon appointment and six months later

At the overseas Group companies, we also conducted compliance training on such topics as compliance, the prevention of bribery and information security for all employees.

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 Division 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 promotion activities.

Whistleblowing system

In Japan, the PERSOL Group has established the Corporate Ethics Hotline contact point at a specialized external organization to receive whistleblowing from employees about activities that might constitute a violation of laws and regulations, while overseas we have established whistleblowing 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.

In the fiscal year ended March 2022, for the Group companies in Japan, the recognition rate of the whistleblowing contact points stood at 86%, and the number of whistleblowing reports was 125.

Corporate Profile/Stock Information

Corporate Profile	
Company Name	PERSOL HOLDINGS CO., LTD.
Established	October 1, 2008
Head Office	1-15-5 Minami-Aoyama, Minato-ku, Tokyo 107-0062, Japan
Registered Office	2-1-1 Yoyogi, Shibuya-ku, Tokyo 151-0053, Japan
URL	https://www.persol-group.co.jp/
Consolidated Employees	60,675 (As of March 31, 2022) * Full-time employees—54,458 (includes employees working at group companies. Employees assigned to work at non-group companies not included.) Contingent employees (including temporary and part-time employees)—6,217 annual average.
Number of Group Companies	136 (41 domestic, 95 overseas) (As of September 1, 2022)
Number of Group Bases	629 (469 domestic, 160 overseas) (As of February 2022)
Capital	17,479 million yen (As of March 31, 2022)
Stock Information	
Stock Code	2181
Stock Exchange	Tokyo Stock Exchange, Prime Market
Fiscal Year-End	March 31
Base Dates	Shareholders' Meeting date: March 31 Year-end dividend record date: March 31 Interim dividend record date: September 30
Trading Unit	100
General Meeting of Shareholders	June
Shareholder Register Administrator Special Account Management Institution	Mitsubishi UFJ Trust and Banking Corporation
Public Notice Method	Electronic public notice Notification URL: https://www.persol-group.co.jp/ (In case electronic notification is unavailable due to technical difficulties or other problems, the company will notify via The Nihon Keizai Shimbun.)

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 2022 (April 1, 2021 to March 31, 2022). 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.



2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)



MSCI Japan Empowering Women Index (WIN)

(PERSOL HOLDINGS)

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

Excellent Temporary Work Agencies

(PERSOL TEMPSTAFF)

The company was 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.

2022 Certified Health & Productivity Management Outstanding Organizations (Large Enterprise Category)

(PERSOL TEMPSTAFF, PERSOL FIELD STAFF and PERSOL WORKS DESIGN)

The companies were selected as 2022 Certified Health & Productivity Management Outstanding Organizations (Large Enterprise Category) as examples of particularly exceptional companies in implementing initiatives to promote health and productivity management.

2021 PRIDE Index

(PERSOL CHALLENGE)

The company was judged to have met all requirements in the index for establishing an LGBT-inclusive work environment and was awarded a gold rating for the second consecutive year.

Special Award in the Company Category of the Forbes JAPAN WOMEN AWARD 2021

(PERSOL CAREER)

Among the companies that continuously produce women leaders and professionals, the company was given a Special Award in the Company Category for achieving the highest rate of growth of all companies in the action indicators.

Highest-level company certification of Eruboshi

(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.

"Most Liked!" IR Award

(PERSOL HOLDINGS)

PERSOL HOLDINGS was selected as a company committed to "IR activities that contribute to sustainability" with the aim of improving information disclosure and dialogue about sustainability-related matters.

Sports Yell Company 2022

(PERSOL Group)

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

Great Place to Work (GPTW)

(PERSOL CAREER)

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.

HDI Certified Support Center

(PERSOL WORKS DESIGN)

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

Notes on Forward-Looking Statements

The information published in this report includes current plans, strategies and forward-looking statements of the PERSOL Group. These statements are based on currently available information, and are deemed by the PERSOL Group to be rational at the present time. However, these statements include inherent risks and uncertain factors, including economic trends, fierce competition in the industry, market demand, foreign exchange rates, taxes and regulations.

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

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

Photo Used on the Cover

The logo was created with mosaic art decorated with the wonderful smiles of PERSOL Group employees.

