

## FY2024 Evaluation of Effectiveness of the Board

PERSOL HOLDINGS CO., LTD.

### 1. Implementation Method

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

For the evaluation of the effectiveness of the Board in FY2024, we used the insights generated from the external evaluation conducted in FY2022 using a third-party evaluator. This evaluation involved a self-evaluation questionnaire targeting all directors, individual interviews with each director conducted by the Chairman of the Board, and a questionnaire distributed to the executive officers under its oversight. The results of these processes served as a basis for two rounds of discussions within the Board, where we identified issues to be addressed and deliberated on potential solutions. Following these discussions, we compiled the final evaluation results.

### 2. Evaluation Method and Process

- (1) The method and schedule of effectiveness evaluation were considered, and then reported to and deliberated by the board. (January 2025)
- (2) A self-assessment questionnaire was prepared, and a survey was conducted among all directors using this questionnaire. (January and February 2025)

[Major items of the questionnaire for directors]

- (i) Evaluation of overall board performance (alignment in understanding of roles and functions; KPIs, granularity, and details of monitoring)
  - (ii) Composition of the board (number of board members; roles of independent directors; diversity; procedure for nomination of independent directors)
  - (iii) Operation of board meetings (frequency of meetings; deliberation time; allocation of time; scope and volume of agenda items)
  - (iv) Systems supporting the board (provision of information; inquiries; training)
  - (v) Culture and communication within the board (culture open to discussion and opinions; communication among directors and between directors and senior executives)
  - (vi) Board's discussion and oversight function (strategic debate; support for risk-taking; appropriateness of the nomination; compensation of executive officers and scrutinizing the statements and actions of oneself and other Board members)
  - (vii) Operation of committees (roles and composition of the three board committees, i.e., the Audit and Supervisory, Nomination and Compensation, and Corporate Governance
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Committees)

- (viii) Relationship with investors and shareholders (provision of information on the status of dialogue; supervision of the system for promoting dialogue)
  - (ix) Other (optional comments)
  - (x) Adequacy gap between the degree of importance of agenda items and the volume of discussion dedicated to them
- (3) We conducted a questionnaire survey among the executive officers under oversight. (January and February 2025)
- [Major items of the questionnaire for executive officers]
- (i) Board's oversight function (strategic debate; KPIs, granularity, and details of monitoring; support for risk-taking)
- (4) The Chairperson of the Board conducted interview with all directors and some executive officers, exchanging views on the overall operational performance of the board and issues that need to be addressed. A trial was also conducted to provide feedback to individual directors based on the content of the self-assessment questionnaire. (February 2025)
- (5) We reported the results of the questionnaire, interviews by the Chairperson of the Board, and key issues based on these results to the Board. The Board deliberated the evaluation of the outcome of efforts regarding the issues recognized in fiscal year 2023 and the issues subject to future consideration. (February 2025)
- (6) Taking into account the deliberation results of the issues subject to future consideration, the Board deliberated the issues it recognized and the direction of responses to them. (April 2025)
- (7) We put together the results of deliberations so far, reported them to the Board, and the evaluation by the Board was finalized. (May 2025)

### 3. Evaluation Results

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

In addition, in fiscal 2024, we achieved the highest rating of “AAA” in the MSCI ESG Ratings, a global benchmark for ESG investing, and received the “Tokyo Governor Prize” at the “Corporate Governance of the Year® 2024” hosted by the Japan Association of Corporate Directors. These external acknowledgments of our corporate governance further reinforce our belief that the effectiveness of the Board is well-established.

Additionally, the Board confirmed that proper efforts to address issues identified in the FY2022

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effectiveness evaluation have improved its effectiveness. The Board also recognized future challenges that need to be addressed to further enhance its oversight function.

**(1) Progress in initiatives to address the issues identified in FY2023 board effectiveness evaluation**

**(i) Clarification of growth strategies that contribute to improving corporate value and constructive dialogue with shareholders and investors**

The Board has initiated discussions aimed at fostering a growth-oriented management approach by establishing an agenda that emphasizes long-term business portfolio strategies, initiatives in generative AI, and growth strategy themes that enhance corporate value, including “Career Well-being.” Furthermore, feedback regarding the Company’s growth narrative, gathered through constructive dialogue with a diverse range of shareholders and investors, is consistently communicated by the management team to the Board. This practice fosters a positive cycle conducive to further management advancement.

Through this process, we have identified opportunities for improvement based on the specifics of our business portfolio in alignment with our medium- to long-term vision of our desired future state.

**(ii) Appropriate oversight of business strategy (oversight for risks and opportunities)**

The management team has increased the frequency of reports to the Board regarding the status of risk management. On a quarterly basis, the Board reviews the progress of various initiatives aimed at enhancing the Company’s corporate value, as well as the status of the medium-term management plan. Additionally, discussions surrounding individual business investments have significantly aided in the discussion of risk tolerance.

Through these discussions, we have come to understand that to create and implement growth strategies that account for future developments, it is essential not only to avoid losses but also to take sound risks. Consequently, it is crucial to bolster and oversee our risk management system within a framework that incorporates risk appetite.

**(iii) Continuous improvement of the Board’s operation**

By appropriately utilizing preliminary briefings and board meetings, we minimized the need for explanations during board meetings, allowing us to focus more on discussion. This approach led to both more in-depth conversations and improved meeting efficiency. Additionally, ongoing enhancements in the quantity and quality of meeting materials, along with the implementation of an online simultaneous interpretation system, have further boosted the efficiency and effectiveness of our meetings. Given the limited time available, we understand that for the Board to engage in more productive discussions aimed at enhancing corporate value, it is essential to prepare meeting materials that clearly and concisely outline the issues for discussion. We are committed to continuously improving meeting management.

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**(2) Issues recognized in the FY2024 effectiveness evaluation of the Board and direction of future efforts**

- (i) Discussion of growth strategies and business portfolios based on the Company's medium- to long-term vision of where it wants to be, and enhancing risk management

We confirmed the necessity of envisioning the medium- to long-term future of the Company and sharing this vision among the Board and management team to enhance the Company's corporate value. Accordingly, it was determined that the Board needs to discuss specific growth strategies and business portfolios that align with the Company's medium- to long-term vision. We also recognized that developing and implementing future growth strategies requires a framework for talking about prudent risk-taking. It is also important to enhance our risk management system by incorporating a framework that defines our risk appetite.

- (ii) Appropriate monitoring of strategy implementation

We recognize that for the Board to effectively oversee the execution of growth strategies by the management team, it is essential to enhance mutual understanding among directors and between the Board and the management team regarding the scope and level of oversight. Therefore, we have determined that accurately assessing the status of growth strategy execution is crucial. In instances where discrepancies arise between plans and results, it is important to analyze the causes and implement additional measures as needed to achieve the Company's mid- to long-term vision.

- (iii) Continuous improvement of the Board's operation

We acknowledge that the continuous improvement of the Board's operations—through enhancements to meeting materials and infrastructure—is crucial for facilitating in-depth discussions that aim to enhance corporate value. Additionally, we understand the importance of fostering a more profound understanding of the business by providing outside directors with opportunities to visit business sites as a prerequisite for meaningful discussions.

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

End

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