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Last updated: December 20, 2021

PERSOL HOLDINGS CO., LTD.

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The status of corporate governance at PERSOL HOLDINGS CO., LTD. is as follows:

I. Basic approach to corporate governance, capital structure, corporate attributes, and other basic information

1. Basic Approach

<Corporate Philosophy>

Providing Opportunity, Individual Growth and Social Contribution

<Group Vision>

Work, and Smile

<Five Core Principles>

Authentic (Respond every issue sincerely)

Customer-Focus (Always be a reliable partner and strive to go beyond our customer's expectations)

Professional (Have high spirit and keep on shining)

Teamwork (Respect the diversity and maximize the achievement of organizations)

Innovative (Think, Act and Joy in changing)

PERSOL HOLDINGS CO., LTD. (hereinafter referred to as "the Company") establishes the basic management policy and the corporate strategies of the entire group with the aim of realizing its corporate philosophy. 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.

Based on this Basic Approach, the Company established the "Corporate Governance Guideline".

This Corporate Governance Guideline lays out the principles and desirable state of corporate governance of the Company 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 Company and its group companies) 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.

The Corporate Governance Guideline is posted on our website:

https://www.persol-group.co.jp/en/images/corporate/governance/corporate_governance_guideline_en.pdf

[Reasons for not putting each principle of the Corporate Governance Code into practice]

The Company has applied each of the basic principles of the Corporate Governance Code.

[Releases based on Corporate Governance Code principles]

● Cross-Shareholdings (Principle 1.4)

1. Basic Policy Regarding Cross-Shareholdings

From the perspective of avoiding risk from share price fluctuations and improving capital efficiency, the Company does not hold listed shares except in cases where it is necessary for business or financial transactional relationships with the investee or collaboration with the Company.

2. Basic Policy/Standards of Verification

The Board periodically verifies the appropriateness of holding individual cross-shareholdings. Following consideration of the business advantages and strategic significance in maintaining relationships, expanding transactions and creating synergies, and the general verification of whether the benefits and risks pertaining to such shareholdings correspond to the Company's cost of capital, cross-held shares judged as unnecessary to hold will be prepared for sale after taking into consideration the status of the cross-shareholders, etc.

As a result of verification, some cross-held shares deemed as unnecessary to hold has been sold.

3. Basic Policy on Exercising Voting Rights

The Company will make appropriate decisions regarding the exercise of voting rights in corporations forming cross-shareholdings by comprehensively considering whether or not the details of resolution items contribute to enhancing the value of said corporation in which shares are held, as well as the status of said corporation's corporate governance structures, and compliance systems etc.

- Related Party Transactions (Principle 1.7)
 - Competitive transactions or conflict of interest transactions by directors: to prevent a loss of profit by the Company, in accordance with Japan's Companies Act, such matters are resolved by the Board as stipulated in the Board of Regulations. Also, the regulations stipulate that the Board must be promptly notified after said transactions based on Board resolutions take place.
 - Based on the guidelines of the appropriate corporate accounting standards, the Company justifies the importance of transactions with related parties and confirms the existence of such transactions, notifies the Board, then describes in the annual securities report.

- Ensuring diversity in hiring of core human resources (Principle 2.4, Supplementary Principle 2.4.1)

PERSOL Group (hereinafter referred to as "the group"), under its Group Vision of "Work, and Smile," considers promotion of diversity as an important initiative upon aiming for the realization of a society where everyone can work and smile. The group, in January 2019, announced Diversity, Inclusion & Equality (hereinafter referred to as "DI&E"), the diversity policy of the group for realizing the vision, thereby establishing the basic concepts and set forth a policy to accept diversity of various values and leverage diversity of abilities. We will support the group members to constantly grow themselves by continuing to brush up and develop their own abilities. We provide an environment that facilitates synergy effects by improving workplace environment for all human resources and combining diversity of abilities.

The human resource development policy of the group focuses on "working individuals" and respects their diverse values. It attaches importance to all employees' continuing to grow autonomously and developing human resources who play an active part even under the present highly uncertain business environment. Under this policy, the group has been conducting DI&E literacy training (e-learning; started in May 2019; a total of about 26,000 participants) and awareness reform training for all managerial staff (started in October 2021; a total of nine sessions are planned; about 1,600 participants). It also has been offering monthly in-house events to spread DI&E to promote development of culture that accepts diverse attributes and values such as female participation, sexual minorities, and age difference (started in July 2020; held 17 times in total; about 1,200 participants).

The in-house environment development policy is to develop a workplace environment that is friendly for all employees. The group is developing such an environment by introducing a side job system that leads to growth of employees, realization of their visions, and social contributions as well as flexible working time and liberalization of dress code as a rule aimed at realizing a comfortable workplace environment, while establishing systems and offering trainings to enable employees to select workstyle that addresses their respective needs. The group also leverages telecommuting: level of its utilization differs from company to company and the company that has the highest

utilization ratio has up to 85% of its employees telecommuting. Reflecting diversification of their human resources, some of the group companies have introduced systems to enable employees to flexibly select the number of working days, hours, and place as well as leaves in order to respond to individual employees' various needs such as child rearing, nursing of elderly, seeking higher studies, studying abroad, hobby and leisure activities, community activities, social activities, and health issues.

The group also follows the approach to accept and leverage diversity in employees' promotion to management, which is the core of its business activities, and promotes personnel irrespective of the category with which the employee joined the company, their gender, or their nationality.

The ratio of female employees in management positions is about 21% for the group as a whole, compared with about 37% it aims to achieve in fiscal 2030. In September 2021, the group established Gender Diversity Committee to accelerate its concerted efforts for further promoting female participation. The group also promotes foreign employees to managerial positions based on the diversity concept irrespective of their nationality. Of about 430 foreign national employees of the group working in Japan, 15 have been promoted to managerial positions and the group intends to maintain the current level. The ratio of mid-career hires among employees in managerial positions exceeds 80% at group companies in Japan, and the group plans to maintain the current level, which is sufficient.

The group will continue to leverage viewpoints and values of its diverse human resources throughout the group thereby sustainably growing itself.

See the company website for the group's diverse human resources and its policy for human resource development.

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

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

- Functions as the Asset Owner of Company Pension Fund (Principle 2.6)

While the Company has no company pension fund system or defined benefit pension system, it has introduced an enterprise type defined contribution pension system for asset formation of employees. Educational training concerning the system and asset formation is offered to qualified employees.

- Fullness of Information Disclosures (Principle 3.1, 2.1, 2.2)

1. PERSOL Group 's aims (corporate philosophy etc.), business strategy, & business plans

We recognize the increasing social expectations and responsibilities for our Group in a rapidly changing work environment associated with longer careers due to the advent of 100-year lifespans and work style changes stemming from advances in technology and artificial intelligence.

Under these circumstances, to fulfill our Group Vision, “Work, and Smile,” we have designed a cycle of corporate activities and social contributions, which forms a value creation story looking ahead to 2030.

We will determine our commitments to a changing society, refine the sources of value creation we have amassed, and use these to drive growth in our business activities.

As a consequence, we will enhance both our social and economic values to create new value. At the same time, we will contribute to achievement of SDGs (Sustainable Development Goals) adopted by the United Nations.

The focus of our Group Mid-term Management Plan 2023, which covers the first three years leading to 2030, is on refining our businesses and reinforcing our management base with a view to further growth. By fulfilling our “Work, and Smile” vision, we will provide value to society. Details on our Medium-term Management Plan is posted on our website:

<https://www.persol-group.co.jp/en/ir/strategy/index.html>

Corporate Philosophy is described in I.1 “Basic Approach” of this report.

2. Fundamental approach to corporate governance and basic policies according to each of the respective principles of this code

Described in I.1 “Basic Approach” of this report.

3. Policy and procedure related to decisions regarding compensation of the Group Senior Management/Directors made by the Board

Described in “Disclosure of decision-making policy on compensation amounts and calculation methods” under II.1.

4. Policies and procedures when appointing/dismissing the Group Senior Management members and in nominations of Director candidates by the Board.

As stated in “Chapter 5. Composition of the Board (5.2. Nomination of Directors)” of the Corporate Governance Guideline.

With respect to dismissal, in the event that a fraudulent act, breach of trust and other acts that may cause doubts corresponding to them in the execution of duty of a Director, the Nomination and Compensation Committee, the Supervisory Committee, and the Board will deliberate the appropriateness of submitting an agenda item concerning the dismissal of the relevant Director to the General Meeting of Shareholders.

5. The Board approaches to appointing/dismissing the Group Senior Management members and nominating Director candidates

As stated in Chapter 4. Responsibilities of Directors (4.1. Responsibilities of Directors, 4.2. Expectations of Independent Director)” and “Chapter 5. Composition of the Board (5.1. Composition of the Board, 5.2. Nomination of Directors)” of the Corporate Governance Guideline.

The reasons for nominating all Director candidates are outlined in the General Meeting of Shareholders convocation notice.

- Working for sustainability (Supplementary Principle 3.1.3)

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

<Sustainability Policy>

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

- Scope of delegation of authority to executive management (Supplementary Principle 4.1.1)

As stated in “Chapter 3 (3.1. Roles of the Board)” and “Chapter 8. Management Structure (8.1. Management Structure, 8.2. Duties of the CEO)” of the Corporate Governance Guideline.

- Plan for Cultivating a Successor to CEO (Supplementary Principle 4.1.3)

The Company discusses CEO succession plan at the Nomination and Compensation Committee, a majority of which is composed of Independent Directors, and the Board oversees progress by receiving reports from the Nomination and Compensation Committee. At the same time, the Company has set up the Nomination and Compensation Committees at the core companies of Strategic Business Unit (SBU) to discuss CEO succession plan of each company. In the Nomination and Compensation Committee, the Company oversees the implementation of the succession planning for these executives, including the succession planning for executive officer in the administrative function. Based on the above, we have constructed a system to systematically train personnel who will be responsible for future management execution in order to continuously develop our corporate value.

- Selection of CEO (Supplementary Principle 4.3.2)

Other than “Chapter 5 (5.2. Nomination of Directors)” of the Corporate Governance Guideline, the Company sets the following qualifications for CEO. The Board appoints CEO by a resolution of the Board following the advice/recommendations of the Nomination and Compensation Committee.

- (1) Possesses wide-ranging knowledge and insight for providing guidance for multiple

businesses and functions;

- (2) Is capable of acting in good faith and maintaining a good balance with all stakeholders; and
- (3) Is capable of bringing about innovations through excellent leadership towards the realization of the PERSOL Group vision.

- Dismissal of CEO (Supplementary Principle 4.3.3)

With respect to dismissal of CEO, in the event that there is an act which may cause doubts of falling under any of the following items of dismissal criteria, the Nomination/Compensation and the Board shall conduct deliberations immediately.

- (1) There is an act which may cause suspicion of fraudulent and unjust act or breach of trust;
- (2) Decided as unqualified as CEO by violations of the Companies Act and other related laws and ordinances; or
- (3) Judged that execution of duties or achievements are insufficient, and that keeping the person in the position of CEO is inappropriate.

- Selection of the Lead Independent Director (Supplementary Principle 4.8.2)

The Company selects the Lead Independent Director from among the independent directors through mutual election. As stated in “Chapter 4. Responsibilities of Directors (4.3. The role of Lead Independent Director)” of the Corporate Governance Guideline. The Lead Independent Director is Ryosuke Tamakoshi.

- Standards for judging independence and qualifications of Independent Director (Principle 4.9)

The Company has established the Independence Criteria for External Directors. In cases where outside directors do not fall under any of the following, the Company believes that such outside directors have independence from the Company.

The Independence Criteria for External Directors is posted on our website:

https://www.persol-group.co.jp/en/images/corporate/governance/en_independence_criteria_for_external_directors.pdf

- Utilization of Voluntary Mechanisms (Supplementary Principle 4.10.1)

The Company has established the Nomination and Compensation Committee and the Corporate Governance Committee as voluntary committees. As stated in “Chapter 7. Committees (7.3. Nomination and Compensation Committee and 7.4. Corporate Governance Committee)” of the Corporate Governance Guideline.

- Composition of the Board (Supplementary Principle 4.11.1)

As stated in “Chapter 5. Composition of the Board (5.1. Composition of the Board, 5.2

Nomination of Directors)" of the approach to the composition of the Board and policy and procedure for the appointment of Directors.

Combination of the Skills (knowledge, experience and capability) that the board of Directors should have based on the Mid- to Long-term Strategic Policy and the roles of the Board, and the skills that Directors possess is posted on our website:

https://www.persol-group.co.jp/en/images/corporate/governance/skills_matrix_en.pdf

- Disclosure of Directors concurrently serving in positions at other companies (Supplementary Principle 4.11.2)

The status of the Company's Directors and candidates who concurrently serve in other important positions is disclosed every year in the General Meeting of Shareholders convocation notice and the financial statements.

- Evaluation of Effectiveness of the Board (Supplementary Principle 4.11.3)

1. Implementation Method

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

In the evaluation of the effectiveness of the Board for fiscal year 2020, the Company conducted a questionnaire survey of all directors. The Board at its meetings discussed the issues recognized based on the result and self-evaluation by each director over two occasions and then produced the final evaluation.

2. Evaluation Process

(1) We considered the method of the effectiveness evaluation and its schedule, and reported them to the Board, which deliberated them (January 2021).

(2) We prepared the self-evaluation questionnaire and conducted the questionnaire survey for all directors (nine persons) (February 2021).

[Questionnaire items (major items)]

- (i) Structure of the Board (the number of the Board members, roles of independent directors, diversity, term of office, etc.)
- (ii) Operation of the Board meetings (frequency of the meetings, number of agenda items and volume of meeting materials, time for deliberation, atmosphere, etc.)
- (iii) The Board's oversight function (strategy debate, demonstration of monitoring function, consideration of appropriateness of nomination and compensation of executives, etc.)
- (iv) Support system of the Board (company information and opportunities to receive advice from external experts, training for directors, etc.)
- (v) Relationship with investors and shareholders (discussions based on evaluation by investors

and shareholders as well as level of interaction with them, etc.)

(vi) Other (comments)

(3) We put together the questionnaire survey results anonymously and reported the periodic assessment and key issues of the aggregate results to the Board. The Board deliberated the evaluation of the outcome of efforts regarding the issues recognized in fiscal year 2019 and the issues subject to future consideration (March 2021).

(4) 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 2021).

(5) We put together the results of questionnaire survey and deliberations so far, reported them to the Board, and the evaluation by the Board was finalized (May 2021).

3. Outline of the Evaluation Result

As a result of analysis of self-evaluation and multiple discussions at the Board meetings, it was confirmed that the effectiveness of the Board of the Company is ensured in terms of its structure, operations, oversight function, support system, and its relationship with investors and shareholders, as it carries out open and constructive discussions, etc., by clarifying the points at issue at the Board meetings. Further, it was confirmed that the effectiveness of the Board has been improving given the appropriate implementation of initiatives addressing the issues recognized in fiscal year 2019 and other factors.

(1) Progress in initiatives to address the issues recognized in the evaluation of effectiveness in fiscal year 2019

(i) Monitoring of the progress based on management goals and implementation plan

Taking into consideration the sense of uncertainty caused by the coronavirus pandemic, we postponed the formulation of the Mid-term Management Plan from the initially planned date. The Board discussed it over multiple meetings and confirmed it, and we disclosed the Mid-term Management Plan in August 2020. We are monitoring the progress being made every quarter based on the Mid-term Management Plan and KPIs.

(ii) Prior briefings and development of information base for further enhancement of the discussions at the Board

By providing prior briefing of the agenda items of the Board meeting to independent directors ahead of the Board meeting to clarify the points at issue of the agenda item and matters for confirmation, we promoted lively discussions at the actual meeting. Moreover, we provided tablet terminals to the independent directors and prepared an information base that enables them to access major meeting materials and also developed an environment where they can share the status of the discussions by the management.

(iii) Securing sufficient time to discuss important agenda items

We strived to prioritize important agenda items through close inspection of the items to be

submitted based on the criteria for submitting agenda items to the Board and by turning some items into written reports. We also aimed to achieve appropriate time distribution in operation of the meetings.

(2) Future challenges

(i) Discussions on the basic management policy

Drafting of the policy for sustainability challenges including securing human resource diversity and finalizing and overseeing the business portfolio are important elements of the basic management policy, and it was decided that these should be periodically discussed at the Board meetings.

(ii) Proper monitoring of the Mid-term Management Plan

Amid rapidly changing external environment, periodic oversight of the implementation status of the Mid-term Management Plan and exchange of opinions with the management is extremely important, and therefore it was decided that the oversight function including monitoring methods should be further reinforced.

(iii) Continuous efforts toward securing sufficient time for discussing important agenda items

Going forward, based on the recognition that it would be necessary for the Board to prioritize discussions on important agenda items such as those contributing to the basic management policy, it was sought to further improve the operation of the Board meeting so as to secure sufficient time for discussing important agenda items.

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

● Training policy for Directors (Supplementary principle 4.14.2)

Directors are selected from amongst individuals who possess a broad knowledge of business/finance/organizations etc. Basic information (company outline, management strategy, financial strategy, priority audit items etc.) is shared with Directors when a Director is appointed. Furthermore, opportunities are provided to Directors to deepen their views by inviting external lecturers to talk on corporate governance etc.

This will continue to occur in future.

● Policy on constructive dialogues with shareholders (Principle 5.1, Supplementary principle 5.1.1, 5.1.2)

From the perspective of sustainable growth and enhancing corporate value over the medium to long term, the Board has established "Policy for Constructive Dialogue with Shareholders and Investors," and we will actively promote dialogue with shareholders and investors.

Corporate Governance

Policy for Constructive Dialogue with Shareholders and Investors is posted on our website:

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

2. Capital

| | |
|---|-----------|
| Stock holding ratio by non-Japanese nationals | Over 30 % |
|---|-----------|

[Status of Major Shareholders]

| Name | Share Ownership (No. of shares) | Ratio (%) |
|--|------------------------------------|-----------|
| Yoshiko Shinohara | 26,331,600 | 11.36 |
| The Yoshiko Shinohara Memorial Foundation | 15,800,000 | 6.82 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 15,272,400 | 6.59 |
| Custody Bank of Japan, Ltd. (Trust Account) | 11,741,600 | 5.06 |
| JP MORGAN CHASE BANK 385632 | 10,641,719 | 4.59 |
| Kelly Services Japan, Inc. | 9,106,800 | 3.93 |
| THE CHASEE MANHATTAN BANK 385036 | 7,700,391 | 3.32 |
| JP MORGAN CHASE BANK 380072 | 6,172,402 | 2.66 |
| NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS | 5,972,279 | 2.57 |
| SSBTC CLIENT OMNIBUS ACCOUNT | 4,773,125 | 2.06 |

| | |
|---|------|
| Existence of majority shareholder (except for the parent company) | — |
| Existence of parent company | None |

Supplementary Remarks

1. Status of major shareholders as of March 31, 2021.
2. In respect to the change report pertaining to the statement of large-volume holdings that was made available for public inspection with effect on August 7, 2019, said report noted that as of July 31, 2019, FMRLLC and joint holder National Financial Services LLC held the following shares. Since the number of shares actually held as of September 30, 2019 is not validated, it is not included in the status of shareholders noted above.

Furthermore, following are details of said statement of large-volume holdings (share certificates subject to special provisions etc.).

Corporate Governance

| Name | Ownership of shares (number of shares) | Ratio (%) |
|------------------------|---|-----------|
| FMRLLC | 12,279,066 | 5.19 |
| Financial Services LLC | 300 | 0.00 |
| Total amount | 12,279,366 | 5.19 |

3. Corporate affiliations

| | |
|--|--|
| Listing exchange and market classification | Tokyo Stock Exchange 1 st Section |
| Fiscal year-end | March |
| Business type | Service |
| No. of employees at the end of the latest business year (consolidated) | Over 1,000 employees |
| Net sales at end of latest FY (consolidated) | Over JPY 1,000 billion, below JPY trillion |
| No. of consolidated subsidiaries at end of latest FY | Over 100 companies, below 300 companies |

4. Policy measures to protect minority shareholders in transactions with controlling shareholders

—

5. Other special circumstances that may have a major impact on corporate governance

—

II. Status of corporate management structures relating to decision-making, execution, and control of the Company management and other corporate governance systems

1. Matters relating to organizational composition and operations etc.

| | |
|-----------------------|------------------------------------|
| Organizational format | Company with Supervisory Committee |
|-----------------------|------------------------------------|

[Directors]

| | |
|--|--------------------------|
| Number of Directors is stipulated in the Articles of Incorporation | 15 |
| Term of Directors is stipulated in the Articles of Incorporation | 1 year |
| Chairman of Board of Directors | Chairperson of the Board |
| Number of Directors | 9 |
| Appointment status of External Directors | Appointed |
| Number of External Directors | 5 |
| Number of designated independent executives amongst the External Directors | 5 |

Relationship with the company (1)

| Name | Affiliation | Relationship with the company (*1) | | | | | | | | | | |
|--------------------|---------------------------------|------------------------------------|---|---|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f | g | h | i | J | k |
| Ryosuke Tamakoshi | Originates from another company | | | | | △ | | | | | | |
| Naohiro Nishiguchi | Originates from another company | | | | | | | | | | | |
| Masaki Yamauchi | Originates from another company | | | | | | | | | | | |
| Chisa Enomoto | Originates from another company | | | | | | | | | | | |
| Kazuhiko Tomoda | Originates from another company | | | | | | | | | | | |

※1 Items selected relating to relationship with the company

- a. Executive officer at listed company or subsidiary
- b. Executive officer or non-executive Director at parent company of listed company
- c. Executive officer at fellow subsidiary of listed company
- d. Person or executive officer of the listed company as its main customer
- e. Main customer or executive officer of the listed company
- f. Consultants, accounting specialists, and legal specialists who have obtained substantial monetary sums or other assets other than executive compensation from the listed company.
- g. Major shareholders of the listed company (if the major shareholder is a corporation, then an executive officer of this corporation)
- h. Executive officer (the individual themselves) of the client of the listed company (a client where either d, e, or f do not apply)
- i. Executive officer at a company where appointment correlates with the appointment of an External Director (only the individual themselves)
- j. Executive officer at a company to which the listed company makes donations (only the individual themselves)
- k. Other

Relationship with the company (2)

| Name | Supervisory Committee Member | Independent Director | Supplementary remarks relating to compliance items | Reason for appointment |
|-------------------|------------------------------|----------------------|--|---|
| Ryosuke Tamakoshi | | ○ | MUFG Bank, Ltd., where he holds the post of honorary advisor, extends loans to and engages in other transactions with the Company. However, the role of honorary advisor at the bank is not a role that is involved in the | The Company deems that Mr. Tamakoshi can apply his abundant and many years of experience as a manager at a financial institution and wide-range of global knowledge in the management of the Company. |

Corporate Governance

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| | | | <p>management, and he has not engaged in the execution of business for more than ten years. He therefore satisfies the requirements for an independent director stipulated by the Tokyo Stock Exchange and the standards of independence set forth by the Company, and thus, we believe his independence has been maintained.</p> | <p>Mr. Tamakoshi has also been designated as an independent officer as he satisfies the criteria stipulated by the stock exchange and the Independence Criteria stipulated by the Company (as stated on the left-hand side).</p> |
| Naohiro Nishiguchi | | ○ | — | <p>The Company deems that Mr. Nishiguchi can apply his abundant experience as a manager with a wide-range of global insights in the management of the Company. Mr. Nishiguchi has also been designated as an independent officer as he satisfies the criteria stipulated by the stock exchange and the Independence Criteria stipulated by the Company.</p> |
| Masaki Yamauchi | | ○ | | <p>The Company deems that Mr. Yamauchi can apply his wealth of experience and extensive insights, which he has garnered for many years as a key management member of a holding company and an operating company (including Representative Director and President) in the management of the Company. He has also been designated as an independent officer as he satisfies the criteria</p> |

Corporate Governance

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|-----------------|---|---|---|--|
| | | | | stipulated by the stock exchange and the Independence Criteria stipulated by the Company. |
| Chisa Enomoto | ○ | ○ | — | Ms. Enomoto is engaged in strategic PR work with multiple corporations within Japan and overseas and has a wealth of experience and insight, with which it was decided that she would contribute to improving the Company brand communication. Also, Ms. Enomoto has been designated as an independent officer as she satisfies the criteria stipulated by the stock exchange and the Independence Criteria stipulated by the Company. |
| Kazuhiko Tomoda | ○ | ○ | | The Company deems that Mr. Tomoda can apply his deep insight, underpinned by his highly specialized knowledge and years of experience as a certified public accountant and a representative partner of major audit corporations in Japan. He has also been designated as an independent officer as he satisfies the criteria stipulated by the stock exchange and the Independence Criteria stipulated by the Company. |

Corporate Governance

[Supervisory Committee]

Committee structure and affiliation of Chairman

| | All members (persons) | Full-time member (persons) | Internal Director (persons) | External Director (persons) | Committee Chairman (Chairman) |
|-----------------------|-----------------------|----------------------------|-----------------------------|-----------------------------|-------------------------------|
| Supervisory Committee | 3 | 1 | 1 | 2 | External Director |

| | |
|--|-----|
| Are there Directors and employees who will support the duties of the Supervisory Committee? Yes/No | Yes |
|--|-----|

Matters pertaining to the independent status of these Directors and employees from executive directors

The Company has assigned employees to exclusively support the work of the Supervisory Committee. The authority to supervise these employees on a daily basis rests with the Supervisory Committee. Support employees do not take orders from anyone other than Directors who are members of the Supervisory Committee. Furthermore, it is stipulated that reassignment, performance reviews, and disciplinary punishment etc. of said employees shall take place only with the consent of the Supervisory Committee.

Status of coordination between the Supervisory Committee, external auditors, and internal audit departments

When external auditors perform audits of financial statements, quarterly reviews, and audits of internal controls, the external auditors are required to report the results to the Supervisory Committee, each time. Moreover, the Supervisory Committee and external auditors plan to regularly exchange opinions, and the Supervisory Committee accompanies external auditors on audits and makes requests for explanations as required. Internal Audit Departments & Stakeholders: The Audit Department is established under direct control of the Representative Director, President and CEO. This department audits the entire Group from the perspective of legitimacy of executing business operations and compliance with laws and ordinances. Moreover, systems are being established where internal audit departments can report appropriately important matters to the Supervisory Committee and where the Supervisory Committee can provide specific instructions to internal audit departments as required in order to conduct effective audits.

Corporate Governance

[Discretionary Committees]

| | |
|---|-----|
| Are there discretionary committees equivalent to a Nomination Committee or a Compensation Committee? Yes/No | Yes |
|---|-----|

Status of discretionary committees, structure & Chairman affiliations

Discretionary committee equivalent to nomination committee

| Name of committee | | | Nomination/Compensation Committee | | | |
|---------------------------------|----------------------------|-----------------------------|-----------------------------------|---|-----------------|-------------------------------|
| All committee members (persons) | Full-time member (persons) | Internal Director (persons) | External Director (persons) | Internal knowledgeable person (persons) | Other (persons) | Committee Chairman (Chairman) |
| 4 | 0 | 1 | 3 | 0 | 0 | External Director |

Discretionary committee equivalent to compensation committee

| Name of the committee | | | Nomination/Compensation Committee | | | |
|---------------------------------|----------------------------|-----------------------------|-----------------------------------|---|-----------------|-------------------------------|
| All committee members (persons) | Full-time member (persons) | Internal Director (persons) | External Director (persons) | Internal knowledgeable person (persons) | Other (persons) | Committee Chairman (Chairman) |
| 4 | 0 | 1 | 3 | 0 | 0 | External Director |

Supplementary Remarks

Details of discretionary committees are outlined in "Chapter 7. Committees (7.3. Nomination and Compensation Committee)" of the Corporate Governance Guideline.

For details, please refer to Matters relating to functions: performance of tasks, audits/supervision, nominations, and compensation decision-making etc. (overview of existing corporate governance system)

[Independent Directors]

| | |
|---------------------------------|---|
| Number of independent Directors | 5 |
|---------------------------------|---|

Other matters related to independent Directors

| |
|---|
| — |
|---|

Corporate Governance

[Incentives]

| | |
|---|---|
| Implementation of measures to provide Directors with incentives | Introduction of a performance-based compensation system |
|---|---|

Supplementary remarks relating to this item

| |
|---|
| For details, please refer to "Disclosure of policy for determining compensation amounts and calculation methods." |
|---|

| | |
|----------------------------------|---|
| Target granted with stock option | — |
|----------------------------------|---|

Supplementary explanations relating to applicable items

| |
|---|
| — |
|---|

[Director Compensation]

| | |
|-------------------|---|
| Disclosure Status | Some information is disclosed individually. |
|-------------------|---|

[Supplementary remarks relating to this item]

1. Total amount of compensation, etc. for each executive type, total amount of compensation, etc. for each compensation type, and the number of eligible executives

| Type of executive | Total amount of compensation, etc. (JPY million) | Total amount of compensation, etc. by compensation type (JPY million) | | | | Number of eligible executives |
|--|--|---|---|--|---|-------------------------------|
| | | Basic Compensation | Bonus (Short term Incentive compensation) | Share-based Compensation | | |
| | | | | Performance-linked type Medium to long term Incentive compensation | Fixed type Medium to long term Incentive compensation | |
| Directors who are not Supervisory Committee Members (The amount of External Directors) | 283 (30) | 203 (25) | 34 (—) | 23 (—) | 22 (4) | 7 (3) |
| Directors who are Supervisory Committee Members (The amount of External Directors) | 68 (26) | 63 (23) | — (—) | — (—) | 4 (3) | 6 (4) |
| Total (The amount of External Directors) | 351 (57) | 267 (49) | 34 (—) | 23 (—) | 26 (7) | 13 (7) |

Notes:

- One Director who resigned the Director who is not Supervisory Committee Member and was inaugurated as the Director who is Supervisory Committee Member during the fiscal year is included in the number of eligible executives noted above.
- One External Director is not included in the number of eligible executives noted above as he/she receives no compensation.
- The target and actual for FY2019 bonus are as follows. Regarding financial measures, consolidated net sales target was 940 billion yen, actual was 925.8 billion yen, consolidated operating income target was

42.5 billion yen, actual was 44.1 billion yen. the level of achievement was averaged 100%. Regarding non-financial measures, targets for employee satisfaction and risk monitoring were individually set and almost achieved. In addition, individual issues were set and worked to improve business performance and corporate value. As a result, the payout coefficient for bonuses paid to each director of the Company was 80% to 106%.

4) Share-based compensation includes the provision for share-based compensation for directors and the reversal of provision for share-based compensation for directors reported for the fiscal year as share-based compensation payable to five Directors (excluding External Directors) who are not Supervisory Committee members. In addition, the amount of share-based compensation is for the three fiscal years starting from FY 2017 and is the amount calculated according to the level of achievement of the targets of financial measures and non-financial measures, minus the allowance for share-based compensation in previous years.

5) The target and actual for performance-linked medium- to long-term incentive Compensation (Performance Share) among Share-based Compensation are as follows. Regarding financial measures, consolidated net sales target was 750 billion yen, actual was 970.5 billion yen, consolidated operating income target was 45 billion yen, actual was 39 billion-yen, ROE target was 10%, actual was 5%. Regarding non-financial measures, targets for employee satisfaction, brand recognition and risk monitoring were individually set and almost achieved. As a result, the payout coefficient for performance-linked medium- to long-term incentive Compensation (Performance Share) to each director of the Company was 111%.

2. Total amount of compensation, etc. payable to person who receives total compensation, etc. of JPY 100 million or more

| Name | Total amount of compensation, etc. (JPY million) | Position | Total amount of compensation, etc. by compensation type (JPY million) | | | |
|--------------------|--|--|---|---|--|---|
| | | | Basic Compensation | Bonus (Short term Incentive compensation) | Share-based Compensation | |
| | | | | | Performance-linked type Medium to long term Incentive compensation | Fixed type Medium to long term Incentive compensation |
| Masamichi Mizuta | 91 | Representative Director, President and CEO | 65 | 11 | 8 | 6 |
| Takao Wada | 78 | Director, Deputy President | 52 | 12 | 7 | 4 |
| Hirotohi Takahashi | 76 | Director, Deputy President | 55 | 8 | 7 | 5 |

Notes:

- 1) Share-based compensation is the provision for share-based compensation for directors reported for the current fiscal year.
- 2) No one has a total amount of compensation of 100 million yen or more, but in accordance with the

Corporate Governance

compensation policy "Information Disclosure Policy", disclosure of internal directors (excluding director who is Supervisory Committee Members) is not limited to those who have 100 million yen or more.

| | |
|--|-----|
| Is there a policy for determining compensation amounts and calculation methods? Yes/No | Yes |
|--|-----|

Disclosure of policy for determining compensation amounts and calculation methods

Matters pertaining to the policy for determining the amount of executive compensation, etc. and its calculation method are disclosed in the Notice of Convocation of the General Meeting of Shareholders and the Annual Securities Report.

[Support System for External Directors (External Auditors)]

As stated in "Chapter 6. Operation of the Board (6-3. Support System, 6-4. Provision of Information)" of the Corporate Governance Guideline, all External Directors are provided with important Board of Directors meeting materials and information on important matters in advance. In addition, External Directors who are Supervisory Committee members will be provided with information without delay about important management-related matters which will contribute to accurate decision-making by External Directors. A Secretariat is in place to support the duties of the Supervisory Committee, and an information reporting system has been established to provide information required to fulfill their tasks such as auditing etc.

【Status of persons resigning as President and Representative Director etc.】

| Name | Role/Rank | Job Description | Work arrangement/conditions | Resignation date: | Term of office |
|--|-------------------|-----------------|-----------------------------|-------------------|----------------|
| Yoshiko Shinohara | Chairman Emeritus | No | Non-executive/uncompensated | 17 Jun 2016 | Not stipulated |
| Former Presidents and Representative Directors etc., counsel/advisors etc. total headcount: | | | | 1 individual | |

Other matters

The founder Ms. Yoshiko Shinohara serves as "Chairman Emeritus", an emeritus rank. Ms. Shinohara no longer participate in the management of the Company.

2. Matters relating to functions: performance of tasks, audits/supervision, nominations, and compensation decision-making etc. (overview of existing corporate governance system)

- Overview of corporate governance system
Based on the corporate governance principles stated in this Chapter, the Company 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 Company has established a voluntary Nomination and Compensation committee to enhance transparency and objectivity concerning decisions on the nomination and compensation of the directors and the Group Senior Management.

2. Overview of systems to perform tasks and operational status

< Board >

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

Based on a governance policy of separating management oversight and execution, and further strengthening the supervisory function of the Board of Directors, as well as accelerating decision-making, the Board has been composed of six Directors who are not Supervisory Committee Members (three of whom are Independent Directors) and three Directors who are Supervisory Committee Members (two of whom are Independent Directors), and the ratio of Independent Directors is at least one-half of the total following the Ordinary General Meeting of Shareholders held on June 22, 2021.

<Supervisory Committee>

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

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

The Supervisory Committee may give specific instructions to the internal audit division, as necessary, for the purpose of effective audit.

The Supervisory Committee shall appropriately share information with the internal audit division for the purpose of ensuring mutual cooperative systems.

Important personnel affairs of the internal audit division shall be decided with the consent of the Supervisory Committee to ensure the effectiveness of audit by the Supervisory Committee.

Supervisory Committee consists of one internal director (Daisuke Hayashi), who is a full-time member of the Supervisory Committee, and two Independent Directors (Chisa Enomoto and Kazuhiko Tomoda). The chairperson of the committee is Kazuhiko Tomoda, an Independent Directors.

Kazuhiko Tomoda is qualified as a certified public accountant and has considerable financial and accounting knowledge.

<Nomination and Compensation Committee>

The purposes of the Nomination and Compensation Committee include increasing the transparency and objectivity of the decisions on candidates for directors and the Group Senior Executives as well as decisions on compensation while enhancing the managerial and supervisory functions of the Board. Upon receiving requests from the Board, the Nomination and Compensation Committee shall perform the following duties, and submit a report and recommendations to the Board:

Matters concerning decision on candidates:

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

Matters concerning decision on compensation:

- Setting the compensation standards for directors and the Group Senior Executives
- Decision on a recommendation of the amount of compensation for the directors (excluding directors who are the Supervisory Committee members)

The Nomination and Compensation Committee consists of a majority of Independent Directors, one internal director (Masamichi Mizuta) and three Independent Directors (Ryosuke Tamakoshi, Naohiro Nishiguchi and Masaki Yamauchi). The chairperson of the committee is Ryosuke Tamakoshi, an Independent Director.

<Corporate Governance Committee>

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

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

Board

The Corporate Governance Committee consists of a majority of Independent Directors, two internal directors (Masamichi Mizuta and Daisuke Hayashi) and three Independent Directors (Ryosuke Tamakoshi, Masaki Yamauchi and Kazuhiko Tomoda). The chairperson of the committee is Masaki Yamauchi, an Independent Director.

<Headquarters Management Committee>

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 (hereinafter referred to as "HMC") is established to assist the CEO in making decisions on the group's basic management policy and important operations. The decisions on the execution of important operations delegated to the CEO by the Board shall be decided by the CEO on the condition that the HMC has made an affirmative resolution. Based on the concept that the members of the HMC (hereinafter referred to as "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 a HMC members shall be prepared by the CEO from among the executive officers, and shall be approved at the Board upon deliberation at the Nomination and Compensation Committee. The Company has also established five committees (Investment Committee, Risk Management Committee, Human Resources Committee, Technology Committee, and Gender Diversity Committee) under HMC to improve the effectiveness of the Group's internal control system.

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

The Risk Management Committee deliberates on the overall risk management of the Group. The Human Resources Committee deliberates on the Group's human resources strategy and succession planning for key talent. The Technology Committee deliberates on key issues concerning the Group's technology strategy and related management resources. The Gender Diversity Committee deliberates on the Group's strategies to promote the advancement of women and related key strategies.

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

3. Reasons for selecting the existing corporate governance system

As stated in "Chapter 2. Corporate Governance Principles (2.1. Principles, 2.2. Roles as a Holding

Company, 2.3. Organizational Structure of the Company)" of the Corporate Governance Guideline.

III. Implementation status of measures for shareholders and other stakeholders

1. Initiatives to revitalize the General Meeting of Shareholders and facilitate the exercising of voting rights

| | Supplementary Remarks |
|---|--|
| Early delivery of General Meeting of Shareholders convocation notice | <p>Efforts are being made to deliver the General Meeting of Shareholders convocation notice early and to make early web releases.</p> <p>■ Actions relating to the 13th General Meeting of Shareholders for the fiscal year ended March 2021</p> <p>1. Convocation notice dispatch date: May 28</p> <p>2. Web release date: May 21</p> |
| Set the General Meeting of Shareholders date on a day that avoids days crowded with other shareholders meetings | <p>Efforts are being made to convene the General Meeting of Shareholders on a day which as far as possible avoids days crowded with other firms' shareholders meetings.</p> <p>■ Actions relating to the 13th General Meeting of Shareholders for the fiscal year ended March 2021</p> <p>Convocation date: June 22</p> |
| Exercise of voting rights by electronic means | <p>Efforts are being made to make it more convenient for shareholders to exercise their voting rights (e.g. enabling online voting, explaining voting methods in the convocation notice).</p> |
| Other initiatives to improve the voting environment for institutional investors, and participation via online voting platforms etc. | <p>The Company is participating in a platform for exercising voting rights and are making efforts to improve the environment in which institutional investors exercise voting rights.</p> |
| Provide convocation notice in English (summary) | <p>The convocation notice (summary) is prepared in English and released on the Company's website and via the Tokyo Stock Exchange.</p> |
| Other | <p>Financial data is released on the Company's website.</p> |

2. Status of Investor Relations (IR) Activity

| | Supplementary Remarks | Explanation given by the CEO? Yes/No |
|-------------------------------------|--|---|
| Disclosure policy created/announced | <p>the Company's website discloses the aims of IR, basic policy, basic stance, method of information disclosure, and IR policy</p> | — |

Corporate Governance

| | | |
|---|--|-----|
| | with respect to results forecasts and future outlook etc. | |
| Hold regular briefing sessions for analysts & institutional investors | Briefings for analysts & institutional investors are held every 6 months, twice a year. | Yes |
| IR materials released on corporate website | IR documents (financial reports, timely disclosure material, financial results briefing slides, and shareholder correspondence etc.) including English versions are posted on the Company's. | — |
| IR department (representative) set in place | An IR representative is in place within the Group Finance Department. | — |
| Other | Individual visits to analysts/institutional investors are made as required. In addition, telephone conferences are held for overseas investors. The Company also participates in company briefing sessions for individual investors that are organized by stock brokers. | — |

3. Initiatives that respect stakeholders

| | Supplementary Remarks |
|--|--|
| Environmental conservation activities, CSR activities, etc. | Under the slogan of "Work, and Smile", PERSOL Group supports development through work experience to realize a future where all working people and organizations can shine. PERSOL Group endeavors to realize working arrangements that match the lifestyles of individuals who are raising children/careers, as well as to support the employment of disabled individuals and young and senior people and regional revitalization. |
| Formulation of policy etc. regarding information provision to stakeholders | The Company disclosure policy is posted on the Company's website. the Company's basic policy is to provide information in an easy-to-understand way and in an impartial, accurate, and timely manner. |

IV. Internal controls systems etc.

1. Internal control systems: basic approach and status

The Company has established its basic policy on systems to ensure that duties of Directors are performed in compliance with laws and ordinances and the Articles of Incorporation, and to ensure that other business operations are appropriately carried out. The Company shall constantly evaluate the status of development and operation of the internal control system based on this basic policy and implement necessary improvement measures, while striving to develop and operate a more effective internal control system by continuously reviewing the policy itself in response to the

changes in the management environment.

Internal Control Systems of the Company are posted on our website:

https://www.persol-group.co.jp/en/images/corporate/governance/en_internal_controls_systems.pdf

2. Basic approach to elimination of antisocial forces and status of preparations

The Company has set forth the following system to eliminate antisocial forces.

- (1) PERSOL Group adopts a firm attitude toward antisocial forces and severs any relations.
- (2) PERSOL Group has designated a department primarily responsible for the elimination of anti-social forces that prepares for contingencies by gathering information from the police in respective jurisdictions and from regional committees on special violence prevention etc. When situations arise, this department will play a central role in collaborating with external agencies to coordinate countermeasures.

V. Other

1. Have anti-takeover measures been introduced? Yes/No

| | |
|--|----|
| Introduction of anti-takeover measures | No |
|--|----|

Supplementary remarks relating to this item

—

2. Other matters relating to the corporate governance system etc.

In principle, the Company releases expeditiously and equitably information that seriously affects decision making of investors and establishes a system to disclose information in a timely manner.

1. Decision Factors:

"Decision factors" are pieces information that the officer responsible for information handling instructs the PERSOL Group Finance Department to release expeditiously and equitably after approval is given by the Board.

2. Event Facts:

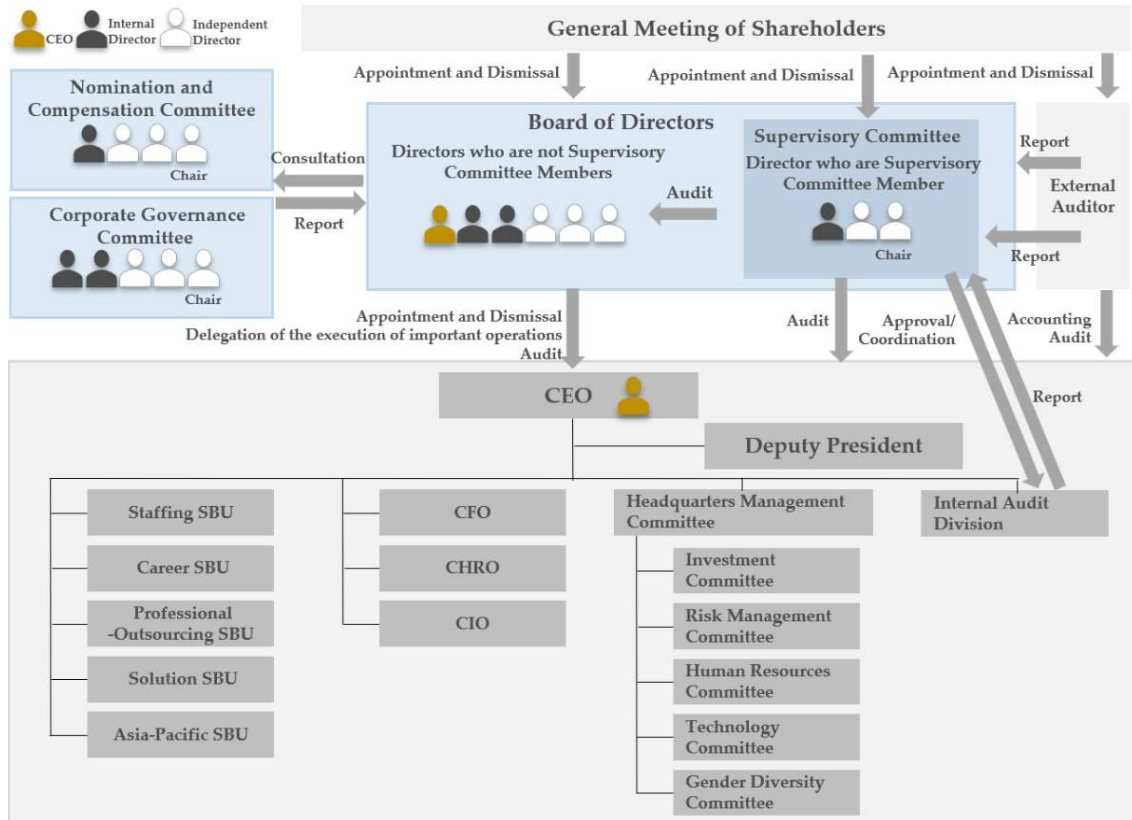
"Event facts" (including risk information) are events that are expeditiously brought to the attention of the President & CEO at the point in time when a relevant department or subsidiary becomes aware such events have occurred. The events are examined, and a decision made whether to disclose details. If disclosure of event facts is deemed necessary, a system allows the officer responsible for information handling to instruct the PERSOL Group Finance Department to release expeditiously.

3. Financial Statement Related Information:

"Financial statement related information" includes details of the quarterly financial statements and information about amendments of business results/anticipated dividends etc. which are drawn up

Corporate Governance

in draft form by the PERSOL Group Finance Department, then deliberated over by the Board, and after approval by the Board. The Company has established a system that the officer responsible for information handling instructs the PERSOL Group Finance Department to release expeditiously.



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