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(Securities Code: 2181)
May 30, 2022

To all shareholders

Takao Wada
Representative Director, President and CEO
PERSOL HOLDINGS CO., LTD.
1-1, Yoyogi 2-chome, Shibuya-ku, Tokyo, Japan

NOTICE OF CONVOCATION OF

THE 14th ORDINARY GENERAL MEETING OF SHAREHOLDERS

We would like to thank you for your continued sincere support.

This is to notify you that we will be holding the 14th Ordinary General Meeting of Shareholders as per the details listed below.

To avoid potential infection with the new coronavirus disease (COVID-19) at the Ordinary General Meeting of Shareholders, however, you are highly recommended not to attend the meeting in person but exercise your voting rights in writing or via the Internet. Please review the attached reference materials, indicate your approval or disapproval for each agenda item on the enclosed voting rights exercise form and return the form to us, or enter your approval or disapproval on the Company's designated website (<https://evote.tr.mufg.jp/>) no later than 6:00 p.m., Monday, June 20, 2022.

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|-----------------------------|---|
| 1. Date and Time | 10:00 a.m., Tuesday, June 21, 2022 (Reception will open at 9:00 a.m.) |
| 2. Venue | “Ohgi,” 4th Floor, South Tower, Keio Plaza Hotel Tokyo,
2-1, Nishi-Shinjuku 2-chome, Shinjuku-Ku, Tokyo
* This venue is different from last year. Please be careful not to make a mistake.
* Please be advised that this venue may not be available due to COVID-19 related restrictions on the scheduled meeting date. If the venue is changed, we will inform you on our company website (https://www.persol-group.co.jp). Shareholders attending the Ordinary General Meeting of Shareholders in person are requested to check our website for meeting details in advance.
* When you come to this venue, please wear a mask and disinfect your hands with alcohol disinfectant. Shareholders who don't cooperate in wearing masks and disinfecting their hands may be refused admission. |
| 3. Meeting Agenda | |
| Items to be reported | <ol style="list-style-type: none">1. The Business Report, the Consolidated Financial Statements and the Reports by External Auditors and the Supervisory Committee on the audit results of the Consolidated Financial Statements, for the 14th term (from April 1, 2021 to March 31, 2022).2. The Non-Consolidated Financial Statements for the 14th term (from April 1, 2021 to March 31, 2022). |
| Items to be resolved | |
| Agenda Item 1: | Appropriation of Surplus |
| Agenda Item 2: | Partial Amendment to the Articles of Incorporation (i) |
| Agenda Item 3: | Partial Amendment to the Articles of Incorporation (ii) |
| Agenda Item 4: | Election of Seven (7) Directors who are not Supervisory Committee Members |
| Agenda Item 5: | Election of Two (2) Directors who are Supervisory Committee Members |

- Agenda Item 6:** Election of One (1) Substitute Director who is a Supervisory Committee Member
- Agenda Item 7:** Partial Revision of Share-based Compensation Scheme for Directors who are not Supervisory Committee Members
- 4. Instructions for Exercising Voting Rights** Please refer to Instructions Concerning Exercise of Voting Rights (Japanese only).

- * If you are attending the meeting, please submit the enclosed voting rights exercise form to the reception desk upon arrival.
 - * The following items are posted on the Company's website in accordance with laws, regulations and the provisions of Article 16 of the Articles of Incorporation of the Company, and not described in this convocation notice.
 - a. Internal Control Systems
 - b. Consolidated Statement of Changes in Equity
 - c. Notes to consolidated financial statements
 - d. Non-consolidated Statement of Changes in Equity
 - e. Notes to non-consolidated financial statements
- Consequently, the documents attached to this convocation notice consist of part of the Consolidated Financial Statements and Non-consolidated Financial Statements that were audited by the Supervisory Committee in preparing their audit report and the External Auditors in preparing their audit reports.
- * If any revisions are made to Reference Materials for General Meeting of Shareholders, the Business Report, Consolidated Financial Statements or Non-Consolidated Financial Statements, the revised items will be posted on the Company's website.

The Company's website: <https://www.persol-group.co.jp>

Reference Materials for General Meeting of Shareholders

Agenda Item 1: Appropriation of Surplus

Regarding the return of profits to our shareholders as a priority issue, the Company's basic dividend policy is to focus on dividend payout ratio, while striving to increase internal reserves to strengthen the corporate structure that enables a speedy and active expansion of business into growth fields. The Company will enhance shareholder returns by paying a dividend of approximately 25% of adjusted EPS, which is calculated by excluding the one-time impact of extraordinary gains/losses on net profit attributable to owners of parent company before amortization of goodwill.

Based on this basic policy, we propose to pay term-end dividends for the fiscal year under review as follows:

- (1) Type of dividend property
Cash
- (2) Allocation of dividend property and total amount of the allocation
22 yen per share of common stock
Total amount: 5,104,588,016 yen
- (3) Effective date of distribution of surplus
June 22, 2022

Agenda Item 2: Partial Amendment to the Articles of Incorporation (i)

(1) Reason for the proposal

Following the enforcement of “the Act Partially Amending the Industrial Competitiveness Enhancement Act and Other Related Acts” (Act No. 70 of 2021), listed companies that have received confirmation from the Minister of Economy, Trade and Industry and the Minister of Justice may now hold general meetings of shareholders without designating a location (so called "virtual-only general meeting of shareholders"). To enable the General Meeting of Shareholders to be held without designating a location in cases where the Board of Directors deems it inappropriate to hold the General Meeting of Shareholders at a designated location due to a large scale disaster such as an outbreak of infectious disease or a natural disaster, it is proposed that the current Articles of Incorporation is amended to add the stipulation regarding holding of general meetings of shareholders without designating a location in Article 13, Paragraph 2.

(2) Details of the amendment

The details of the amendment are as follows.

(Underlines indicate the changes.)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">Chapter III General Meeting of Shareholders</p> <p>Article 13 (Convocation)</p> <p>1. The Company’s ordinary general meeting of shareholders shall be convened within three (3) months after the end of each business year, and an extraordinary general meeting of shareholders shall be convened whenever necessary.</p> <p style="text-align: center;">(Newly established)</p>	<p style="text-align: center;">Chapter III General Meeting of Shareholders</p> <p>Article 13 (Convocation)</p> <p>1. The Company’s ordinary general meeting of shareholders shall be convened within three (3) months after the end of each business year, and an extraordinary general meeting of shareholders shall be convened whenever necessary.</p> <p>2. <u>The Company may hold a general meeting of shareholders without designating a location.</u></p>

Agenda Item 3: Partial Amendment to the Articles of Incorporation (ii)

(1) Reason for the proposal

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act for Partial Amendment to the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 16, Paragraph 1 provides that information contained in the reference materials for the general meeting of shareholders, etc. shall be provided electronically.
- (2) The purpose of the proposed Article 16, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the internet disclosure and deemed provision of the reference materials for the general meeting of shareholders, etc. (Article 16 of the current Articles of Incorporation) will become unnecessary upon introduction of the system for electronic provision of materials for general meetings of shareholders and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

(Underlines indicate the changes.)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">Chapter III General Meeting of Shareholders</p> <p><u>Article 16 (Internet Disclosure and Deemed Provision of Reference Materials for General Meeting of Shareholders)</u></p> <p><u>When convening a general meeting of shareholders, the Company may deem that it has provided information to shareholders upon its disclosure using the Internet as stipulated by the Ordinance of the Ministry of Justice, with respect to any information pertaining to matters that should be accordingly registered or disclosed in reference materials for general meeting of shareholders, business report, non-consolidated financial statements and consolidated financial statements (including accounting audit reports or audit reports pertaining to such consolidated financial statements).</u></p> <p style="text-align: center;">(Newly established)</p>	<p style="text-align: center;">Chapter III General Meeting of Shareholders</p> <p style="text-align: center;">(Deleted)</p> <p><u>Article 16 (Measures for Electronic Provision, Etc.)</u></p> <p><u>1. The Company shall, when convening a general meeting of shareholders, provide information contained in the reference materials for the general meeting of shareholders, etc. electronically.</u></p> <p><u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p>	<p style="text-align: center;">SUPPLEMENTARY PROVISION</p> <p><u>Article 2 (Measures for Electronic Provision, Etc.)</u></p> <p><u>1. The deletion of Article 16 (Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.) of the Articles of Incorporation before the amendment and the new establishment of the Article 16 (Measures for Electronic Provision, Etc.) of the Articles of Incorporation after the amendment shall come into effect on the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act for Partial Amendment to the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u></p> <p><u>2. Notwithstanding the provisions of the preceding paragraph, Article 16 of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date.</u></p> <p><u>3. These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Agenda Item 4: Election of Seven (7) Directors who are not Supervisory Committee Members

The terms of office of the six (6) current Directors who are not Supervisory Committee Members will expire at the conclusion of this General Meeting of Shareholders. At this juncture, the Company requests the election of seven (7) Directors who are not Supervisory Committee Members including four (4) External Directors for further strengthening the supervisory function of the Board of Directors.

Regarding this agenda item, the Company's Supervisory Committee has judged that the decision regarding the candidates of the Directors who are not Supervisory Committee Members and its procedure was appropriate, as the Nomination and Compensation Committee headed by Chairperson and more than half of whose members are Independent External Directors had deliberated the candidates' knowledge, experience, and quality, reported the draft of candidates to the Board of Directors, which deliberated and decided the candidates based on the said report. The Supervisory Committee was briefed on the details of the deliberation by the Nomination and Compensation Committee and the draft of the candidates and came to the conclusion that each candidate was qualified as a result of the deliberation.

Under the governance policy of separating management supervision and execution and further strengthening the supervisory function of the Board of Directors, the Company has set the ratio of Independent External Directors to the Board of Directors at more than one-half in principle. If the candidates in this Agenda Item and Agenda Item 5 are elected as originally proposed, six out of ten Directors or the majority of the Board members will be Independent External Directors, which will ensure that the Board provide effective oversight of Group Senior Executives from an independent and objective standpoint.

The candidates for Directors who are not Supervisory Committee Members are as follows:

No.	Name			Position and business in charge in the Company	No. of Attendance/Calls (Attendance rate)	Years in office	
1	Masamichi Mizuta	Reappointed		Director and Chairperson	13/13 (100%)	13 yr. 8 mo.	
2	Takao Wada	Reappointed		Representative Director, President and CEO	13/13 (100%)	13 yr. 8 mo.	
3	Hirotohi Takahashi	Reappointed		Representative Director and Deputy President	12/13 (92%)	9 years	
4	Ryosuke Tamakoshi	Reappointed	External	Independent	External Director	13/13 (100%)	6 years
5	Naohiro Nishiguchi	Reappointed	External	Independent	External Director	13/13 (100%)	6 years
6	Masaki Yamauchi	Reappointed	External	Independent	External Director	13/13 (100%)	2 years
7	Kazuhiro Yoshizawa	Newly appointed	External	Independent	External Director	—	—

(Reference briefing materials for Agenda Items 4 to 6 are on page 20-22)

Brief personal record, position, business in charge in the Company		
Number of the Company's shares held: 448,850 shares (out of which, number of shares to be delivered based on share-based compensation scheme: 27,250 shares)	Apr. 1984	Joined Recruit Co., Ltd.
	Jul. 1988	Joined Tempstaff Co., Ltd.
	Jun. 1995	Director of Tempstaff Co., Ltd. (General Manager, Sales Division)
	Oct. 2008	Executive Managing Director of the Company (General Manager, Group Sales Division)
	Aug. 2009	Executive Managing Director of the Company (General Manager, Group Growth Strategy Division)
	Jun. 2010	Vice President & Director of the Company (General Manager, Group Growth Strategy Division)
	Jun. 2012	Vice President & Representative Director of the Company (General Manager, Group Growth Strategy Division)
	Jun. 2013	President & Representative Director of the Company (General Manager, Group Growth Strategy Division)
	Jul. 2014	President & Representative Director of the Company (General Manager, Group Management Division General Manager, Group Financial Division)
	Apr. 2015	President & Representative Director of the Company
Number of years in office: 13 years 8 months	Jun. 2016	Representative Director, President and CEO of the Company
	Apr. 2021	Director and Chairperson of the Company (current position)
Number of the Board meetings attended: 13/13 (100%)	Important concurrent posts	
	External Director of Linkers Co., Ltd.	
Number of the Nomination and Compensation Committee meetings attended: 8/8 (100%)	Reasons for nomination as candidate for Director	
	Masamichi Mizuta has been overseeing and leading the operations of the Group as President and Representative Director since June 2013, contributing to improvement of its corporate value. He has been striving for further improvement in the effectiveness of corporate governance as Chairperson of the Board of the Company since April 2021. The Company once again nominates him as a candidate for Director who is not a Supervisory Committee Member, as he is expected to contribute to continued growth of the Company and improvement of the medium- to long-term corporate value through supervision of the Company's management by leveraging his extensive experience and insight in corporate management, business strategy, human resource and organizational development, and ESG among others he has garnered throughout his career.	
Number of Corporate Governance Committee meetings attended 8/8 (100%)		

Brief personal record, position, business in charge in the Company

Number of the Company's shares held: 136,154 shares (out of which, number of shares to be delivered based on share-based compensation scheme: 19,345 shares)	Feb. 1988	Joined Sparrow Japan
	Sep. 1991	Joined Tempstaff Co., Ltd.
	Jun. 2006	Director of Tempstaff Co., Ltd. (General Manager, Sales & Planning Division)
	Oct. 2008	Director of the Company (General Manager, Group Operations & IT Division)
	Aug. 2009	Director of the Company (General Manager, Group Operations & IT Strategy Division)
	Apr. 2011	Director of the Company (General Manager, Group Outsourcing Strategy Division)
	Jan. 2014	Director of the Company (General Manager, Group Outsourcing Strategy Division General Manager, Group Human Resources Division)
	Apr. 2015	Director, Executive Officer of the Company (Responsible for Temporary Staffing Segment, BPO Segment, and Sales Strategy)
	Jun. 2016	Director, Senior Executive Officer of the Company (Sales Strategy Officer, Temporary Staffing/BPO Segment Lead) President & Representative Director of Tempstaff Co., Ltd.
	Apr. 2020	Director, Deputy President and Executive Officer of the Company (Business Control Officer, Staffing SBU Lead)
Apr. 2021	Representative Director, President and CEO of the Company (current position)	

Important concurrent posts

Non-executive Director of PERSOL Asia Pacific Pte. Ltd.

Reasons for nomination as candidate for Director

Takao Wada has been engaged in the temporary staffing business, which is the Company's mainstay business, and significantly contributing to its development. Since April 2021, as Representative Director and President of the Company, he has been overseeing and leading the group management and demonstrating his leadership.

The Company once again nominates him as a candidate for Director who is not a Supervisory Committee Member, as he is expected to contribute to continued growth of the Company and improvement of the medium- to long-term corporate value through supervision of the Company's management by leveraging his extensive experience and insight in corporate management, business strategy, human resource and organizational development, and sustainability among others he has garnered throughout his career.

Brief personal record, position, business in charge in the Company

Number of the Company's shares held: 136,183 shares (out of which, number of shares to be delivered based on share-based compensation scheme: 23,183 shares)	Apr. 1995	Joined Intelligence, Ltd.
	Apr. 1999	Director of Intelligence, Ltd.
	Dec. 2008	Representative Director & Chief Executive Officer of Intelligence, Ltd.
	Apr. 2012	Representative Director of Intelligence Holdings, Ltd.
	Jun. 2013	Vice President & Director of the Company (General Manager, Media and Career-related Business)
	Jan. 2014	Vice President & Director of the Company (General Manager, Group Corporate Strategy Division General Manager, Media and Career-related Business)
	Apr. 2014	Vice President & Director of the Company (General Manager, Group Corporate Strategy Division)
	Apr. 2015	Vice President, Executive Officer & Director of the Company (Responsible for Recruitment Segment, Corporate Strategy, and Human Resources)
	Apr. 2016	Vice President & Director of the Company (Responsible for Corporate Strategy and Human Resources)
	Jun. 2016	Vice President, COO & Director of the Company (Responsible for Corporate Strategy and Human Resources)
	Apr. 2017	Vice President, COO & Director of the Company (Responsible for Corporate Strategy)
	Nov. 2017	Director, Deputy President and COO of the Company (Group Function Control Officer, Corporate Strategy Officer)
	Apr. 2018	Director, Deputy President and COO of the Company (Group Function Control Officer, ITO Segment Lead)
Dec. 2018	President and Representative Director of PERSOL INNOVATION CO., LTD.	
Apr. 2019	Director, Deputy President and COO of the Company (Group Function Control Officer, PROGRAMMED Segment Lead)	
Apr. 2020	Director, Deputy President and Executive Officer of the Company (Function Control Officer, Solution SBU Lead)	
Apr. 2021	Representative Director and Deputy President of the Company (current position)	

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.

Reasons for nomination as candidate for Director

Hirotohi Takahashi has led a wide range of businesses at the Company from permanent placement and job advertisement businesses to overseas business, IT field, and new businesses. He has supported the supervision and driving forward of the Group's management, contributing to improvement of its corporate value as Vice President and Director of the Company since June 2013 and as Vice President and Representative Director of the Company since April 2021.

The Company once again nominates him as a candidate for Director who is not a Supervisory Committee Member, as he is expected to contribute to continued growth of the Company and improvement of the medium- to long-term corporate value through supervision of the Company's management by leveraging his extensive experience and insight in corporate management, business strategy, innovation, and human resource and organizational development among others he has garnered throughout his career.

Brief personal record, position, business in charge in the Company		
Number of the Company's shares held: 1,075 shares (out of which, number of shares to be delivered based on share-based compensation scheme: 1,075 shares)	May 1970	Joined The Sanwa Bank, Limited (current MUFG Bank, Ltd.)
	May 1997	General Manager, International Department of The Sanwa Bank, Limited
	Jun. 1997	Director of The Sanwa Bank, Limited
	Jun. 1999	Managing Executive Officer of The Sanwa Bank, Limited
	Jan. 2002	Senior Managing Executive Officer of UFJ Bank Limited (current MUFG Bank, Ltd.)
	May 2002	Deputy President and Executive Officer of UFJ Bank Limited
	Jun. 2002	Deputy President, Representative Director, and Executive Officer of UFJ Bank Limited
	May 2004	Chairman and Director of UFJ Bank Limited
	Jun. 2004	President and Representative Director of UFJ Holdings, Inc. (current Mitsubishi UFJ Financial Group, Inc.)
	Oct. 2005	Chairman and Representative Director of Mitsubishi UFJ Financial Group, Inc.
Number of the Board meetings attended: 13/13 (100%)	Jun. 2010	External Audit & Supervisory Board Member of the Company Senior Advisor of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (current MUFG Bank, Ltd.)
	Jul. 2011	Director of Morgan Stanley
Number of Nomination and Compensation Committee meetings attended: 8/8 (100%)	Jun. 2016	External Director of the Company (Member of Supervisory Committee)
	Jun. 2018	External Director of the Company (current position)
	Jul. 2020	Honorary Advisor of MUFG Bank, Ltd. (current position)
Important concurrent posts		
Honorary Advisor of MUFG Bank, Ltd.		
Number of Corporate Governance Committee meetings attended: 8/8 (100%)	Reasons for nomination as candidate for External Director and Overview of expected roles	
	Ryosuke Tamakoshi has extensive experience and insight in corporate management, internationality, and finance and accounting among others from serving as a top executive of a global financial institution. At the Company also, he has been proactively providing opinions and making proposals at meetings of the Board of Directors and other important meetings as a Lead Independent External Director, a Chairperson of the Nomination and Compensation Committee, and a member of Corporate Governance Committee. Given his track record, the Company once again nominates him as a candidate for Director who is not a Supervisory Committee Member, as he is expected to contribute to continued growth of the Company and improvement of the medium- to long-term corporate value through supervision of the Company's management as an Independent External Director.	

1. 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 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 (Reference 2 on page 20), and thus, we believe his independence has been maintained.

Brief personal record, position, business in charge in the Company		
Number of the Company's shares held: 1,075 shares (out of which, number of shares to be delivered based on share-based compensation scheme: 1,075 shares)	Apr. 1986	Joined The Long-Term Credit Bank of Japan, Limited
	Mar. 1998	Joined The World Bank Group
	Nov. 2001	Joined Mercer Japan Ltd. Representative Managing Director of Mercer Japan Ltd.
	Nov. 2009	Joined Innovation Network Corporation of Japan Executive officer of Innovation Network Corporation of Japan
	Jan. 2014	Established Japan Innovation Network Executive Managing Director of Japan Innovation Network
	Jun. 2015	Established Japan Bosai Platform President of Japan Bosai Platform (current position)
	Jun. 2016	External Director, Member of Supervisory Committee of the Company
	Jan. 2018	Senior Advisor on Innovation of United Nations Development Programme (UNDP)
	Apr. 2018	Specially-appointed professor, Sophia University (current position)
	Oct. 2019	CEO of Japan Innovation Network (current position)
Number of years in office: 6 years	Jun. 2020	External Director of the Company (current position)
Number of the Board meetings attended: 13/13 (100%)		
Number of Nomination and Compensation Committee meetings attended: 8/8 (100%)	Important concurrent posts	
	CEO of Japan Innovation Network Specially-appointed professor, Sophia University President of Japan Bosai Platform	
	Reasons for nomination as candidate for External Director and Overview of expected roles	
Naohiro Nishiguchi has extensive experience and insight in innovation, internationality, sustainability, SDGs, and others from serving as a representative of a corporation promoting innovation-driven management and an advisor of an international organization. At the Company also, he has been proactively providing opinions and making proposals at meetings of the Board of Directors and other important meetings as an Independent External Director, a member of the Nomination and Compensation Committee. Given his track record, the Company once again nominates him as a candidate for Director who is not a Supervisory Committee Member, as he is expected to contribute to continued growth of the Company and improvement of the medium- to long-term corporate value through supervision of the Company's management as an Independent External Director.		

1. The Company does have transactions with Japan Innovation Network, where he holds a concurrent post as CEO. The total revenue in any of the past three fiscal years, including the latest fiscal year, from transactions between the Company and Japan Innovation Network, however, was less than 1% of each company's annual consolidated net sales. Also, the Company does have transactions with Japan Bosai Platform, where he holds a concurrent post as President. The total revenue in any of the past three fiscal years, including the latest fiscal year, from transactions between the Company and Japan Bosai Platform, however, was less than 1% of either company's annual consolidated net sales. 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 (Reference 2 on page 20), and thus, we believe that his independence has been maintained.

Brief personal record, position, business in charge in the Company		
Number of the Company's shares held: 1,075 shares (out of which, number of shares to be delivered based on share-based compensation scheme: 1,075 shares)	Apr. 1984	Joined Yamato Transport Co., Ltd.
	Apr. 2005	Executive Officer, President of Tokyo Branch of Yamato Transport Co., Ltd.
	Nov. 2005	Executive Officer, General Manager of Human Resources and Administration of Yamato Transport Co., Ltd.
	Mar. 2007	Executive Officer of Yamato Holdings Co., Ltd.
	Apr. 2008	Executive Officer of Yamato Holdings Co., Ltd., and Representative Director and President of Yamato Logistics Co., Ltd.
	Apr. 2011	Executive Officer of Yamato Holdings Co., Ltd., and Representative Director, Executive Officer and President of Yamato Transport Co., Ltd.
Number of years in office: 2 year	Jun. 2011	Director and Executive Officer of Yamato Holdings Co., Ltd., and Representative Director, Executive Officer and President of Yamato Transport Co., Ltd.
	Apr. 2015	Representative Director, Executive Officer and President of Yamato Holdings Co., Ltd.
Number of the Board meetings attended: 13/13 (100%)	Apr. 2019	Chairperson of the Board of Yamato Holdings Co., Ltd. (current position)
	Jun. 2020	External Director of the Company (current position)
Important concurrent posts		
Number of Nomination and Compensation Committee meetings attended: 8/8 (100%)	Chairperson of the Board of Yamato Holdings Co., Ltd.	
Reasons for nomination as candidate for External Director and Overview of expected roles		
Number of Corporate Governance Committee meetings attended: 8/8 (100%)	Masaki Yamauchi has extensive experience and insight in corporate management and business strategy, innovation, and human resource and organizational development among others from serving as a top executive of a listed company representing the transportation industry. At the Company also, he has been proactively providing opinions and making proposals at meetings of the Board of Directors and other important meetings as an Independent External Director, a member of the Nomination and Compensation Committee, and a Chairperson of Corporate Governance Committee. Given his track record, the Company once again nominates him as a candidate for Director who is not a Supervisory Committee Member, as he is expected to contribute to continued growth of the Company and improvement of the medium- to long-term corporate value through supervision of the Company's management as an Independent External Director.	

1. The Company does have transactions with Yamato Holdings Co., Ltd., where he holds a concurrent post as Chairperson of the Board. The total revenue in any of the past three fiscal years, including the latest fiscal year, from transactions between the Company and Yamato Holdings Co., Ltd., however, was less than 1% of each company's annual consolidated net sales. He therefore satisfies the requirements for independent director stipulated by the Tokyo Stock Exchange and the standards of independence set forth by the Company (Reference 2 on page 20), and thus, we believe his independence has been maintained.
2. He has assumed the position of Director at Yamato Holdings Co., Ltd. since June 2011. Although the Yamato Group was striving to ramp up its transportation capacity in order to accommodate growing e-commerce related demand, the pace of growth was too fast to catch up. As a consequence, it was revealed, through an investigation into working conditions of the Group starting in February 2017, that many employees were working long hours without sufficient breaks, which the Company was not fully aware. Taking the matter seriously, the company has focused on a range of structural reforms, while promoting "workstyle reform" initiatives, including "through management and improvement of working hours and conditions" and "optimization of work-life balance." In addition, Yamato Home Convenience Co., Ltd. inappropriately billed corporate clients for moving-related services provided to their employees, and as a consequence, in January 2019, received administrative sanctions and business improvement orders from the Ministry of Land, Infrastructure, Transport and Tourism. Yamato Holdings Co., Ltd. has been working hard to build a structure that helps prevent Yamato Home Convenience from committing the same mistakes, as well as strengthening its governance in order to enhance the soundness of the management of the group.

No. 7

Kazuhiro Yoshizawa (Date of birth: June 21, 1955)

Newly appointed

External

Independent

Brief personal record, position, business in charge in the Company		
Number of the Company's shares held: — shares	Apr. 1979	Joined Nippon Telegraph and Telephone Public Corporation
	Jun. 2007	Senior Vice President, General Manager of Corporate Sales and Marketing Department II of NTT DOCOMO, INC.
	Jun. 2011	Senior Vice President, General Manager of Human Resources Management Department, Member of the Board of Directors of NTT DOCOMO, INC.
	Nov. 2012	Executive Vice President, General Manager of Corporate Strategy and Planning Department, Member of the Board of Directors of NTT DOCOMO, INC.
	Jun. 2014	Senior Executive Vice President, Representative Member of the Board of Directors of NTT DOCOMO, INC.
	Jun. 2016	President and Chief Executive Officer, Representative Member of the Board of Directors of NTT DOCOMO, INC.
	Dec. 2020	Member of the Board of Directors of NTT DOCOMO, INC.
	Jun. 2021	Corporate Advisor of NTT DOCOMO, INC. (current position)
	Jun. 2021	Outside Director of Sony Financial Holdings Inc. (current position) (current Sony Financial Group Inc.)
		Important concurrent posts
	Corporate Advisor of NTT DOCOMO, INC.	
	Outside Director of Sony Financial Group Inc.	
	Reasons for nomination as candidate for External Director and Overview of expected roles	
	Kazuhiro Yoshizawa has extensive experience and insight in corporate management and business strategy, technology, and human resource and organizational development among others from serving as a top executive of a listed company representing the telecommunication industry. The Company nominates him as a candidate for Director who is not a Supervisory Committee Member, as he is expected to contribute to continued growth of the Company and improvement of the medium- to long-term corporate value through supervision of the Company's management as an Independent External Director by leveraging these experience and insights.	

1. The Company does have transactions with NTT DOCOMO, INC., where he holds a concurrent post as Corporate Advisor. The total revenue in any of the past three fiscal years, including the latest fiscal year, from transactions between the Company and NTT DOCOMO, INC., however, was less than 1% of each company's annual consolidated net sales. He therefore satisfies the requirements for independent director stipulated by the Tokyo Stock Exchange and the standards of independence set forth by the Company (Reference 2 on page 20), and thus, we believe his independence has been maintained.

Special Notes on Candidates for Directors who are not Supervisory Committee Members

1. There is no special interest between the candidates and the Company.
2. The Company plans to enter into indemnity agreements under Article 430-2, Paragraph 1 of the Companies Act with each candidate. Under these indemnity agreements, the Company shall indemnify them against the expenses under Item 1 and the losses under Item 2 of the same Act to the extent specified by laws and regulations.
3. The Company has an Officers Liability Insurance Contract under Article 430-3, Paragraph 1 of the Companies Act with an insurance company, under which all directors are insured. If this proposal is approved as proposed and the candidates assume office as Directors, they will become insured under the insurance contract. Under the insurance contract, the insurance should cover any damage that may arise from the insured officers assuming responsibility for executing their duties or receiving claims in the pursuit of such responsibility. However, certain exemptions apply, such that the contract will not compensate for damages caused by acts committed with the knowledge that such acts violate laws or regulations. The insurance contract is scheduled to be renewed during the term of office of each candidate.
4. Ryosuke Tamakoshi, Naohiro Nishiguchi, Masaki Yamauchi, and Kazuhiro Yoshizawa are candidates for External Directors.
5. The Company has registered Ryosuke Tamakoshi, Naohiro Nishiguchi, and Masaki Yamauchi as independent directors with the Tokyo Stock Exchange and will register them as independent directors again if their reappointments are approved.
6. The Company will register Kazuhiro Yoshizawa as independent directors if his appointment is approved.
7. The Company has entered into an agreement with Ryosuke Tamakoshi, Naohiro Nishiguchi, and Masaki Yamauchi to limit their liability to either 1 million yen or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, whichever is higher. The Company plans to continue with the said agreement for limitation of liability with each of the candidates if their reappointments are approved.
8. The Company plans to enter into an agreement with Masamichi Mizuta and Kazuhiro Yoshizawa to limit their liability to either 1 million yen or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, whichever is higher, if their appointments are approved.

Number of shares to be delivered under the Share-based Compensation Scheme

The number of shares of the Company held by each candidate includes the number of shares (as of March 31, 2022) to be delivered at retirement under the share-based compensation Scheme (the "Scheme ") implemented by the Company.

This scheme consists of the performance-linked mid- to long-term incentive compensation ("Performance-linked Compensation"), which is determined based on the achievement of the performance targets of the mid-term management plan and non-financial targets, and the fixed mid- to long-term incentive compensation ("Fixed Compensation"), which is linked to shareholder value. The number of shares to be delivered to each candidate under the scheme includes the confirmed fixed number of shares of the Company to be delivered in the future. Since the portion of performance-linked compensation varies in the range of 0-200% and cannot be determined at this time, it is not included in the number of shares to be delivered under this scheme.

The voting rights for the shares to be delivered under this scheme will not be exercised until the shares are delivered to each candidate in the future. In addition, the shares corresponding to 50% of the shares to be delivered will be sold in the market to secure the funds for tax payment, and the proceeds from the sale will be delivered to each candidate.

Agenda Item 5: Election of Two (2) Directors who are Supervisory Committee Members

Of the three Directors who are Supervisory Committee Members, the terms of office of Chisa Eonomoto and Kazuhiko Tomoda will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company requests the election of two (2) Directors who are Supervisory Committee Members.

The consent of the Supervisory Committee has been obtained for this proposal.

If the candidates of this proposals are elected as proposed, the Company will have three Directors who are Supervisory Committee Members including Daisuke Hayashi, who was elected at the 13th Ordinary Meeting of Shareholders (held on June 22, 2021).

The candidates for the Substitute Directors who are Supervisory Committee Members are as follows:

No.	Name			Position and business in charge in the Company	No. of Attendance/Calls (Attendance rate)	Years in office	
1	Chisa Eonomoto	Reappointed	External	Independent	External Director (Supervisory Committee Member)	13/13 (100%)	4 years
2	Kazuhiko Tomoda	Reappointed	External	Independent	External Director (Supervisory Committee Member)	12/13 (92%)	2 years

(Reference briefing materials for Agenda Items 4 to 6 are on page 20-22)

Brief personal record, position, business in charge in the Company		
Number of the Company's shares held: 1,075 shares (out of which, number of shares to be delivered based on share-based compensation scheme: 1,075 shares)	Apr. 1984	Joined Recruit Co., Ltd.
	Nov. 2005	Joined Philips Electronics Japan, Ltd. (current Philips Japan, Ltd.) (General Manager, Public Relations Department)
	Jul. 2012	Joined Janssen Pharmaceutical K.K. (General Manager, Communication and Public Affairs Department)
	Jan. 2014	Joined Tokyo Electric Power Company Executive Officer of Tokyo Electric Power Company (General Manager, Social Communication Office) (current Tokyo Electric Power Company Holdings, Inc.)
	Apr. 2018	Joined Hitachi, Ltd. Executive Communication Strategist of Hitachi, Ltd.
Number of years in office: 4 year	Jun. 2018	External Director, Member of Supervisory Committee of the Company (current position)
	Sept. 2018	External Director of JOYFUL HONDA CO., LTD.
	Apr. 2019	Member of Communication Strategy Committee, Meiji University (current position)
Number of the Board meetings attended: 13/13 (100%)	May. 2021	External Director of AEON MALL Co., Ltd. (current position)
	Important concurrent posts	
Number of Supervisory Committee meetings attended: 13/13 (100%)	Member of Communication Strategy Committee, Meiji University	
	External Director of AEON MALL Co., Ltd.	
Reasons for nomination as candidate for External Director and Overview of expected roles		
Chisa Enomoto has extensive experience and insight in internationality, risk management, sustainability, ESG and others, which she has garnered through her involvement in public relations strategy at several Japanese and international companies. As an Independent External Director who is a Supervisory Committee Member of the Company, she has also been proactively providing opinions and making proposals at meetings of the Board of Directors and other important meetings. The Company once again appointed her as a candidate for Director who is a Supervisory Committee Member as she is expected to contribute to continued growth of the Company and improvement of the medium- to long-term corporate value through supervision and audit of the Company's management as an Independent External Director.		

1. The Company has transactions with Hitachi, Ltd. and Tokyo Electric Power Company Holdings, Inc., where she used to hold concurrent posts. The total revenue in any of the past three fiscal years, including the latest fiscal year, from transactions between the Company and Hitachi, Ltd. and Tokyo Electric Power Company Holdings, Inc., however, was less than 1% of annual consolidated net sales of the Company as well as the two companies. She therefore satisfies the requirements for an independent director stipulated by the Tokyo Stock Exchange and the standards of independence set forth by the Company (Reference 2 on page 20), and thus, the Company believes her independence has been maintained.
2. The PERSOL Group in the past held shares in Recruit Co., Ltd., where Chisa Enomoto used to work, as well as AEON MALL Co., Ltd., where she holds a concurrent post as an External Director, but it has sold these shares by the end of March 2021. She therefore satisfies the requirements for an independent director stipulated by the Tokyo Stock Exchange and the standards of independence set forth by the Company (Reference 2 on page 20), and thus, the Company believes her independence has been maintained.
3. The name of Chisa Enomoto in the family register is Chisa Asano.

Brief personal record, position, business in charge in the Company		
Number of the Company's shares held: 1,075 shares (out of which, number of shares to be delivered based on share-based compensation scheme: 1,075 shares)	Mar. 1979	Joined Price Waterhouse Accounting Office.
	Jul. 1997	Representative Partner of Aoyama Audit Corporation (former Price Waterhouse Accounting Office)
	Sept. 2006	Representative Partner of Arata Audit Corporation (current PricewaterhouseCoopers Arata LLC)
	Jul. 2012	Executive Officer in charge of Manufacturing / Distribution / Services Division, Arata Audit Corporation
	Jul. 2013	Executive Officer in charge of Risk Assurance Division, Arata Audit Corporation (concurrent)
	Jun. 2020	External Director, Member of Supervisory Committee of the Company (current position)
Number of years in office: 2 year		Outside Auditor of Hakuhodo DY Holdings Inc. (current position)
		Outside Auditor of Daiko Advertising Inc. (current position)
		Outside Auditor of INES Corporation (current position)
Number of the Board meetings attended: 12/13 (92%)	Important concurrent posts	
		Outside Auditor of Hakuhodo DY Holdings Inc.
		Outside Auditor of Daiko Advertising Inc.
Number of Supervisory Committee meetings attended: 12/13 (92%)	Reasons for nomination as candidate for External Director and Overview of expected roles	
		Kazuhiko Tomoda has extensive experience and insight in corporate management, risk management, finance and accounting, and others as a certified public accountant and a representative partner of major audit corporations. As an Independent External Director who is a Chairperson of Supervisory Committee of the Company, he has also been proactively providing opinions and making proposals at meetings of the Board of Directors and other important meetings. The Company once again appointed him as a candidate for Director who is a Supervisory Committee Member as he is expected to contribute to continued growth of the Company and improvement of the medium- to long-term corporate value through supervision and audit of the Company's management as an Independent External Director. Although he does not have experience contributing to the management of a company except as an external officer, he is deemed to be able to appropriately execute the duties of an External Director who is a Supervisory Committee Member due to the reasons above.
Number of Corporate Governance Committee meetings attended: 7/8 (87%)		

1. The Company does have transactions with PricewaterhouseCoopers Arata LLC, where he served as representative partner. The total revenue in any of the past three fiscal years, including the latest fiscal year, from transactions between the Company and PricewaterhouseCoopers Arata LLC, however, was less than 1% of each company's annual consolidated net sales. 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 (Reference 2 on page 20), and thus, we believe his independence has been maintained.

1. There is no special interest between the candidates and the Company.
2. Chisa Eonomoto and Kazuhiko Tomoda are candidates for External Directors.
3. The Company has registered Chisa Eonomoto and Kazuhiko Tomoda as independent directors with the Tokyo Stock Exchange and will register them as independent directors again if their reappointments are approved.
4. The Company plans to enter into indemnity agreements under Article 430-2, Paragraph 1 of the Companies Act with each candidate. Under these indemnity agreements, the Company shall indemnify them against the expenses under Item 1 and the losses under Item 2 of the same Act to the extent specified by laws and regulations.
5. The Company has an Officers Liability Insurance Contract under Article 430-3, Paragraph 1 of the Companies Act with an insurance company, under which all directors are insured. If this proposal is approved as proposed and the candidates assume office as Directors, they will become insured under the insurance contract. Under the insurance contract, the insurance should cover any damage that may arise from the insured officers assuming responsibility for executing their duties or receiving claims in the pursuit of such responsibility. However, certain exemptions apply, such that the contract will not compensate for damages caused by acts committed with the knowledge that such acts violate laws or regulations. The insurance contract is scheduled to be renewed during the term of office of each candidate.
6. The Company has entered into an agreement with candidates to limit their liability to either 1 million yen or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, whichever is higher. The Company plans to continue with the said agreement for limitation of liability with each of the candidates if their reappointments are approved.

Agenda Item 6: Election of One (1) Substitute Director who is a Supervisory Committee Member

The Company requests the election of one (1) Substitute Director who is a Supervisory Committee Member in order to prepare for the event in which the number of Directors who are Supervisory Committee Members does not comply with that stipulated in law.

The consent of the Supervisory Committee has been obtained for this proposal.

The candidate for the Substitute Director who is a Supervisory Committee Member is as follows:

Candidate	Masaki Yamauchi (Date of birth: January 11, 1961)	<div style="border: 1px solid black; padding: 2px; display: inline-block;">External</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div>
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	Brief personal record, position, business in charge in the Company		
Number of the Company's shares held: 1,075 shares (out of which, number of shares to be delivered based on share-based compensation scheme: 1,075 shares)	Apr.	1984	Joined Yamato Transport Co., Ltd.
	Apr.	2005	Executive Officer, President of Tokyo Branch of Yamato Transport Co., Ltd.
	Nov.	2005	Executive Officer, General Manager of Human Resources and Administration of Yamato Transport Co., Ltd.
	Mar.	2007	Executive Officer of Yamato Holdings Co., Ltd.
	Apr.	2008	Executive Officer of Yamato Holdings Co., Ltd., and Representative Director and President of Yamato Logistics Co., Ltd.
	Apr.	2011	Executive Officer of Yamato Holdings Co., Ltd., and Representative Director, Executive Officer and President of Yamato Transport Co., Ltd.
Number of years in office: 2 year	Jun.	2011	Director and Executive Officer of Yamato Holdings Co., Ltd., and Representative Director, Executive Officer and President of Yamato Transport Co., Ltd.
	Apr.	2015	Representative Director, Executive Officer and President of Yamato Holdings Co., Ltd.
Number of the Board meetings attended: 13/13 (100%)	Apr.	2019	Chairperson of the Board of Yamato Holdings Co., Ltd. (current position)
	Jun.	2020	External Director of the Company (current position)
Number of Nomination and Compensation Committee meetings attended: 8/8 (100%)	Important concurrent posts		
	Chairperson of the Board of Yamato Holdings Co., Ltd.		
Number of Corporate Governance Committee meetings attended: 8/8 (100%)	Reasons for nomination as candidate for External Director and Overview of expected roles		
	Masaki Yamauchi has extensive experience and insight in corporate management and business strategy, innovation, and human resource and organizational development among others from serving as a top executive of a listed company representing the transportation industry. At the Company also, he has been proactively providing opinions and making proposals at meetings of the Board of Directors and other important meetings as an Independent External Director, a member of the Nomination and Compensation Committee, and a Chairperson of Corporate Governance Committee. Given his track record, the Company nominates him as a candidate for Substitute Director who is a Supervisory Committee Member, as he is expected to contribute to continued growth of the Company and improvement of the medium- to long-term corporate value through supervision and audit of the Company's management as an Independent External Director.		

- (Reference briefing materials for Agenda Items 4 to 6 are on page 20-22.)
1. Masaki Yamauchi is a substitute candidate for External Director who is a Supervisory Committee Member.
 2. In Agenda Item 4, he is a candidate for Director who is not a Supervisory Committee Member. Supplementary information on him (Business relationship with the company where he holds the concurrent position, Independence, Efforts on structural reform and to strengthen governance) is in Item 4.
 3. The Company plans to enter into indemnity agreements under Article 430-2, Paragraph 1 of the Companies Act with each candidate. Under these indemnity agreements, the Company shall indemnify them against the expenses under Item 1 and the losses under Item 2 of the same Act to the extent specified by laws and regulations.

4. The Company has an Officers Liability Insurance Contract under Article 430-3, Paragraph 1 of the Companies Act with an insurance company, under which all directors are insured. If this proposal is approved as proposed and he assumes office as a Director, he will become insured under the insurance contract, which will compensate for damages that may arise from the insured officers assuming responsibility for executing their duties or receiving claims in pursuit of such responsibility. However, certain exemptions apply, such that the contract will not compensate for damages caused by acts committed with the knowledge that such acts violate laws or regulations.
5. The Company has entered into an agreement with him to limit their liability to either 1 million yen or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, whichever is higher. The Company plans to continue with the said agreement for limitation of liability with him if his reappointments are approved.

(Reference 1) Policy and process for nominating candidates for Directors

In appointing Directors, the Nomination and Compensation Committee establishes the criteria for nomination, centered on the followings, and then nominates the candidates satisfying the criteria to the Board. The candidates for Director nominated to the Board undergo examination by the Supervisory Committee Members, and then, their appointment will be put up for resolution by the Board. With the resolution of the Board, the candidates are appointed unofficially, and their appointment is then determined by a resolution of the General Meeting of Shareholders. When a proposal for the appointment of Directors who are Supervisory Committee Members is submitted to the General Meeting of Shareholders, the prior consent of the Supervisory Committee is required.

<Director nomination criteria> (See “5-2. Nomination of Directors” under “Corporate Governance Guideline”)

- (1) A director, as a trustee of the Company selected by shareholders, shall have the ability to contribute to the Company’s sustainable growth and mid- to long-term increase of corporate value by appropriately fulfilling their duty of loyalty and duty of care concerning the performance of his/her duties.
- (2) An independent director shall have excellent judgment and a wealth of experience in such fields as business management, technology, finance and accounting and corporate legal affairs, and the ability to oversee the Group Senior Executives from an independent and objective standpoint, and shall satisfy the Company’s criteria for independent directors.

(Reference 2) Independence Criteria for External Directors

Please refer to page 23 for details of the Company’s independence criteria for External Directors.

(Reference 3) Board Skill Matrix (As of the end of the General Meeting of Shareholders)

The Board shall comprise of not more than 15 directors to ensure the effectiveness of its functions, and independent directors shall account for a half or more so that they are able to properly perform their oversight functions.

In addition, the Board shall have well-balanced knowledge, experience and capability as a whole to effectively fulfill its roles and responsibilities and shall be composed in a form in which diversity including gender and internationality exists and the right size is maintained.

Name • Position		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	●		●				●
Takao Wada	Representative Director, President and CEO	●		●				●
Hirotohi Takahashi	Representative Director and Deputy President	●	●	●				
Ryosuke Tamakoshi	Independent Director	●			●		●	
Naohiro Nishiguchi	Independent Director		●		●			●
Masaki Yamauchi	Independent Director	●	●	●				
Kazuhiro Yoshizawa	Independent Director	●	●	●				
Daisuke Hayashi	Director (Member of Supervisory Committee)				●	●		●
Chisa Enomoto	Independent Director (Member of Supervisory Committee)				●	●		●
Kazuhiko Tomoda	Independent Director (Member of Supervisory Committee)	●				●	●	

(Note) Definition of . . .

1. Corporate Management and Strategy: Experience and ability of engaging in important decision making and successor selection of own company gained as a corporate executive
2. Innovation / technology: Knowledge and experience regarding technology utilization and innovation in corporate management gained as a CTO of a company, etc.
3. 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
4. Internationality: Experience and ability of organizational operation, business management, and business operation involving multiple countries at an international organization or company
5. 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.
6. 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
7. Sustainability / ESG: Experience and ability of working on promotion of sustainability and solving social issues in business management

(Reference 4) Composition of the Board of Directors after the Election

If Agenda Items 4 and 5 are approved as proposed, the composition of the Board of Directors will be as follows.

Name	Title	External Director	Independent Director	Supervisory Committee Member	Nomination and compensation Committee Member (not legally required)	Corporate Governance Committee Member (not legally required)
Masamichi Mizuta	Chairperson of the Board				●	●
Takao Wada	Representative Director, President and CEO					
Hirotohi Takahashi	Representative Director and Deputy President					
Ryosuke Tamakoshi	Independent Director	●	●		●	●
Naohiro Nishiguchi	Independent Director	●	●		●	
Masaki Yamauchi	Independent Director	●	●		●	●
Kazuhiro Yoshizawa	Independent Director	●	●		●	
Daisuke Hayashi	Director (Full-time Member of Supervisory Committee)			●		●
Chisa Enomoto	Independent Director (Member of Supervisory Committee)	●	●	●		
Kazuhiko Tomoda	Independent Director (Member of Supervisory Committee)	●	●	●		●

(Reference 5) Changes of trade names of Group companies (those relevant to the agenda)

1. On July 1, 2017, Tempstaff Co., Ltd. changed the trade name to PERSOL TEMPSTAFF CO., LTD.
2. On July 1, 2017, Intelligence, Ltd. changed the trade name to PERSOL CAREER CO., LTD.

Independence Criteria for External Directors

The Company has established Independence Criteria for External Directors as follows and deems that any External Director who does not fall under any of the following items possess independence from the Company.

1. Major business partner and lender

- (1) Major business partners of the Group whose transaction amounts with the Group in any of the past three fiscal years including the latest fiscal year exceed 2% of the Company's consolidated annual net sales for that fiscal year, or persons who perform executive roles therein;
- (2) Parties for whom the Group is a major business partner and whose transaction amounts with the Group in any of the past three fiscal years including the latest fiscal year exceed 2% of their consolidated annual net sales for that fiscal year, or persons who perform executive roles therein; or
- (3) Persons who perform executive roles in financing institutions, their parent companies or subsidiaries, from which the Group makes borrowing and the balance of borrowings at the end of any of the past three fiscal years including the latest fiscal year exceeds 2% of the Company's consolidated total assets at the end of that fiscal year.

2. Specialist who receives significant money and other property from the Group

- (1) Attorneys at law, certified public accountants, tax accountants or other consultants who, on average over the past three fiscal years including the latest fiscal year, receive more than 10 million yen in monetary and other property benefits except for executive compensation from the Group; or
- (2) Persons belonging to law firm, accounting firm, tax accountant corporation, consulting firm or other specialized advisory firm (except for supplementary staff) which, on average over the past three fiscal years including the latest fiscal year, was paid by the Group in excess of 2% of its consolidated annual net sales.

3. Major shareholder

- (1) Major shareholders of the Company (i.e. those who possess directly or indirectly the voting rights of 10% or more of the total voting rights. The same shall apply hereinafter) at the end of the latest fiscal year, persons who perform executive roles therein, or their directors who do not perform executive roles.
- (2) Persons who perform executive roles at the Company's major shareholder's subsidiary at the end of the latest fiscal year; or
- (3) Persons who perform executive roles at a party for whom the Group is a major shareholder at the end of the latest fiscal year.

4. Person who receives a large amount of donations or subsidies from the Group

- (1) Persons who annually receive more than 10 million yen of donations or subsidies from the Group in any of the past three fiscal years including the latest fiscal year; or
- (2) Persons who perform executive roles in a corporation, union or other organization which receives donations or subsidies from the Group in excess of 2% of its annual gross income in any of the past three fiscal years including the latest fiscal year.

5. External auditor

- (1) Certified public accountants who are the external auditors of the Group, or certified public accountants who belong to an audit firm which is the external auditor of the Company.

6. Person who belongs to entities which are counterpart of mutual appointment of officers

- (1) Person who perform executive roles in the companies which accept directors or audit & supervisory board members (both full-time and part-time) from the Group, their parent companies or subsidiaries.

7. Person who had been applicable in the past

- (1) Persons to whom any of items 1. through 6. applied in the past three years.

8. Close relative

- (1) Spouse or relatives in second degree or less, of persons who are applicable to the above 1. through 7. or who performed executive roles in the Group (except those who are not significant (Note)) in past three years.

Note: Persons who are not significant refers to: (i) persons who are not directors or executive officers (or officers who perform executive roles at an organization that is a corporation other than a stock company or other entity) if such persons perform executive roles; and (ii) persons who are not owners or partners of a professional advisory firm (i.e., associates and employees).

Supplement for Agenda Item 7

<Overview of Compensation for Directors who are not Supervisory Committee Members concerning Agenda Item 7>

Agenda Item 7 proposes a revision to the performance-linked share-based compensation scheme for Directors who are not Supervisory Committee Members (excluding External Directors) and Executive Officers of the Company.

1. Overview of the proposal

Taking into consideration the fact that the Corporate Governance Committee once again clarified the role of Chairperson of the Board, the Company will revise part of the share-based compensation scheme. See page 26 for details.

	Resolution by the Ordinary General Meeting of Shareholders in 2017	The proposal (underlines indicate the changes)
Target of the scheme	<ul style="list-style-type: none"> • Directors who are not Supervisory Committee Members (excluding External Directors) • Executive Officers 	(Same as on the left)
Maximum amount of money contributed by the Company	¥990 million for three fiscal years	¥990 million for three years <u>(¥20 million or less per year as share-based compensation for the Chairperson of the Board)</u>
Maximum number of Company shares, etc. that can be delivered, etc. to Directors, etc. and the method of acquisition of Company shares	<ul style="list-style-type: none"> - 460,000 shares for each trust period (approximately three years) - Company shares will not be diluted, as they are planned to be acquired from the stock market. 	(Same as on the left)
Terms of achieving performance targets	Terms vary according to the level of achievement versus the objectives of the Mid-term Management Strategy, etc. during the target period.	<ul style="list-style-type: none"> - Executive directors and executive officers Terms vary according to the level of achievement versus the objectives of the Mid-term Management Strategy, etc. during the target period. - <u>Chairperson of the Board</u> <u>No performance targets</u> <u>(granted in a fixed manner)</u>
Timing of delivery of Company shares, etc.	After retirement	(Same as on the left)

2. Composition of compensation for the Company’s Directors after this Ordinary General Meeting of Shareholders (reference)

The composition of compensation for the Company’s Directors upon approval of Agenda Item 7 as originally proposed is as follows:

	Directors who are not Supervisory Committee Members			Directors who are Supervisory Committee Members
	Internal Directors		External Directors	
	Executive Directors	Chairperson of the Board		
Basic compensation	Basic compensation	Basic compensation	Basic compensation	Basic compensation
Short-term incentive compensation	Bonus	–	–	–
Mid- to long-term incentive compensation	Share-based compensation (performance linked + fixed)	Share-based compensation (fixed)	Share-based compensation (fixed)	Share-based compensation (fixed)

Note: Composition of compensation for the Company’s Executive Officers is the same as the Executive Directors. See “Compensation Policy for Director and Officer” for details.

Agenda Item 7: Partial Revision of Share-based Compensation Scheme for Directors who are not Supervisory Committee Members

1. Reason for the proposal and reasons for considering the said compensation as appropriate

The Company, at the 9th Ordinary General Meeting of Shareholders held on June 27, 2017 (the “2017 Shareholder Meeting”), after approval from the shareholders, introduced a performance-linked, share-based compensation scheme (the “Scheme”) to deliver the Company’s shares, etc. corresponding to the level of achievement of the Mid-term Management Strategy, etc. to the Company’s Directors who are not Supervisory Committee Members and Executive Officers (excluding External Directors, collectively “Directors, etc.”). Further, in the 12th Ordinary General Meeting of Shareholders held on June 24, 2020, for the Company’s External Directors who are not Supervisory Committee Members and Directors who are Supervisory Committee Members, the Company introduced a share-based compensation scheme in which shares are granted in a fixed manner without linking to performance.

Subsequently, the Company established the post of Chairperson of the Board on April 1, 2021, and established the Corporate Governance Committee on July 16 of the same year, carrying out a series of corporate governance improvement measures. This time, based on the report from the Corporate Governance Committee, the role of the Chairperson of the Board was clarified afresh at the Board of Directors meeting, and consequently this proposal is being placed before the Shareholders Meeting with the aim of reviewing the share-based compensation of Directors, etc.

The Company, on the condition that this proposal is approved, at the Board of Directors Meeting held in May 2022, decided on the policy to determine the details regarding individual compensation, etc. of the Directors, etc. of the Company, an overview of which is described from pages 30 to 36. This proposal contains necessary and rational details upon delivering individual compensation, etc. to Directors, etc. in accordance with this proposal. Accordingly, the contents of this proposal are considered to be appropriate.

If this proposal is approved as proposed, the compensation of the Directors, etc. other than the Chairperson of the Board will be composed of three items: basic compensation, bonus, and share-based compensation. The compensation of the Chairperson of the Board will be composed of the two items of basic compensation and share-based compensation. Further, for External Directors who are not Supervisory Committee Members and Directors who are Supervisory Committee Members, the compensation will continue to be composed of the basic compensation and share-based compensation.

The number of Company’s Directors who are not Supervisory Committee Members (excluding External Directors) that will be eligible for the Scheme will be three persons, if Agenda Item 4 “Election of Seven (7) Directors who are not Supervisory Committee Members” is approved as proposed. Further, as stated above, Executive Officers are also eligible for this scheme (currently there are nine Executive Officers who do not concurrently serve as Directors who are eligible for the Scheme), and the compensation based on the Scheme also includes the compensation for Executive Officers. However, as there is a possibility that these Executive Officers will be appointed as Directors during the Target Period of the Trust (as defined in 2 (2) below), the amount and details of compensation, etc. for Directors, etc. are proposed to be revised with regard to the entire compensation based on the Scheme.

The Company’s Supervisory Committee has reviewed the decision-making procedure of this proposal taking into account the fact that it was decided after deliberations at the Nomination and Compensation Committee where the Chairperson and majority of members are Independent External Directors and it judges that the procedure was appropriate. The Supervisory Committee, after being briefed on the details of the deliberations at the Nomination and Compensation Committee, after discussions, concluded that the proposal is suitable considering that the compensation scheme is designed reflecting the respective roles and responsibilities of the Directors who are not Supervisory Committee Members and Executive Officers (excluding External Directors) targeted by the revision and that the contents of the revision take that into account.

2. The amount and details of compensation under the Scheme

(1) Overview of the Scheme

The Scheme is a share-based compensation scheme under which the Company shares are acquired through a trust using the amount of compensation for Directors, etc. contributed by the Company as funds and the Company shares and amount of cash equivalent to the value of the converted shares (the “Company Shares, etc.”) are delivered and paid (“delivery, etc.”) to Directors, etc. The details are as described in (2) onwards.

(i) Persons eligible for the delivery, etc. of Company Shares, etc. under this proposal	<ul style="list-style-type: none"> - Directors who are not Supervisory Committee members (excluding External Directors) - Executive Officers
(ii) Impact of Company shares subject to this proposal on the total number of shares issued	
Maximum amount contributed by the Company (as described in (2) below)	<p>990 million yen in total for a Target Period of three fiscal years*</p> <p>*Share-based compensation of Chairperson of the Board not to exceed 20 million yen annually</p>
Maximum number of Company Shares, etc. to be delivered, etc. to Directors, etc. in each trust period and the method of acquisition of Company shares (as described in (2) and (3) below)	<ul style="list-style-type: none"> - The maximum total number of Company Shares, etc. to be delivered, etc. to Directors, etc. will be 460,000 shares in each trust period (approximately three years) - This is approximately 0.2% of the total number of shares issued (as of March 31, 2022, after deducting treasury stock) - Company shares will not be diluted, as they are planned to be obtained from the stock market
(iii) Details of the terms of achieving performance targets (as described in (3) below)	<ul style="list-style-type: none"> - Directors, etc. other than Chairperson of the Board <ul style="list-style-type: none"> ➤ Terms vary according to the level of achievement versus objectives of the Mid-term Management Strategy, etc. during the Target Period ➤ The indicators measuring the level of achievement for the Target Period through the fiscal year ending at the end of March 2023 shall be consolidated net sales, consolidated operating income, TSR, ROIC, and non-financial indicators (employee engagement indicator, the ratio of female employees in managerial position, technology investment ratio, and ESG ratings). ➤ For the Target Periods from the fiscal year ending at the end of March 2024 onwards, the Board of Directors shall decide it separately based on the Mid-term Management Strategy, etc. for the concerned Target Period - Chairperson of the Board <ul style="list-style-type: none"> ➤ No performance targets (granted in a fixed manner)
(iv) Timing of delivery, etc. of Company Shares, etc. to Directors, etc. (as described in (4) below)	<ul style="list-style-type: none"> - After retirement

(2) Maximum amount of money contributed by the Company, etc.

The Scheme targets three consecutive fiscal years (hereinafter the “Target Period”) and imposes an upper limit of a total of 990 million yen for the whole of the Target Period in terms of contributions to compensation for Directors, etc., setting up a trust (the “Trust”) with a three-year trust period for Directors, etc. who meet beneficiary requirements. The amount of share-based compensation for the Chairperson of the Board shall be 20 million yen or below a year.

The Trust shall, in accordance with the instructions of the trust administrator, obtain shares of the Company from the stock market using the money entrusted to the Trust as funds. During the trust period, the Company shall award points (as per (3) below) to Directors, etc., and the Trust shall, in cases where the Directors, etc. meet the beneficiary requirements, deliver, etc. Company Shares, etc.

At the expiry of the trust period of the Trust, the Company may continuously operate the Trust by means of amendments to the trust agreement and additional contributions to the Trust. In that event, the trust period of the Trust shall be extended by three fiscal years and the Company shall make an additional contribution of up to 990 million yen in total for each extended trust period and shall continue to award points to Directors, etc. during the extended trust period, and the Trust shall continue to deliver, etc. Company Shares, etc. during the extended trust period. Provided, however, if, at the time of such additional contributions, there remain Company shares (excluding Company shares corresponding to the points awarded to Directors, etc. but not yet delivered, etc.) and money (hereinafter “Residual Shares, Etc.”) in the trust assets on the last day of the trust period prior to the extension, the total amount of Residual Shares, Etc. and additional trust money contributed shall be no more than 990 million yen.

If amendments to the trust agreement and additional contributions to the Trust are not carried out at the expiry of the trust period of the Trust, and if Directors, etc. who may meet the beneficiary requirements remain in office, although no points shall be awarded to them after the expiry, the trust period of the Trust may be extended for a period of up to ten years until the retirement of such Directors, etc. and the completion of delivery, etc. of Company Shares, etc. to such Directors, etc.

(3) Upper limit for the number of Company Shares, etc. that can be delivered, etc. to Directors, etc.

The number of Company Shares, etc. delivered, etc. to Directors, etc., shall vary according to the cumulative number of points awarded during the term of service based on the rules for granting points below (the “Number of Cumulative Points”), with one point set as one share of the Company.

In the event that a stock split, a reverse stock split or the like of the shares of the Company is carried out during the trust period, the number of shares of the Company for each point will be adjusted in line with the ratio of such stock split, reverse stock split, etc. of the Company shares.

<<Rules for granting points>>

Every year, the amount of share-based compensation determined in proportion to responsibilities, etc., shall be divided by the average purchase unit price of the shares of the Company^{*1} held in the Trust, with 70% being fixed points and 30% awarded as performance-linked points to Directors, etc., and each shall be added cumulatively to the total. However, the Chairperson of the Board is awarded fixed points alone calculated by dividing the share-based compensation of 20 million yen or below a year by the average purchase unit price of Company shares^{*1}.

The cumulative total of performance-linked points for each Target Period shall be multiplied by a performance-linked coefficient proportion to the level of achievement versus the objectives of the Mid-term Management Strategy, etc.^{*2} during the target period, and can vary from 0% to 200%.

*1 In the event that the trust period of the Trust is extended due to amendments to the trust agreement and additional contributions to the Trust, this shall be the average purchase unit price of shares of the Company purchased by the Trust after the extension of the trust period.

*2 The indicators measuring the level of achievement for the Target Period through the fiscal year ending at the end of March 2023 shall be consolidated net sales, consolidated operating income, TSR, ROIC, and non-financial indicators (employee engagement indicator, the ratio of female employees in managerial position, technology investment ratio, and ESG ratings). For the Target Periods from the fiscal year ending at the end of March 2024 onwards, the Board of Directors shall decide it based on the Mid-term Management Strategy, etc. for the concerned Target Period.

The total number of Company Shares, etc. delivered, etc. to Directors, etc. by the Trust shall be a maximum of 460,000 shares (average for year: 153,300 shares) per trust period (approximately three years). The maximum number of shares to be delivered has been set with reference to the share price, etc. at the time of introduction of this Scheme, based on the maximum amount of the trust funds in (2) above.

(4) Overview of timing of delivery, etc. of Company Shares, etc. to Directors, etc., its method, and other terms of delivery of shares

Directors, etc. who meet certain beneficiary requirements (retiring from the position of Director, etc., no serious infringement of the contract of mandate signed with the Company, etc. regarding the duty of Director, etc.) shall, after retiring from the post of Director, etc., become the recipient of a delivery of Company shares in proportion to the Number of Cumulative Points calculated based on (3) above. At that time, the Director, etc. in question shall receive delivery of a number of Company shares corresponding to a certain proportion of the Number of Cumulative Points, with the remainder being received, after being converted within the Trust, in the form of cash equivalent to the value of the converted shares. However, in cases where the Director, etc. in question does not have a securities account that can handle Japanese shares, all of the cumulative points shall be converted within the Trust, and the amount of cash equivalent to the value of the converted shares shall be paid.

In the event that the Director, etc. who fulfill the beneficiary requirements dies during a trust term, the number of Company shares corresponding to the Number of Cumulative Points calculated at that point in time shall be converted within the Trust and the amount of cash equivalent to the value of the converted shares shall be paid to the inheritor of the estate of the Director, etc. In addition, in cases where the Director, etc. is appointed overseas, with regard to the number of Company shares corresponding to a certain proportion of the cumulative points or all of the cumulative points calculated at that point in time, the shares and the amount of cash equivalent to the value of the converted shares, may be received by the Director, etc. after having been converted within the Trust.

In the event that a correction to financial statements after they are announced due to a material accounting error or fraud was resolved at a meeting of the Board of Directors or the Board of Directors judged a serious infringement of the contract of mandate signed between the Company and the Director, etc. during his or her term of office, the Board of Directors shall resolve on whether or not to confiscate all or part of the right to receive share-based compensation or demand the Director, etc. in question to return all or part of the delivered share-based compensation based on a report from the Nomination and Compensation Committee (the Company has adopted a similar scheme also regarding bonus. See “Compensation Policy for Directors and Officers” on page 30 for details).

(5) Voting rights for Company shares held in the Trust

For the purpose of ensuring neutrality in management, no voting rights shall be exercised for Company shares held in the Trust during the trust period.

(6) Handling of dividends on Company shares held in the Trust

Dividends on Company shares held in the Trust will be received by the Trust and assigned to the Trust's fees and expenses.

(7) Other details of the Scheme

Other details concerning the Scheme shall be specified at a meeting of the Board of Directors each time the Trust is set, the trust agreement is amended and additional contribution to the Trust is made.

(Reference) Compensation Policy for Directors and Officers

(1) PERSOL Group's Value Creation Story

(i) Group Vision

“Work, and Smile” describes the vision that PERSOL wants to realize.

The labor market is witnessing an ongoing shift from “organization-oriented” to “individual-oriented,” giving rise to questions about what roles the human-resource services industry should play and what the industry means at a fundamental level.

Through our corporate activities, we aim to create a society where all people can “Work, and Smile” regardless of their sexuality, age, nationality, or any other boundary.

(ii) PERSOL Group's promise to society

We realize the “Work, and Smile” vision by proposing new styles of working and employment in an era where many people live to be 100 and contributing to the improvement of work engagement for all individuals.

(iii) Sources of value creation

The sources of our value creation are our people, who continue to align themselves sincerely with working individuals in the spirit of the corporate philosophy and Five Core Principles, the contact points with customers and social trust our business activities have fostered, our capable and extensive human resources and HR information, and the healthy financial foundation that results from those elements.

(iv) Business activities

To solidify the “PERSOL Group's promise to society” in (ii) above, the Group is committed to its key strategies of “focusing on each individual,” “innovating through technologies,” and “extending our value globally.” We will accelerate our business activities through SBU (Strategic Business Unit) business strategies and corporate strategies, built on the Group’s key strategies and business domains.

(v) Results of business activities

To assess the results of our commitment to our vision, we implement a “Work, and Smile” Index. We believe assessing the results based on this "Work, and Smile" Index will also help achieve our financial targets.

To realize our Group Vision of “Work, and Smile,” we will further promote our business to contribute to the SDGs. Among them, we will put effort into realizing the five especially important SDGs of “Goal 4: Quality Education,” “Goal 5: Gender Equality,” “Goal 8: Decent Work and Economic Growth,” “Goal 9: Industry, Innovation, and Infrastructure,” and “Goal 10: Reduced Inequalities,” while also helping develop and employing personnel who can contribute to fulfilling all 17 goals at the same time.

(2) Basic Policy for Director and Officer Compensation

The Compensation for Directors and Officers (hereinafter “Executive Compensation”) of the Company and Its subsidiaries that play central roles of the Company’s SBU business strategies (hereinafter “core SBU companies”) is designed to clearly reflect not only the short-term financial performance of the PERSOL Group but also the contributions made toward enhancing its medium- to long-term financial performance in order to help substantiate the Group’s Value Creation Story. Accordingly, the Group’s Executive Compensation is positioned as an incentive to realize sustainable medium- to long-term growth, and its basic policy is embodied in the following.

(i) Executive Compensation is linked to the short-, medium- and long-term financial performance and the corporate value of the PERSOL Group

- Is linked not only to short-term financial performance but also to medium- to long-term financial performance and corporate value

(ii) Executive Compensation is linked to shareholder value

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

(iii) Executive Compensation sets a competitive level of compensation

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

(3) 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 above. More specifically, we determine the level of compensation for Directors and Officers by studying and analyzing the compensation levels of a group of benchmark companies (20–30 companies) selected via the database of a specialized external organization (the “Nomination and Compensation Governance Survey” operated by HR Governance Leaders Co., Ltd.), etc. and based on the business circumstances for the Company. In determining Executive Compensation for the Mid-term Management period of the fiscal year ending March 2023, we selected 22 companies for the group of benchmark companies among peer companies (in the human-resource services industry) and other major companies of comparable size.

(4) Composition of Compensation

The compensation of the Company's executive directors and executive officers (hereinafter “executive directors, etc.”) consists of “basic compensation” appropriate to the role of each executive director, etc., a “bonus” that provides a short-term compensation incentive, and “share-based compensation” that provides a medium- to long-term compensation incentive. The bonuses for executive directors, etc. are designed to be equivalent to 30% of basic compensation, while share-based compensation is designed to be equivalent to 26% of basic compensation (based on the assumption that set goals are 100% achieved). The same compensation composition applies to the compensation for Directors of the core SBU companies.

The compensation for the chairperson of the Board, the Company's independent directors who are not Supervisory Committee Members, and Directors who are Supervisory Committee Members (hereinafter “non-executive directors”) consists of “basic compensation” and “share-based compensation,” which provides a medium- to long-term compensation incentive. The aim of share-based compensation for non-executive directors is to further incentivize these Directors to contribute to the mid- to long-term increase of corporate value and align their profit awareness with that of shareholders. Therefore, in order to prevent these Directors from taking excessive risks and oversee them appropriately from the shareholder viewpoint, their share-based compensation is not linked to operating performance. Instead, a fixed number of shares are granted to them as share-based compensation.

(i) Summary of compensation items

- Basic compensation

Basic compensation for executive directors, etc. is determined based on their roles (grades) and duties defined in accordance with the diversity and difficulty of the fields for which they are responsible, the degree of their responsibility for achievement, and their abilities, past performance, experience, and expectations, etc. Basic compensation for non-executive directors is determined based on their official responsibilities. This method provides the process for determining compensation with a high level of transparency and objectivity. Basic compensation is paid every month as a fixed monthly compensation.

- Bonus

A bonus is a short-term incentive paid depending on the level of performance milestones achieved in contribution to the Mid-term Management Strategy in July every year. Qualitative targets taken into consideration in bonus amounts include net sales and operating income, which reflect the earnings capacity of the Company's businesses, and the employee-engagement index and percentage of women in managerial positions, on which the Company has placed special emphasis in terms of increasing corporate value over the medium- and long-term. The amounts of bonuses are determined based on the levels of achievement on these targets. In addition to the level of achievement of earnings targets, evaluations including external environmental factors are reflected in the amounts of bonuses. Essentially, the Company derives evaluations including external environmental factors through relative comparisons of growth potential with competitors both in Japan and abroad. Aside from the above, qualitative evaluations of how each executive director, etc. has made efforts to improve earnings and enhance corporate value are taken into consideration.

The amounts of bonuses generally vary between 0% and 200%.

	Evaluation method	Evaluation weight
Financial measures	Evaluated in accordance with the levels of achievement of (1) net sales and (2) operating income by the entire Company and each SBU, as well as the comparison of growth rates with competitors.	80%
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.	10%
Theme-based evaluation	Evaluated based on how the individual has worked on the themes set with the aim of improving operating performance and corporate value, and through interviews with evaluators (evaluations of executive directors lie with the Nomination and Compensation Committee).	10%

(*1) Evaluation weights for the entire Company and SBUs are determined in accordance with the scopes of responsibilities of Directors and executive officers.

(*2) In cases where the level of contribution is especially significant or the individual commits a material violation of the executive service or other agreement, the corresponding evaluation is added or subtracted accordingly.

- Share-based compensation

The aim of share-based compensation is to award incentives to improve the corporate value and medium- to long-term financial performance of the PERSOL Group, as well as further motivate Directors and Officers to align their profit awareness with that of shareholders. Share-based compensation is generally paid at the time of retirement (or, for those transferred overseas, paid in cash based on market prices [virtual share-based compensation] at the end of each target period during the Mid-term Management Strategy period). In addition, the Company generally recommends that executive directors, etc. hold the number of shares of the Company that is equivalent to one or more times the amount of their basic compensation (annual amount), including potential shares to be delivered at the time of retirement.

Share-based compensation for executive directors, etc. consists of 70% performance-linked mid- to long-term incentive compensation (Performance Share), which depends on grades and the levels of achievement on the targets in the Mid-term Management Strategy; the remaining 30% consists of fixed mid- to long-term incentive compensation (Restricted Stock), determined according to the Directors' grades, which serves to link share-based compensation with shareholder value.

Share-based compensation for non-executive directors consists solely of the fixed medium- to long-term incentive compensation (Restricted Stock) stipulated above.

<Performance-linked medium- to long-term incentive compensation (Performance Share)>

Performance Share is designed to vary depending on the level of achievement of financial measures in the Mid-term Management Strategy for the fiscal year ending March 31, 2023 (i.e., consolidated net sales, consolidated operating income, TSR, and ROIC), as well as non-financial measures. With regard to non-financial measures, in particular, a number of ESG targets are included with the aim to further strengthen our efforts to promote the "Value Creation Story."

The amounts of this compensation generally vary between 0% and 200%.

	Measure	Target values	Evaluation weight
Financial measures	Consolidated net sales	1 trillion yen	30%
	Consolidated operating income	45 billion yen	30%
	TSR	—(*)	20%
	ROIC	10% or higher	-10% (When the target is not achieved)
Non-financial measures	Employee engagement index Percentage of women in managerial positions Ratio of investment in technology ESG rating	Set separately for each measure	20%

(*) This is a relative evaluation based on the companies in the comparison and TOPIX, so we do not set a target value for TSR itself.

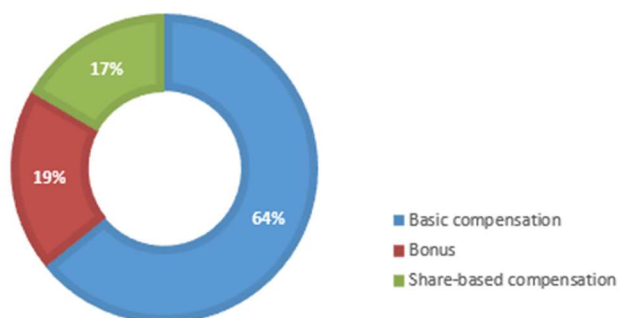
<Fixed medium- to long-term incentive compensation (Restricted Stock)>

A fixed number of shares is delivered as share-based compensation to further enhance linkage with shareholder value.

(*) Share-based Compensation is paid via a trust-type treasury stock-compensation scheme. The scheme awards units (points) to recipients every year, and when the recipient retires, the number of shares commensurate with the number of units (number of points) is delivered. Management of treasury stock is delegated to Mitsubishi UFJ Trust and Banking Corporation.

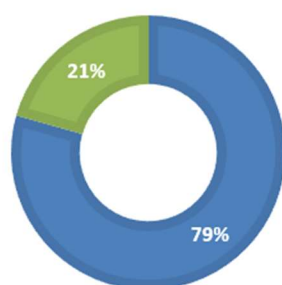
(ii) Standard compensation composition model

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

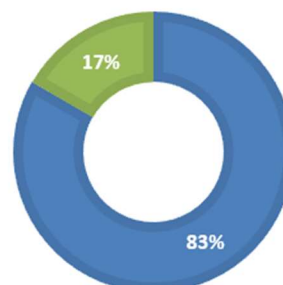


- Non-executive directors

◆ Chairperson of the Board



◆ Non-executive directors besides the Chairperson of the Board



■ Basic compensation ■ Share-based compensation

■ Basic compensation ■ Share-based compensation

(*) The value of share-based compensation for non-executive directors besides the chairperson of the Board 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 may not be identical with that shown above.

(5) Compensation Governance

(i) Process for determining compensation

The amount of Executive Compensation, its determination process, and the policy for determining details of compensation for each Director and officer shall be determined by the Board following thorough deliberations by the Nomination and Compensation Committee, which is an independent advisory body to the Board. The amount of compensation, etc. for Directors who are Supervisory Committee Members shall be determined through discussions among the Supervisory Committee Members.

Director compensation, etc. shall be paid within the maximum amount of compensation, etc. established by a resolution at an Ordinary General Meeting of Shareholders.

	Date of resolution at the Ordinary General Meeting of Shareholders	Details	Number of Directors on the date of resolution at the Ordinary General Meeting of Shareholders
Amount of compensation, etc. for Directors who are not Supervisory Committee Members	12th Ordinary General Meeting of Shareholders held on June 24, 2020	(Cash compensation) No more than 500 million yen annually, including no more than 60 million yen for independent directors, excluding employees serving concurrently as Directors	6 (including 3 independent directors)
	14th Ordinary General Meeting of Shareholders scheduled for June 21, 2022	(Share-based compensation) Recipients: Directors who are not Supervisory Committee Members (excluding independent directors) and Executive Officers Contribution by the Company: Up to 990 million yen (for a period of three fiscal years*) Shares to be delivered: Up to 460,000 shares (for a period of three fiscal years) * Yearly share-based compensation for the chairperson of the Board is up to 20 million yen Issuance: For executive directors, etc., 70% in the form of performance-linked compensation and 30% in the form of fixed compensation; for the chairperson of the Board, fixed compensation; generally issued at the time of retirement	12 (including 9 Executive Officers)
	12th Ordinary General Meeting of Shareholders held on June 24, 2020	(Share-based compensation) Recipients: Directors who are not Supervisory Committee Members Contribution by the Company: Up to 33 million yen (for a period of	3

	Date of resolution at the Ordinary General Meeting of Shareholders	Details	Number of Directors on the date of resolution at the Ordinary General Meeting of Shareholders
		three fiscal years*) * Share-based compensation per Director who is not a Supervisory Committee Member is equivalent to 2 million yen for a year (set amount) Shares to be delivered: Up to 36,000 shares (for a period of three fiscal years) Issuance: Fixed compensation; generally issued at the time of retirement	
Amount of compensation, etc. for Directors who are Supervisory Committee Members	8th Ordinary General Meeting of Shareholders held on June 17, 2016	(Cash compensation) Up to 1 million yen annually	4
	12th Ordinary General Meeting of Shareholders held on June 24, 2020	(Share-based compensation) Contribution by the Company: Up to 33 million yen (for a period of three fiscal years) * Share-based compensation per Director who is not a Supervisory Committee Member is equivalent to 2 million yen for a year (set amount) Shares to be delivered: Up to 36,000 shares (for a period of three fiscal years) Issuance: Fixed compensation; generally issued at the time of retirement	3

(ii) Role of the Nomination and Compensation Committee

As an advisory body to the Board, the Company has established a Nomination and Compensation Committee comprising three or more members, the majority of whom (including the chairperson) are independent directors, to enhance the fairness, objectivity, and transparency of the composition of compensation.

The Nomination and Compensation Committee deliberates on matters related to the basic policy for Executive Compensation and the Executive Compensation scheme and provides advice and opinions to the Board based on the results of its deliberations.

In order to obtain an objective external perspective and specialist knowledge regarding the Executive Compensation scheme, external compensation consultants (HR Governance Leaders Co., Ltd.) are also appointed. With their support, the Nomination and Compensation Committee considers the details of the compensation scheme, taking into account such factors as external data, economic circumstances, industry trends, and the business condition of the Company.

<Main matters for consideration by the Nomination and Compensation Committee>

The Nomination and Compensation Committee meets at least four times yearly and provides advice and opinions based on the results of its deliberations, primarily on the following items:

(i) Matters concerning the determination of candidates for Directors and members of the Headquarters Management Committee (hereinafter “HMC”)

- Determination of a draft policy concerning the nomination and dismissal of Directors
- Determination of a draft proposal concerning the nomination and dismissal of Directors put up for resolution by the General Meeting of Shareholders
- Determination of a draft proposal concerning the election and dismissal of Representative Director, President and CEO (rights of representation and post as CEO)
- Deliberation on a draft proposal concerning the constituent members of the HMC
- Deliberation on a succession plan for Representative Director, President and CEO

(ii) Matters concerning the determination of compensation for Directors and HMC members

- Development of compensation criteria for Directors and HMC members
- Evaluation of Directors (excluding Directors who are Supervisory Committee Members)

(iii) Other matters deemed necessary by the Board

- (*) The Headquarters Management Committee serves as an assistant body to Representative Director, President and CEO and discusses the basic management policies of the Group and decisions on the execution of important operations.

(6) Recoupment of Incentive Compensation, etc. (Clawback/Malus)

In the event that the Board has resolved to make restatements of financial statements due to material accounting errors or accounting fraud or deemed that there has been a significant breach of executive service and/or other agreements by a Director or officer during his or her term of office, the Nomination and Compensation Committee shall deliberate, at the request of the Board, on whether or not to confiscate said individual’s rights to receive bonuses and/or share-based compensation in full or in part or confiscate the bonuses and/or share-based compensation said individual had received in full or in part. The Nomination and Compensation Committee shall then provide the Board with its opinions and suggestions based on the results of its deliberations.

The Board shall include on the agenda for resolution a possible forfeit of the rights to receive bonuses and/or share-based compensation in full or in part or received bonuses and/or share-based compensation in full or in part based on the opinions and suggestions of the Nomination and Compensation Committee.

(7) Policy on Information Disclosure, etc.

The details of the compensation scheme for officers will be communicated promptly to the shareholders of the Company by means of securities reports, reference materials for general meetings of shareholders, business reports, corporate governance reports, integrated reports, and the Company website, created and disclosed in accordance with applicable laws and regulations, etc.

In addition, the Company shall have constructive dialogues with shareholders and investors based on clear objectives to help deepen their understanding of our Value Creation Story. The Company shall also share feedback obtained from shareholders and investors through constructive dialogues at Board meetings and other opportunities to ultimately enhance corporate value of the Company.

Generally, the compensation for Directors (excluding Supervisory Committee Members) shall be disclosed in all cases, not limited to cases in which they receive 100 million yen or more in total.