This is an excerpt translation of the Japanese original. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

(Securities Code: 2181)
June 2, 2017

To all shareholders

Masamichi Mizuta,
President and Representative Director,
Temp Holdings Co., Ltd.
1-1, Yoyogi 2-chome, Shibuya-ku, Tokyo, Japan

NOTICE OF CONVOCATION OF

THE 9th 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 9th Ordinary General Meeting of Shareholders as per the details listed below. All shareholders are encouraged to attend the meeting.

If you are unable to attend the meeting on the day, you may exercise your voting rights in writing or via the Internet, etc. (electro-magnetic method). 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 (http://www.evote.jp/) no later than 6:00 p.m., Monday, June 26, 2017.

1. Date and Time	10:00 a.m., Tuesday, June 27, 2017 (Reception will open at 9:00 a.m.)
2. Venue	"Ohgi," 4F, South Tower, Keio Plaza Hotel Tokyo, 2-1, Nishi-Shinjuku 2-chome, Shinjuku-Ku, Tokyo
3. Meeting Agenda	
Items to be reported	1. The Business Report, the Consolidated Financial Statements and the Reports by Accounting Auditors and the Audit and Supervisory Committee on the audit results of the Consolidated Financial Statements, for the 9th term (from April 1, 2016 to March 31, 2017). 2. The Non-Consolidated Financial Statements for the 9th term (from April 1, 2016 to March 31, 2017).
Items to be resolved	
Agenda 1:	Appropriation of Surplus
Agenda 2:	Partial Amendments to the Articles of Incorporation
Agenda 3:	Election of Six (6) Directors who are not Audit and Supervisory Committee Members
Agenda 4:	Determination of Amount and Details of Performance-Linked Share-Based Remuneration Etc. for Directors Etc.
4. Instructions for Exercising Voting Rights	Please refer to the Instructions for Exercising 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, and not described in this convocation notice.
  a. Notes to consolidated financial statements
  b. 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 Accounting 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 1: Appropriation of Surplus

Regarding the return of profits to our shareholders as a priority issue, the Company makes it a basic policy to maintain stable dividends according to the conditions of business performance, while striving to increase internal reserves and strengthening the corporate structure that enables a speedy and active expansion of business into growth fields.

Based on this basic policy, we would like 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
9 yen per share of common stock
Total amount: 2,104,518,168 yen

(3) Effective date of distribution of surplus
June 28, 2017

Reference Information for Agenda 2

The Group Brand: PERSOL

On June 30, 2016, the Group announced that the new group brand would be ‘PERSOL.’

Since the founding of Tempstaff Co., Ltd. as a temporary staffing company in 1973, the Company has enhanced the range of services that it offers in the realm of personnel services by establishing a variety of subsidiaries, forming a holding company, and undertaking stock acquisitions, in order to meet the demands of a diverse labor market. As a result, it provides a wide range of services, including new graduate and mid-career employment support, casual/part-time workers support, IT outsourcing, and design development, as well as temporary staffing. “Temp,” which has been the group name for more than 40 years, has become a common noun denoting the temporary staffing division, so with this new PERSOL brand we aim to expand our image beyond that of a simple temporary staffing division, to be recognized for the wide-ranging, comprehensive personnel services that we actually provide.

Work, and Smile



PERSOL

‘PERSOL’ is a word coined to express our aim to solve (SOLUTION) social problems through the growth of people (PERSON). ‘PERSOL’ expresses our support for the personal growth of individuals through work, and our commitment to help bring about a bright future for society.

Agenda 2: Partial Amendments to the Articles of Incorporation

(1) Reason for the proposal

With the aim of improving awareness of the Group as a whole and achieving even greater synergies through integration with the group brand, with a view to future business growth, the Company requests that Article 1 (Trade Name) of the current Articles of Incorporation be amended.

In addition, the Company requests that a supplementary provision be established stipulating that the effective date of this amendment to the Articles of Incorporation shall be July 1, 2017. This supplementary provision shall be deleted after the effective date has elapsed.

(2) Details of the proposed amendments

Details of the proposed amendments to the Articles of Incorporation are as follows:

(Underlined portions are amended)

Current Articles of Incorporation	Proposed Articles of Incorporation
CHAPTER I General Provisions	CHAPTER I General Provisions
Article 1 (Trade Name) The Trade name of the Company shall be "テンプホールディングス株式会社" in Japanese, and "Temp Holdings Co., Ltd." in English	Article 1 (Trade Name) The Trade name of the Company shall be "パーソルホールディングス株式会社" in Japanese, and "Persol Holdings Co., Ltd." in English
Article 2 ~ Article 41 (Omitted)	Article 2 ~ Article 41 (Unchanged)
Supplementary Provision	Supplementary Provision
Article 1 (Omitted)	Article 1 (Unchanged)
(Newly established)	Article 2 (Transitional Measures) The amendment to Article 1 (Trade Name) of these Articles of Incorporation shall take effect on July 1, 2017. This supplementary provision shall be deleted on the effective date.

Agenda 3: Election of Six (6) Directors who are not Audit and Supervisory Committee Members

Carl T. Camden resigned as Director effective May 11, 2017 and the terms of office of the five (5) current Directors who are not Audit and Supervisory Committee Members will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company requests the election of six (6) Directors who are not Audit and Supervisory Committee Members, thereby increasing the number of Directors who are not Audit and Supervisory Committee Members by one (1) to further strengthen the Company's management structure.

The Company's Audit and Supervisory Committee has judged that all the candidates for Directors in this agenda are the right people for the post of Director.

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

No.	Name	Position and business in charge in the Company	
1	Masamichi Mizuta	President, Chief Executive Officer and Representative Director	Reappointed
2	Hirotoshi Takahashi	Vice President, Chief Operating Officer and Director (Responsible for Corporate Strategy)	Reappointed
3	Takao Wada	Senior Executive Vice President (Responsible for Sales Strategy, General Manager of Temporary Staffing Segment and BPO Segment)	Reappointed
4	Toshihiro Ozawa	Director and Executive Officer (Responsible for Group Function Supervising Division, Information Systems and General Affairs)	Reappointed
5	Kiyoshi Seki	Director and Executive Officer (Responsible for Financing)	Reappointed
6	Peter W. Quigley	—	Newly appointed External

(Reference)Policy and process for nominating candidates for Directors

Candidates for Directors recommended by the President, CEO and Representative Director or other directors are checked to ensure that they meet the standards for appointment prescribed in the Rules for Officers and, after advice or recommendations from the Nomination and Remuneration Committee and deliberations by the Audit and Supervisory Committee, the candidates are then examined at a meeting of the Board of Directors. With the resolution of the Board of Directors, the candidates are appointed unofficially, and their appointment is then determined by a resolution of the General Meeting of Shareholders. In addition, when a proposal for the appointment of Directors who are Audit and Supervisory Committee Members is submitted to the General Meeting of Shareholders, the prior consent of the Audit and Supervisory Committee is required. The standards for appointment prescribed in the Rules for Officers are as described below.

(1) A person well-versed in business or the industry, or who has knowledge and insight in the necessary field
(2) A person who is suitable to be a corporate officer, being a person of excellent character, with high ethical standards
(3) A person able to complete the term of office

No. 1 Masamichi Mizuta (Date of birth: June 13, 1959) Reappointed

Number of the Company's shares held: 418,700 shares

Number of years in office: 8 years 8 months

Number of Board of Directors meetings attended: 15/16(93.7%)

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

Apr.	1984	Joined Recruit Co., Ltd.
Jul.	1988	Joined Tempstaff Co., Ltd.
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
Apr.	2015	President & Representative Director of the Company
Jun.	2016	President, CEO & Representative Director of the Company (current position)

Important concurrent posts

Director of Tempstaff Co., Ltd.
Director of Intelligence, Ltd.
Director of Intelligence Business Solutions, Ltd.
Director of PERSOL RESEARCH & DEVELOPMENT CO., LTD.

Reasons for nomination as candidate for Director

Masamichi Mizuta has been contributing to the improvement of the Company's corporate value such as through overseeing the Group management as the President and Representative Director of the Company since June 2013, and playing a driving role in global development by leveraging his experience and insight accumulated over many years in the human resources business industry. The Company appointed him as a candidate for Director based on the conclusion that he can be expected to continue to fulfill his duties as a Director who is not an Audit and Supervisory Committee Member of the Company in light of his past record.

No. 2 Hirotoshi Takahashi (Date of birth: April 26, 1969) Reappointed

Number of the Company's shares held: 99,200 shares

Number of years in office: 4 years

Number of Board of Directors meetings attended: 14/16(87.5%)

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

Apr.	1995	Joined 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 (Intelligence Group)
Jan.	2014	Vice President & Director of the Company General Manager, Media and Career-related Business (Intelligence Group) General Manager, Group Corporate Strategy Division
Apr.	2014	Vice President & Director of the Company General Manager, Group Corporate Strategy Division
Apr.	2015	Vice President and Executive Officer 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) (current position)

Important concurrent posts

Director of Tempstaff Co., Ltd.
Director of Intelligence, Ltd.
Director of Intelligence Business Solutions, Ltd.
Director of PERSOL RESEARCH & DEVELOPMENT CO., LTD.

Reasons for nomination as candidate for Director

Hirotoshi Takahashi has been contributing to the improvement of the Company's corporate value such as through self-improvement in the management as Representative Director & Chief Executive Officer of Intelligence, Ltd. from December 2008, and playing a secondary role in overseeing the Group management as Vice President and Director of the Company since June 2013 by leveraging his experience and insight accumulated over many years in the human resources business industry. The Company appointed him as a candidate for Director based on the conclusion that he can be expected to continue to fulfill his duties as a Director who is not an Audit and Supervisory Committee Member of the Company in light of his past record.

No. 3 Takao Wada (Date of birth: November 25, 1962) Reappointed

Number of the Company's shares held: 111,400 shares

Number of years in office: 8 years 8 months

Number of Board of Directors meetings attended: 16/16(100.0%)

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

Feb.	1988	Joined Sparrow Japan
Sep.	1991	Joined Tempstaff Co., Ltd.
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.	2014	Director of the Company General Manager, Group Human Resources Division
Apr.	2015	Director and Executive Officer of the Company (Responsible for Temporary Staffing Segment, BPO Segment, and Sales Strategy)
Apr.	2016	Director and Executive Officer of the Company (Responsible for Sales Strategy, General Manager of Temporary Staffing Segment and BPO Segment)
Jun.	2016	Senior Executive Vice President of the Company (Responsible for Sales Strategy, General Manager of Temporary Staffing Segment and BPO Segment) (current position)

Important concurrent posts

President and Representative Director of Tempstaff Co., Ltd.

Reasons for nomination as candidate for Director

Takao Wada has been contributing to the expansion and improvement of the temporary staffing business, by engaging in management as a Director of the Company since October 2008 by leveraging his experience and insight accumulated over many years in the temporary staffing business, which is the mainstay business of the Group. The Company appointed him as a candidate for Director based on the conclusion that he can be expected to continue to fulfill his duties as a Director who is not an Audit and Supervisory Committee Member of the Company in light of his past record.

No. 4 Toshihiro Ozawa (Date of birth: April 3, 1965) Reappointed

Number of the Company's shares held:
300 shares

Number of years in office:
1 year

Number of Board of Directors meetings attended:
12/12(100.0%)

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

Apr.	1990	Joined NTT Data Communications Systems Corporation (now NTT Data Corporation)
Jun.	2000	Executive Director of Operations, Nippon Outsourcing Corporation
Oct.	2005	Joined Sanyo Electric Co., Ltd. General Manager, IT Systems Business Division of Sanyo Electric Co., Ltd.
Jan.	2008	Joined Intelligence, Ltd.
Dec.	2008	Representative Director of Intelligence Business Solutions, Ltd.
Apr.	2012	Director and Senior Managing Executive Officer of Intelligence, Ltd.
Jan.	2014	General Manager, ITO Segment of the Company
Apr.	2014	General Manager, Group BI Division of the Company
Apr.	2015	Executive Officer (responsible for ITO Segment and Information Systems) of the Company
Apr.	2016	Executive Officer (responsible for Information Systems and General Affairs) of the Company
May	2016	Executive Officer (Responsible for Group Function Supervising Division, Information Systems and General Affairs) of the Company
Jun.	2016	Director and Executive Officer of the Company (Responsible for Group Function Supervising Division, Information Systems and General Affairs) of the Company (current position)

Important concurrent posts

None

Reasons for nomination as candidate for Director

Toshihiro Ozawa has been contributing to the expansion and improvement of the Company's corporate value, such as through proactively providing suggestions from the point of view of the Company's management first through his engagement in management as a Representative Director of Intelligence Business Solutions Ltd. since December 2008 and then as Executive Officer of the Company from April 2015 by leveraging his experience and insight accumulated over many years in the IT Systems business. The Company appointed him as a candidate for Director based on the conclusion that he can be expected to fulfill his duties as a Director who is not an Audit and Supervisory Committee Member of the Company in light of his past record.

No. 5 Kiyoshi Seki (Date of birth: December 11, 1964) Reappointed

Number of the Company's shares held: – shares

Number of years in office: 1 year

Number of Board of Directors meetings attended: 12/12(100.0%)

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

Apr.	1987	Joined Yamaichi Securities Co., Ltd.
Jan.	1989	Joined Chuo Coopers and Lybrand Consulting Co., Ltd.
Jan.	1993	Joined K&Company Inc.
Jun.	2014	Joined KPMG Consulting Co., Ltd.
Apr.	2015	Joined the Company Executive Officer (responsible for Financing) Managing Director of Tempstaff Co., Ltd.
Apr.	2016	Director and Senior Managing Executive Officer of Tempstaff Co., Ltd. (current position)
Jun.	2016	Director and Executive Officer of the Company (Responsible for Financing) (current position)

Important concurrent posts

Director and Senior Managing Executive Officer of Tempstaff Co., Ltd.

Reasons for nomination as candidate for Director

Kiyoshi Seki has been contributing to the expansion and improvement of the Company's corporate value, such as through proactively providing suggestions from the point of view of the Company's management since his appointment as Executive Officer of the Company in April 2015 by leveraging his experience and insight accumulated over many years in the area of finance and accounting. The Company appointed him as a candidate for Director based on the conclusion that he can be expected to fulfill his duties as a Director who is not an Audit and Supervisory Committee Member of the Company in light of his past record.

No. 6 Peter W. Quigley (Date of birth: April 20, 1961)

Newly-appointed
Candidate for External Director

Number of the Company's shares held: – shares

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

Nov. 2002 Joined Kelly Services Inc.
Senior Director of Service Department

May 2017 Executive Vice President of Kelly Services, Inc.

Important concurrent posts

Executive Vice President of Kelly Services, Inc.

Reasons for nomination as candidate for External Director

Peter W. Quigley has extensive experience and insight in the human resources business in the United States and other countries. The Company appointed him as a candidate for External Director based on the conclusion that he can be expected to provide opinions, suggestions etc. on business development overseas, including locations where the Company has not yet ventured, and contribute to the improvement of the corporate value of the Company.

Notes: 1. Peter W. Quigley is Executive Vice President of Kelly Services, Inc. The Company's consolidated subsidiaries and Kelly Services, Inc. conduct the same type of operations in the temporary staffing, recruitment and related fields. The Company and Kelly Services, Inc. have signed a global sales and marketing agreement on September 9, 2010, and a joint venture agreement on April 11, 2016. The Company's consolidated subsidiaries and Kelly Services, Inc. have signed a joint venture agreement in regard to the business in North Asia on July 24, 2012.
2. There is no special interest between the other candidates and the Company.
3. Peter W. Quigley is a candidate for External Director
4. If appointment of Peter W. Quigley is approved, the Company will enter into an agreement with him to limit his liability to the higher of either of 1.0 million yen or the minimum amount of liability stipulated in Article 425, Paragraph 1 of the Corporation Law.

Agenda 4: Determination of Amount and Details of Performance-Linked Share-Based Remuneration Etc. for Directors Etc.

The remuneration of the Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members, and External Directors; hereafter in this agenda the same definition shall apply) consists of basic remuneration and bonuses. In addition, for the Company's Directors and Executive Officers ("Directors etc.") the Company proposes to introduce a performance-linked, share-based remuneration scheme (the "Scheme") to deliver and provide ("deliver") the Company's shares and cash equivalent to the amount of the Company's shares when converted ("Company shares etc.") in proportion to their responsibilities and the level of achievement versus the objectives of the Mid-term Management Strategy etc.

The aim of the Scheme is to provide incentives for Directors etc. to improve the medium- to long-term financial results and corporate value of the PERSOL Group and to further encourage the alignment of their profit awareness with that of shareholders, for which reason we believe the introduction of the Scheme is fair and reasonable.

In connection with the introduction of the Scheme, the Company submits this agenda after taking into account the results of the deliberations of the Nomination and Remuneration Committee.

This agenda proposes to provide share-based remuneration to Directors etc. separately from the remuneration limit for Directors who are not Audit and Supervisory Committee Members (no more than 500 million yen annually, including no more than 30 million yen for External Directors) that was approved on June 17, 2016 at the 8th Ordinary General Meeting of Shareholders.

The number of Directors that will be eligible for the Scheme will be five persons, if Agenda 3 "Election of Six (6) Directors who are not Audit and Supervisory Committee Members" is approved as proposed. Also, as stated above, Executive Officers are also eligible for the Scheme (currently there are ten Executive Officers who do not concurrently serve as eligible Directors for the Scheme), and remuneration based on the Scheme includes remuneration for Executive Officers. Because there is the possibility that these Executive Officers will additionally be appointed as Directors during the target period of the Trust (as defined in (2) below), with regard to the entire remuneration based on the Scheme, the amount and details of remuneration etc. for Directors etc. is proposed as follows. The Company's Audit and Supervisory Committee has reviewed the amounts of remuneration, etc. of Directors, etc., giving consideration to the fairness of the calculation of the remuneration, etc. the linkage with performance, and other matters, and it judges that the details of the remuneration etc. of this proposal are suitable.

The amount and details of remuneration etc. under the Scheme

(1) Outline of the Scheme

The Scheme is a share-based remuneration scheme under which Company shares are acquired through a trust using the amount of remuneration for Directors etc. contributed by the Company as funds, and Company shares etc. are delivered to Directors etc. through the trust. (The details are as described in (2) onwards.)

(i) Persons eligible for the delivery of Company shares etc. under this agenda	・the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members and External Directors) and Executive Officers
(ii) Impact of Company shares subject to this agenda on the total number of shares issued	
Maximum amount of money contributed by the Company (as described in (2) below)	・Maximum amount of money contributed by the Company in the target period of three fiscal years will be 990 million yen in total.
Maximum number of Company shares etc. to be delivered to Directors etc. from the trust and the method of acquisition of Company shares (as described in (2) and (3) below)	・The maximum total number of Company shares etc. to be delivered to Directors etc. will be 460,000 shares in each trust period (approximately three years) (average for year: 153,300 shares), which accounts for approximately 0.2% of the total number of shares issued (as of April 30, 2017, 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)	・Terms vary according to the level of achievement versus the objectives of the Mid-term Management Strategy etc. during the target period. ・During the initial target period, terms vary within a range of 0 to 210%, based on the level of achievement versus such objectives as those of the Mid-term Management Strategy announced in fiscal 2016 (consolidated net sales, consolidated operating income, ROE), and non-financial indicators (employee satisfaction, PERSOL brand recognition, and the outcome of risk monitoring).
(iv) Timing of delivery of Company shares etc. to Directors etc. (as described in (4) below)	・After retirement

(2) Maximum amount of money contributed by the Company

The Scheme targets three consecutive fiscal years (the initial period shall run from the fiscal year ending on March 31, 2018 to the fiscal year ending on March 31, 2020, and in the event that the trust period is extended, it shall cover the three successive fiscal years; hereafter 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 remuneration for Directors etc., setting up a trust (the "Trust") with a 3-year trust period (including extensions of the trust period as per this item (2) paragraph 2; hereafter the same shall apply) for Directors etc. who meet beneficiary requirements. 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 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, instead of establishing a new Trust. In that event, the trust period of the Trust shall be extended by the same period as the initial trust period and the three fiscal years from the extension of the trust period shall be the target period. For the target period in question, the Company shall make an additional contribution of up to 990 million yen in total, shall continue to award points to Directors etc. during the extended trust period, and the Trust shall continue to deliver 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 etc. corresponding to the points awarded to Directors etc. but not yet delivered) and money (hereafter "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 of Company shares etc. to such Directors etc.

(3) Calculation method for number of Company shares etc. obtained by Directors etc., and upper limit for same

The number of Company shares etc. delivered to Directors etc., shall vary according to the cumulative number of fixed points (see below) and performance-linked points awarded during the term of service (the "number of cumulative points"), with one point set as one share of the Company. Furthermore, 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 awarding points>

Every year, the amount of share-based remuneration determined in proportion to responsibilities etc., shall be divided by the average purchase price of the shares of the Company (Note 1) held in the Trust, with 50% being fixed points and 50% awarded as performance-linked points to Directors etc., and each shall be added cumulatively to the total. The cumulative total of performance-linked points up to a specified date after the ending of the target period shall be multiplied by a performance-linked coefficient in proportion to the level of achievement versus the objectives of the Mid-term Management Strategy etc. (Note 2) during the target period, and can vary from 0% to 210%.

Notes: 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 price of shares of the Company purchased by the Trust after the extension of the trust period.

2. The target values during the initial target period shall be consolidated net sales, consolidated operating income and ROE, as explained in the Mid-term Management Strategy announced in fiscal 2016, as well as non-financial indicators, including employee satisfaction, PERSOL brand recognition, and the outcome of risk monitoring.

The total number of Company shares etc. delivered 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 recent share price etc., based on the maximum amount of the trust funds in (2) above.

(4) Timing of delivery of Company shares etc. to Directors etc.

Directors etc. who meet the beneficiary requirements shall, after retiring from the post of Director etc., become the recipient of a delivery of Company shares etc. 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.

Moreover, in the event that the Director etc. dies, as a rule, a 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 posted 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 of an extension of the trust period as described in paragraph 3 of (2) above, and if the person covered under the Scheme remains to hold office as Directors etc. at the expiry of the extension period, the Trust shall terminate at that point, and the person shall receive the delivery of Company shares etc. during his/her term of office.

(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 of surplus of Company shares held in the Trust

Dividends of surplus of 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 1) Remuneration policy for officers of the Company

Remuneration policy for officers of the Company

(1) PERSOL Group management policy

Since being founded in 1973, the Company has pursued a corporate philosophy of "Job Creation," "Individual Growth," and "Social Contribution." Responding to changes in the structure of the economy and industry and to the needs of society, we have assisted in the formation of a labor market that responds flexibly to changes in the environment and have worked earnestly on initiatives aimed at finding new ways of employment and working.

Based on this corporate philosophy, we aim to realize our Group vision of "Creating a social infrastructure for people and organizations that catalyzes growth and innovation" to provide value that leads to the growth of as many people and organizations as possible, thereby maximizing the corporate value of the Group.

PERSOL

The Group brand symbol "PERSOL" is a word coined to express our aim to solve (SOLUTION) social problems through the growth of people (PERSON). It reflects our support for the growth of working people and our goals for an even brighter future.

Group brand symbol

Our brand symbol uses the "P" of "PERSOL" as a motif. This symbol can also be seen as the viewfinder of a camera, expressing our focus on one working individual at a time, with an eye on that individual's future.

(2) Basic policy for officers' remuneration

The remuneration of the Company's key management executives and Directors ("officers' remuneration") is designed to clearly reflect not only the short-term financial performance of the PERSOL Group, but also the contribution made towards enhancing medium- to long-term financial performance. Accordingly, officers' remuneration of the Group is positioned as an incentive to realize sustainable medium- to long-term growth, and its basic policy is embodied in the following three perspectives.

(i) Linked to the short-, medium- and long-term financial performance and the corporate value of the PERSOL Group
- A scheme that is linked not only to short-term financial performance but also to medium- to long-term financial performance and corporate value

(ii) Linked with shareholder value
- Aligns profit awareness with that of shareholders and raises awareness of shareholder-oriented management
- Ensures transparency and objectivity of the remuneration determination process

(iii) Sets competitive level of remuneration
- Makes remuneration 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 officers with regard to improving financial performance and corporate value

(3) Level of remuneration

The level of officers' remuneration is reviewed every year based on the Company's management environment and a survey and analysis of levels at other companies in the same industry (the human resources services sector) and major companies of similar size with reference to external databases, and is determined based on the above-mentioned basic policy on officers' remuneration.

(4) Composition of remuneration

The remuneration of the Company's Directors who are not Audit and Supervisory Committee Members (excluding External Directors) and Executive Officers comprises "basic remuneration" appropriate to the role of each officer, a "bonus" that provides a short-term remuneration incentive, and "share-based remuneration" providing a medium- to long-term remuneration incentive. Also, the remuneration of External Directors and Directors who are Audit and Supervisory Committee Members is comprised of "basic remuneration" only.

(i) Summary of remuneration items

- Basic remuneration
  The amount of basic remuneration is determined by role, responsibilities, individual performance, etc. of Directors and Executive Officers, and this remuneration is paid as a fixed monthly remuneration.
- Bonus
  Bonuses are paid with the aim of awarding incentives based on improvements in financial performance of the Group or segment (net sales, operating income, etc.) for a single fiscal year, individual performance, etc.
- Share-based remuneration
  As well as aiming to award incentives to improve the corporate value and medium- to long-term financial performance of the PERSOL Group, share-based remuneration seeks to encourage officers to align their profit awareness with that of shareholders, and is paid at the time of their retirement. Within the share-based remuneration, 50% is performance-linked medium- to long-term incentive remuneration based on the level of achievement versus the objectives of the Mid-term Management Strategy (Performance Share), and 50% is intended to be linked to shareholder value and is fixed medium- to long-term incentive remuneration (Restricted Stock).

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

Based on the "Basic policy for officers' remuneration," this is determined in accordance with the evaluation of the level of achievement versus the financial performance indicators of the Mid-term Management Strategy scheduled to bear fruit in the fiscal year ending March 31, 2020 (consolidated net sales, consolidated operating income and ROE) as well as non-financial indicators.

In particular, with regard to non-financial indicators, by including multiple ESG metrics, it is designed to further improve initiatives based on the "Group management policy." Also, this remuneration may vary within a range of 0 to 210%.

	Name	Objective for 2020	Evaluation weight
Mid-term Management Strategy financial performance indicators	Consolidated net sales	750 billion yen	50%
	Consolidated operating income	45 billion yen	50%
	ROE	10%	-10% (When objective is not achieved)
Non-financial indicators	Employee satisfaction PERSOL brand recognition Outcome of risk monitoring	Set separately for each indicator	±5%

Furthermore, after the completion of the current Mid-term Management Strategy, a review of the indicators listed above is planned, based on the new Mid-term Management Strategy.

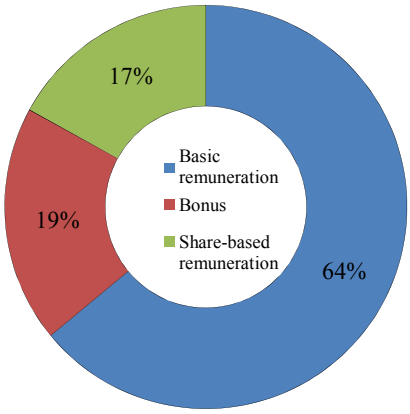
<Fixed medium- to long-term incentive remuneration (Restricted Stock)>

Based on the "Basic policy for officers' remuneration," and intended to create a link to shareholder value, this remuneration takes the form of share-based remuneration with a fixed number of shares etc. delivered.

Also, in the event that the Board of Directors judges that a serious infringement of officer's contract of mandate between the Company and the officer has been made during the term of service of that officer, after deliberation by the Nomination and Remuneration Committee, the payment of share-based remuneration may be restricted or repayment may be demanded.

Note: Share-based remuneration is paid via a trust-type treasury stock remuneration scheme. The Scheme awards units (points) to recipients every year and, when the recipient retires, a number of shares proportionate to the number of units (number of points) are delivered. It is planned that the administration of the number of units (number of points) and of the treasury stock will be delegated to Mitsubishi UFJ Trust and Banking Corporation.

(ii) Standard model of the composition of share-based remuneration for Directors who are not Audit and Supervisory Committee Members (excluding External Directors) and Executive Officers (assuming that the level of achievement for each target indicator is 100%)



Note: Share-based remuneration will be introduced after obtaining the approval of the General Meeting of Shareholders scheduled to be held on June 27, 2017.

(5) Determination process for remuneration

By reflecting the advice and the thorough deliberations of the Nomination and Remuneration Committee, we are constructing a highly objective and transparent determination process for remuneration.

(i) Establishment of a Nomination and Remuneration Committee

In order to increase the reasonableness and transparency of the remuneration details for Directors and Executive Officers of the Company, a Nomination and Remuneration Committee has been established as an advisory body to the Board of Directors, with the chair of the committee and a majority of the committee members consisting of External Directors. The Nomination and Remuneration Committee deliberates on matters related to the basic policy for officers' remuneration and the remuneration scheme for officers, as well as offering advice and opinions to the Board of Directors.

In addition, in order to obtain an objective external perspective and specialist knowledge regarding the remuneration scheme for officers, external remuneration consultants will be appointed. With their support, the details of the remuneration scheme will be considered, taking into account such factors as external data, economic environment, industry trends and the business condition of the Company.

(ii) Main matters for consideration by the Nomination and Remuneration Committee

The Nomination and Remuneration Committee meets at least four times a year to deliberate officers' remuneration and offer advice and opinions, mostly regarding the following.

- Policies related to the determination of details of remuneration etc. for Directors and Executive Officers
- Draft agenda for general meeting of shareholders related to remuneration etc. for Directors and Executive Officers
- Details of remuneration etc. for individual Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Details of remuneration etc. for Executive Officers

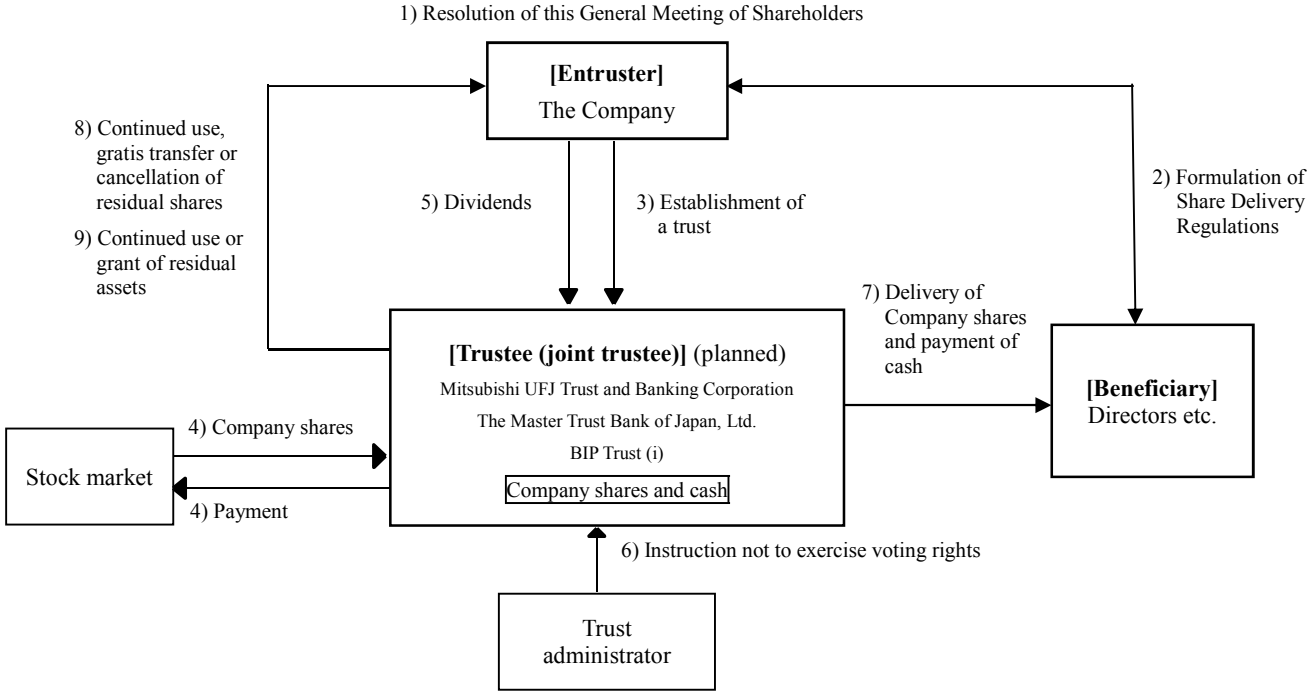
(6) Policy on information disclosure etc.

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

(Reference 2) Officers' Remuneration Board Incentive Plan (BIP) Trust mechanism

(1) The Scheme uses a mechanism referred to as Officers' Remuneration Board Incentive Plan Trust ("BIP Trust"). A BIP Trust, in a similar way to performance-linked share-based remuneration (Performance Share) and restricted share-based remuneration (Restricted Stock) seen in Europe and the US, is a scheme that delivers Company shares etc. to Directors etc. based on their responsibilities and the level of achievement versus management plans etc.

(2) BIP Trust mechanism



1) The Company obtains approval from this General Meeting of Shareholders for officers' remuneration related to the introduction of the Scheme.
2) In relation to the introduction of the Scheme, the Company formulates Share Delivery Regulations regarding officers' remuneration at a meeting of the Board of Directors.
3) The Company will put funds in trust, within the limits set by the resolution approved at this General Meeting of Shareholders as outlined in 1) above, and set up BIP Trust (i) (the Trust), the beneficiaries of which will be Directors etc. who meet the beneficiary requirements.
4) The Trust shall, in accordance with the instructions of the trust administrator, obtain Company shares from the stock market using the cash entrusted in 3) as funds. The number of shares acquired by the Trust shall be within the limits set by the resolution approved at this General Meeting of Shareholders as outlined in 1) above.
5) Dividends shall be paid in relation to Company shares held within the Trust in the same way as for other shares of the Company.
6) For Company shares held within the Trust, voting rights shall not be exercised through the trust period.
7) During the trust period, a certain level of points shall be awarded to Directors etc., in accordance with the Company's Share Delivery Regulations. When Directors etc. meet a certain level of beneficiary requirements, a number of shares of the Company corresponding to a certain proportion of the points awarded to that person shall be delivered. A number of shares corresponding to the remaining points shall, in accordance with the provisions of the trust agreement, be converted to cash within the trust and the amount of cash equivalent to the value of the converted shares shall be paid.
8) If, due to such reasons as the objectives not being achieved during the target period, residual shares remain at the expiration of the trust period, by amending the trust agreement and making additional contribution to the Trust through a resolution of the Board of Directors, the use of the Trust may be continued for the Scheme or for a similar share-based remuneration scheme. Moreover, in the event that the Trust terminates without being extended, it is planned that the Trust shall transfer the residual shares to the Company gratis, and these shares shall be cancelled by a resolution of the Board of Directors in order to enhance shareholder returns.

9) Residual dividends related to Company shares held in the Trust and arising at the expiration of the trust period shall, if the use of the Trust is continued, be used as funds to acquire shares, but if the Trust terminates at the expiration of the trust period, it is planned that the portion exceeding the reserve for Trust expenses shall be donated to an organization in which the Company and Directors etc. have no vested interest.