

## **Q&A at the Briefing of the Financial Results of the 2nd Quarter Ended September 30, 2025**

### **Questioner 1**

Adjusted EBITDA for the first half exceeded the plan by approximately 1.3 billion yen, and I understand that the Career SBU contributed significantly. How much did gross profit exceed the plan? Also, regarding SG&A expenses, including unspent costs or timing differences, how much did they deviate from the plan? Please break down the factors for gross profit and SG&A expenses.

### **CFO Tokunaga:**

Gross profit was almost in line with the plan. As for SG&A expenses, advertising and marketing expenses for doda were largely on plan. However, as you know, the tariff issue in April created some uncertainty in the market environment, so we held off on hiring in the SG&A division until the situation became clearer.

In summary, gross profit was roughly on target, while SG&A expenses came in below plan mainly because we postponed some hiring in light of the Trump tariff situation, resulting in lower personnel costs and ultimately higher profit.

### **Questioner 1**

On page 34 of the presentation, "Towards Mid- to Long-term Business Growth," hints about the next mid-term management plan were provided. Does "aiming for adjusted EBITDA growth of 10%" mean 10% growth every year, or is it an average annual growth rate over the plan period?

Also, could you share any hints regarding the adjusted EBITDA margin for the Career SBU?

### **CEO Wada:**

The "10% growth" refers to a CAGR of 10% (Company note: we also aim to maintain 10% growth next fiscal year). We will provide more details in the next mid-term management plan.

Regarding the Career SBU, we are currently working on projections. We recognize that high profitability is a key feature of this business, and strengthening that advantage is a critical theme. Career SBU will continue to be a core profit driver for us, and we will ensure its sustained profit growth.

**Questioner 1**

For the second half, if the business environment improves, you might prioritize absolute revenue over margin by increasing hiring and marketing expenses. Conversely, if uncertainty persists, you might focus on maintaining margins and generating profit. Could you elaborate on this?

**CEO Wada:**

Your comment demonstrates a very accurate understanding of our situation. We are currently operating under that policy. Career SBU is a highly important business, and while we always aim for growth, maintaining a strong market position is equally critical. We will continue to strike the right balance.

**Questioner 2**

I'd like to clarify the first-half upside and second-half cost increases. IFRS operating profit was about 2.3 billion yen above plan in the first half, but since you kept the full-year forecast unchanged, that implies a 2.3-billion-yen negative impact in the second half. You mentioned PMI-related costs as a new expense—what is the expected amount for PMI in the second half?

Also, since some SBUs had higher profits in the first half, are there any planned cost increases versus the initial plan for those SBUs, other than PMI?

**CFO Tokunaga:**

As explained on page 9 of the presentation, adjusted EBITDA will see about 1 billion yen in additional costs in the second half, which will be absorbed by the first-half buffer.

For IFRS operating profit, as noted on page 6 of the presentation, increase/decrease in accrued paid leave is hard to predict, so we maintain a buffer. If additional accruals are smaller than expected, IFRS operating profit could exceed plan, even if adjusted EBITDA is on target.

Other than PMI costs, we do not anticipate significant overall cost increases versus the initial plan for the second half.

**Questioner 2**

Regarding the Career SBU's placement business, productivity has improved significantly. What are the specific factors? For example, which consultant age groups have improved, or have interview pass rates changed? Any keywords you can share?

Also, how sustainable is this improvement? What is your outlook for Q3 and Q4?

**CEO Wada:**

The productivity improvement in placement business is driven by greater use of technology, including AI. Specifically, we have been increasing the proportion of tasks assigned to AI rather than those handled by humans in career counseling. Previously, humans handled about 80% and AI 20%; now AI accounts for 30%, 40%, even 50%. While there is an upper limit, we do not expect productivity to deteriorate.

The overall placement market remains relatively unchanged, and companies may continue to take a wait-and-see approach. In this environment, we are committed to improving productivity by integrating AI and delivering tangible results.

**Questioner 3**

Regarding Gojob, I understand you value its strong technology. Which aspects do you see as its strengths? Do you believe this technology has potential beyond Gojob's own growth, such as applications in your domestic business?

Also, what synergies do you expect beyond simply acquiring a company operating in Europe and the U.S.? Any assumptions that differ from your past growth trajectory?

**CEO Wada:**

Gojob's technological strength lies in how it engages with job seekers and updates their information. This leads to high repeat rates, strong satisfaction, and low cancellation rates. Specifically, AI asks job seekers about their preferences and conditions and builds a model by accumulating that information to uncover their potential. Through this mechanism, for example, if a person has experience in jobs A and B, we can formulate a hypothesis that they may also be suited for job C—even if it is in a different industry. Based on probabilities derived from past data, we can then present job C, which the candidate has never experienced before. For the job seeker, this represents a new opportunity,

bringing surprise and satisfaction. Furthermore, once they actually start the job and realize they can perform well, their confidence grows, which further enhances satisfaction. This process reduces recruitment costs by half. In a typical model, companies pay other job boards for postings, but at Gojob, the high number of repeat users allows us to cut recruitment costs in half. As a result, even if revenue grows fivefold, recruitment costs only increase by half, which is the essence of our model.

Connecting this highly scalable business with ours hinges on how we can continue to engage with job seekers and keep their data constantly optimized and up to date, so that we can broaden their aspirations and possibilities while maintaining freshness. We believe that by integrating Gojob's technology with our own, we can further enhance the efficiency of our operations in Japan and across APAC. In addition, Gojob is currently expanding its business based in France, and its business model is very clearly established. Because its approach is built on partnerships with large clients, expansion can be achieved on a client-by-client basis. This makes it possible to grow the business securely without taking on significant risk—another key strength.

### **Questioner 3**

Although it is still at an early stage, if Gojob's technology is applied domestically, do you expect efficiency improvements in BPO SBU or Staffing SBU?

### **CEO Wada:**

We do not limit this to those two SBUs. The critical point is how we engage with job seekers, which can also positively impact Career SBU. Naturally, it can be applied to Staffing SBU and BPO SBU as well.

### **Questioner 4**

Regarding the balance between headcount and productivity in Career SBU, you mentioned possibly considering additional hiring. Previously, I recall the policy was to maximize productivity within the current structure. Has that changed?

### **CFO Tokunaga:**

As of FY2025 Q2, headcount is 2,729. We have no plans for large-scale increases that would reduce productivity but will add gradually if the market improves. We do not anticipate significant quarterly increases like those in FY2023 from the

current level of around 2,700.

**Questioner 4**

So you aim to maintain productivity at around 3 million yen while increasing headcount? My understanding was that you intended to keep headcount around 2,700 and raise productivity. Is that correct?

**CFO Tokunaga:**

Current productivity is about 3 million yen, compared to 2.38 million yen two years ago in FY2023, when rapid consultant hiring lowered productivity. While seasonal fluctuations occur, we aim to maintain around 3-million-yen productivity and increase headcount only if it drives revenue growth. At the same time, improving productivity remains a goal, and we will not sacrifice it for headcount growth.

**Questioner 4**

Regarding Gojob's performance, revenue CAGR is remarkable, but costs are also rising. When do you expect profitability to increase significantly?

**CEO Wada:**

Gojob's model emphasizes development investment. The more we accelerate AI evolution, the higher profitability becomes as the business scales. EBITDA is already turned profitable, and as the business grows, revenue will rise without adding recruiters, boosting profitability.

**Questioner 4**

Development likely includes fixed costs such as engineers, but does it also involve variable costs like LLM usage?

**CEO Wada:**

We employ many in-house engineers and also use external resources, managing them appropriately.