

## Summary of Q&A at the Briefing of the Q1 Results ended June 2020 and Mid-term Management Plan (held on August 12, 2020)

Q1. Reason for the results of Staffing SBU in Q1 that were higher than May forecast

A1. Forecast was made on the assumption that an operating ratio would be declined because of temporary staffs' taking leave due to spreading COVID-19. However, the staffs were able to work in the style of working from home and client companies tried to keep their approach to use staffing service and to stabilize their employment. As a result, the number of active staffs did not drop significantly, and the number of staffs was less than expected who finished their contracts at the end of June 2020, which were the main reasons. In addition, another factor that contributed to the higher results was strong orders from customers concerning BPO (Business Process Outsourcing) sector showing a double-digit growth in sales year-on-year.

Q2. About the forecast of Staffing SBU in Q2

A2. Profit margin is estimated to decrease because the number of operating days will decrease from that in Q1 due to summer vacation and increase social insurance premiums from Q2 due to increased payments to staffs including commute expense by the introduction of "equal pay for equal work".

Q3. About status of Career SBU

A3. The number of orders received in April and May 2020 was on the level of 50% year-on-year and it recovered to around 70% in June and July. It is estimated to return to 80% in March next year.

Q4. About policy of shareholder returns

A4. Under drastically changing management circumstances, cash allocation is under review in detail based on each SBU's strategy, including investments which have great efficacy and contribute to enhancing the corporate value, and shareholder returns. Policy of shareholder returns is planned to be announced at the timing of interim dividend.

Q5. About each SBU growth vision in the Mid-term Management Plan

A5. Each SBU has set the objectives as follows:

- Staffing SBU is expected to show stable growth in the future if the contracts are renewed as expected in September and December 2020.
- Career SBU suffers significant effects of COVID-19 this fiscal year, but the level of orders

received is expected to return to 80% year-on-year at the end of this fiscal year and the business is expected to record a surplus in next fiscal year. Career business used to be depending largely on human power, but the business process is planned to be automated with DX to improve productivity furthermore.

- Aiming at maximizing the synergy between ITO Segment and Engineering Segment in the past, Professional Outsourcing SBU plans to connect various know-how possessed by each segment to strengthen IoT and security to create new value, which will be provided to the world. M&A that matches with our corporate policy, if any, will also be considered.
- Solution SBU continues making investments in new businesses to create new value and thereby contributes to future growth of the entire Group.
- APAC SBU has so far made its utmost efforts in building a sales platform. In the coming one or three years, it will focus its efforts on increasing profitability.