

## Summary of Q&A at the Briefing of the Six-month Results ended September 2020 (held on November 10, 2020)

Q1. About the 2<sup>nd</sup> Half operating profit forecast of Staffing SBU

A1. Profit ratio is expected to decrease in the 2<sup>nd</sup> Half compared to the 1<sup>st</sup> Half. Main factors behind the decrease are: social insurance costs expected to increase in the 2<sup>nd</sup> Half due to increased payments including commuting expenses for temporary staffs as a result of introduction of “equal pay for equal work”, the number of days of paid leave taken by temporary staffs is likely to increase with economic activities coming back, and investments such as advertisement will be made in view of continuous business growth.

Q2. About future outlook and strategy of Career SBU

A2. The business is expected to recover slowly to the sales level of 80% at the end of FY2020 compared to the previous fiscal year. As a strategy for future, we aim at increasing profitability through investments in technology to transform to a business model not dependent on human skills while we distribute resources appropriately to areas in which human intervention is highly valued.

Q3. About possibility of impairment loss occurring in Asia Pacific SBU

A3. Based on current business plan that is considered achievable from the next fiscal year onwards, reflecting the future strategy and the outlook of business circumstances, occurrence of impairment loss is deemed unlikely at this moment.

Q4. About dividend policy

A4. We decided to shift to a payout ratio-oriented policy and provide a dividend of 25% of adjusted EPS as a basic policy. We will pay a dividend in an amount calculated according to this basic policy to strengthen shareholder return.

Q5. About growth investments in capital allocation

A5. We will make M&A investments mainly in Professional Outsourcing SBU that is positioned as a growth area. Before making investments, the investment committee that has been newly established will review the decision on investment and monitor in a proper manner.

Regarding capital investment, a large portion was conventionally invested in refurbishment and maintenance of aged facilities. In future, we plan to make active investments in a new technology area such as HR Tech that we have not much focused on so far.