Q&A at the Briefing of FY2020 Results ended March 31, 2021 (held on May 14, 2021)

Questioner 1:

I would like to ask about your view in preparation for the recovery of job change market in the future. As a result of the termination of "an" business, the number of career advisor was increased for FY2020. How many career advisors do you currently have in placement business compared to before the COVID-19? And now that the first year of the Mid-term Management Plan has passed, I would also like to ask you to show some cases of technology, if any, that can be used in placement and job recruitment media businesses in addition to the existing technologies such as "doda+" and "doda Recruiters".

CFO Seki:

Firstly, we have the headcount of approx. 620 career advisors as of Q4 of FY2020. As for change of the headcount before COVID-19, after the termination of "an" business, hundreds of the workers engaged in "an" business were transferred to placement business, and we focused on providing them with necessary training for high productivity. Under the COVID-19, we have implemented deployment of personnel strategically. Currently, we are working on redeployment of workforce, aiming at the next stage of growth. Thus, we think that we are gradually recovering productivity to the same level before COVID-19. Secondly, concerning technology case, we are very successful in receiving orders through direct recruiting such as "doda Recruiters" and the number of orders received increased each quarter. Therefore, we expect that we will grow toward the end of March 2022 through enhanced performance by increasing the use of "doda+" and "doda Recruiters" and further transferring functions as well.

President Wada:

In technology area, we are challenging various things. In job recruitment media business, we are challenging automation of advertising listings as well as automation of sales activities. In direct recruiting, we are also working actively on drastic enhancement of performance through systematization. With repeated trial & error, we believe that we can achieve growth of our businesses by using these technologies.

Questioner 2:

Is the Mid-term Management Plan progressing better than initially expected?

CFO Seki:

Sales forecast for FY2021 will be JPY 1,000 billion, which seems that the target for the final year of the Mid-term Management Plan has already been achieved. However, it includes the effect of exchange rate changes amounting to JPY 35 billion. As for the figure targets for FY2022, we are progressing as planned in general.

Questioner 3:

I think Professional Outsourcing SBU is the third pillar business and it is also an integrated business of engineers in different areas that used to be operated separately. What will it take to reach the profit level of your competitors? Also, how long will it take?

President Wada:

Professional Outsourcing SBU is highly expected business and I recognize that improving its profitability is our critical issue. Also, I think the discussion about business portfolio review to be a theme. It will take some time, but I firmly believe that the SBU has potential to become definitely a highly profitable business unit. In addition, we also have absolute strengths in the areas such as IoT and MaaS (Mobility as a Service) that are expected to grow in the coming years. Expanding the business in these areas will surely contribute to improving profitability.

Although we struggled in the assignment of new-graduate engineers in 1H of FY2020, realizing the assignment within a short period of time by improving our capability in sales and developing new customers will also greatly contribute to the enhancement of profitability.