

Q&A on IR DAY: DAY 2

Questioner 1: (About Staffing SBU)

With regard to the Staffing SBU, you explained that you will continue to pursue aggressive M&A activities in the future, but my understanding is that there have been no major acquisitions made from 2019 onwards. What is the background to that and what is the outlook?

Staffing SBU Lead Kimura:

It is our policy to actively pursue M&A activities in the future, but unfortunately, we haven't found a good match yet. However, we recently acquired a company in the field of manufacturing and light work based in Saga Prefecture at the end of May. It is a temporary staffing firm with a leading market share in Saga Prefecture with deep roots in the local community, and many skilled staff. At the same time, we continue to search for other companies willing to work with us, and if there is a company whose business portfolio and synergy can truly be leveraged within our strategies, we hope to work with them. We have pursued these initiatives in the past, but either we didn't find companies that were a good match, or we were ultimately unable to realize those M&As amid competition with other companies.

Questioner 1: (About Staffing SBU)

While you had quite many contracts underway in the early 2010s, the number declined thereafter. Have there been changes in the M&A market for temporary staffing firms, for example in terms of the total number or pricing of M&A pipeline projects? What is the outlook?

Staffing SBU Lead Kimura:

In the past from around 2009 many of the companies we worked with were capital-type. Recently, the number of projects done with those capital-type companies has itself run its course, and we don't tend to be approached with similar proposals like we were in the past. In terms of changes in the market, the number of proposals itself about future business operations from various temporary staffing companies has remained the same, but in the past we have ended up not being able to achieve deals because we've been unable to agree on prices or other terms in the context of the competitive environment.

Questioner 1: (About Staffing SBU and BPO SBU)

In the utilization of AI and RPA, there are both positive aspects, and negative aspects such

as the threat of staff being supplanted. How do you view each of these?

Staffing SBU Lead Kimura:

As for the impact of AI and RPA on our business, with the number of companies seeking to introduce AI and RPA on the increase worldwide, in terms of actual demand there are cases where we receive orders for human resources who are able to carry out business using these tools. We have also developed a business model where we train human resources in RPA and dispatch them to clients. This is a business model that was not previously part of our services but has been increasingly recently. With regard to AI, one positive aspect is that we are actually fielding inquiries from clients looking for human resources who have a good understanding of AI prompts and are able to apply them to business, and we are now at the stage of testing out training models for those skills. On the other hand, since there are companies testing out AI and RPA to streamline their business and use them in place of people, under current circumstances there are cases where the work that was actually previously performed by the temporary staff we have dispatched has been replaced with RPA, or where due to the labor saving by AI the way in which staff work changes, or the actual work they do changes or decreases. With those trends expected to increasingly materialize in the future, we believe there will probably be both positive and negative impacts in terms of how we catch up and how we combine those aspects in our training.

BPO SBU Lead Ichimura:

First, regarding the degree of impact of business automation and the commonly discussed notion of it eliminating business itself, we need to assess the situation calmly and thoroughly. On the other hand, we are making active use of AI and RPA in various areas, and based on our actual experience or intuition, we believe it is quite hard to conceive of a situation where business operations would be fully automatized or require no people at all.

Whether in the BPO market or CX market, the impact of those parts that have been replaced is something that cannot be avoided to some degree across the entire market, but on the other hand in terms of a positive direction, there is no denying that the productivity of various projects will increase by making use of these things. As a result, since productivity per project increasing also means that our earning capabilities will increase, in terms of positive aspects, I think the biggest point is that our productivity will improve. We are fielding various inquiries from customers, particularly regarding how to use generative AI, robots, and RPA. We believe we are positioned to become a key player in implementing these tools. We handle many operations, and we are continuing to move forward by incorporating various demonstration tests as part of our efforts. I believe we can develop well thought-out best practices, providing

them to the market, and as a result working with customers to improve their productivity. While there are both opportunities and threats, we naturally want to take on the market by firmly grasping the opportunities.

Questioner 1: (About APAC SBU)

You explained how the overall placement market in the APAC region would grow, but could you go into a little more detail? You made comments about the working population, the ratio of people switching jobs and rising wages, and while there are social changes and slight differences due to country or region, please speak in a little more detail about what underlies your view that the overall staffing market in the APAC region will grow.

APAC SBU Lead Yamazaki:

The markets in the APAC vary a lot by country, but I'd like to answer your question as to how we think the placement business market will grow when we take an overarching view of APAC. Regarding APAC, while Australia is a different story, in most of the countries in which we operate the population is steadily growing. Furthermore, the average age of people in these countries is extremely young, with a macro situation where the working population is increasing at a higher rate than the population overall. Under those conditions there have been notable increases in wages, and particularly for Southeast Asia, countries including Vietnam, Indonesia, and India, based on my experience I believe we are seeing annual wage increases of around 10%. Particularly the number of white-collar workers is steadily increasing. My view is that the market will grow as wages rise by another 10%. Regarding the number of times people switch job under those conditions, I believe it will likely increase, particularly in the so-called ASEAN development areas. I believe the number of job changes is still on the increase in China, and given that the working population will increase, wages will rise and in turn the number of jobs changes still has room for growth, our view is that the placement business market will increase.

However unfortunately, as you are aware, the fees are lower than in Japan. In Japan we are able to charge 35% of the annual salary as a fee, but in most of Asia this is around 20%. However since we don't believe those fees will decrease, our basic calculation is that since the working population, wages and then the number of job changes will all rise, under those conditions our revenue will also increase.

Questioner 1: (About APAC SBU)

In the APAC region, growth in China appears to be strong. Can you comment on the conditions focusing on China?

APAC SBU Lead Yamazaki:

For China, market growth has slowed in the aftermath of the COVID-19 pandemic. I believe this is because everyone is uneasy about changing jobs while economic conditions are not very good. However, starting this year we expect to see a strong market recovery. China experienced severe lockdowns during the pandemic and economic conditions have not been that good since then, and under those circumstances it is likely that many workers have been reluctant to switch jobs but are now starting to consider it.

My view is that from 2024 onwards, perhaps until 2030, growth will basically return to pre-pandemic levels, and while the population itself may not increase, I believe the number of white-collar workers is generally on the rise. For China we also anticipate significant wage increases and as I just mentioned we further expect that the number of job changes will revert to pre-pandemic levels. Under those conditions my view is that the Chinese market will experience strong growth up to fiscal 2030.

Questioner 2: (About Staffing SBU)

When you talked about the Staffing strategy, you mentioned that you would focus on manufacturing and clerical work. Am I correct to understand that by manufacturing you mean temporary staffing in manufacturing? Please explain in detail about the area of manufacturing. Could you also please indicate whether, to achieve those strategies, you will implement M&A activities in addition to pursuing organic growth?

Staffing SBU Lead Kimura:

In the manufacturing sector, in addition to manufacturing occupations we are working on peripheral occupations such as factory-related work including inspection and shipping. Rather than heavy industries like car manufacturing, we see a lot of potential in areas like home appliances, precision machinery, semiconductors and to go slightly further afield, areas such as pharmaceuticals and food. We believe these are areas where we can play to our strengths in dispatching female staff. Our Group includes a joint venture company with Panasonic specializing in dispatching and contracting in the manufacturing sector. We work from that company as a starting point, including peripheral occupations related to manufacturing, and we are aiming to expand while actively tackling organic growth and M&A activities as well.

Questioner 2: (About Staffing SBU)

On the topic of improving profit margins, you talked about improving lifetime value (LTV) and boosting productivity by utilizing digital technologies. Given factors including current

investments, on what timeline and to what extent do you believe you can improve the operating margin or adjusted EBITDA margin?

Staffing SBU Lead Kimura:

When we improve our profitability, increasingly refining our operations using digital technologies will be a key factor. The mission-critical systems we use for matching and labor management were developed over a dozen years ago, and to speed up and refine our operations once more, we think we need to refine those systems, including migrating them to the cloud. To do that, we are planning to make investments in digital technologies this year and next year, but beyond that, I want you to understand that we are designing our business so that when we have refined our operations and increased the speed at which we operate, the improved convenience for users will manifest as economic effects.

Questioner 2: (About BPO SBU)

I have a question about BPO. In the outsourcing of customer operations, you naturally need to collaborate and coordinate with Staffing, but what is the current state of coordination, what is your perception of the challenges faced in developing synergy, and in which areas are things going well?

BPO SBU Lead Ichimura:

As you note, to approach customers and solve the issues they face, it is vitally important that we work back-to-back with the Staffing SBU. Currently, for example, I currently fulfill a concurrent role at PERSOL TEMPSTAFF as well. We are making sales approaches to clients on a joint basis, and I think it is important to strengthen our efforts in this area going forward. On the other hand, I don't think we face issues that are that critical. On the customer side, there is still a stronger preference for temporary staffing, and we still have a lot to do to fully deliver our BPO services to customers. In this area we need to further strengthen our services and reliably provide customers with solutions that incorporate BPO in addition to temporary staffing. I am confident that by improving our customers' productivity overall, we can achieve customer satisfaction, leading to improved business performance and results for us.

CFO Tokunaga:

I would like to briefly supplement that answer. We are maintaining roughly 20,000 staff for BPO. Half of them are employees, and the other half are registered temporary staff. The Staffing SBU has provided support in the recruitment of those registered temporary staff, and this is one example of how Group synergy is working.

Questioner 2: (About BPO SBU)

Regarding the profitability of BPO, in your mid-term management plan targets you intended to raise the adjusted EBITDA margin to around double of what it is now in three years' time. What elements lead to this improved profitability, and what do you intend to do in service of that?

BPO SBU Lead Ichimura:

Regarding profitability, in terms of organic growth there has been a slight deterioration since fiscal 2022.

In fiscal 2023 we newly launched as an SBU, and in both fiscal 2023 and 2024 we have promoted business structural reforms to maximize internal synergies. Internal investment has increased for that reason but will settle down during the current fiscal year. From fiscal 2025, we see an early return to the organic levels seen in fiscal 2022 as the first step. Beyond that, we want to continue with efforts to shift our revenue structure. We will continue to raise the top line as we have done previously, while revising our cost structure to reliably enhance gross profit. As a result, we are currently planning and implementing efforts to increase operating profit.

Questioner 2: (About APAC SBU)

Regarding APAC, you mentioned having made steady progress in relation to the current mid-term management plan, but what do you see as the challenges and things you need to do under these conditions? For example, what do you need to do within the contexts of the business top line, the cost side, and in the selection and concentration of business?

APAC SBU Lead Yamazaki:

I think reliably expanding the placement business is extremely important to improve revenue in the APAC region. As the market is steadily growing, we are not concerned about it. However, with fees lower compared with Japan, how we efficiently run the placement business will be a key factor, and I think DX in the placement business will prove crucial.

PERSOL CAREER in Japan maintains extremely digitalized placement business processes and excellent AI matching technologies. How we migrate these assets from Japan to the APAC region we think will be a key factor, and now a considerable number of our engineers are working on this, but there are slight differences between Japanese and overseas markets, and it is taking a little longer than expected. I think the key factors will be how well we can speed up DX, how we manage to roll it out effectively and whether we can maintain the conditions to fully ensure productivity improvements in 2025, the last year of the mid-term

management plan. We have slight concerns about them.

Questioner 2: (About APAC SBU)

In the APAC region, you mentioned raising profit margins to 7-8% in the long term, but will you be able to reach your target profit margin solely by improving the mix through an expansion of highly profitable businesses such as the placement business or facility management business, or will you require cost-side adjustments, selection, and concentration beyond the period of the current mid-term management plan?

APAC SBU Lead Yamazaki:

I think the key to reaching a profit margin of 7% depends on how far we can grow the placement business. Now, our placement business contributes 60 million USD to gross profit. When this becomes 200 million or 300 million, it will directly contribute to operating profit and become a very important driver boosting EBITDA margin. To achieve that, I think DX in the placement business will be vitally important. And regarding the business portfolio, we have completed the sale of the healthcare segment, and we have made active investments regarding the FM business. I believe this has made our portfolio more optimal. In that context, how well we grow the placement business and FM are key considerations, and I think how far we can master DX in the placement business will ultimately be the key in determining whether we reach an EBITDA margin of 7% or 8%.

Questioner 3: (About Staffing SBU)

What is the situation with increasing the base wages offered to temporary staff?

Staffing SBU Lead Kimura:

In general, we see certain percentages for wage increases for full-time employees and looking at today's news we have seen figures of four or five percent, but to be honest, wage increases for the temporary staff we hire have not risen to those levels. We are maintaining our wages at a slightly lower level now.

There is a social trend toward viewing wage increases very positively, and we honestly accept that wage increases offered to our temporary staff are lower than the figures generally reported. This is because our client companies tend to look at wage increases as a topic for discussion about their own full-time employees.

While there are some clients that consider temporary employees as valuable the same as their own full-time employees and feel a need to increase their wages accordingly, as these staff represent external labor, there are still many companies that view them from a

procurement and material perspective.

The reality is that some companies tend to make use of our services from a material and procurement perspective, and for lack of a better way to put it, they seek to acquire and make use of labor as cheaply as possible. Working from within that context, while we make efforts to increase wages and negotiate with clients, there is also a pressure to reduce wages. As a result, overall, any wage increases tend to fall below those afforded to full-time employees.

Questioner 3: (About Staffing SBU)

Does that mean there are prospects for increasing wages or raising unit prices in a year or so?

Staffing SBU Lead Kimura:

In terms of wage increases for our staff, we have a situation where we negotiate across-the-board wage increases each spring like full-time employees. In addition, our negotiations revolve around three- or six-month contract periods and the associated evaluations. This involves negotiating over billing amounts and in turn improving the compensation for our staff. Another consideration is the need to continuously adapt wage increases in a way that reflects market prices for newly emerging job types. We are continually iterating on these three aspects, and that makes it difficult to make promises about how things will turn out the following year. But it is important to understand that under our business structure, from April to the following March, unit prices have actually been increasing month after month.

Questioner 3: (About Staffing SBU)

Are there any examples of a positive cycle where pursuing employee well-being in terms of compensation has led to the full-time employees of your client companies emulating those positive aspects of your staff?

Staffing SBU Lead Kimura:

We have 120,000 staff working for us, and also directly employ some 6,000 employees internally. Initiatives that explore how to enhance engagement in that sense are often closely associated with efforts underway in client organizations to improve engagement and reduce employee turnover rates. For that reason, we speak with clients about the essence of the efforts we are pursuing internally and try to develop those efforts into services to produce a positive cycle.

For several years we have been pursuing efforts to instill our corporate philosophy, and in some cases, customers have even asked us to share insight into the methods we employ.

For example, internally we have established an internal university and developed mechanisms for employees to teach and learn from one another, and some clients have expressed interest in implementing those systems for themselves. We want to increasingly accelerate the cycle where we can engage in mutual learning with corporate clients and provide customers with information. To put it more bluntly, we want to create services that will monetize these exchanges and continue to pursue them going forward. We are now working to create a situation where employees are happy, perceive value, and take pride in our business.

Questioner 3: (About APAC SBU)

Regarding APAC, there was the case of Programmed GO. There is an impression that Asia is ahead of Japan in terms of smartphones and technology shift. What examples are there where Japan can learn from Asia, or amazing things occurring and taking root in Asia which are worth noting?

APAC SBU Lead Yamazaki:

On the technology front, particularly with regard to the placement business, compared with APAC markets I think progress with DX adoption in the Japanese placement business is outstanding. Particularly in the case of Japan, operations that integrate the placement business with job advertisements are a practice that is unique to only PERSOL and Recruit, but now companies emulating this model in Asia have emerged. Their business models are not as refined as doda, and they are still behind doda in terms of technology.

Incidentally, PERSOL has invested in Glints, one of the companies pursuing that strategy, and I also serve as one of its board members. In terms of their progress on the technology front, they still lag behind doda. That is why as I mentioned earlier, regarding the placement business I think the focus is on what APAC can learn from Japan.

However, regarding temporary staffing, Programmed GO is a service that we developed in-house through our subsidiary Programmed Maintenance Services in Australia. This is a solution that can be used entirely via a mobile phone and allows people to find temporary staffing jobs, sign contracts and even manage their shifts. It also provides salary calculations, salary statements and even mechanisms to accept salary payments. Customers are also able to make use of the dashboard to track how much temporary staff have worked, how the work is progressing as well as billing amounts at any time. This works through an application, and while I think there are similar implementations in Japan, I think this implementation is far superior.

For now, we have already finished rolling out the solution from APAC and Australia to

Singapore and Malaysia, and we plan to launch it in Thailand and Vietnam this year. I think this is on par with the technologies being implemented in the temporary staffing market in Japan, and we want to coordinate with the Staffing SBU to share information while identifying the positive aspects to this solution and improve the solutions we provide for temporary staffing.

Questioner 3: (About APAC SBU)

I'd like to ask an additional question about the Programmed GO app. By rolling out technologies initially developed in Australia to Asia, was there anything difficult or comparatively simple in terms of R&D or releases?

APAC SBU Lead Yamazaki:

Programmed Maintenance Services ("Programmed") acquired the company that developed this solution over a period from 2014 to 2015, and later PERSOL acquired Programmed in 2017. The solution was acquired by Programmed ahead of our acquisition and was ultimately launched after roughly five years of subsequent development. In terms of the challenging aspects, Programmed had to closely examine its temporary staffing processes in order to automate them, and also needed to look closely within processes to determine what elements should be automated. I have heard that the design of the app itself was also very challenging.

I have also heard that it was very difficult to build the matching technologies and algorithms enabling users to look for work using this app. In this area, since things are now mostly complete, I think we need to change our algorithms to meet the needs of each country, but I think we can immediately launch the matching algorithm simply by making changes to parameters. Developing the algorithm was tough.

And I've also heard that the design of this app was always difficult. In terms of the development structure, we secured a team of roughly 20 engineers in Australia to develop the app.

Questioner 3: (About APAC SBU)

I think that goodwill is a big for facility management, but how do you see the impairment risk in APAC in the going forward? Additionally, it appears that impairments were due to acquisitions, but have these acquisitions (M&A activities) run their course in Asia?

APAC SBU Lead Yamazaki:

First of all, regarding impairment losses, our current goodwill has imposed the most in facility

management. Facility management generates the most earnings and carries the highest amount of goodwill. In contrast, we incurred impairment losses in another business - Property Services.

When we acquired it in 2017, and this might not be the best way to put it, we did so for quite a high price, but the business was impacted by the COVID-19 pandemic and profitability temporarily decreased. Since we found it hard to justify the acquisition amount and goodwill as assets, we recorded an impairment loss for Property Services. As a result of the impairment, at this stage we are completely on track with progress regarding facility management, so we expect almost no further impairments.

Additionally, as we have recorded a temporary impairment for blue collar temporary staffing by the Australia-based Programmed, at this stage we are making steady progress in this business and there is virtually no impairment risk.

I think you are safe to assume that for the time being the risks associated with this matter have been almost eliminated.

Next, regarding future M&A activities, in the current mid-term management plan we have declared our goal of enhancing profitability without conducting any major acquisitions, and that is how we intend to proceed.

Our priority is to reach an ROIC of 10%, and once we have done that, we will take another look at M&A prospects and our investment strategies for APAC.

If we were to make investments under the next mid-term management plan, as you saw from the market earlier, I think it would probably be China. I think there is potential for investing in placement businesses and temporary staffing in China. Having said that, over the course of the current mid-term management plan we will not be discussing M&A activities so for now there are no changes on that front.

Questioner 4: (About APAC SBU)

Why have you now brought up the topic of introducing doda's matching technologies in the APAC region?

Why were you unable to introduce it until now, and what challenges do you face with its adoption going forward?

APAC SBU Lead Yamazaki:

As for why now, we acquired Programmed in 2017 and established PERSOL KELLY before that in 2016. After that until around 2020, we were busy with post-merger integration (PMI). Under PMI, we spend three- or four-years standardizing systems that were previously different in each country, including systems for the placement business and temporary

staffing and the KPIs to monitor them. We also had to standardize the commissions for consultants, which are extremely important in Asian placement businesses.

Then when we were about to incorporate doda's technologies and utilize DX particularly in the placement business COVID-19 emerged, and we found it difficult to make progress with DX due to the restrictions on traveling to these sites under the pandemic.

After the pandemic ended and PMI was complete, DX became important for improving efficiency, and as noted in our current mid-term management plan, we are currently working on this together with the doda team.

In terms of future concerns, unlike doda we do not maintain job portals or run advertising for job vacancies. doda strengths lie in its advertising for job vacancies and its placement business. This allows us to acquire a wide range of data from candidates and related customers through job advertisements. For example, since we can ascertain what line of work a candidate is in and how often they view our site, we can make proposals that appeal to those candidates. However, since we don't run job advertisements in Asia, we are currently quite concerned about how close we will be able to get to doda in terms of job matching accuracy.

That is why we recognize job advertisements as important and are considering the implementation of a pseudo doda model in several countries where we would run job advertisements for free instead of charging for them and combine that with the placement business. Rather than a concern, we view this as a major challenge, and we recognize the need to seriously consider job advertisements.

Questioner 5: (About BPO SBU)

What is the average length of contracting periods? What is the retention rate at the time of contract renewal? Please provide some more insight into the business in terms of these metrics. In addition, to the extent possible please tell us about your main clients and industries.

BPO SBU Lead Ichimura:

Contractual periods vary widely. There is a certain number of very short-term contracts for limited periods, but if you exclude those time-limited contracts, a rough average for contractual periods would be right around one year.

In our business, there are contracts whose renewals are limited and terminate at the end, but for other contracts we see a pattern of around 90% renewal.

Regarding the contractual terms, there are various patterns depending on the customer, such as the private or public sectors, and particularly in the public sector contractual terms have

become quite long, for example three-year or five-year contracts. Looking down the road with the private sector, we have built various long-term relationships and hope to leverage them to work on a number of initiatives to promote DX including improvements to profitability. As part of that we want to secure more long-term contracts in addition to short-term ones.

We are not able to share the names of specific clients, but a very large portion of our clients are local governments mainly in Japan's designated large cities, so to start with the overwhelming majority of our clientele is local governments in the public sector. In the private sector, clients tend to be in the finance and telecommunications industries and recently in the electric power and infrastructure industries.

In the electric power industry and similar sectors, the contracts have gradually gotten bigger and the deals have become more involved. We hope to expand in the future while firmly maintaining those business dealings.

Questioner 5: (About APAC SBU)

Are there differences in the job portal business between Japan and overseas?

APAC SBU Lead Yamazaki:

Basically, there are not major differences between key models. The model of listing advertisements for job vacancies and charging for them is the same in Japan and overseas. The differences lie in the fees. If you compare the per-ad placement percentages between Japan and Asia, it is between five and ten times higher in Japan.

And in the case of Japan, recruitment ads tend not to be available to permanent placement companies and temporary staffing agencies. The ads that can be used tend to be exclusive to temporary staffing agencies. But in Asia, an Australian company known as Seek operates the largest platforms in Asia - Jobstreet and Jobsdb. This company generates probably 70-80% of its profits from placement businesses, so in that sense the customer bases are different, and I believe that up to now, permanent placement companies have not needed to have their own job recruitment platforms. In Japan, generally speaking we prevent staffing companies from using job advertisements. Overseas, however, staffing companies can use them. As a result, these staffing companies can make use of employment advertisements without having to maintain their own ad platforms to gather job listings. This is key difference between Asia and Japan.

Questioner 6: (About BPO SBU)

Around how many staff do you have in each business - the CX business, BPO business and consulting business?

BPO SBU Lead Ichimura:

Earlier I explained that in terms of the businesses in the SBU, the BPO business accounts for 70%, the CX business for 20%, and the Professional business the remaining 10%. The percentages of staff are largely consistent with that breakdown. The exception would be the Professional business, where 5% of the SBU's staff contribute to around 10% of net sales. The composition of sales and composition of staff appear slightly different. However, in the Professional business the billing units (net sales) per staff member are much higher than in the other businesses, which is why they account for a lower percentage of total staff.

Questioner 6: (About BPO SBU)

Are all staff employees? If that is the case what is their utilization rate?

BPO SBU Lead Ichimura:

As I mentioned in the presentation the number of staff totals around 20,000. Half of these staff work on fixed-term employment operations, and the other half work under permanent contracts. As for the utilization rate, this is almost 100% for the staff working under fixed-term employment, and the figure is around 95% for full-time employees - those working under permanent contracts.

However, the utilization rate varies depending on the time of year. Characteristically in the first half of the fiscal year we welcome several hundred new staff including new graduate recruits, after which we provide training and improve their skills before they are assigned, so the utilization rate tends to be lower in the first half of each fiscal year. This is made up for in the second half of the year when they are assigned to projects. Overall, the utilization rate is currently 95%.

Questioner 6: (About BPO SBU)

Specifically what companies do you regard as your competition? And what are your specific strengths and weaknesses compared with them? Additionally, how do you intend to overcome those weaknesses in the future?

BPO SBU Lead Ichimura:

I would like to avoid naming specific competitors in this setting, but the competitive landscape is like one of warring states, with players that have traditionally performed call center operations, players who have entered the market with a range of capabilities in the consulting field, and staffing-oriented players like us.

Our unique strengths compared with other companies are that we have roughly 6,000 dedicated staff, including in the Professional business and other businesses, and that we have dedicated staff for BPO numbering in the thousands overall. In the future I think there will be competition to secure human resources who can operate a business itself while introducing and using tools and making operational improvements.

Additionally in terms of our sales style, we take advantage of PERSOL's customer base to gain access to customer needs in the field and start doing business with a client using a small number of people. We then use that as a foothold to expand laterally. This is how we have been able to grow at a rate that surpasses current market growth, and I believe it represents a significant advantage over our competitors.

However, since fiscal 2023 we have transitioned to the new SBU structure and we are currently in the process of organizing this system. We need to firmly establish this structure and proceed to the next step as early as possible, and we recognize that increasing the sense of speed is a challenge.

CFO Tokunaga:

I would like to sincerely thank you for joining us over this long period on July 2 and today. As we have explained, our Group comprises five SBUs and an R&D division. In addition to further enhancing the profitability of each business, we want to produce even greater synergy between them.

We are also committed to pursuing opportunities such as this IR conference in greater depth both in quantitative and qualitative terms, and we very much hope you will join us again. Thank you for today.