

**Q&A Session on the Financial Results
for the Second Quarter of the Fiscal Year Ending February 28, 2025**

The following is a compilation of the main questions received from those who attended the financial results briefing. Some of the content has been added or revised to facilitate understanding.

● **About the Personnel Recruiting Services Business (Media Services)**

Q1. Please speak about the reasons for the sluggish year-on-year change in the new job offer ratio (general and part-time) and your predictions for future market trends.

A1. The ratio of new job openings to applicants (general and part-time) fluctuates due to a combination of factors by industry. As for the momentum by industry, the food and beverage and clerical sectors which were weak during the first quarter, continued to be weak in the second quarter. In the manufacturing domain, the downtrend has continued due to the fact that the production of automobiles has not increased, although semiconductor production has been relatively strong. On the other hand, the logistics (drivers) and medical/nursing care sectors are continuing to be strong, as they were in the previous quarter. Looking at future market trends, the food and beverage sector is expected to improve slightly, particularly for large companies. We are hoping that the situation in the manufacturing sector will improve after the New Year. Recent demand for clerical workers has improved slightly due to demand surrounding the elections.

Q2. Could you discuss the background to the slowdown in the growth rate of sales in Media Services, and how that relates to the market environment.

A2. The reason for the slowdown in the growth rate of sales in the media services business is that the market environment has remained mostly unchanged since the first quarter, and in addition, there was an impact from a decrease in the number of sales staff due to a temporary increase in the number of employees leaving the company. We are currently taking various measures to deal with the temporary increase in the number of employees leaving, and we expect this to subside by the end of the year.

● **About the new service (Spot Baitoru)**

Q3. From the perspective of labor management, it seems that it could be difficult for companies that are already using other spot work services to switch to a new service. In terms of barriers to entry, what kind of measures does your company plan to take in this regard?

A3. Some companies are already using multiple spot work services, and we do not think this is a major barrier. In addition, there are many companies in our customer base that have not yet used any spot work services, so we are actively providing information to these companies during our regular conversations.

Q4. If a company that has posted a job on Baitoru is unable to recruit and terminates the posting, are you considering any sales measures such as a discount on the commission for Spot Baitoru?

A4. We are evaluating sales measures internally. We will also consider your suggestion.

Q5. Please tell us how much Spot Baitoru will contribute to your financial results for the fiscal year ending February 2025.

A5. Since the service has just been launched, at this time we do not anticipate that it will contribute to the financial results for the fiscal year ending February 2025. Future disclosures will be explained when announcing the business plan for the fiscal year ending February 2026.

Q6. Regarding the “Good Job Bonus” system, the discount on usage rates for companies that did not select the “Good” rating was eliminated. Has there been any difference in the rate at which a “Good” evaluation is made since changing the system?

A6. Since this change has only been implemented very recently, we would like to comment on this at a later date.

Q7. Is there any change to the provision that suspends the introduction of workers who are not rated “Good” by the client company for a certain period of time? Also, is there any possibility that the selection rate for “Good” ratings will decrease if the number of Spot Baitoru workers increases in the future?

A7. At the moment, there are no plans to change the specifications, and we do not expect the frequency of “Good” ratings to drop if the number of Spot Baitoru workers increases.

Q8. Can you speak about the potential for cannibalization between Spot Baitoru and your existing media services.

A8. This is not happening. In fact, for major clients, in addition to the regular media proposals to the recruitment headquarters, we can now also propose spot part-time jobs to fill gaps at individual stores, and we believe we can provide more comprehensive recruitment support. We also believe that it is possible to develop new customers among small and medium-sized customers through Spot Baitoru.

●About employees (number of employees, productivity)

Q9. Regarding the people who left the company during the second quarter, were they mostly new recruits, mid-career or older employees?

A9. When looking at the number of employees who resigned in the second quarter by age group, there was an increase in the number of mid-career employees who had been with the company for three to five years. The main reason for this was the change in policy from remote work to 100% attendance at the office. As a result, there was a temporary increase in the number of employees who had become accustomed to remote work during the pandemic and chose to

leave the company when WFH ended. In addition, some employees whose student life overlapped with the coronavirus pandemic tended to feel uncomfortable with sales activities because opportunities to develop communication skills were limited by the pandemic. As a result, we recognize that there were cases where employees felt a gap in the way they had envisioned how to proceed with their work before and after joining the company, leading to their resignation.

Q10. If there are signs that the company's overall sales are picking up again, do you plan to increase the number of new graduates you hire in order to increase the number of employees? Or do you plan to focus on improving productivity and growing sales?

A10. We believe that it is possible to increase productivity by strengthening the combined sales of Spot Baitoru and existing media and providing comprehensive recruitment support to client companies.

Q11. Can you give an update on the training of second-year employees who joined the company in April 2023.

A11. Although they have become more competitive, productivity is somewhat unsatisfactory compared to the average of previous years.

● About costs

Q12. How much was the provision for the special bonus that was reversed in the second quarter? Will there be any impact on the second half?

A12. The amount of the provision was between 200 and 300 million yen, and it contributed to a reduction in personnel expenses for the second quarter. There will be no impact on the second half results.

● About shareholder returns

Q13. Can you explain why the interim dividend was increased compared to the initial plan.

A13. As net income increased by 15% compared to the first half of the previous year, we increased the dividend in accordance with our policy of a 50% payout ratio. Regarding shareholder returns, we will continue to consider additional share buybacks in the future, taking into account the dividend, cash position, share price, and progress towards our ROE targets.