

January 13, 2021

Company name: S-Pool, Inc.
Representative: Sohei Urakami,
Chairman and CEO
(Code: 2471, 1st section of TSE)
Contact: Naoshi Arai,
President's office
Phone: +81-(0)3-6853-9411

To whom it may concern:

Notice of formulation of new medium-term management plan

As summarized below, S-Pool, Inc. (“the Company” hereinafter) has formulated a new medium-term management plan for the period ending November 2021 through the period ending November 2025.

【Overview of new medium-term management plan for the period ending November 2021 through the period ending November 2025】

1 . Awareness of environmental conditions and issues to address

In addition to the topics clearly identified in previous medium-term management plans, the new plan identifies issues that the Company needs to address in responding to its external environment, including market trends, economic conditions, labor conditions, and certain specific factors.

[Issues to address]

- Continuing progress in existing businesses in accordance with environmental changes
- Building the third and fourth pillars of earnings for the coming decade
- Enhancements in systems to support sustainable growth based on ESG management

2 . Basic policy

Creating both social value and economic value

3 . Numerical plans

[Period ending November 2025] Net sales 41 billion yen, operating profit 5 billion yen

4 . Management strategies

[Business strategy(i)] Maintaining organic growth by building on existing businesses

[Business strategy(ii)] Securing growth opportunities in new business domains

[Organizational strategy] Enhancing management foundations based on ESG

5 . Financial strategies

[Period ending November 2025] Consolidated dividend payout ratio of 30% or more

Maintaining high ROE

Please refer to the attached documents for more information on the plan.

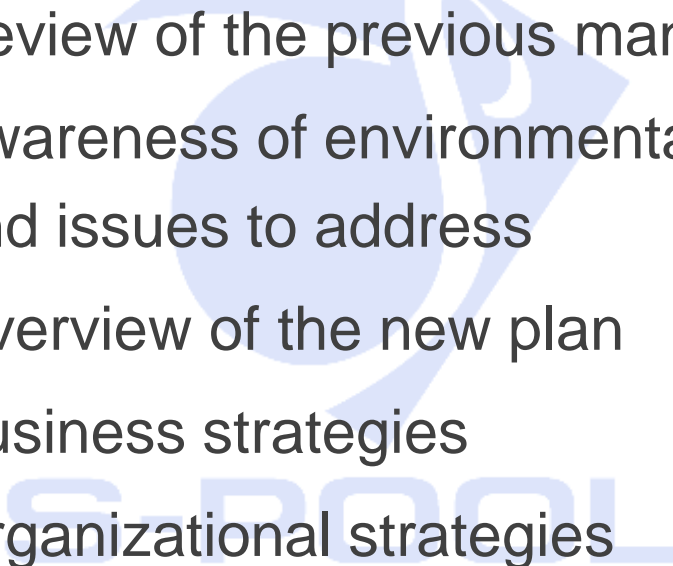
Medium-Term Management Plan

FY2021-FY2025

January 13, 2021

S-Pool, Inc.

First Section, Tokyo Stock Exchange (2471)

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1. Review of the previous management plan
 2. Awareness of environmental conditions and issues to address
 3. Overview of the new plan
 4. Business strategies
 5. Organizational strategies

Review of the previous management plan

- Both profitability and operating profit margins improved dramatically. We achieved the target operating profit margin of 10%.

Themes of the previous management plan

[Indicators]

Achieving operating profit margin of 10% by FY2020

[Operating profit margin]

Promoting portfolio management and strengthening the added value of our services

[Operating profit margin by segment]
[Gross profit margin]

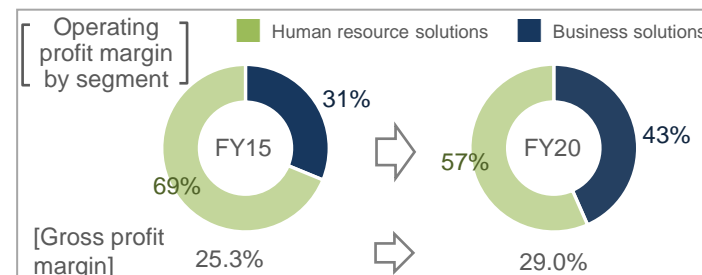
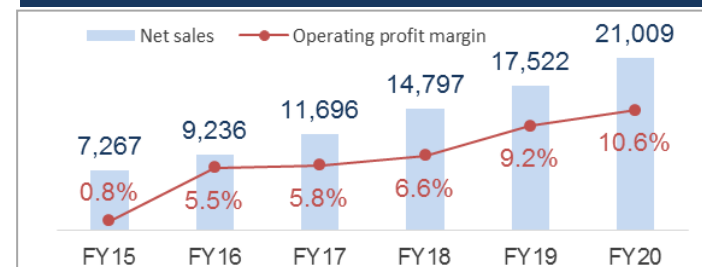
Business deployment in areas of high growth potential in which we see high potential to contribute to society

[Net sales of subject businesses]

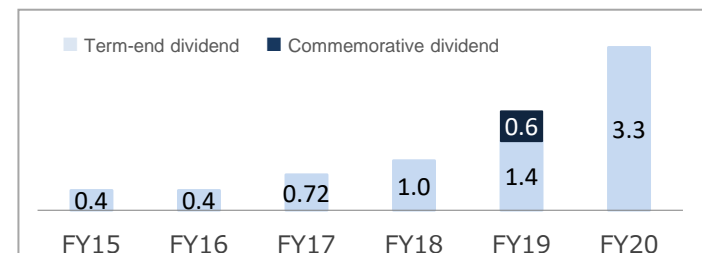
Paying stable and continuous dividends

[Dividend amounts]

Five-year results



	[FY2015]		[FY2020]
Special Needs Employment Service	568 million yen		3,335 million yen
OMUSUBI Employment Support Service	0 yen		564 million yen
Total	568 million yen	Approx. sevenfold	3,899 million yen



Awareness of environmental conditions

[Labor environment]

- Accelerating fluidity of human resources [Medium-long term]
- △ Shrinking labor force [Long term]
- × Decreasing effective ratio of job openings to applicants [Short term]

[Market environment]

- Growing need for outsourcing [Short-medium term]
- △ Reduced labor demand due to cyclical slowdown [Short term]
- △ Changing competitive environment (arrival of competitors) [Short-long term]

[Economic environment]

- △ Sense of economic uncertainty [Short-medium term]
- △ Impact of COVID-19 [Short term]
- △ Declining corporate business performance [Short-medium term]

[Factors specific to the Company]

- Expanding obligation of employing people with disabilities [Short-long term]
- Growing e-commerce market [Short-long term]
- Strengthening movement toward environmental protection [Short-long term]

Issues to address

- Continuing progress in existing businesses in accordance with environmental changes
- Building the third and fourth pillars of earnings for the coming decade
- Enhancements in systems to support sustainable growth based on ESG management

Identifying sudden changes in the external environment and implementing innovations to establish a business structure for the next generation

Basic policy

Creating both social value and economic value

Numerical plans

FY2025: Net sales **41** billion yen,
operating profit **5** billion yen

Management strategies

Business strategy (i)

Maintaining organic growth by building on existing businesses

Business strategy (ii)

Securing growth opportunities in new business domains

Organizational strategy

Enhancing management foundations based on ESG

Financial strategies

FY2025

Consolidated dividend payout ratio of **30%** or more
Maintaining high ROE

Business strategy (i)

Organic growth by building on existing businesses

Human resource solutions

Human Resource Outsourcing Services	Social significance	Realizing diverse work styles for young people with no or little work experience
	Main measures	<ul style="list-style-type: none"> • Securing the top market share in call center placement • Uncovering new domains for personnel placement <ul style="list-style-type: none"> → Expanding job types (developing businesses in which work is difficult to automate) → Regional expansion (advancing into new regions)

Business solutions

Special Needs Employment Service	Social significance	Contributing to society by employing as many people with disabilities as possible
	Main measures	<ul style="list-style-type: none"> • Securing a position among the leaders in farm services (Sections managed: 10,000 sections; employees with disabilities: 5,000 persons; farms created: 60) • Developing a diverse work style menu suited to the individual needs and capabilities of people with disabilities

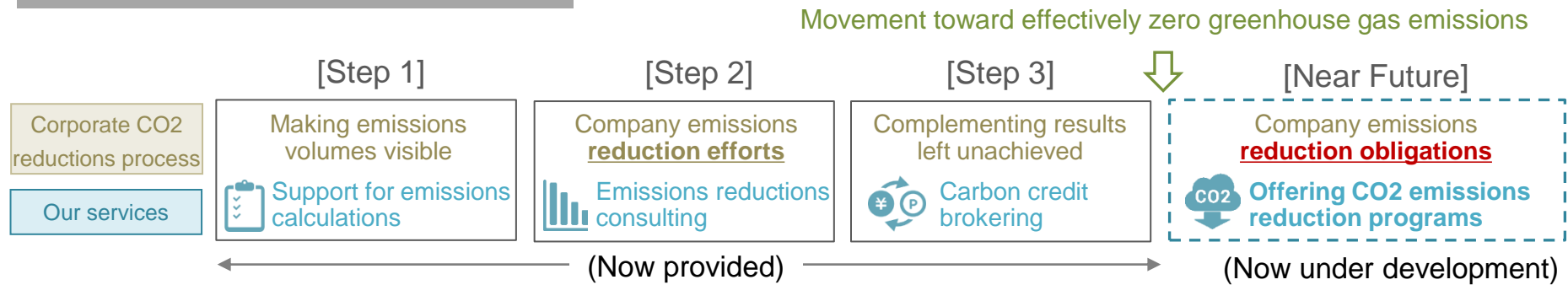
Logistics Outsourcing Services	Social significance	Establishing next-generation, eco-friendly logistics services
	Main measures	<ul style="list-style-type: none"> • Business expansion based on e-commerce • Opening our own in-house center, Japan's first zero emissions center

OMUSUBI Employment Support Service	Social significance	Supporting regional revitalization through job creation
	Main measures	<ul style="list-style-type: none"> • Securing the top market share in support for hiring of part-time and temporary workers • Providing comprehensive services from hiring to retention

Business strategy (ii)

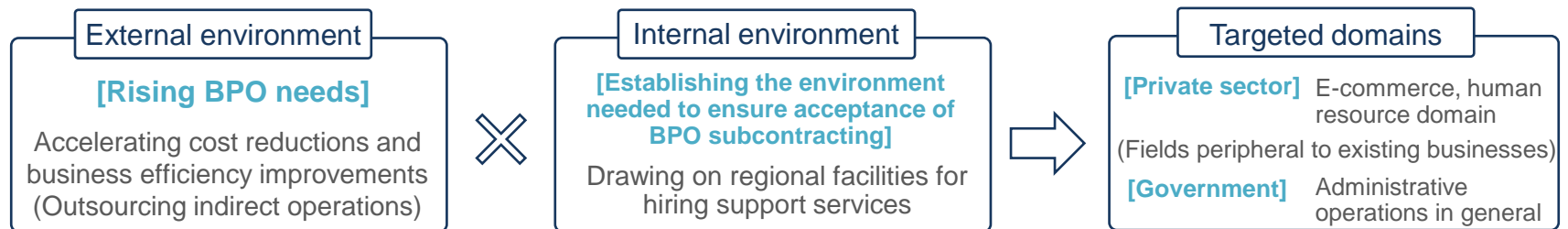
Securing growth opportunities in new business domains

Environmental business domain



Establishing a new earnings pillar in the environmental field as the movement accelerates toward shifting from CO2 reduction efforts to obligations.

Business process outsourcing (BPO) business domain



Using potential community resources (human resources and unused facilities), and supporting a shift toward corporate management through outsourcing

Harnessing corporate venture capital (CVC) funds

Accelerating the growth of existing businesses and uncovering new businesses through investments in startups that promise business synergies

Priorities

Environment

- Lessening our environmental impact through autonomous eco-friendly initiatives
 - ✓ Participation in the RE Action initiative* in the logistics business
- Contributing to solutions to environmental challenges through our business activities
 - ✓ Proactive business development in the environmental domain based on Blue Dot Green

Social

- Promoting diversity and inclusion
 - ✓ Promoting women in the workplace (making working environments more comfortable, proactive appointment to managerial positions)
- Hiring and training human resources with high levels of sensitivity to social issues
 - ✓ Training human resources able to identify societal changes and issues with sensitivity and take action toward solutions on their own

Governance

- Continuing a high degree of transparency in management and appropriate disclosure
 - ✓ Appropriately disclosing financial and nonfinancial information, and promoting constructive dialogue with investors
- Thorough compliance and information security

* RE Action is a new framework for promoting a full shift to renewable energy, under which businesses, local governments, educational institutions, medical institutions, and other organizations declare their intentions and actions for meeting their power needs with 100% renewable energy.



S-Pool, Inc.

[Contact] Investor Relations at the President's Office
TEL: +81-3-6853-9411
E-mail: kouhou@spool.co.jp

Forecasts of business results and other forward-looking statements contained in this document are based on information available to the Company at the time of release. Actual results may vary due to various factors. No promise or guarantee is made regarding future figures or measures.