

## **NISSO CORPORATION**

【Main Q&A at the Financial Results Briefing for the First Quarter of FY 3/2022】

Held on August 16, 2021

The following content contains the main questions and answers from the questions received. In addition, some revisions and corrections have been made to make the content easier to understand.

Q 1 : Please tell us about the factors contributing to the decline in turnover rates.

A 1 : There are several factors that have contributed to the decline in turnover rates. A major factor is that there are more options for working people. In addition, although there is an environment where communication is difficult due to the COVID-19 pandemic, there are many factories in rural areas, and the fact that NISSO's worksite managers communicate closely with employees is a major factor in lowering our turnover rates. Another major factor is that the number of staff who have concluded their contracts with clients to adjust production has decreased significantly.

Q 2 : Please tell us about the ratio of net sales of the automobiles manufacturer that is an Account Company.

A 2 : Among the Account Companies, the major automobiles manufacturer Group accounted for 54.4%. Although the (shortage of) semiconductors have had an impact, the composition ratio has risen to about 60%.

Q 3 : Please tell us about the progress of NISSO's net sales target by target segment and the forecast for the full-year target of 500 million yen for new businesses.

A 3 : We believe that new businesses will change greatly depending on how we divide up the engineering area. Although it is easy to think that NISSO's digitization in existing areas is not progressing at all because it can become a model for new businesses in the future, we are steadily continuing to update our business model that will become the subject matter, or source material for this area. We expect to be able to record sales at the level of 500 million yen or more in the future.

Q 4 : Please tell us about your thoughts on your hiring plans for 2Q and beyond.

Regarding engineers, can we expect a pace of increase in the number of enrolled engineers by transitioning them from skilled staff, including IT-related human resources, and by hiring new ones?

A 4 : Regarding our thoughts on the number of new hires, NISSO has basically set the number of new hires per month at 1,000. Currently, we spend about 100 million yen per month on hiring 1,000 people, but we have no plans to significantly increase our recruitment costs. In order to hire 1,000 people at the current level of recruitment costs, we plan on starting full-fledged investment in our own site from 2H. If the number of 1,000 new employees hired and the turnover rates remain at the current level, we believe that the coordinates of the number of enrolled staff will rise. On the other hand, we believe that the most difficult part is the recruitment and hiring of engineers. Although we will continue to conduct mid-career recruitment and other activities, it is extremely difficult to increase the number of enrolled engineers with new hires, and the nurturing and development of engineers will be of increasing importance. For the time being, we will increase the number of enrolled engineers with an appropriate level of IT aptitude and lead them to mainly IT-related or AI-related worksites, in addition to transitioning those who are working at manufacturing sites as skilled staff to equipment engineers. Since there are so many variations of engineers, we would like to focus on acquisitions rather than on mid-career recruitment.