

## **Q&A: Sales forecasts for existing and engineering areas for FY 3/2023**

**Moderator** : We have a question here: "What are your sales forecasts for the existing and engineering areas for FY 3/2023? Am I right to assume that net sales in the engineering area will remain in line with the medium-term management plan?"

**Shimizu** : We are not yet able to say for sure whether the parts shortage will be resolved anytime soon, so I would like to talk a little about the number of enrolled staff that form the basis of our net sales forecasts. From the end of the previous fiscal year to the end of the current fiscal year, the number of enrolled staff in the existing areas is expected to increase by 1,275, and this number multiplied by the unit-costs is the basis for the sales forecast.

As for the engineering area, we are currently planning to increase the number of engineers by 500, which exceeds the number for the second year of our Medium-term Management Plan. By exceeding the planned figure, we are preparing for a smooth transition to an average enrollment of 2,500 engineers as envisioned under the business plan for the third year.

## **Q&A: Efforts to attract excellent human resources**

**Question**: Earlier, you mentioned the paid leave acquisition status regarding the current operation status. I understand you are taking a range of measures to create a system for the recovery of orders.

However, under the current circumstances, I think acquisition of excellent human resources is very important as you develop various new businesses in the future. Please tell us if the current environment is conducive to attracting such resources.

**Shimizu** : It has been extremely difficult to attract human resources in manufacturing and engineering areas. We hire approximately 650 to 800 people each month, especially those in manufacturing, of which about 60% are from our company website.

The cost of hiring one person has not jumped so much. But looking at our competitors, the cost has doubled or even tripled. It is a situation where companies that are not very large in scale cannot invest there.

As one of our strategies, we spent about 300 million yen on advertising over six months in the previous fiscal year to promote our company website. Although it has greatly increased the number of applicants, we still miss out on a considerable number of talented people before they join the company. In fact, only 15% of the applicants have been hired.

By improving this point, we would be able to recruit human resources in this severe environment without too much cost. As I explained earlier, that is the reason why we expect to add more than 1,700 people in manufacturing and engineering.

In addition to this, it is extremely difficult to recruit human resources from overseas due to the impact of COVID-19, making it even more difficult to hire in the technical area. However, even with that in mind, we have a structure to promote veterans of the semiconductor and electronic component industries working at our company as equipment engineers, which I believe is our strength. While focusing on this, we are striving to build a system with 2,500 engineers in the third year of the plan, by training new graduates and mid-career personnel as engineers.