

NISSO CORPORATION

【Main Q&A Explanation of Financial Results for the First Nine Months of FY 3/2021】
Announced on February 10, 2021

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

Q 1 : What are the major factors contributing to the recovery in business performance?

A 1 : In addition to the fact that the effects of COVID-19 have subsided, and there have been almost no operational adjustments, operations increased in 3Q. Another reason is that the number of enrolled staff has started to increase due to the recovery of human resources needs and improvements in turnover rates.

Q 2 : What are the factors contributing to the increase in net sales per capita?

A 2 : In 3Q, operations increased, but more specifically, since October, holiday work and overtime have increased. Compared to 2Q (18.9 hours/monthly average), in 3Q, the monthly average increased to 23.2 hours per capita (+4.3 hours/monthly average) overall. For the reasons listed above, net sales per capita increased.

Q 3 : Specifically, what types of industries are increasing both production and personnel?

A 3 : An increasing number of manufacturers are increasing both production and personnel, mainly in the automobiles-related industry. In particular, human resources needs for auto-body manufacturers recovered earlier than expected in 3Q due to the recovery in domestic and overseas demand. With regard to the electronic devices industry, inventory adjustments have been settling down, and an increasing number of manufacturers have started to increase the production of in-vehicle products. Human resources needs for the semiconductor-related industry have also been steady. Furthermore, we are making efforts to increase our market share mainly with Account Companies, and are planning to increase the number of new personnel. We expect that human resources needs will continue to increase in the automobiles-related and electronic devices-related industries hereafter.

Q 4 : Please tell us about your future prospects.

A 4 : Although there are concerns about the economic impact of the spread of COVID-19, the recovery trend in the manufacturing-related industry is expected to continue in the future. In addition, depending on the industry, needs are expected to exceed those of the previous fiscal year, such as the creation of new IT demand due to 5G and changes in work-styles, and the automobiles-related and electronic devices-related industries are expected to remain steady from 4Q onwards.

Q 5 : Will Other Businesses become profitable this fiscal year?

A 5 : The occupancy status of Building 6 (Sweetpea Higashi Totsuka) has been steadily increasing, and as of the end of December 2020, the number of residents was 90 compared to the capacity of 94. As a result, operating loss has been on an improving trend, with Other Businesses becoming profitable in 3Q alone. Going forward, it is expected that Other Businesses will continue to generate profits by maintaining a stable number of residents and improving its operational efficiency.

Q 6 : What is the purpose of the capital and business alliance with CrossLink Co., Ltd.?

A 6 : By introducing a system (HR Cross) that can centrally manage operations related to human resources developed and provided by CrossLink Co., Ltd., which is jointly funded by 8 companies (NISSO and 7 others in the same industry), we would like to improve the burdens of office work, such as paperwork, that manufacturers utilizing human resources dispatching companies have, and improve the efficiency of their operations. In addition, by developing an evaluation system for human resources in accordance with the rules of "Equal Pay for Equal Work", we aim to disseminate it as a standard system for manufacturing-related human resources services that manufacturers can utilize with a sense of security.