



Yukio Niimi

Executive Officer and Manager of Kyushu and Fukuoka Auction Sites, USS Co., Ltd.

Profile

Yukio Niimi joined USS in 1989. He was first involved with digitalizing auction sheets in the Information System Department of the Operation Division at the Nagoya Auction Site before acting as the Manager of the R-Nagoya, Shizuoka, Kyushu, and Fukuoka Auction Sites. His work contributed to a larger volume of vehicle transactions at each of these auction sites through measures tailored to each region. In 2020, Yukio Niimi was appointed the Manager of both the Kyushu and Fukuoka Auction Sites, and then he was appointed executive officer in 2023. Capitalizing on the experience that he gained managing auction sites of various scales, Yukio Niimi is working to develop a human resource development plan as a member of the medium to long-term strategy project team.

USS is focusing on more quickly developing certified vehicle inspectors and expanding management professionals to achieve its management goals.

To capture 50% of the auto auction market share, we are emphasizing not only faster certification of inspectors as a human resource strategy but also better quality.

Automobile inspectors play a role in giving rankings to vehicles bought and sold in auto auctions. The quality of these inspections helps build trust in auto auctions. Therefore, these inspectors act as a backbone supporting our business. Securing human capital as vehicle inspectors is an important management challenge as we strive to capture 50% of the auto auction market share, which is a management target announced last year.

USS has launched a unique vehicle inspector training program and requires employees to acquire a certification of at least Level 3 or higher from the four different levels to appraise vehicles on site. Typically, it can take between two to three years to acquire a Level 3 certification. The new training program began in April 2023 to more quickly certify these vehicle inspectors. Unlike typical on-the-job training that teaches job skills through the proper guidance of supervisors and more experienced employees, this new training program provides group training over eight months after at a large auction site right after employees join the Company. The group training bundles all the knowledge and skills necessary for employees to acquire a Level 3 certification as vehicle inspectors. Twelve employees acquired a Level 3 certification during the fiscal year ended March 31, 2024.

USS has fifteen inspectors with a Level 1 certification who rotate around every auction site and play a role as instructors to ensure consistent appraisal standards. This approach builds a system to provide uniform appraisals of vehicles up for auction at all 19 USS auction sites. We also assign vehicle inspectors to act as trainers at each auction site. These trainers stay in close contact with the instructors in an effort to exchange information as well as sustain and improve the quality of vehicle inspections. Another challenge that the Company faces in the workplace for inspectors is the rise in

overtime due to an increase in the number of vehicles for inspection during the busy season around January to April. Currently, we believe the measure to overcome this challenge is continually securing a higher standard of new graduates and mid-career professionals. USS is also working to improve the working environment and reduce employee turnover while also considering recruitment plans.



Left) Vehicle inspection in progress / center & right) group training launched in FY2023

Our initiatives to strengthen management career plans and develop female management connects directly to our succession plans.

It is vital to develop the skills of human resources so that they can reach their full potential. In particular, the work required of managers of auto auction sites demands a wide range of experience and management expertise. In the future, USS needs to have a career plan to cultivate human capital who can manage auction sites through the proper management skill development and training as well as experience in management divisions outside of auction sites and at different sizes of auction sites in addition to a broad range of other on-the-job training. In the past, we did not really formulate the strategies necessary to increase the number of vehicles at auction, but non-strategic approaches will not be effective to achieve our goal of capturing 50% of the market share going forward. For this reason, we need to develop management professionals who can identify challenges as well as formulate and execute strategies. Management and core employees will regularly engage in discussions on criteria to select management candidates as well as on policy development.

In October 2023, USS started a new human resource program to propel junior employees with practical skills toward becoming assistant managers and managers of auction sites. As an initiative to offer experience to highly motivated employees, we expect this program to help develop core management in the future.

USS is also working to empower women. As of April 2024, two new women have joined the management team, which brought the ratio of women in management to 2.6%. We will actively promote more women as management with the goal of raising this ratio to over 5% by the fiscal year ending March 31, 2026 and over 10% by fiscal year ending March 31, 2031 through measures that encourage active participation, such as interviews about women in management done with the women serving as outside directors. As several auto auction sites, training that includes programs for candidates to become directly involved in management discussions about the auction site, events, and how to bring together a higher number of vehicles for auctions helps up-and-coming employees gain the knowledge necessary for management while cultivating a management mindset.

These initiatives will develop highly diverse human resources for management adept in strategy, which will in turn help solidify succession plans.