



August 8, 2022

Company Name: NISSO CORPORATION
 Representative: Ryuichi Shimizu,
 Representative Director, President & CEO
 (Securities Code: 6569, TSE Prime Market)
 Contact Person: Kenichi Nomura, Senior Executive Officer,
 President's Office Director
 (TEL. +81-45-514-4323)

Notice of Revision of Medium-term Management Plan

NISSO CORPORATION (hereinafter, the Company") hereby announces that it has revised its Medium-term Management Plan (FY 3/2022 to FY 3/2024) announced on May 12, 2021, and has formulated a Medium-term Management Plan for FY 3/2023 to FY 3/2025 under its new management structure, at the Board of Directors' Meeting held on August 8, 2022.

1. Background of the Revision of the Medium-term Management Plan

In the Medium-term Management Plan (3-year Plan) which started in FY 3/2022, the Nisso Group (hereinafter, the "Group) had set forth the basic policy of "Aiming to raise unit costs and improve profitability through the assignment of excellent human resources to important clients, centering on Account Companies".

Under this policy, the Group has increased the number of enrolled staff by responding to strong demand for human resources, and has achieved steady results. However, on the other hand, there was also the impact of the operational adjustments of manufacturers caused by lockdowns due to the spread of COVID-19 infections.

As this situation continues, the business environment surrounding the Group continues to change at an unprecedented rate, including the decline in the labor force due to the declining birthrate and aging population, the emergence of geopolitical risks, frequent abnormal weather, diversifying client and worker needs, and the progress of Society 5.0.

In light of these circumstances, the Company has reorganized its business environment and market opportunities, and reviewed its Medium-term Management Plan, focusing on its business portfolio strategy and infrastructure strengthening strategy.

Going forward, with the aim of realizing its mission of "Creating opportunities and hopes for people to work", all Group employees will work together to provide high-quality services and enhance corporate value.

2. Consolidated Management Target Values

(Unit: Million yen)

| | FY 3/2023 (Plan) | FY 3/2024 (Plan) | FY 3/2025 (Plan) |
|-------------------------|---------------------|---------------------|---------------------|
| Net sales | 88,600 | 100,000 | 115,000 |
| Operating profit | 2,700 | 4,000 | 6,700 |
| Operating profit margin | 3.0% | 4.0% | 5.8% |

| Management Indicators | | Management Targets |
|-----------------------|-------------------------|--------------------------------------|
| Growth potential | Net sales growth rate | Growth rate above industry standards |
| Profitability | Operating profit margin | 5.8% or more |
| Efficiency | ROE | 20% or more |
| Soundness | Financial leverage | 2.5 times or more |
| Shareholder returns | Dividend payout ratio | 30% or more |



FY 3/2023 - FY 3/2025

**Medium-term
Management Plan**
August 2022

日総工産株式会社

NISSO CORPORATION
TSE Prime Market Code:6569



1

Founding Philosophy · Mission · Vision · Story of Achievement

- ①Significance of Existence of the Nisso Group
- ②Determination of the Nisso Group
- ③Social Environment Awareness Society 5.0
- ④Story of Mission Achievement

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Review of FY 3/2022

- ①Progress of Consolidated Management Target Values
- ②Review of Key KPIs (NISSO, Non-consolidated)
- ③Initiatives for FY 3/2023

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Toward the Achievement of the Medium-term Management Plan (FY 3/23~FY 3/25)

- ①Review of the Medium-term Management Plan
- ②Business Environment · Market Opportunities
- ③Image of the Nisso Group Growth Cycle
- ④Management Strategies
 - (1)Business Portfolio Strategy
 - (2)Provision of Services that Respond to Changing *MONOZUKURI* (Manufacturing)
 - (3)Strategies by Business (Initiatives by Group)
 - (4)Practice of Human Capital Management
 - (5)Response to Human Resources Mobility
 - (6)Realization of BX by Digitizing Business Operations
 - (7)Strengthening of Governance
- ⑤Consolidated Management Target Values



Thanks to you, NISSO CORPORATION celebrated our 50th Anniversary on February 3, 2021.



| | |
|---------------------------|---|
| Trade Name | NISSO CORPORATION |
| Japanese Co. Name | 日総工産株式会社 |
| Securities Code | 6569 (Prime Market, Tokyo Stock Exchange) |
| URL | http://www.nisso.co.jp/en/ |
| Date Founded | February 3, 1971 |
| Capital | 2,016 Million JPY (As of March 31, 2022) |
| Net Sales | 71,697 Million JPY (As of FY 3/2022) |
| Headquarters | Nisso Kosan (NISSO) Shin Yokohama Bldg., 1-4-1 Shin Yokohama, Kohoku-ku, Yokohama, Kanagawa 222-0033 |
| TEL | (81)45-476-4121 (Main) |
| FAX | (81)45-476-4521 |
| Main Business Activities | Manufacturing-related Human Resources Services (Manufacturing Dispatching, Manufacturing Contracting, Employment Placement, etc.) |
| Registered License Number | Temporary Staffing Business／派14-150048 Employment Placement Business／14-コ-150026 |

Group Companies



Nisso Brain

いつも「ありがとう!」のとなりに。



Nisso Brain Co., Ltd.

Nisso Dai Ichi Building,
28-26 Toyooka-chō,
Tsurumi-ku, Yokohama, Kanagawa

▶Description of Business

Administrative Human Resources
Services



人と向き合い 人に寄り添う

日総ニフティ株式会社

Nisso Nifty Co., Ltd.

Nisso Kosan (NISSO) Shin Yokohama
Bldg., 1-4-1 Shin Yokohama,
Kohoku-ku, Yokohama, Kanagawa

▶Description of Business

Facility Nursing Care Business, Home
Nursing Care Business

日総ぴゅあ株式会社

Nisso Pure Co., Ltd.

Nisso Kosan (NISSO) Shin Yokohama
Bldg., 1-4-1 Shin Yokohama,
Kohoku-ku, Yokohama, Kanagawa

▶Description of Business

Light Work Contracting, Sale of Goods
(NISSO CORPORATION's
Special-purpose Subsidiary)



株式会社ベクトル伸和

Vector Shinwa Co., Ltd.

3-1 Ikehata, Chiryu City, Aichi

▶Description of Business

General Human Resources Services
Business



株式会社ニコン日総プライム

Nikon Nisso Prime Corporation

Shin-Yokohama 214 Bldg. 3F, 2-14-2 Shin-Yokohama,
Kohoku-ku, Yokohama, Kanagawa

▶Description of Business

Human resources dispatching • recruitment
Human resources sharing business
Consignment/entrustment • contracting business
Planning, R&D, operation and support of structure development
and opportunity creation for seniors' continued employment

NISSO 上海電索人力資源服務有限公司

SHANGHAI NISSO HUMAN RESOURCES Co., Ltd.

Rm. 508, 36-7 Building 7, 36 Xuelin Road, Pudong New
Area, Shanghai, China

▶Description of Business

Recruitment
Human Resources Consulting



Leaf NxT

Leaf NxT Inc.

Honey Gotanda Dai 2 Bldg., 4F,
1-4-1 Higashi Gotanda, Shinagawa-ku,
Tokyo

▶Description of Business

Human resources dispatching business,
development- type qualified personnel
dispatching business, recruitment platform
business, media direction business

1

**Founding Philosophy • Mission •
Vision • Story of Achievement**



Founding Philosophy

Nurturing and Bringing Out the Best in People

We, the Nisso Group
with Human Resources Solution Services that support the growth of companies and people

MISSION

We will fulfill our Mission of

Creating opportunities and hopes for people to work

VISION

To transform into a corporate group with high-growth potential

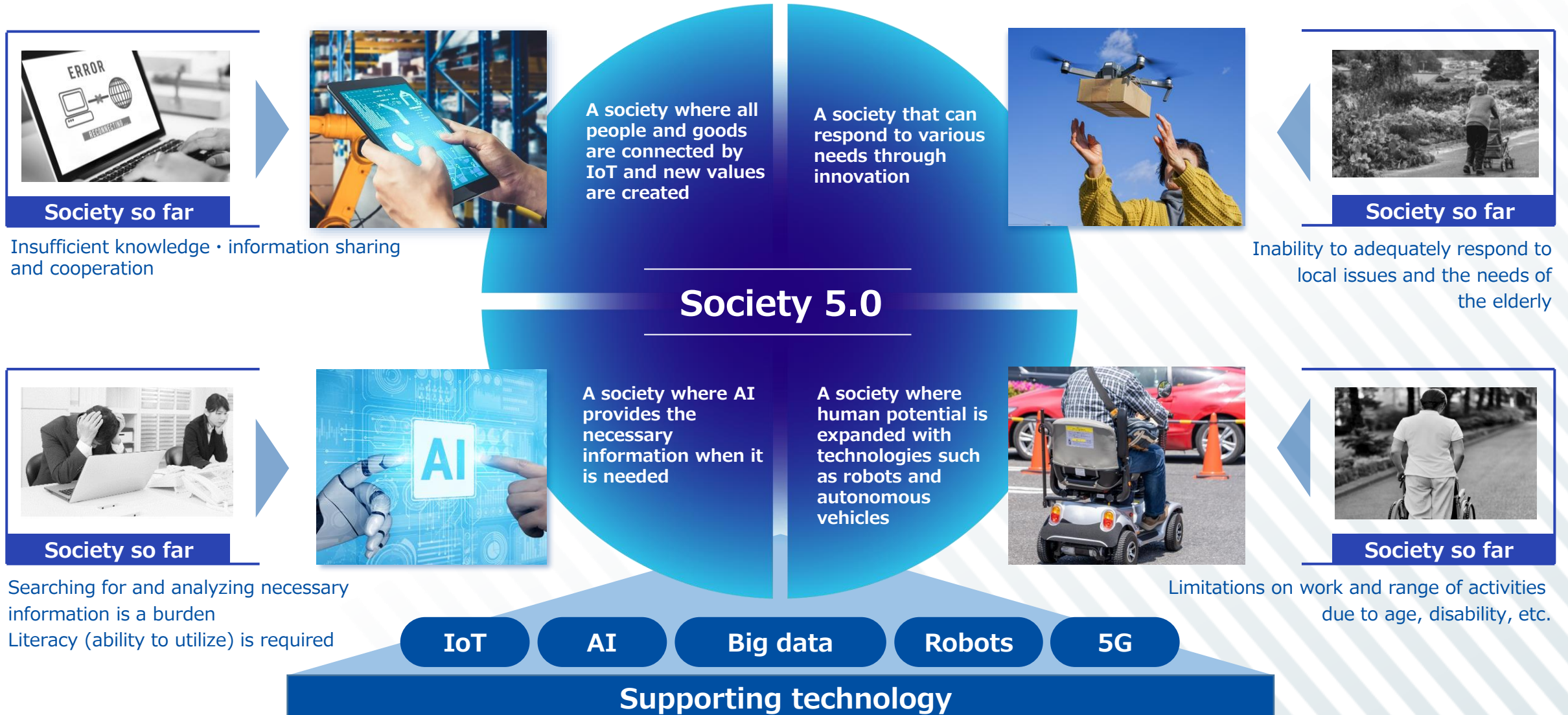
Digital technology, human capital management, decarbonization, pandemics, and world affairs are changing at an unprecedented rate.

The Nisso Group will continue to promote reforms in order to continue to be an entity expected by society.



Nisso Business Transformation

Social Environment Awareness Society 5.0



Story of Mission Achievement

Social environment

Society 5.0

Social issues

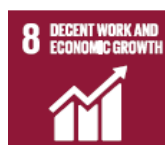
Labor shortage

Declining birthrate and aging population

Regional decline

Advanced information processing

Control of greenhouse gases



Creation of a comfortable workplace

Strengthening of governance

Responding to social changes and changes in industrial structures



Maximize employee satisfaction · customer satisfaction

Provide high value-added services

Digitization

×

Human resources investment

Strengthen management structure · internal controls

Enhancement of corporate (enterprise) value (EV) through creation of social value (CSV)

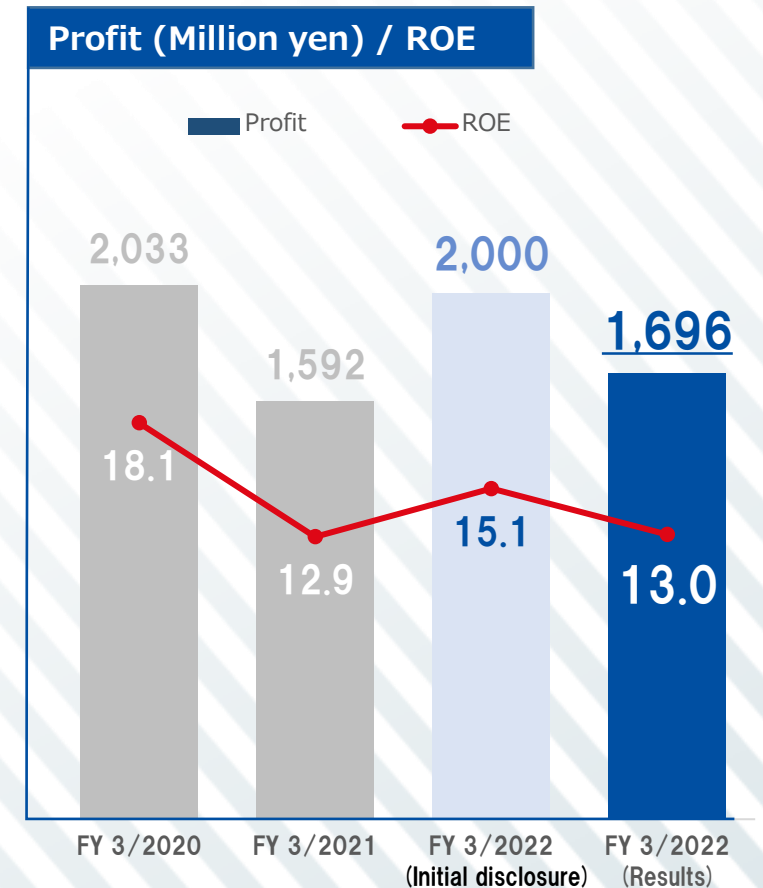
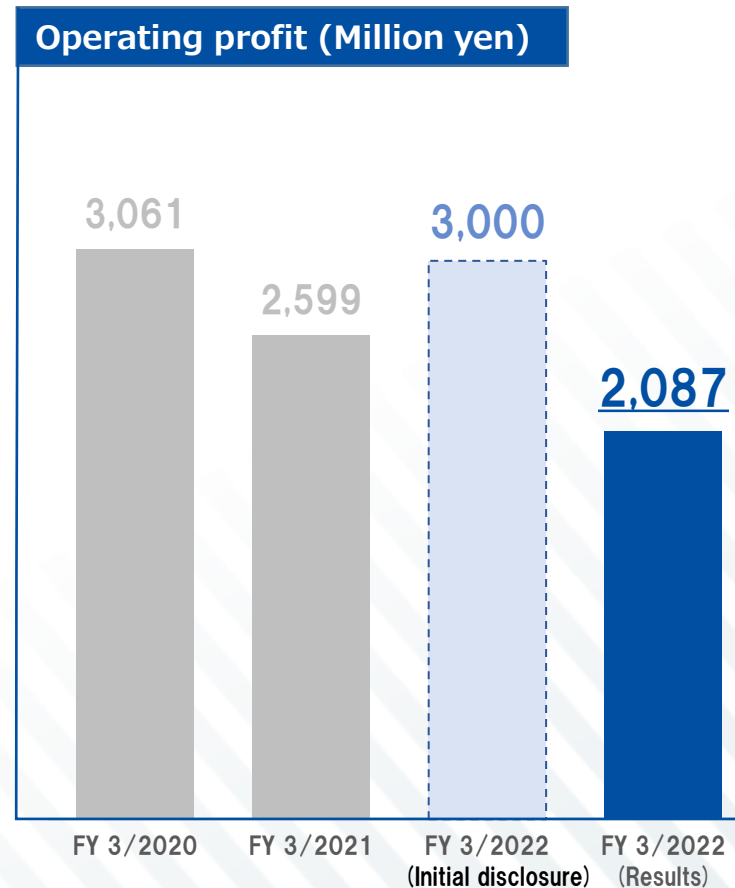
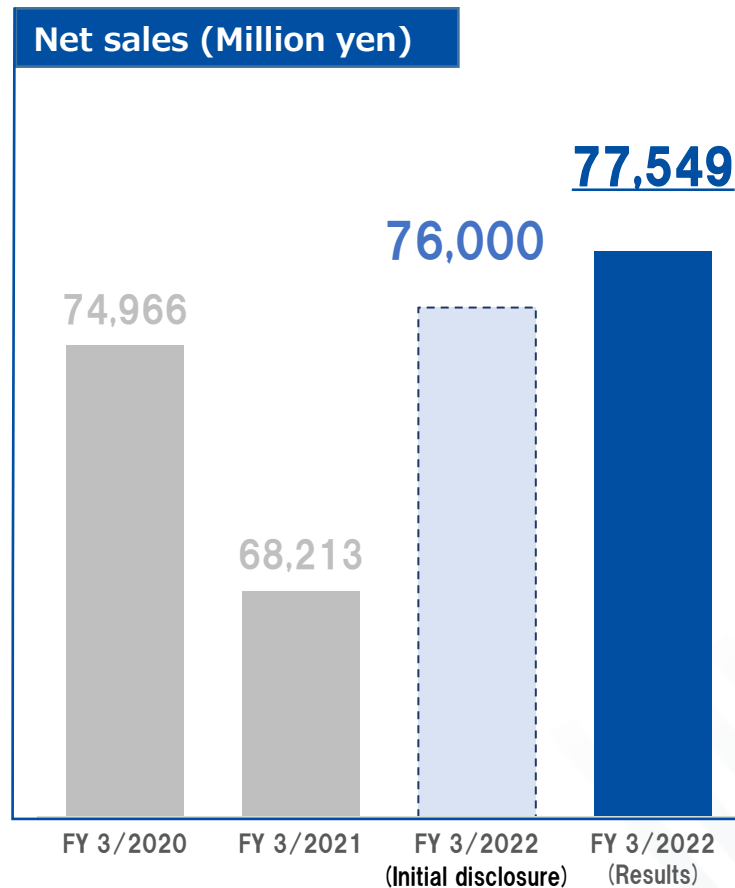
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Review of FY 3/2022



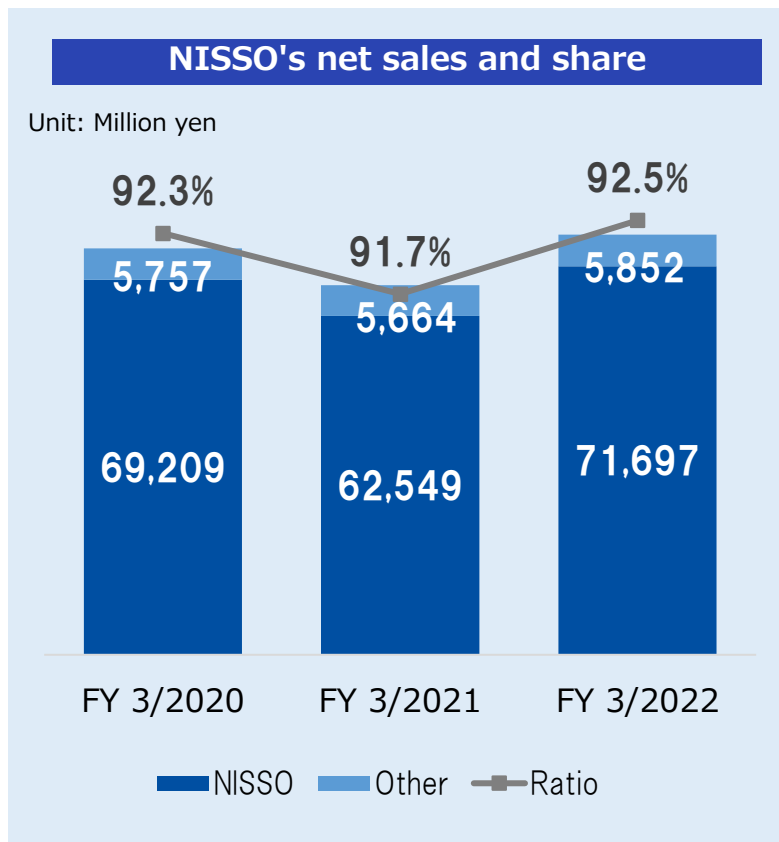
Progress of Consolidated Management Target Values

- Despite the COVID-19 pandemic, **net sales were achieved** in response to strong demand for human resources
- NISSO was unable to absorb the impact of reduced operations due to a shortage of parts and the impact of the COVID-19 pandemic, **resulting in unachieved profits**

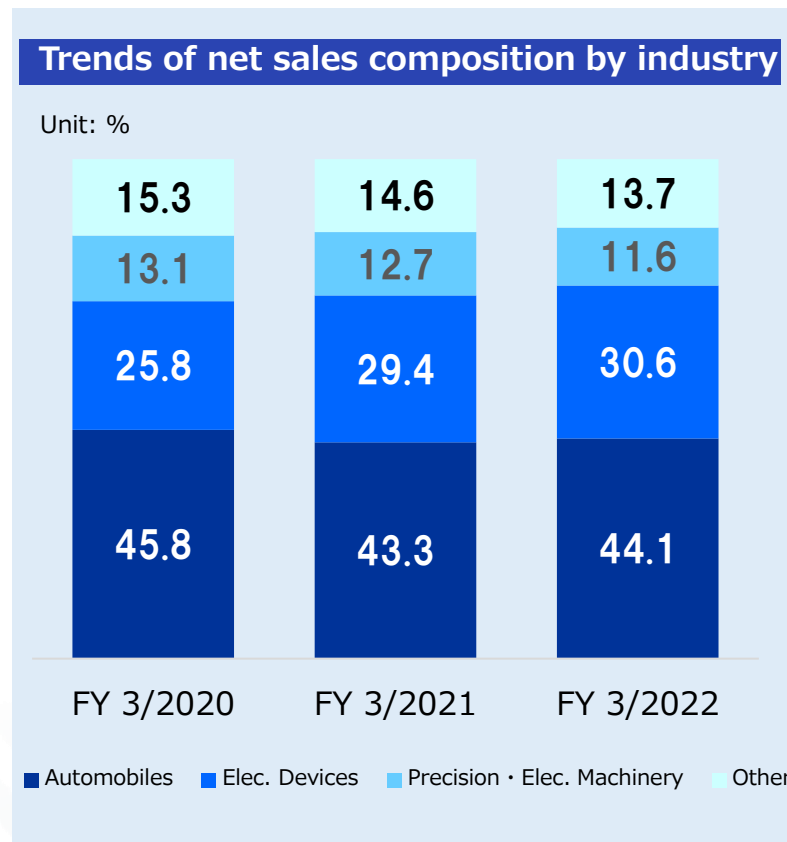


Review of Key KPIs 1 (NISSO, Non-consolidated)

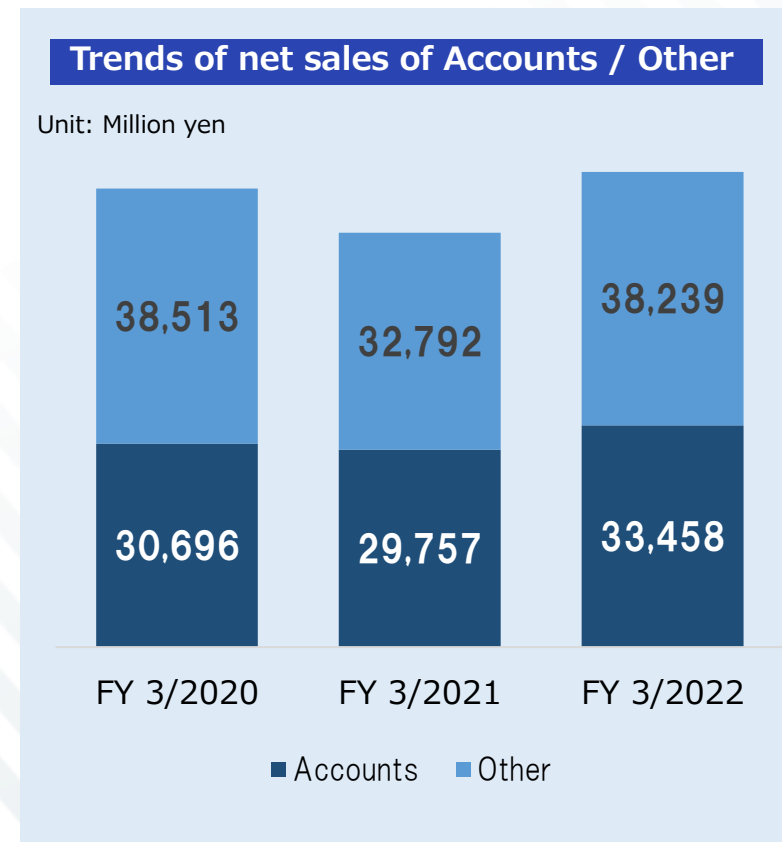
 By focusing on expanding existing areas, year-end enrollment and net sales became record highs since NISSO's listing



NISSO is organic and grew to a scale that exceeds the pre-COVID-19 pandemic

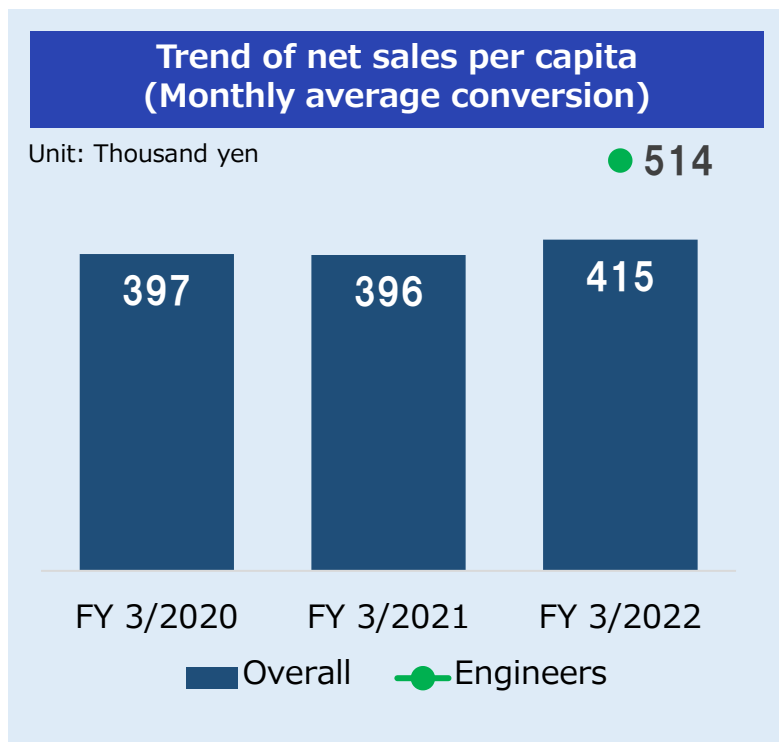


NISSO continues to acquire orders by strengthening business relationships with major automobiles and electronic devices-related manufacturers

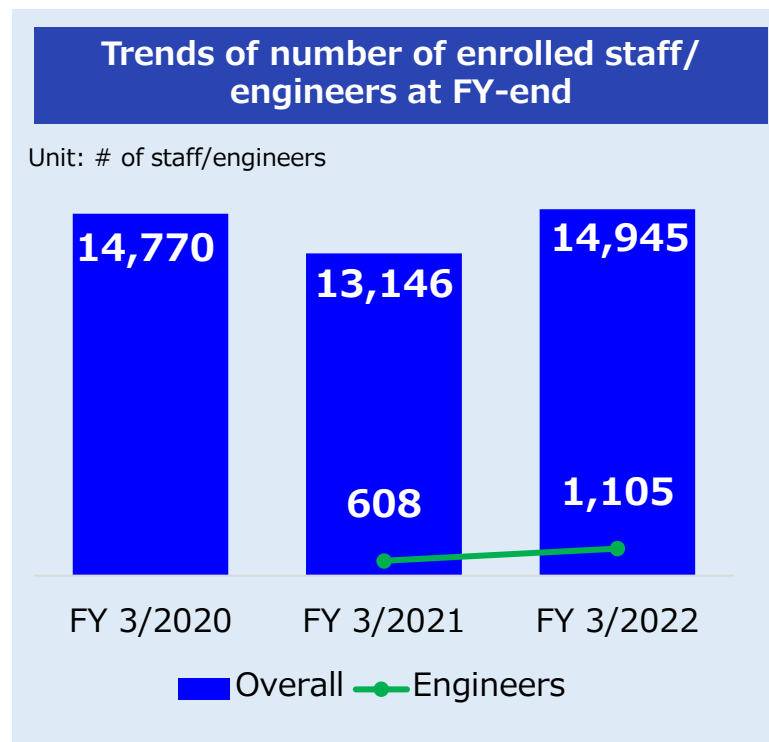


Steady growth in transaction scale of Account Companies

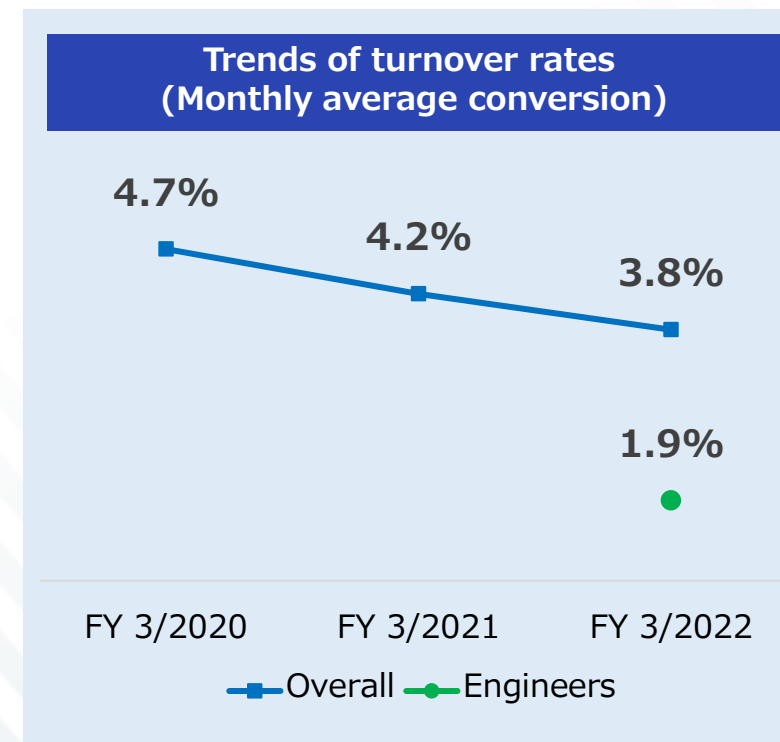
Review of Key KPIs 2 (NISSO, Non-consolidated)



Increase in average unit-costs due to increases in the number of Account Company assignments, engineer enrollment, etc. contributed







The total number of enrolled staff **increased by 1,799** from the end of the previous FY. The number of enrolled engineers **increased by 497** from the previous FY due to the promotion of conversion to engineers



NISSO has been able to **decrease the turnover rate year by year**

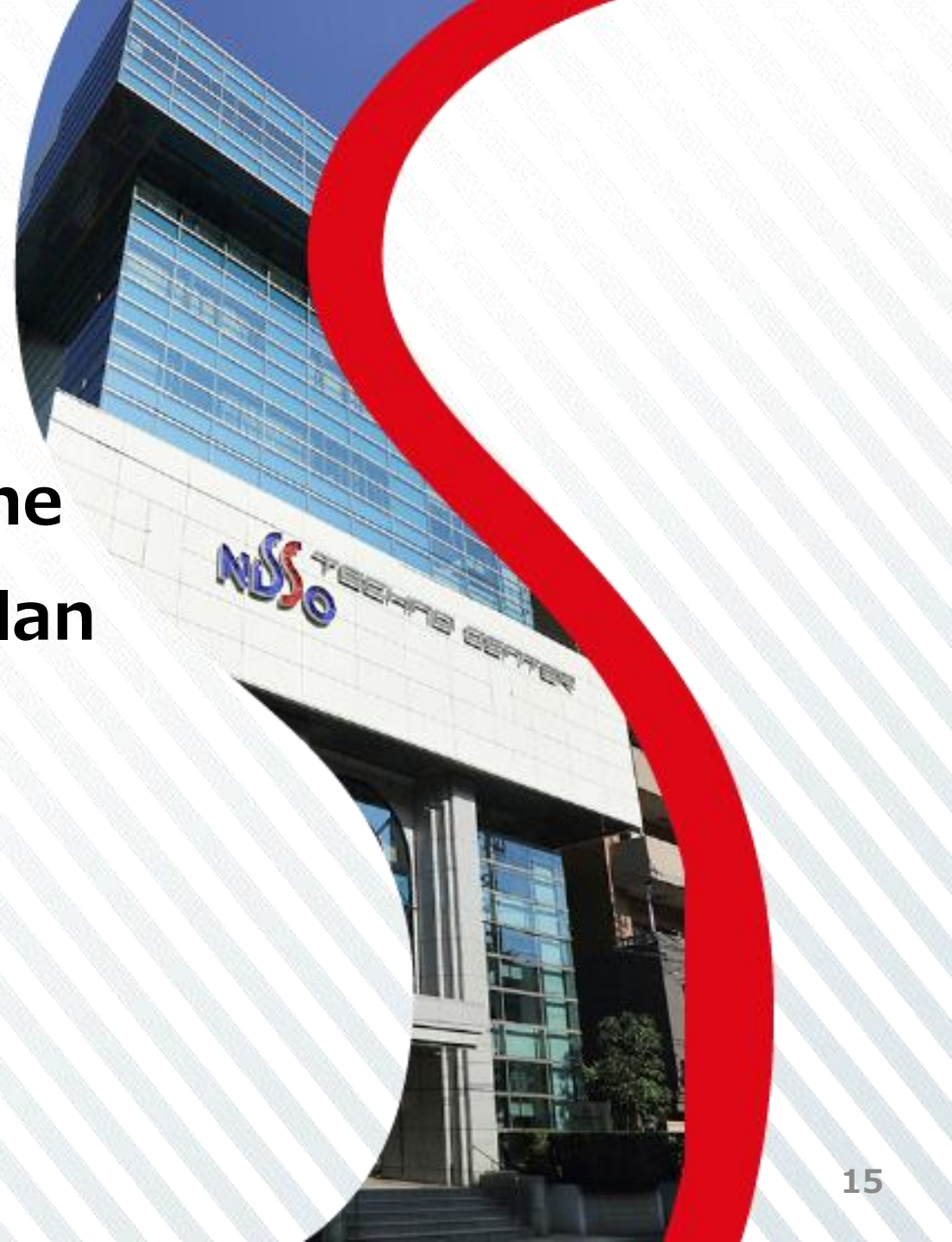
Initiatives for FY 3/2023

| Individual strategies | | Results |
|---|---|--|
| Items | Measures | |
|  Expand the base of core areas | <ul style="list-style-type: none"> ● Strengthen the service provision system | <ul style="list-style-type: none"> ● Made Vector Shinwa a subsidiary |
|  Expand the business portfolio | <ul style="list-style-type: none"> ● Strengthen cooperation with existing partnerships ● Build new partnerships | <ul style="list-style-type: none"> ● Collaborated with "TASUKI Annotation" (Launched AI-related services) https://tsk-pf.com/ (in Japanese only) ● Established a joint venture company with TSUNAGU HD (Leaf NxT) |
|  Enhance nursing care · welfare services | <ul style="list-style-type: none"> ● Build a system to accept foreign caregivers | <ul style="list-style-type: none"> ● Acceptance started in June 2022 |
|  Strengthen the management base | <ul style="list-style-type: none"> ● Reform systems, introduce IT tools | <ul style="list-style-type: none"> ● Expanded Web interviews ● Introduced a staff portal application that connects companies and staff (Career counseling, open recruitment, in-house scouting, etc.) ● Strengthened the cloud tool usage environment ● Improved the talent management system environment |

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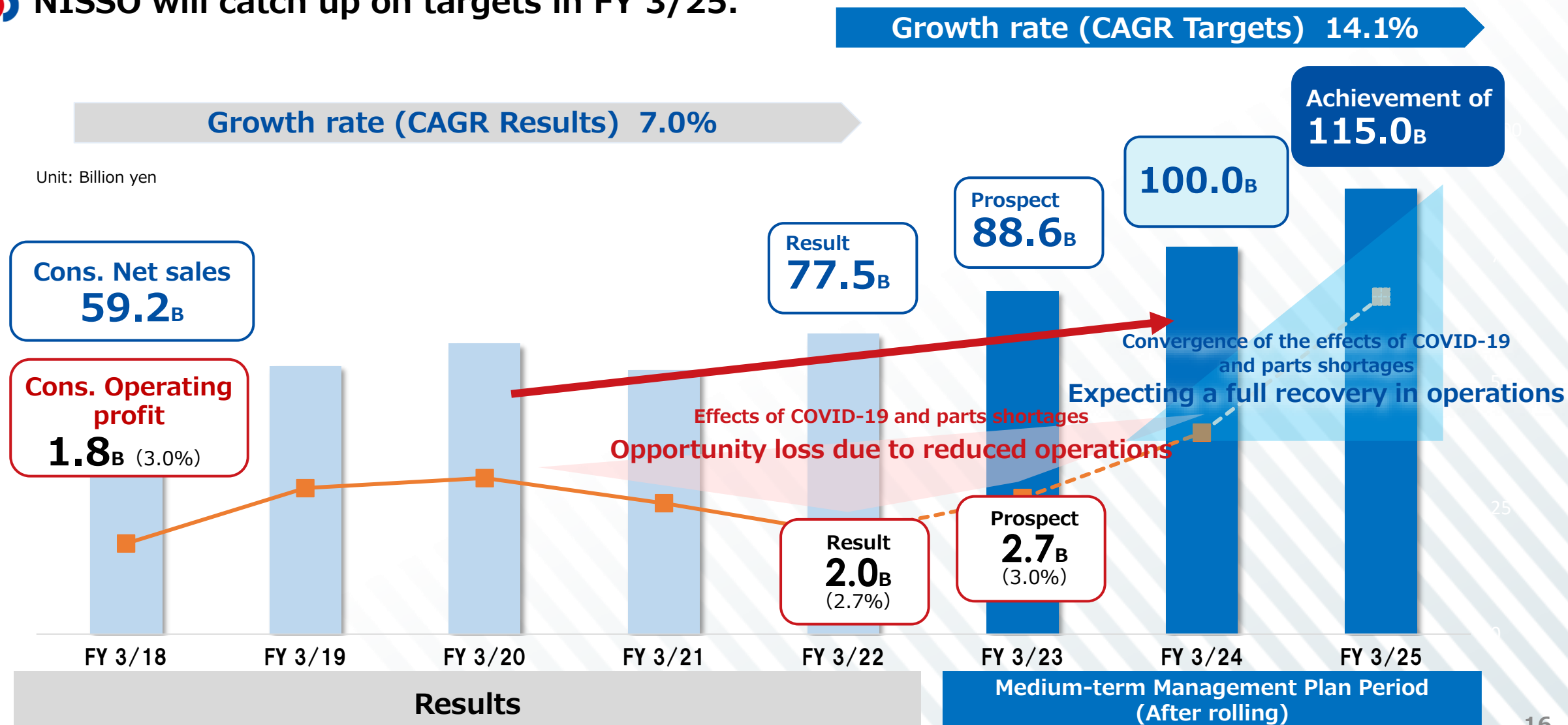
Toward the Achievement of the Medium-term Management Plan

(FY 3/23~FY 3/25)



Review of the Medium-term Management Plan

NISSO will catch up on targets in FY 3/25.



Expansion of human resources market opportunities due to decline in labor force population

- Human resources mobility will accelerate, and the need to eliminate employment mismatches will increase
- Opportunities for utilization of diverse human resources such as middle-aged and elderly human resources, global human resources, and people with disabilities will expand
- Diverse work opportunities that are not limited to full-time will expand
- Awareness of QoL (Quality of Life) will increase and awareness of work will become more diverse.

MONOZUKURI



- Growing maintenance needs due to the introduction of automation/AI
- Substitution of related technologies and parts due to the spread of EVs and CASE
- Market expansion in semiconductor-related areas through industrial policy

Administrative



- Further expansion of demand for IT human resources due to technological innovation
- Expansion of demand in the BPO area due to the review of non-core operations

Light work



Due to the expansion of the EC market, although the utilization of new technologies such as AI and IoT, unmanned delivery, supply chain rationalization and labor saving are promoted, there is a serious shortage of labor (manpower).

Healthcare



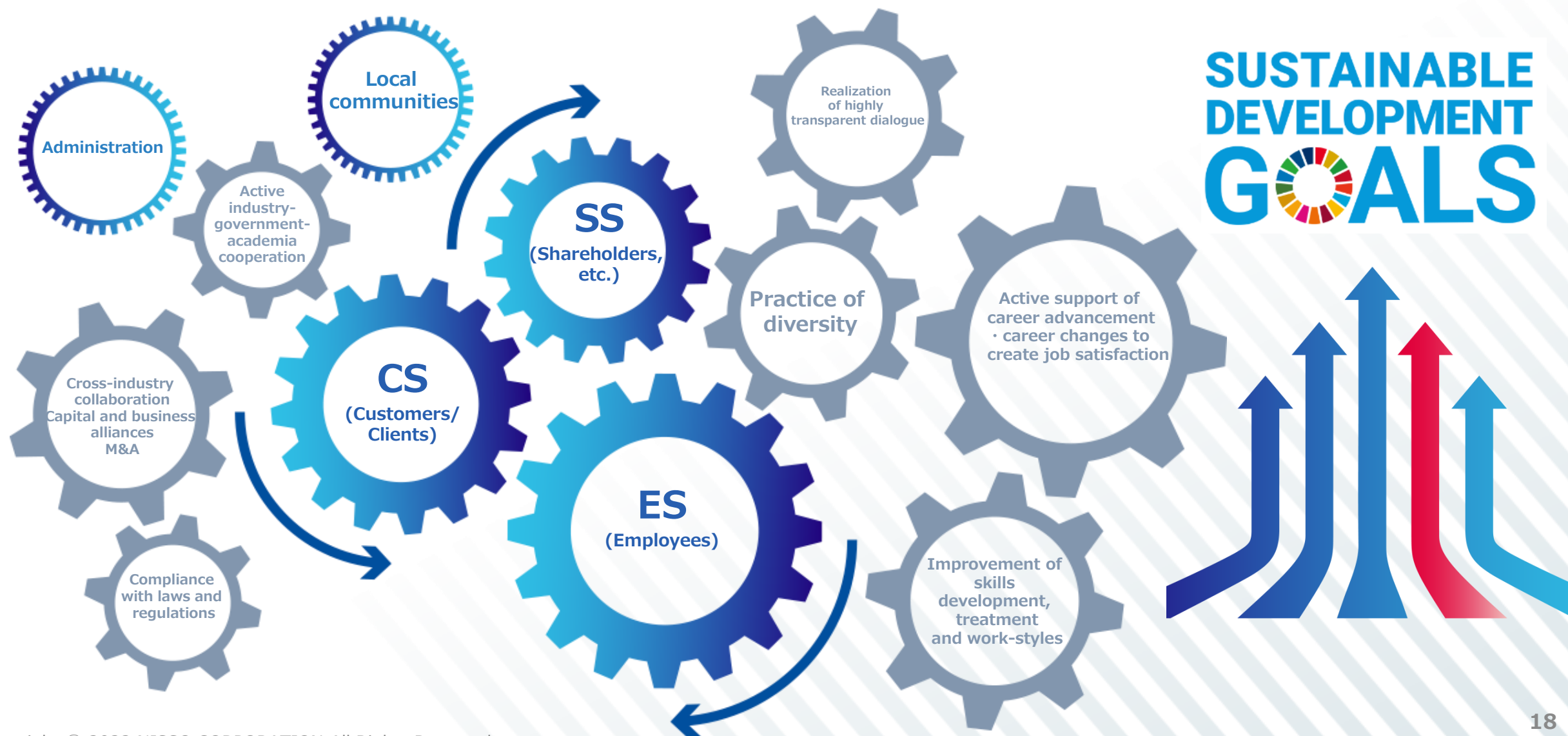
- Health management and well-being are attracting more attention, and the healthcare-related market is expanding further.
- Healthcare x DX advances the enhancement of telemedicine

Nursing care · welfare



- Demand for nursing care is increasing, and there is a constant shortage of nursing care personnel
- Technological innovation in the nursing care technology area is advancing, and the need for human resources with IT literacy is increasing

Image of the Nisso Group Growth Cycle



Management Strategies

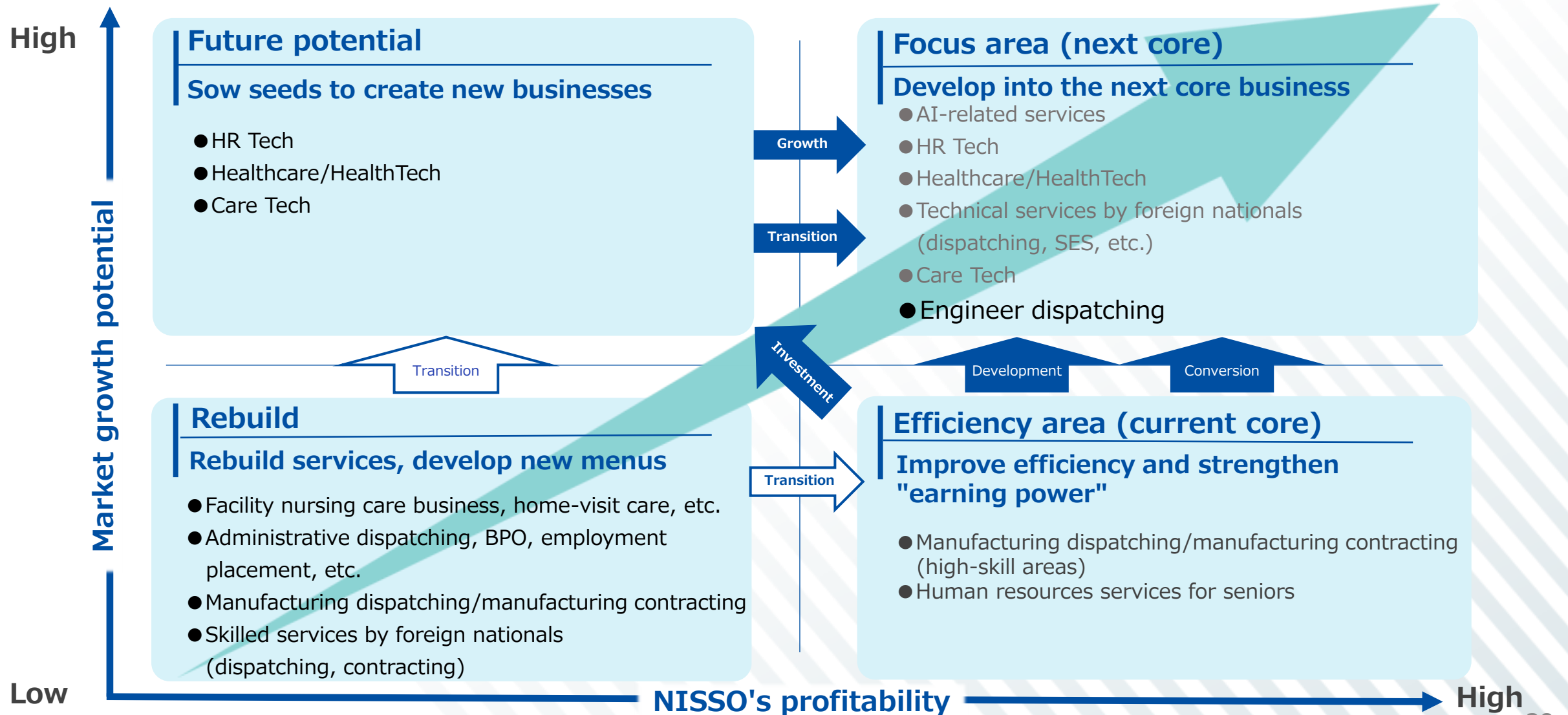
Business Strategy

- Business Portfolio Strategy : Combine "deepening" of core areas and "exploring" of new areas
- Business Portfolio Strategy : Promote high quality · high value-added to core area business domains
- Provide services in response to changing *MONOZUKURI* (manufacturing)
- Strategies by business (Group Initiatives)

Infrastructure Strengthening Strategy

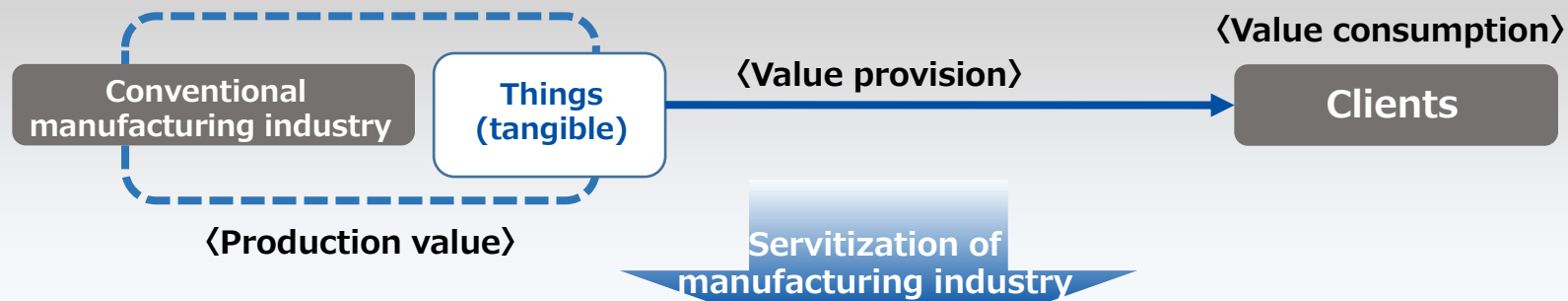
- Practice of human capital management (Active investment in human resources management, education and training, and career development)
- Response to human resources mobility
- Realization of business transformation by digitizing business operations
- Strengthening of governance

Business Portfolio Strategy



Provision of Services that Respond to Changing *MONOZUKURI* (Manufacturing)

Conventional *MONOZUKURI*

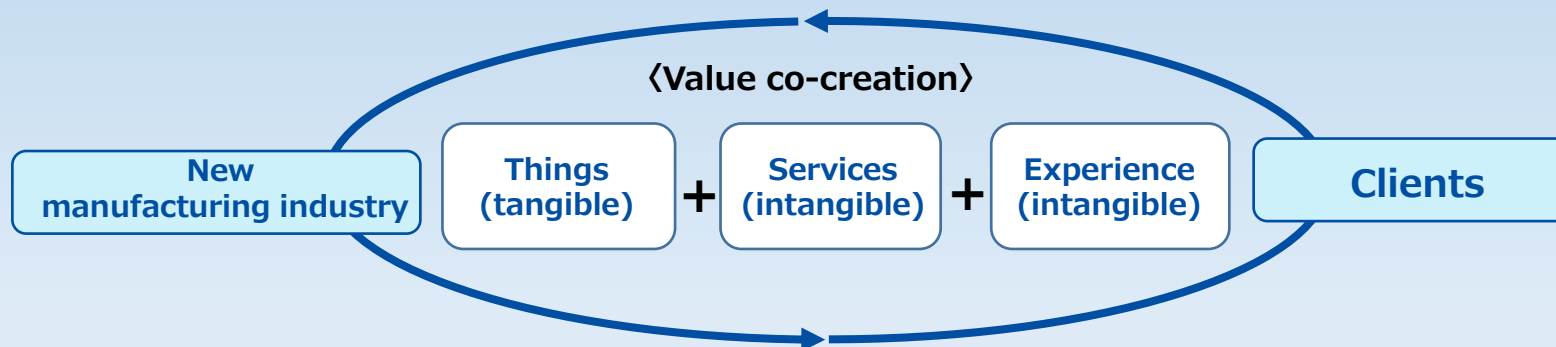


NISSO's core service areas

Manufacture • provide things and receive compensation from clients

Transformation of business models

New *MONOZUKURI*



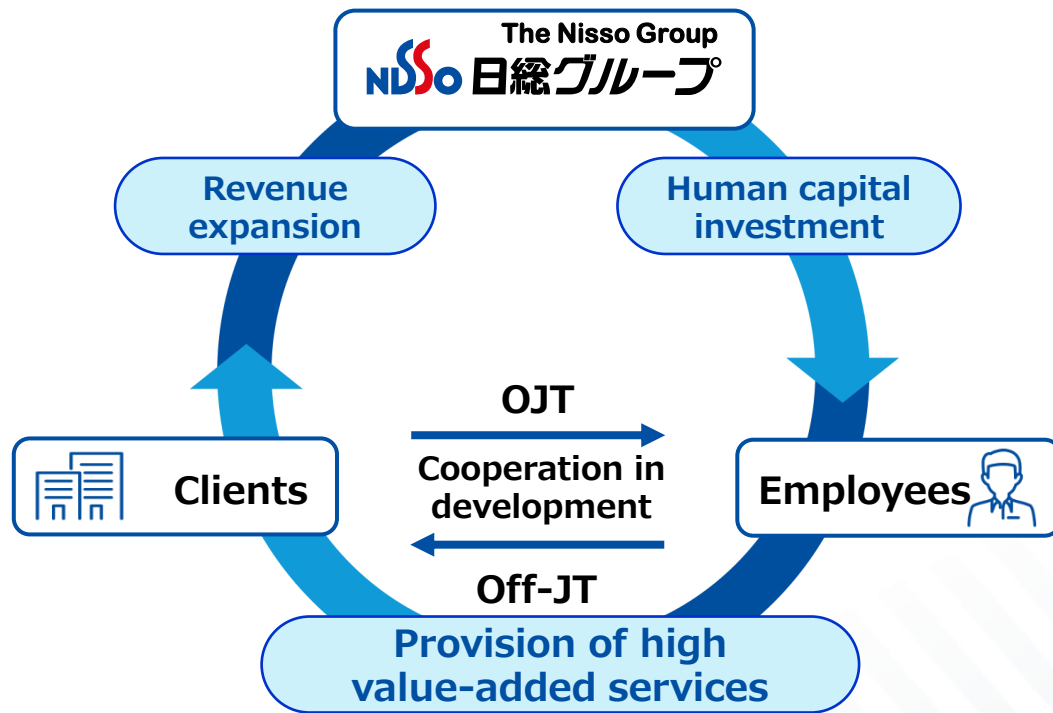
Expansion of NISSO's core service areas

「Value is created when clients experience it, and for that purpose, NISSO provides some kind of service in addition to things, and creates value together with clients」

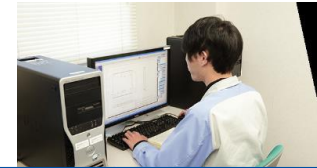
Strategies by Business (Initiatives by Group)

| Area | | Operating Company | Directionality | Initiatives | Possibility of MA, JV, etc. |
|---|-------------------------------|---|---|---|-----------------------------|
| General Human Resources Services Business | Manufacturing ・ Production |  | <ul style="list-style-type: none"> Improve efficiency and strengthen "earning power" | <ul style="list-style-type: none"> Strengthen service provision system Increase share of account clients | ○ |
| | Engineering | |  | <ul style="list-style-type: none"> Expand educational venues Expand SES services Expand enrollment | ◎ |
| | Administrative |  | <ul style="list-style-type: none"> Rebuild services Develop new menus | <ul style="list-style-type: none"> Pursue business opportunities | - |
| | Other |  Nikon Nisso Prime Corporation 株式会社ニコン日総プライム  Nisso Pure Co., Ltd. 日総ひゅあ株式会社  SHANGHAI NISSO HUMAN RESOURCES Co., Ltd.  上海霓索人力資源服務有限公司 | <ul style="list-style-type: none"> Create synergies | <ul style="list-style-type: none"> Strengthen cooperation with existing partnerships | ○ |
| Other Businesses | Nursing Care ・ Welfare |  Nisso Nifty Co., Ltd. 人と向き合い 人に寄り添う 日総ニフティ株式会社 | <ul style="list-style-type: none"> Rebuild services Develop new menus | <ul style="list-style-type: none"> Improve facility occupancy rates Diversify business opportunities | - |
| | Other |  Leaf NxT | <ul style="list-style-type: none"> Sow seeds to create new value | <ul style="list-style-type: none"> Build new partnerships | ○ |

Practice of Human Capital Management



Engineer development



Development of nursing care personnel



Introduction of VR/AR education



Promotion of career changes



Increase the number of career path assistants



Diversity management



Visualization of skills



Enhancement of career advancement systems



Personnel system reform



Workations

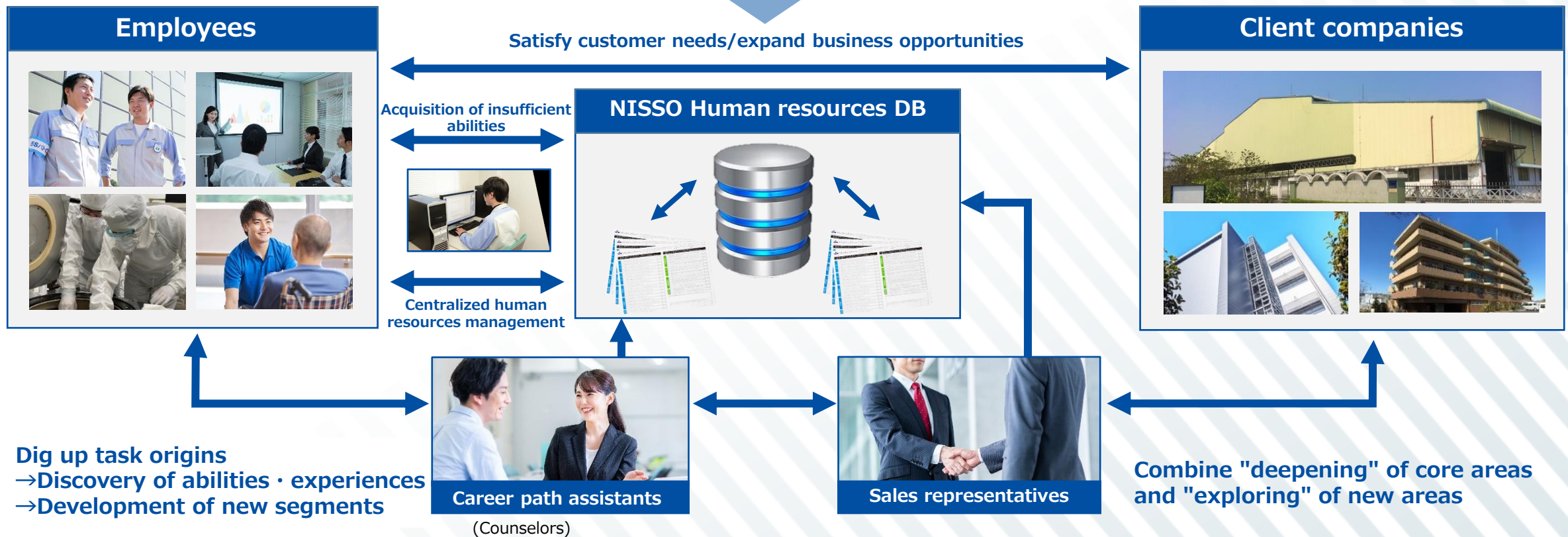


Remote work (WFH)

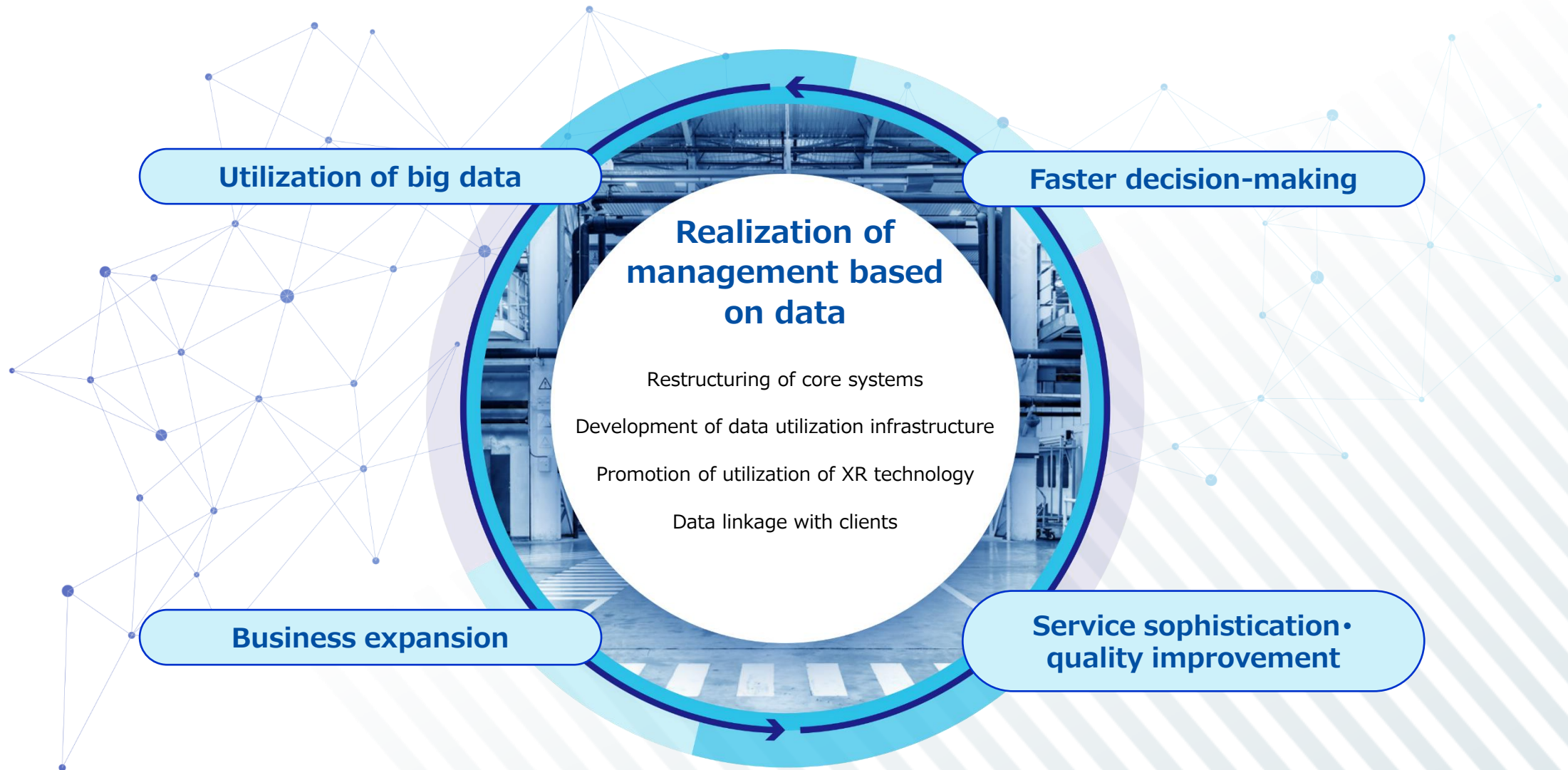
Response to Human Resources Mobility

- Discover and visualize the abilities of workers and corporate needs, and achieve both human resources discovery and business opportunity expansion
- In career development, we will expand our strengths and complement the deficiencies in the areas that are lacking, leading to the placement of the right person in the right place

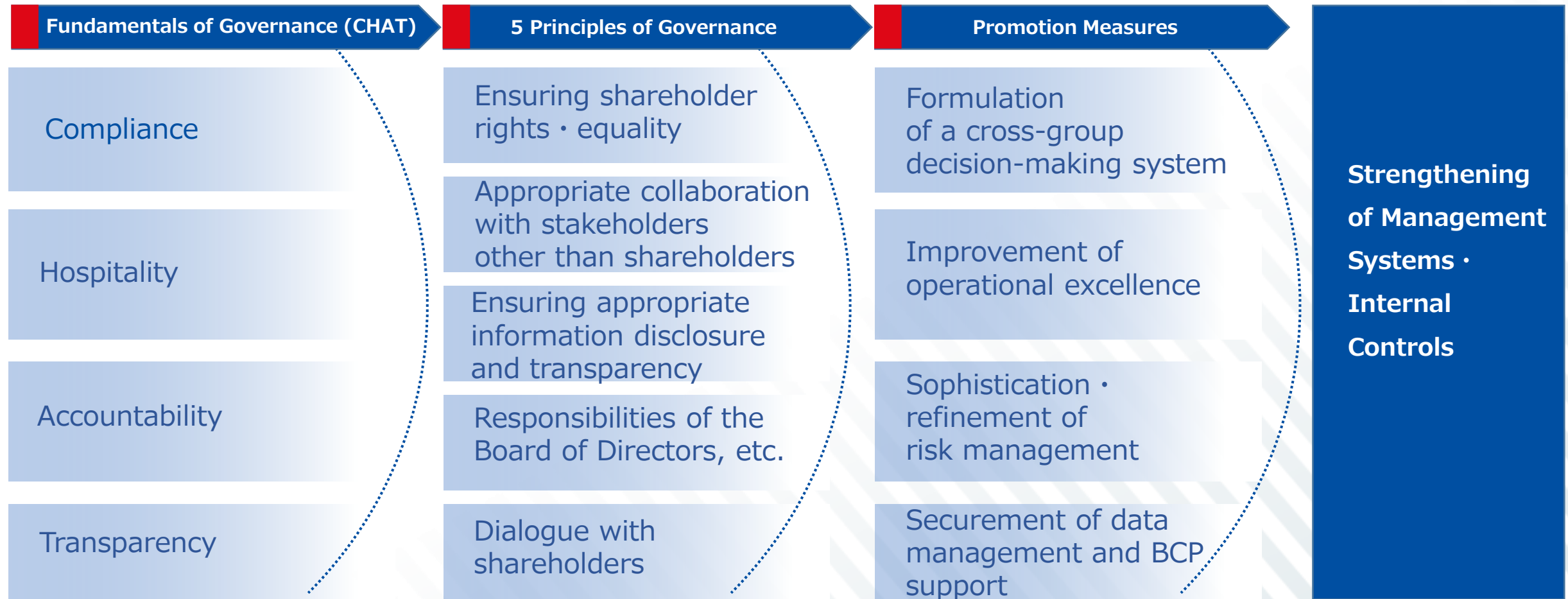
Improve matching rate · job conversion rate/
supply of human resource to growth business






Realization of BX (Business Transformation) by Digitizing Business Operations



Strengthening of Governance








Consolidated Management Target Values①

| | FY 3/2023 | | | FY 3/2024 | | | FY 3/2025 | | |
|--|-----------|---------------------|-------------|-----------|---------------------|-------------|-----------|---------------------|-------------|
| | Amount | Increase (decrease) | Growth rate | Amount | Increase (decrease) | Growth rate | Amount | Increase (decrease) | Growth rate |
|  Net sales | 88,600 | + 11,050 | + 14.2% | 100,000 | +11,400 | +12.9% | 115,000 | +15,000 | +15.0% |
|  Operating profit | 2,700 | + 613 | + 29.4% | 4,000 | + 1,300 | + 48.1% | 6,700 | + 2,700 | + 67.5% |
|  Operating profit margin | 3.0% | +0.3pts | - | 4.0% | +1.0pts | - | 5.8% | +1.8pts | - |

※Increase (decrease) and growth rate are YoY

Consolidated Management Target Values②

| Management Indicators | | Management Targets |
|---|------------------------------|--------------------------------------|
|  Growth potential | Net sales growth rate (CAGR) | Growth rate above industry standards |
|  Profitability | Operating profit margin | 5.8% or more |
|  Efficiency | ROE | 20% or more |
|  Soundness | Financial leverage | 2.5 times or more |
|  Shareholder returns | Dividend payout ratio | 30% or more |

NISSO 日総グループ
The Nisso Group

