

November 9, 2023

NISSO HOLDINGS Co., Ltd.

Company Briefing & Financial Results Briefing

Materials for the First Six Months of FY 3/2024

(for NISSO CORPORATION)



TSE Prime Market Code:9332

NISSO HD's operating profit increased 89.2% year-on-year. The Automotive Industry is in full swing as part shortages have been resolved.

Ryuichi Shimizu Representative Director, President & CEO

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Mr. Ryuichi Shimizu (hereinafter, “Shimizu”): Hello everyone. Thank you very much for taking time out of your busy schedule today to attend our financial results briefing for the second quarter of the fiscal year ending March 31, 2024.

I would also like to thank all of you who are watching the online presentation.

This is the first briefing since our transition to Holdings (“holding company”) on October 2, so I would like to begin by touching on the reasons and objectives of the transition to a holding company at the beginning of this presentation.

I will proceed according to the contents above.

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About NISSO HOLDINGS

Setting our sails to the new frontier

– Into new territory –

October 2, 2023
NISSO HOLDINGS
has achieved our "52nd year of birth".

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First, I would like to talk about the Holdings. I will explain the new areas later.

We, the Nisso Group, aim to be a company that can continue to be chosen by the market as a 100-year company for the future. At the same time, since we want to express our desire to create a corporate group with flexibility and speed, we have coined the phrase, NISSO HOLDINGS has achieved our "52nd year of birth".

In October 2023, the Nisso Group established "NISSO HOLDINGS Co., Ltd.", taking a new step forward as a pure holding company structure.

In order for the Nisso Group to achieve further growth, we believe that it is necessary to accelerate decision-making, strategically and flexibly implement M&A and capital policies, create the next core business opportunities, and optimize management resources.



Ryuichi Shimizu
Representative Director,
President & CEO

While ensuring a seamless business management system for the entire Group, we will ensure an environment in which each operating company can enhance their expertise and focus on their areas of expertise, and we will engage in well-being management such as "human development" and "workplace creation" based on the recognition that human resources are important capital that plays a central role in our business.

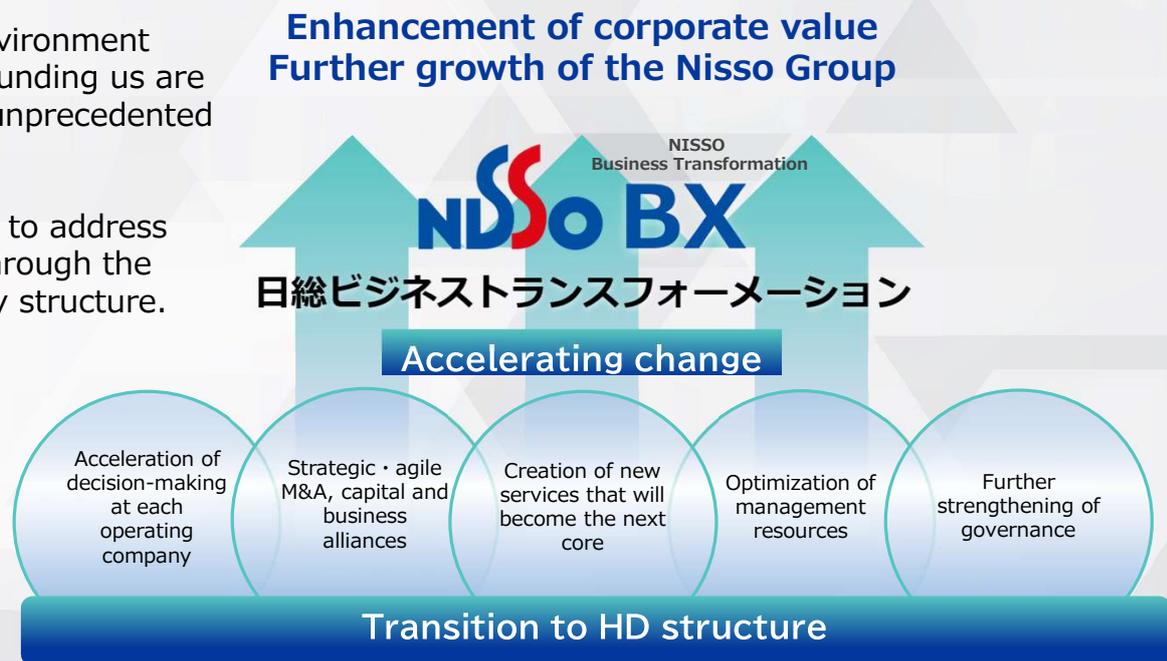
The Nisso Group will move forward together with you, always evolving into a company of choice.

Please look forward to it.

As a listed company, we have many stakeholders, but as a human resources company, we aim to be the company of choice for our employees and workers. To that end, we will thoroughly pursue what we should and want to be in order to achieve this goal as we transition to a holding company. In addition, we would like to accelerate our progress and move forward by having companies with insufficient human resources and expertise, join us.

Furthermore, although this includes my personal view opinion, I expect that our existing businesses, the three industries that we have been explaining for some time, will actually reach a major turning point in 2027. In 2026 and 2027, major projects such as semiconductor factories and EV battery factories will be in full swing. We feel a sense of urgency, in a very positive sense, that if we are not properly prepared by this time, we may not be able to succeed.

- The business environment and needs surrounding us are changing at an unprecedented rate.
- We have started to address various issues through the holding company structure.



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The diagram on the slide shows our approach. We are in an era where various issues are scattered and changes are very rapid, so new issues are constantly emerging. I believe that it is important to significantly increase the speed at which these issues can be resolved in order to survive as a company.

Overview of NISSO HOLDINGS

Name	NISSO HOLDINGS Co., Ltd.
Listing date	October 2, 2023
Listed exchange	Tokyo Stock Exchange Prime Market
Securities code	9332
Business description	Business management of group companies, etc. engaged in manufacturing dispatching · manufacturing contracting, general office dispatching · BPO, facility nursing care · home-based nursing care, etc., and incidental or related operations, etc.
Date of establishment	October 2, 2023
Head office location	1-4-1 Shin Yokohama, Kohoku-ku, Yokohama, Kanagawa 222-0033
Representative	Representative Director, President & CEO Ryuichi Shimizu
Capital	2,016 Million JPY
Total number of shares outstanding	34,024,720 (shares)
Fiscal year-end	March 31

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Shown here is the overview of NISSO HOLDINGS. Please allow me to inform you that the securities code has been changed from 6569 to 9332. Since there are people who have said that "NISSO CORPORATION has been delisted", I have reiterated this explanation here.

- Newly established the Nisso Group's "Sustainability Website" with enhanced information posted

<https://www.nisso-hd.com/en/sustainability/>



- Main operating company, NISSO CORPORATION releases new commercial for recruitment site

<https://www.nisso.co.jp/news/2794/> (in Japanese only)



- Kanagawa University, supported by the Nisso Group, will participate in the main Hakone Ekiden race for the first time in 2 years!

<https://www.nisso.co.jp/column/2871/> (in Japanese only)



[Source: Kanagawa University]

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Here are three topics that I would like to introduce. First, as a member of a sustainable society represented by the SDGs, we have established a new "Sustainability Website". We intend to actively engage in this in the future.

Second, especially in recent years, since the level of exposure has increased dramatically, we have renewed the commercial for our own website. While the content of previous series was about "Let's reform the manufacturing field", in the new series, we are asking "What kind of future lies beyond factories and beyond *MONOZUKURI* (manufacturing)?"

Although there are many people in the image on the slide, many of these people are actually non-Japanese. We created this commercial in order to convey our message of diversification and internationalization.

Third, Kanagawa University, which we support, will participate in the Hakone Ekiden race for the first time in 2 years. Last year, they missed out on the competition by approximately 20 seconds, so this was good news.

List of Group Companies

NISSO 日総工産株式会社
NISSO CORPORATION

Nisso Kosan (NISSO) Shin Yokohama Bldg., 1-4-1 Shin Yokohama, Kohoku-ku, Yokohama, Kanagawa
▶Business description
 Manufacturing-related Human Resources Services (Manufacturing dispatching・manufacturing contracting, employment placement, etc.)

Nisso Brain 
 いつも「ありがとう!」のとなり。
 Nisso Brain Co., Ltd.

Nisso Dai Ichi Building, 28-26 Toyooka-chō, Tsurumi-ku, Yokohama, Kanagawa
▶Business description
 Administrative Human Resources Services


 人と向き合い 人に寄り添う
 すいとびー 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
▶Business description
 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
▶Business description
 Light Work Contracting, Sale of Goods (NISSO CORPORATION's Special-purpose Subsidiary)


 Vector Shinwa
 株式会社ベクトル伸和
 Vector Shinwa Co., Ltd.

3-1 Ikehata, Chiryu City, Aichi

▶Business description
 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
▶Business description
 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 上海霓索人力资源服务有限公司
 SHANGHAI NISSO HUMAN RESOURCES CO., Ltd.

Rm. 508, 36-7 Building 7, 36 Xuelin Road, Pudong New Area, Shanghai, China
▶Business description
 Recruitment
 Human Resources Consulting


 Leaf NxT
 Leaf NxT Inc.

Honey Gotanda Dai 2 Bldg., 4F, 1-4-1 Higashi Gotanda, Shinagawa-ku, Tokyo
▶Business description
 Human Resources Dispatching Business, Development-type Qualified Personnel Dispatching Business, Recruitment Platform Business, Media Direction Business, etc.

Since our group companies remain the same as before, I will not provide an explanation.

Conversation with Economic Analyst Mariko Mabuchi

We introduce various contents related to the Nisso Group, such as the aim of becoming a holding company, how we think about the objects (colleagues) to be embodied in our pursuit of our ideal form, our strategies for future growth, and what kind of tailwinds are currently blowing.

Everyone, please take a look at our progress.



Economic analyst Mariko Mabuchi asks!
From NISSO CORPORATION to NISSO HOLDINGS (9332)
Acceleration of growth "to the next level"

https://www.nsjournal.jp/nsj_library/nisso-9332/

(in Japanese only)

Recently, I had a conversation with economic analyst Mariko Mabuchi, just after our transition to a holdings company structure. I hope that you will take a look at this video, as it will give you a hint to understand the aim of our transition to holding company.

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The Nisso Group's Business Results Summary

(First Six Months of FY 3/2024)

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I will now give an overview of the Nisso Group's business results summary for the first six months of the fiscal year ending March 31, 2024.

FY 3/2024 2Q Results

- Net sales was the highest for 2Q since NISSO CORPORATION's listing
- Operating profit increased by 89.2% year-on-year
- The Automotive Industry resolved parts shortages and began full-scale production
- The Semiconductor Industry was sluggish, and recovery was slower than expected
- Engineers began preparations to respond to additional needs
(Plans were made to significantly expand the Kumamoto training facility)
- Nursing care · Welfare Services increased revenue and profits year-on-year

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The first and second points of the summary of the Group's business results are as shown in the slide. In the Automotive Industry (automobile manufacturing·EV-related manufacturing industry), which is our field of expertise, parts shortages are finally being resolved, and although it is not complete, it is recovering strongly as power semiconductors and other parts are now available. On the other hand, the recovery of memory and semiconductor manufacturing equipment in the Semiconductor Industry (semiconductor manufacturing industry) has been somewhat delayed.

Regarding engineers, we mentioned that we have begun preparations to respond to additional needs, which I will explain in more detail later. In addition, Nursing Care·Welfare Services in the Other (Businesses) segment posted year-on-year increases in both revenue and profits.

FY 3/2024 2Q Consolidated Financial Results Highlights

(Unit: Million yen)

Points

Operating profit increased by 89.2% YoY

- Net sales increased by 9.8% partly due to an increase in the number of enrolled staff and a recovery in operations in the Automotive Industry.
- Other Businesses (Nursing Care · Welfare Services) increased revenue and profits YoY.

	FY 3/23 2Q		FY 3/24 2Q		Year-on-Year	
	Results	% of Total	Results	% of Total	Increase (Decrease)	% Change
Net sales	43,162	100.0%	47,381	100.0%	4,219	9.8%
Gross profit	6,587	15.3%	7,420	15.7%	832	12.6%
SG&A expenses	6,077	14.1%	6,455	13.6%	377	6.2%
Operating profit	510	1.2%	965	2.0%	455	89.2%
Ordinary profit	582	1.3%	998	2.1%	416	71.5%
Profit attributable to owners of parent	347	0.8%	625	1.3%	278	80.1%

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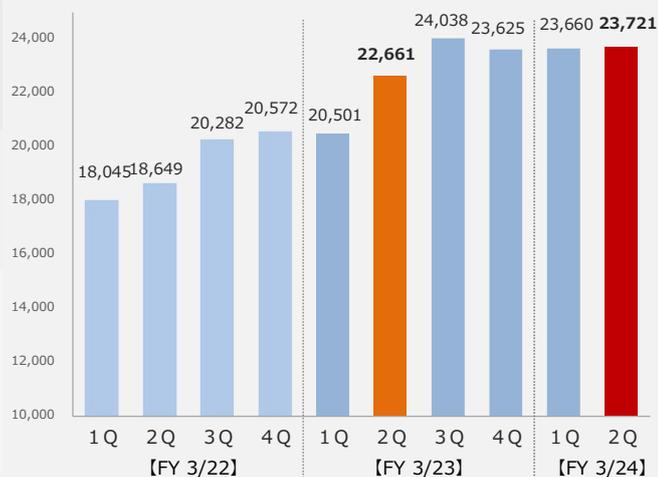
Here are our consolidated financial results highlights. In particular, SG&A (selling, general and administrative) expenses have increased compared to last year.

One of the reasons for this increase was the increase in the number of employees working at NISSO CORPORATION, which is our core company, by more than 400. In addition, due to the change in the majority ownership of Nikon Nisso Prime, a group company, which took place in July of last year, its SG&A expenses for one quarter have been incurred.

FY 3/2024 Quarterly Consolidated Financial Results

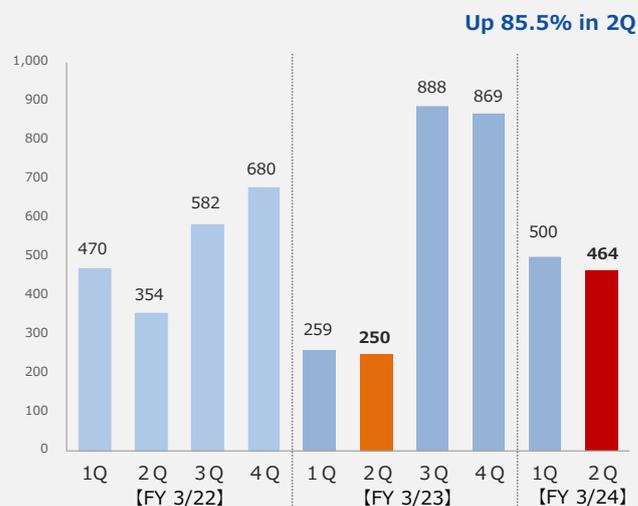
(Unit: Million yen)

Net sales



(Unit: Million yen)

Operating profit



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The trends in consolidated net sales and operating profit are shown in the graphs on the slide.

FY 3/2024 2Q Main Operating Company (NISSO CORPORATION) Financial Results Highlights

Net Sales

(Unit: Million yen)

Increased by 7.0% YoY

Net sales increased YoY, partly due to an increase in the number of enrolled staff and a recovery in operations in the Automotive Industry.

Expenses · Profits

Operating profit increased by 66.0%

- In the Automotive Industry, parts shortages were resolved, operations recovered, and gross profit increased by 10.2% YoY.
- The streamlining of recruitment costs continued, and the SG&A ratio improved by 0.3 percentage points YoY.

	FY 3/23 2Q		FY 3/24 2Q		Year-on-Year	
	Results	% of Total	Results	% of Total	Increase (Decrease)	% Change
Net sales	38,875	100.0%	41,583	100.0%	2,708	7.0%
Gross profit	6,137	15.8%	6,764	16.3%	627	10.2%
SG&A expenses	5,582	14.4%	5,843	14.1%	261	4.7%
Operating profit	554	1.4%	921	2.2%	366	66.0%
Ordinary profit	627	1.6%	938	2.3%	310	49.5%
Profit	385	1.0%	604	1.5%	219	56.9%

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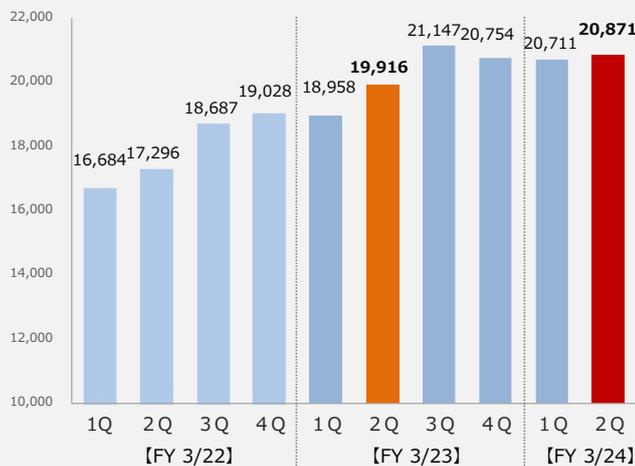
Shown here are the (financial results) highlights of NISSO CORPORATION, the non-consolidated operating company. The Automotive Industry was as I mentioned earlier.

SG&A expenses increased by 261 million yen. This was due to the irregular occurrence of personnel expenses of 150 million yen, including legal welfare expenses, and outsourcing expenses of approximately 40 million yen for the transition to a holding company.

FY 3/2024 Main Operating Company (NISSO CORPORATION) Quarterly Financial Results

(Unit: Million yen)

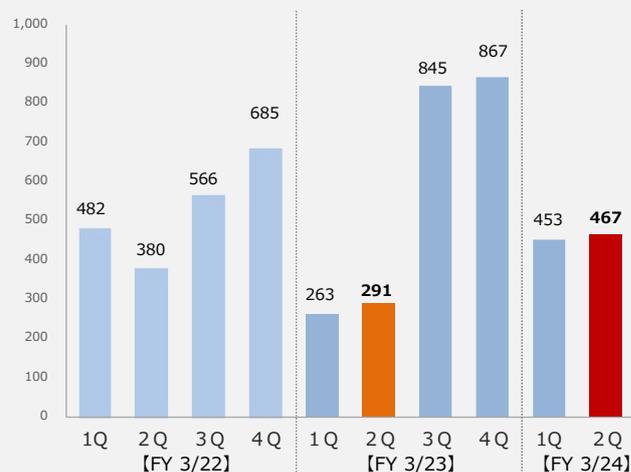
Net sales



(Unit: Million yen)

Operating profit

Up 60.5% in 2Q



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Shown here are the trends in the non-consolidated net sales and operating profit. There is something I want to share with you first since institutional investors always ask me questions. I'm often asked, "How was your performance in the first half?" or "How can you summarize it?", and I can honestly say that some things were a little more difficult than we had expected.

Although the first quarter was favorable, some automobiles manufacturers shut down operations in the second quarter due to typhoons and system problems. The manufacturer with the longest stoppage shut down their operations for two whole days.

Although we can receive compensation for this, it was only compensation for the portion that we have pay to the workers involved, not for the lost opportunity for us to earn profits. For this reason, the summary of the first half of the fiscal year is that we wanted to but could not exceed 1 billion yen in operating profit.

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Overview of Activities of Main Operating Company (NISSO CORPORATION)

(First Six Months of FY 3/2024)

Main Operating Company (NISSO CORPORATION) Financial Results Summary

Net Sales **41,583 Million yen** (+2,708 Million yen / +7.0% YoY)
Operating Profit **921 Million yen** (+366 Million yen / +66.0% YoY)

Main Operating Company (NISSO CORPORATION) Indicator Summary

● Focused Industry Net Sales (YoY)

Focused Industries Total... **+5.9%**

• Focused industry net sales, which are the sum of the Automotive, Semiconductor, and Electronics Industries, increased by 5.9% YoY.

● 2Q-end Number of Enrolled Staff

16,158 staff
(+428 staff YoY)

• The number of enrolled staff increased by 428 YoY.
• Enrollment increased steadily in the Automotive Industry. Enrollment in the Electronics Industry showed some signs of recovery.

● Avg. Monthly Net Sales per Capita

428 Thousand yen
(+10 Thousand yen YoY)

• Average monthly net sales per capita increased by 2.4% YoY, partly due to a recovery in operations in the Automotive Industry.

Next is an explanation of the situation of NISSO CORPORATION. In particular, the 3 focus industries showed a total growth of 5.9% year-on-year. The biggest factor in the growth was the recovery of the automobiles.

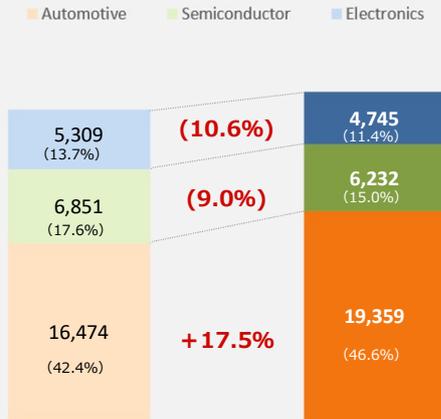
Although the number of enrolled staff has increased by 428 year-on-year, the normal speed is to increase the number of staff by more than 1,000 from the previous year. The major factor that prevented us from doing so was because of problems in the automobile supply chain. Of course, since many of our clients are the largest automobiles manufacturers, we were able to increase the number to a certain extent, but not as much as in previous years.

In addition, the Semiconductor Industry continued to stagnate, and the Electronics Industry (electronic equipment manufacturing industry) was in a similar situation, which was one of the reasons why the number of staff increased by just over 400, when it should have increased by about 1,000.

Net sales per capita increased year-on-year. Although operations have not increased so much, the increase in the unit-costs of orders was a big factor. From now on, we recognize that it is extremely important to increase the number of enrolled staff while increasing overall operations, and to steadily increase our year-on-year figures.

(Unit: Million yen)

Net Sales Composition Ratios



※ () = % of NISSO CORPORATION net sales, Red = % of Year-on-Year growth

	Net Sales	Operational Trends	Personnel Trends
Electronics (Electronic equipment manufacturing industry)	Down 10.6% YoY	Sluggish but some signs of partial recovery	Sluggish but partly recovered
Semiconductor (Semiconductor manufacturing industry)	Down 9.0% YoY	Manufacturing equipment and semiconductor memory were sluggish · power semiconductors were steady	Sluggish
Automotive (Automobile manufacturing · EV-related manufacturing industry)	Up 17.5% YoY	Effects of parts shortages were resolved	Steady

The left side of the slide shows the net sales composition ratio of each industry. The graph shows that the Automotive Industry is leading the way, while the Semiconductor Industry and Electronics Industry are lagging behind.

On the right are the industry trends for each industry. As I mentioned earlier, I have the impression that the Semiconductor Industry has moved backwards by one quarter.

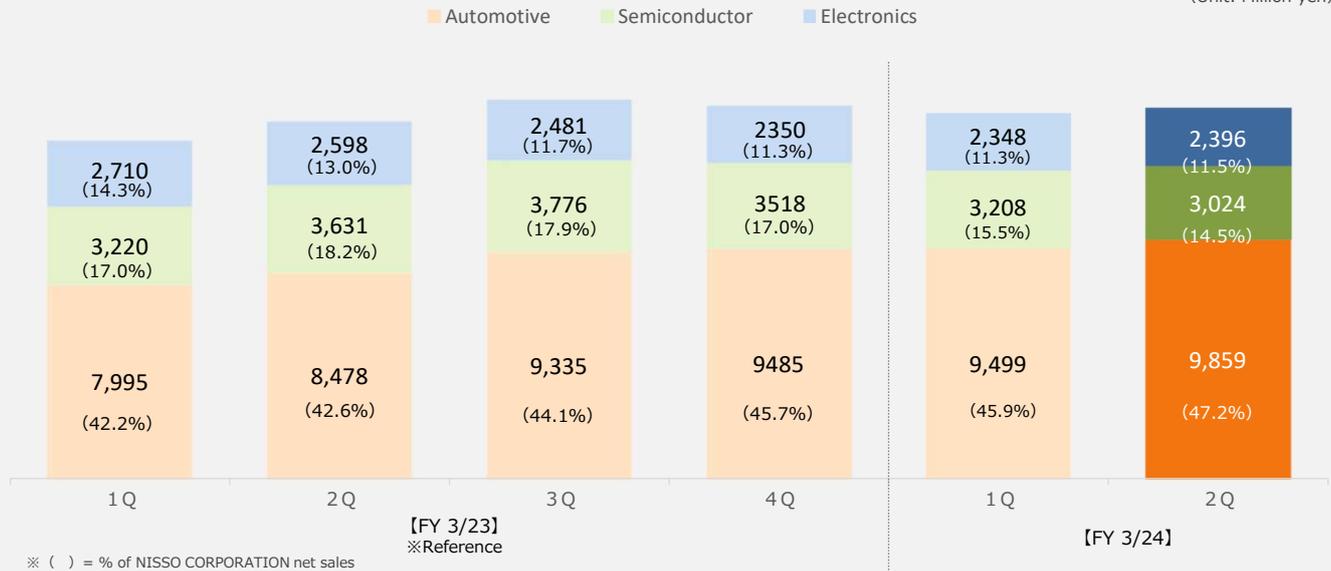
		Automotive Industry (Automobile manufacturing · EV-related manufacturing industry)	Semiconductor Industry (Semiconductor manufacturing industry)	Electronics Industry (Electronic equipment manufacturing industry)
1 H	Capital Investment	Will gradually expand	Will expand	Will be flat
	Production Trends	Production growth will stall	Manufacturing equipment · memory will be sluggish Power semiconductors will be strong	Will be sluggish in conjunction with semiconductors
	Operational Trends	Impact of parts shortages will continue	Operations will be sluggish	Operations will be sluggish
	Personnel Trends	Will be steady	Will be sluggish	Will be sluggish
2 H	Capital Investment	Will expand	Will expand further	Will gradually expand
	Production Trends	Will be busy with parts shortages	Manufacturing equipment recovery will be delayed Memory will be sluggish	Will recover after semiconductors
	Operational Trends	Operations will fully recover	Manufacturing equipment recovery will be delayed Memory will be sluggish	Will recover after semiconductors
	Personnel Trends	Will be steady	Will be sluggish	Will gradually increase following semiconductors

Originally, we expected the Semiconductor Industry to gradually recover in the second half of the year. However, since it continues to be sluggish, we feel that we will probably see a recovery in the fourth quarter, in the new year.

On the other hand, in the Electronics Industry, although overtime hours were still low, since the number of enrolled staff has started to increase, I believe it will gradually recover from this point. With only half a year left, we are making efforts during this fiscal year for the Automotive Industry to make up for the delay.

FY 3/2024 Quarterly Net Sales by Industry (NISSO CORPORATION)

(Unit: Million yen)



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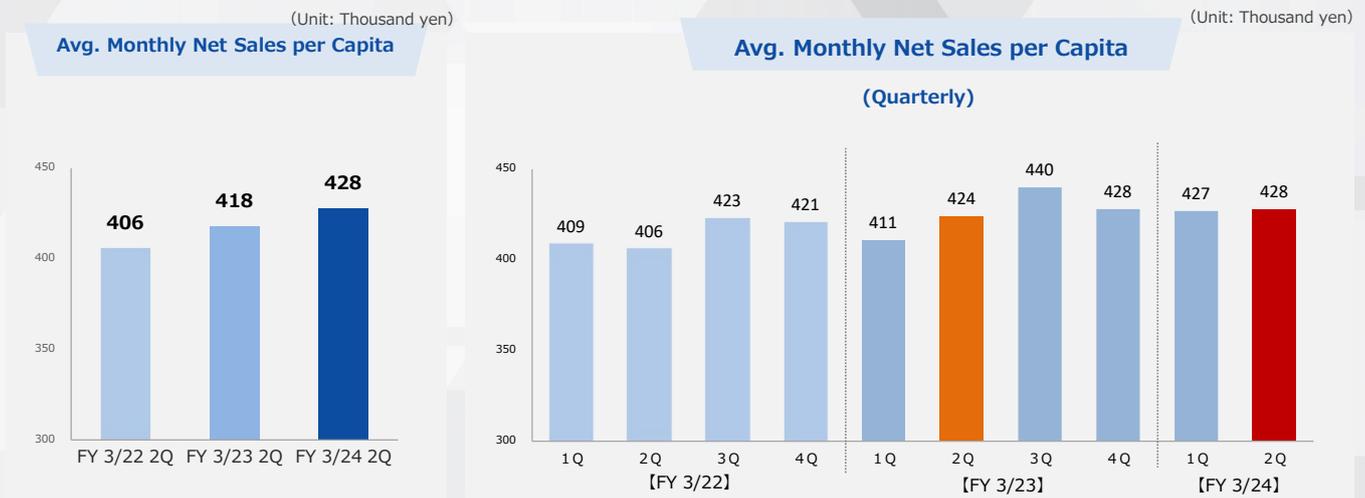
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The graphs on the slide show the status of each industry by quarter. As you can see, the Automotive Industry's net sales at the bottom have been consistently rising.

Meanwhile, the Electronics Industry's net sales have remained flat since the fourth quarter of last year. As for the Semiconductor Industry, we recognize that the second quarter was the bottom.

Average Monthly Net Sales per Capita (NISSO CORPORATION)

- FY 3/2024 2Q YTD Avg. monthly net sales per capita 428 Thousand yen (+10 Thousand yen YoY)
- The average monthly net sales per capita increased YoY, partly due to a recovery of operations in the Automotive Industry.



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Let's take a look at the average monthly net sales per capita, which I touched on a little earlier. Looking at the graph on the left side of the slide, although it certainly looks like there is growth, but you can see that growth is slowing down a little at present.

The graph on the right shows the quarterly trends. Normally, although we had hoped for a little more growth in the midst of a recovery, we were unable to do so in the second quarter.

Number of Enrolled Staff (NISSO CORPORATION)

(Unit: # of Staff)

Year-on-Year

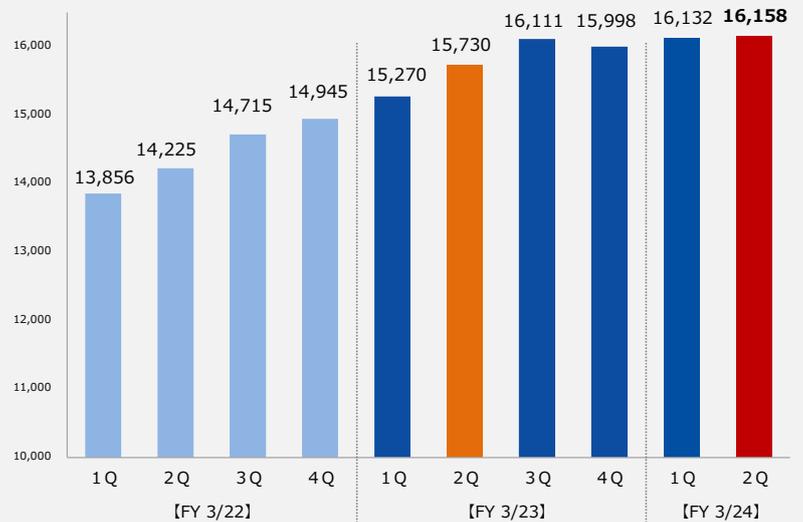
+428 staff (+2.7%)

Point

Highest enrollment since NISSO CORPORATION's listing renewed

Although the Semiconductor Industry was sluggish, the number of enrolled staff increased due to strong demand for human resources in the Automotive Industry.

Number of Enrolled Staff at Quarter-end



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This page depicts the number of enrolled staff, the so-called top line. Although the number of enrolled staff increased by 428 year-on-year, it remained almost unchanged from the third quarter of last year.

To explain the situation, at the beginning of this fiscal year, we increased the number of staff in the Automotive Industry by approximately 250, but the same number of staff has decreased in the Semiconductor Industry. Since the number of staff in the Electronics Industry increased slightly, resulting in almost no change.

At present, as automobile manufacturers are beginning to shift to a system of increased production, one of our strategies going forward is to increase the number of staff at a considerable speed and continue to do so in the fourth quarter or the next fiscal year.

Points

- The overall number of participants decreased YoY due to the impact of sluggish production in the Electronics Industry and the Semiconductor Industry.
- Full-scale operation of the e-learning system enabled real-time monitoring of participant progress and understanding, and streamlined training.

● FY 3/2024 2Q Educational achievements (total # of participants)

※All employees

(Unit: # of participants)

Classification	Training content	FY 3/23 2Q YTD	FY 3/24 2Q YTD	Year-on-Year Comparison
(Direct) Engineer training	Manufacturing equipment maintenance · manufacturing equipment technology Mechanical design · production technology Special education for industrial robots, etc.	1,211	776	64.1%
(Direct) Other training	<i>MONOZUKURI</i> (manufacturing) education Foreman education Hazard simulation education, etc.	9,255	8,544	92.3%
Indirect training	Business manners Career enhancement Life planning Semiconductor seminars, etc.	472	382	80.9%
	Total	10,938	9,702	88.7%

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Here are our educational achievements. As you can see from the graph on the slide, although there has not been much of a decrease until now, in particular, there has been a significant decrease in engineering training. The reason for this is the impact of sluggish production in the Electronics Industry and Semiconductor Industry, as noted on the slide. In particular, the memory and manufacturing equipment fields, which are heavily traded, have been extremely sluggish, resulting in a decrease in the the number of target clients.

However, we did not sit idly by and watch this happen, and since the operational status of the training rooms was low, especially in the Tohoku region, we decided to create a e-learning system during this time. After creating and utilizing our own e-learning system called "Start engineer", we will start selling it to the general market as well. I will explain more about this later.

We have begun preparations for the next fiscal year from the second half of this fiscal year, and since there are some new developments in the memory-related fields, including in Kumamoto, I believe that the educational achievements will gradually improve.

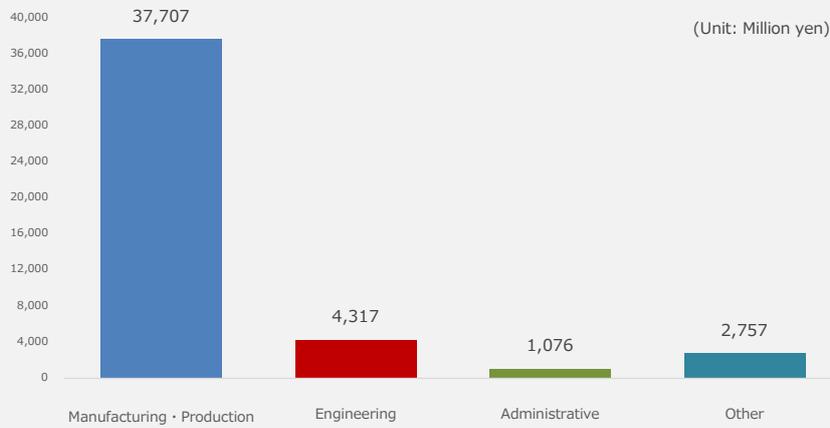
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Financial Results by Segment

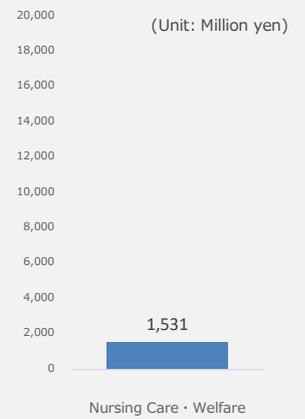
(First Six Months of FY 3/2024)

Net Sales by Segment (Services)

FY 3/2024 2Q General Human Resources Services Business



FY 3/2024 2Q Other Businesses



Please refer to the slide for the results by segment.

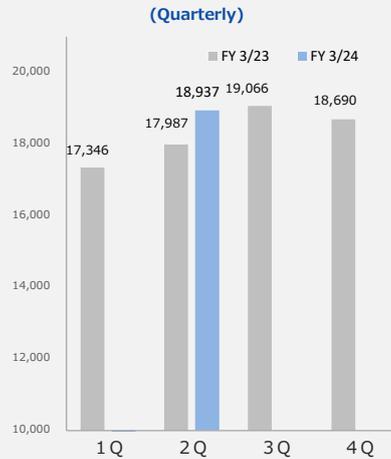
Net Sales

In 2Q, manufacturing · production net sales increased by 5.3% YoY, partly due to an increase in the number of enrolled manufacturing · production staff.

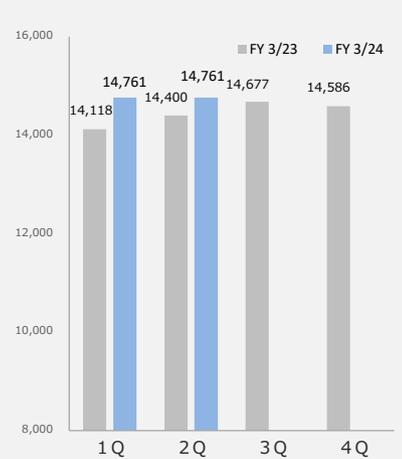
Number of Enrolled Staff

The number of enrolled manufacturing · production staff increased by 361 YoY.

(Unit: Million yen)
Manufacturing · Production Net Sales



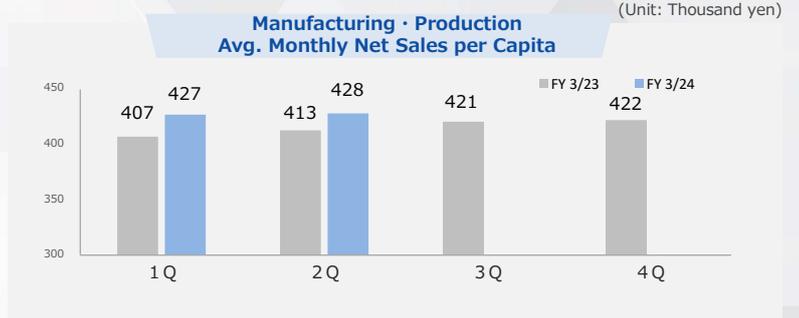
(Unit: # of Staff)
Number of Enrolled Manufacturing · Production Staff at Quarter-end



This is about our Manufacturing · Production Human Resources Services. Net sales increased by 5.3%, or 950 million yen year-on-year. However, as I mentioned earlier, the number of enrolled manufacturing · production staff was almost unchanged, so growth has slowed slightly. Although the number of enrolled manufacturing · production staff increased by 361 year-on-year, it has increased by 175 from the end of the previous fiscal year, which indicates that the pace of increase has slowed.

Avg. Monthly Net Sales per Capita

Manufacturing · production net sales per capita increased by 3.6% YoY.



Turnover Rate

The manufacturing · production turnover rate improved by 0.1 percentage points YoY, and remained below 4%.



Shown here is the average monthly net sales per capita and turnover rate. Net sales per capita increased by 15,000 year-on-year. I think this is a positive effect due to the fact that automobile operations are returning to normal.

The turnover rate improved by 0.1 percentage points year-on-year, and remains low. I believe this may be considered as an acceptable range.

Net Sales

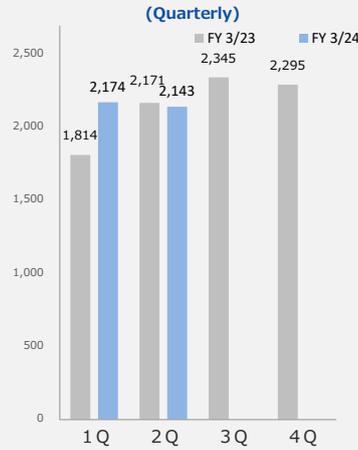
In 2Q, engineering net sales decreased by 1.3% YoY due to a decrease in net sales per capita, despite an increase in the number of enrolled engineers.
The YTD total increased by 8.3% YoY.

Number of Enrolled Engineers

- The number of enrolled engineers increased by 53 YoY. Although enrollment in semiconductor equipment and memory were sluggish, it increased slightly due to business partner expansion.
- Preparations for further human resources development have started in order to respond to the needs of each industry.

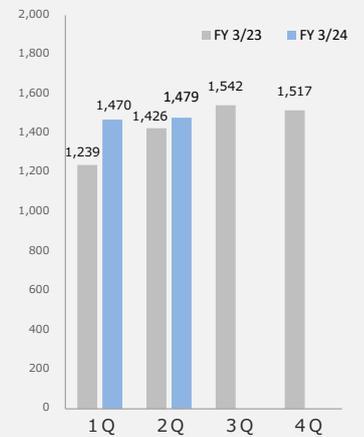
(Unit: Million yen)

Engineering Net Sales



(Unit: # of Engineers)

Number of Enrolled Engineers at Quarter-end



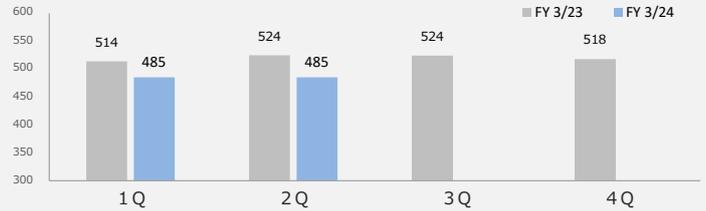
This page is about our Engineering Human Resources Services. Net sales decreased by 1.3% year-on-year, or about 28 million yen. This was due to the fact that operating hours in the Semiconductor Industry have remained very low, and there was almost no overtime, especially for memory and semiconductor equipment.

Avg. Monthly Net Sales per Capita

Engineering net sales per capita decreased YoY due to sluggish sales of semiconductor equipment and memory.

Engineering Avg. Monthly Net Sales per Capita

(Unit: Thousand yen)

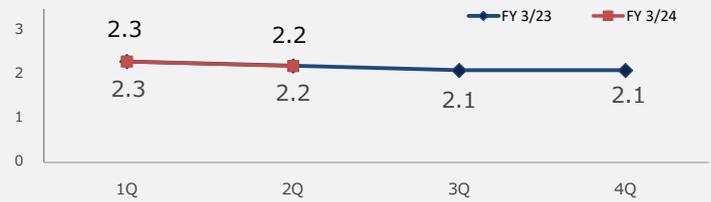


Turnover Rate

The engineering turnover rate remained at the same level YoY.

Engineering Trend of Turnover Rate

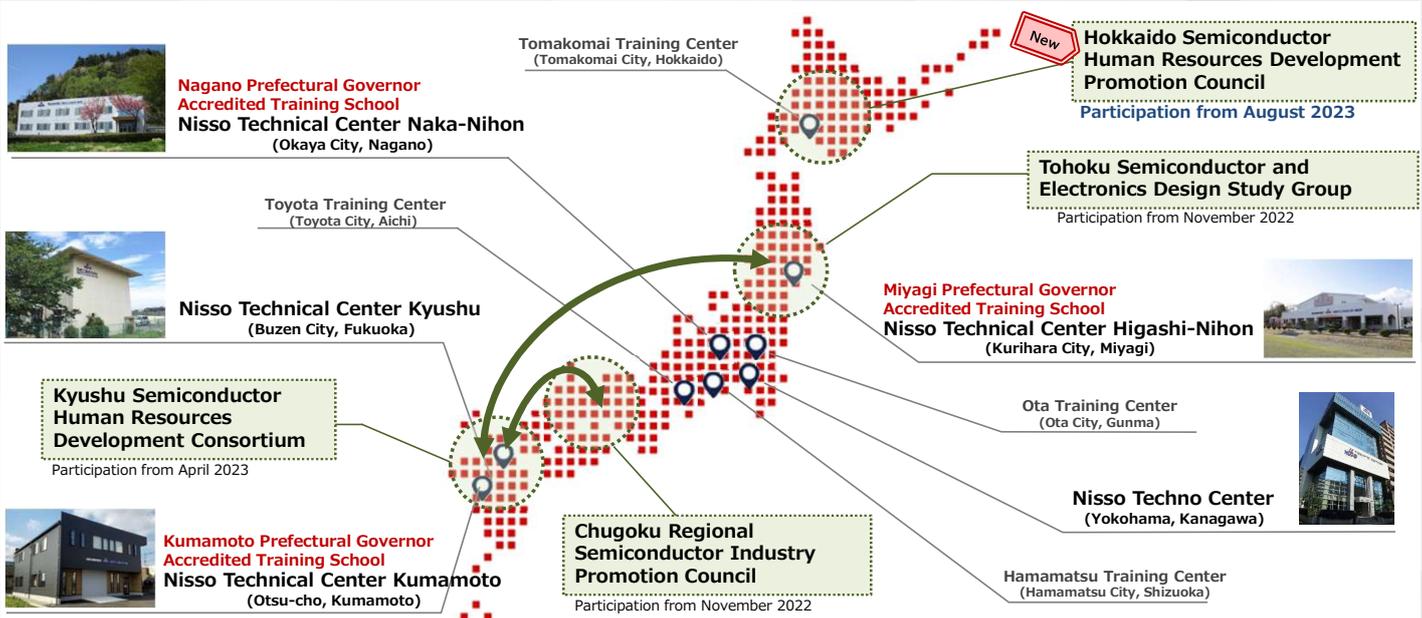
(Unit: %)



This page is about the status of average monthly net sales and turnover rate by quarter. The turnover rate has remained almost the same as last year, which is not a problem. However, average monthly net sales per capita have decreased, which I believe is due to the decrease in overtime work that I mentioned earlier.

Toward the Growth of Engineering Human Resources Services

Producing high value-added human resources through nationwide expansion of in-house training facilities and industry-government-academia collaboration



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The slide shows a map of Japan showing our own training facilities, which are a very important training structures when expanding our business, and the consortiums that we participate in in each region. As you can see, all of them are semiconductor-based at the moment. We first participated in the consortium in the Chugoku region, followed by Tohoku and Kyushu, and in August of this year, we also participated in Hokkaido.

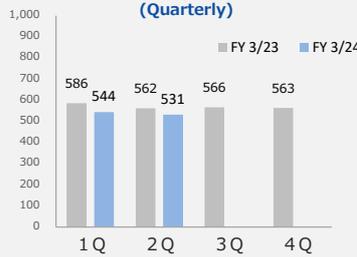
We are preparing for the opening of a training facility next April that will be 2.5 times larger than the Technical Center in Kyushu, which has been in operation since April. We have high hopes for the future of the Kyushu area. When this is completed, the human resources development structure for the Semiconductor and Electronics Industries will take shape.

What we would like to focus on next is developing a base for human resources development for batteries for EVs and hybrids, and participating in consortiums. Although I cannot provide details at this time, we would like to establish training facilities in consultation with representative battery manufacturers in each region and participate in the consortium in the second half and next fiscal year.

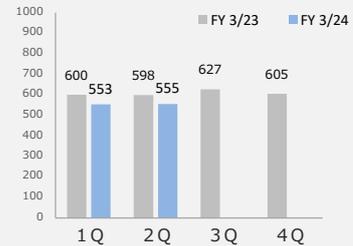
Administrative Human Resources Services

In 2Q, administrative net sales decreased by 5.6% YoY, partly due to a decrease in the number of enrolled administrative staff.

(Unit: Million yen)
Administrative Net Sales
(Quarterly)



(Unit: # of Staff)
Number of Enrolled Administrative Staff at Quarter-end



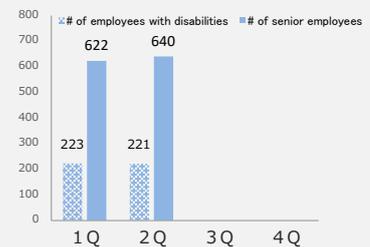
Other Human Resources Services

- Nikon Nisso Prime Corporation supports the active participation of senior employees.
- The number of senior employees was 640.
- Nisso Pure Co., Ltd. has created a workplace environment where diverse human resources can flourish.
- The number of employees with disabilities was 221.

(Unit: Million yen)
Other Net Sales
(Quarterly)



(Unit: # of Staff)
Number of Enrolled Senior Staff - Employees w/ Disabilities



These graphs show the activities of the Administrative Human Resources Services, people with disabilities and older employees. In this era, AI is increasingly replacing the operations of computing centers and call centers, which originally had the largest number of administrative dispatched staff.

For the next fiscal year, we are considering hiring human resources with a little more added value, or human resources from overseas, rather than for just general office work. We plan to change the structure with such a policy. In the future, we will also engage in diversity management so that people with disabilities and older employees can flourish as we face an increasing labor shortage.

Points

- The overall occupancy rate of nursing care facilities remained stable at 94.0%.
- Net sales increased by 1.9% YoY. Operating profit was at a surplus of 44 million yen.

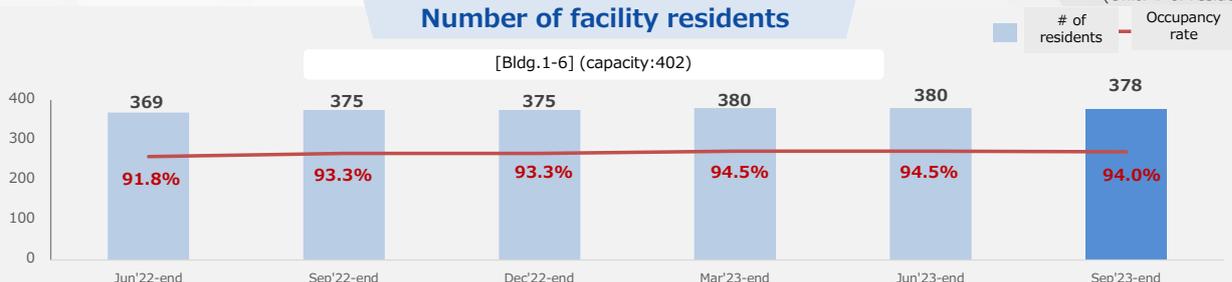
● Results of Nursing Care · Welfare Services

(Unit: Million yen)

	FY 3/23 2Q	FY 3/24 2Q	Year-on-Year	
	Results	Results	Increase (Decrease)	% Change
Net sales	1,503	1,531	28	1.9%

Number of facility residents

(Unit: # of residents)



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This is the status of our Other Businesses, the Nursing Care · Welfare Services. The overall occupancy rate for our nursing care facilities exceeds 94%. As a result of the high occupancy rate, both revenue and profits increased, and we were able to finish the first half with a surplus of 44 million yen.

Engineers seconded to Interstellar Technologies

- NISSO CORPORATION, the main operating company of NISSO HOLDINGS, has seconded 1 R&D engineer who is expected to flourish in the future, to Interstellar Technologies Inc. (IST), a rocket venture company.
- The secondment period is 2 years.
- At IST, he is responsible for testing in the mechanical and electrical・electronic areas, etc.



Exhibited at Manufacturing World's 2nd Industrial ODM/EMS Expo

- With the aim of promoting the understanding of our business, we exhibited at the 26th Manufacturing World Osaka and the Industrial ODM/EMS Expo exhibitions (October 4-6, 2023).
- Approximately 550 people, mainly from technical (battery) manufacturers, visited our booth.
- This was the second time we participated in the exhibition this year, following the Tokyo event, with the aim of expanding our high value-added areas.



Expanded the utilization of e-learning systems

- Content has been enhanced through in-house operation of an internally developed e-learning system.
- The system has been named "Start engineer", and we plan to start its sales to the general public together our with business partners.

Start engineer 3つの特長

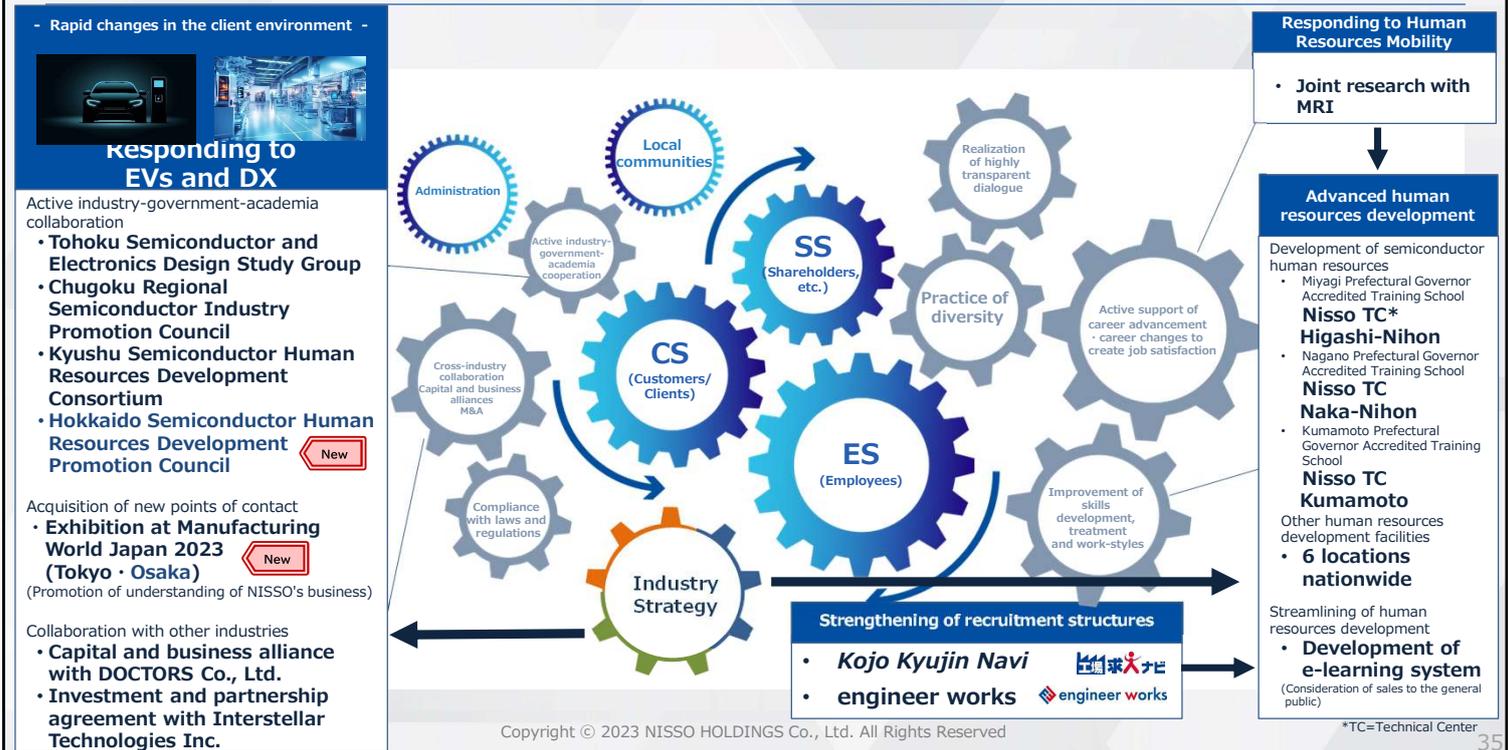
01	02	03
短期間で学べる!	ゼロから学べる!	仕事で活かせる!
業務を行うために必要なカリキュラムだけを用意しているため、短い研修期間で幅広いエンジニアの知識を身につけることができます。	技術知識ゼロ、経験ゼロの方にとって分かりやすいように、動画やアニメーション、イラストや図表を取り入れて解説をしています。	業務開始時に、学習したことを覚えて知識を使える状態にするために、確認テストや復習レポートを多く用意し、記憶に残る設計になっています。

Here, I would like to introduce 3 topics. First, regarding the space business which I mentioned earlier, one person was seconded to Interstellar Technologies. He originally worked at a construction machinery company and will now be responsible for testing in the mechanical and electrical/electronic areas. From now on, we would like to engage in personnel exchanges, and take on the challenge of what kind of human resources we can send in order to develop human resources who can flourish in this field.

Second, I mentioned that we exhibited at Tokyo Big Sight during our first quarter financial results briefing, and we exhibited in Osaka in October. As a result, 550 people, from technical manufacturers, especially battery manufacturers, came to visit.

Third, we will start sales of the e-learning system "Start engineer" to the general public that I mentioned earlier. The special features are as noted on the slide. By incorporating the expertise we have developed in real-life education into e-learning, it can be used in a variety of ways, such as studying only the areas one needs to study, or using it as a way to review to remember what one has studied at our training facilities. I will continue to explain it from time to time, so I would appreciate it if you could monitor it.

Toward the Realization of the Nisso Group Growth Cycle



The slide shows specific initiatives that are necessary to make a proper contribution to workers, clients, and shareholders in order to realize the Group's growth cycle. New aspects include our new addition to the semiconductor consortium in Hokkaido and our exhibit at Manufacturing World Japan 2023.

Going forward, we will enhance this chart every quarter to show that we are formulating various strategies and taking measures to achieve growth, while thinking about these things.

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Future Prospects (FY 3/2024)

FY 3/2024 Full-year Consolidated Forecasts

Although NISSO HOLDINGS' consolidated financial results have been calculated based on the full-year consolidated forecasts announced by NISSO CORPORATION on May 11, 2023, taking into account the impact of the establishment of a holding company, the disclosed figures remain unchanged.

■ FY 3/2024 Full-year Consolidated Forecast (April 1, 2023 ~ March 31, 2024)

(Unit: Million yen)

	FY 3/23 Results		FY 3/24 Forecast		Year-on-Year	
	Results	% of Total	Forecast	% of Total	Increase (Decrease)	% Change
Net sales	90,827	100.0%	100,000	100.0%	9,172	10.1%
Operating profit	2,268	2.5%	3,600	3.6%	1,331	58.7%
Ordinary profit	2,349	2.6%	3,600	3.6%	1,250	53.2%
Profit attributable to owners of parent	1,622	1.8%	2,300	2.3%	677	41.8%

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Here are our future prospects. For now, the full-year forecast announced on May 11 remains unchanged.

Although the Semiconductor Industry is behind by one quarter, we currently believe that we can catch up in that field, considering the production plans that each automobiles manufacturer and auto-parts supplier have in place. Therefore, the year-end forecast remains unchanged.

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Shareholder Return Policy

Basic Policy

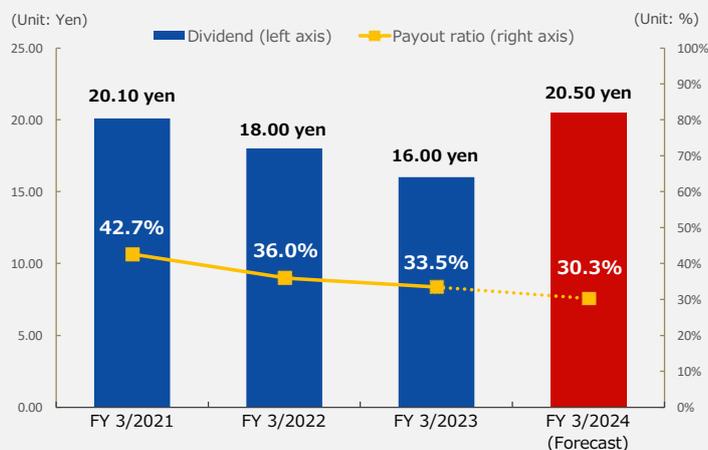
NISSO CORPORATION considers the redistribution of profits to shareholders and the enhancement of corporate value as key management issues. In addition, by setting the consolidated dividend payout ratio of 30% or more as a general standard, NISSO's basic policy is to continue to steadily redistribute profits to all of our shareholders.

FY 3/2024 Dividend Forecast

NISSO CORPORATION expects to pay a dividend of 20.50 yen per share (consolidated dividend payout ratio of 30.3%).

In addition, the Shareholder Benefits Program will continue.

Dividend and Payout Ratio



※The dividend for FY 3/2021 includes a commemorative dividend of 5.00 yen for the 50th Anniversary of NISSO CORPORATION's founding.

※Until FY 3/2023, the figures for NISSO CORPORATION before the holding company structure are presented.

Shown here is our shareholder return policy. I will omit the basic policy since it is explained every time, but we plan to pay a dividend of 20.50 yen per share for this fiscal year.

Going forward, we would like to steadily increase dividends with a payout ratio of 30% or more while further increasing earnings. I am finally relieved that the dividends, which had been declining year by year, has now started to rise steadily. All of us will be committed to our business to ensure that the dividends don't decline again.

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Supplementary Materials

Consolidated Balance Sheet

(Unit: Million yen, %)

	Mar. 2023-end		Sep. 2023-end		Increase (Decrease)
	Amount	% of Total	Amount	% of Total	
Current assets	21,747	72.3	25,055	75.0	3,307
Cash and deposits	9,800	32.6	12,469	37.3	2,669
Accounts receivable - trade	10,986	36.5	11,655	34.9	668
Non-current assets	8,344	27.7	8,348	25.0	3
Property, plant and equipment	4,660	15.5	4,659	13.9	(1)
Intangible assets	1,514	5.0	1,430	4.3	(83)
Investments and other assets	2,169	7.2	2,258	6.8	89
Total assets	30,092	100.0	33,403	100.0	3,311
Current liabilities	12,187	40.5	15,652	46.9	3,465
Short-term loans payable	–	–	3,000	9.0	3,000
Accrued expenses	6,119	20.3	6,683	20.0	564
Provision for bonuses	1,395	4.6	1,459	4.4	64
Non-current liabilities	3,097	10.3	2,856	8.6	(240)
Long-term loans payable	2,019	6.7	1,773	5.3	(245)
Total liabilities	15,284	50.8	18,509	55.4	3,224
Shareholders' equity	14,563	48.4	14,645	43.8	81
Non-controlling interests	239	0.8	242	0.7	2
Total net assets	14,807	49.2	14,894	44.6	86
Total liabilities and net assets	30,092	100.0	33,403	100.0	3,311

Point

① Increase due to expansion of the number of staff in operation

Due to the expansion of the number of staff in operation in the manufacturing-related human resources services, etc., "accounts receivable (trade)" of current assets and "accrued expenses" of current liabilities increased.

② Procurement of funds

As a result of new borrowings, "cash and deposits" of current assets and "short-term loans payable" of current liabilities increased.

③ Overall

As a result of the above, total assets increased by 11.0%, total liabilities increased by 21.1%, and total net assets increased by 0.6%, resulting in an equity ratio of 43.9% compared to the end of the previous fiscal year.

Here are the supplementary materials. First is the consolidated balance sheet.

Consolidated Statements of Cash Flows

(Unit: Million yen)

	FY 3/23 2Q YTD	FY 3/24 2Q YTD	Increase (Decrease)	Point
	Amount	Amount		
Cash flows from operating activities	(96)	673	770	<p>① Cash flows from operating activities Proceeds amounted to 673 million yen, as proceeds of 998 million yen in profit before income taxes, etc., absorbed expenditures such as an increase in notes and accounts receivable (trade) of 668 million yen.</p> <p>② Cash flows from investing activities Expenditures amounted to 212 million yen due to expenditures of 138 million yen for purchase of property, plant and equipment, etc.</p> <p>③ Cash flows from financing activities Proceeds amounted to 2,208 million yen, as proceeds of 3,000 million yen in net increase (decrease) in short-term loans payable absorbed expenditures as cash dividends paid of 544 million yen.</p>
Cash flows from investing activities	113	(212)	(326)	
Cash flows from financing activities	(863)	2,208	3,071	
Net increase (decrease) in cash and cash equivalents	(846)	2,669	3,515	
Cash and cash equivalents at beginning of period	8,773	9,800	1,026	
Cash and cash equivalents at end of period	7,927	12,469	4,542	

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Here are the consolidated statements of cash flows. I hope you will take a look at it at your own convenience.

This concludes my explanation. Thank you very much for your undivided attention.



The forward-looking statements and performance forecasts contained in this document are forecasts determined by NISSO HOLDINGS based on information available at the time of preparation, and include potential risks and uncertainties. Therefore, please be aware that the actual results may differ greatly from the forward-looking statements described due to changes in various factors.

<For future IR-related inquiries>

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