



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

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

2

Review of FY 3/2022

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

3

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

- ① Review of the Medium-term Management Plan
- ② Business Environment · Market Opportunities
- ③ Image of the Nisso Group Growth Cycle
- ④ Management 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
- ⑤ Consolidated Management Target Values



NISSO CORPORATION
50th ANNIVERSARY

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



すいとびー

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)



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



Society so far

Insufficient knowledge • information sharing and cooperation



A society where all people and goods are connected by IoT and new values are created

A society that can respond to various needs through innovation



Society so far

Inability to adequately respond to local issues and the needs of the elderly



Society so far

Searching for and analyzing necessary information is a burden
Literacy (ability to utilize) is required



A society where AI provides the necessary information when it is needed

A society where human potential is expanded with technologies such as robots and autonomous vehicles



Society so far

Limitations on work and range of activities due to age, disability, etc.

Society 5.0

IoT

AI

Big data

Robots

5G

Supporting technology

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)

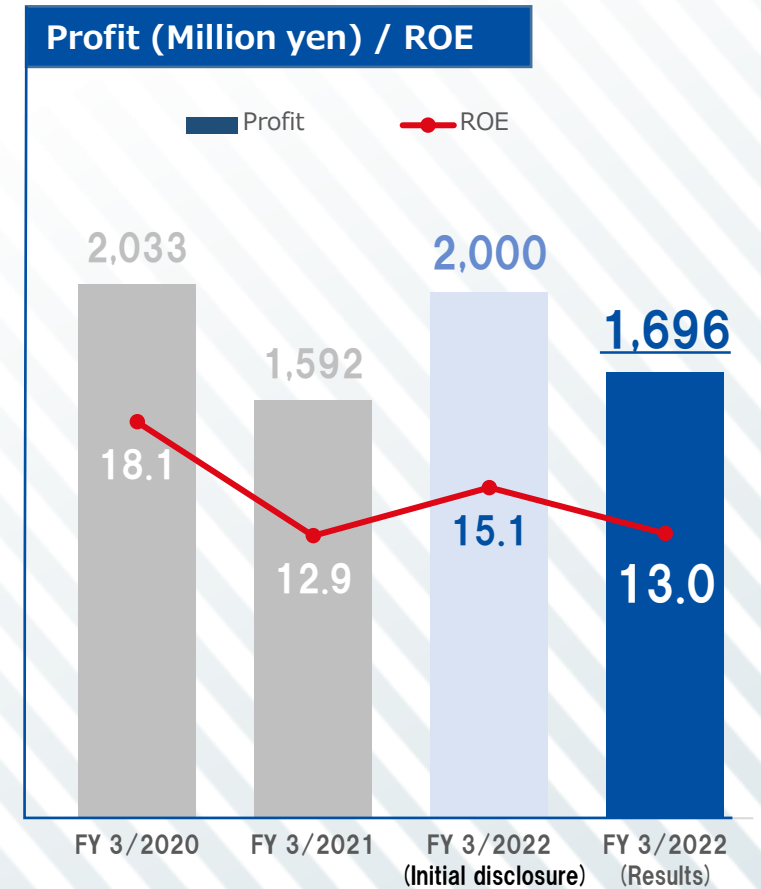
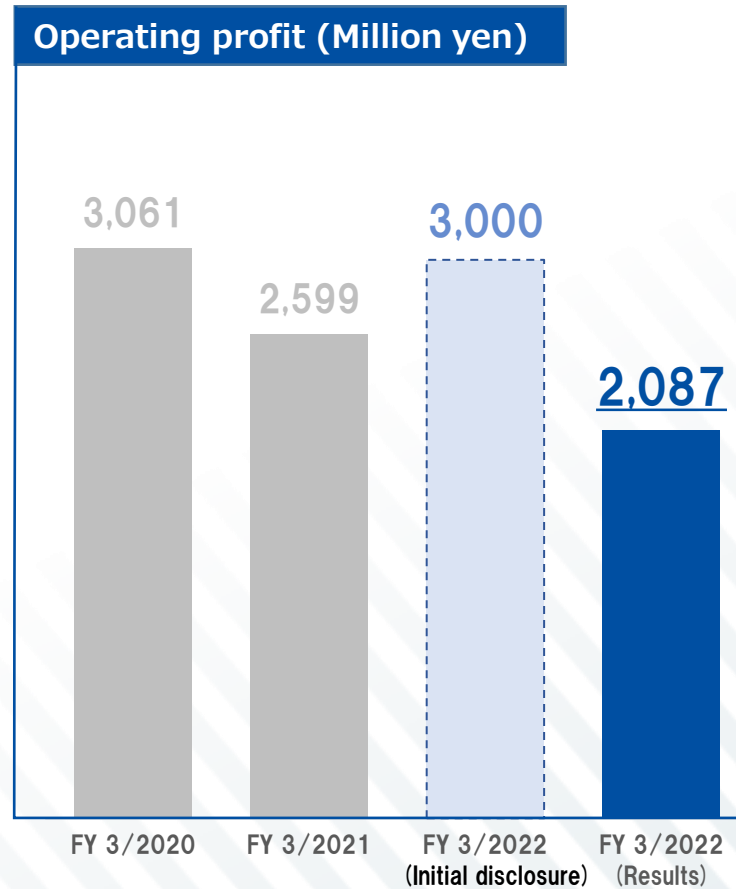
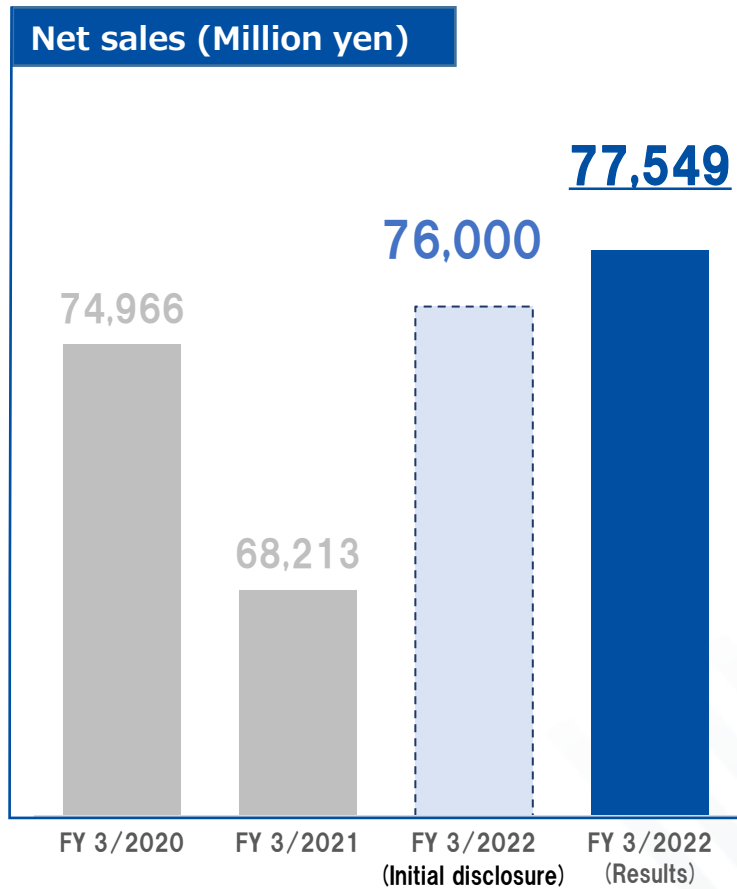
2

Review of FY 3/2022



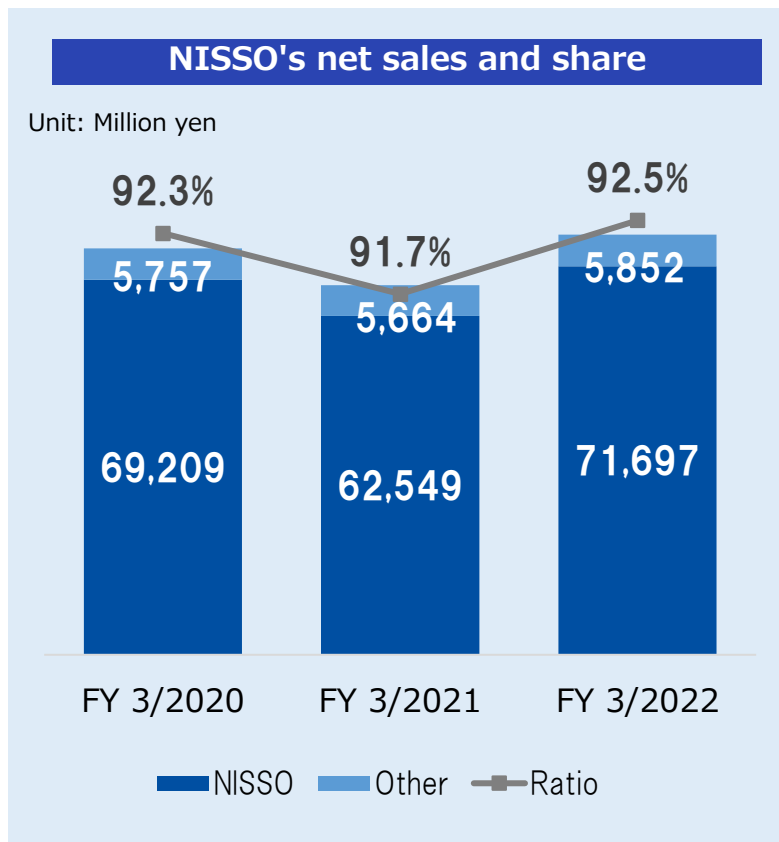
Progress of Consolidated Management Target Values

- 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**

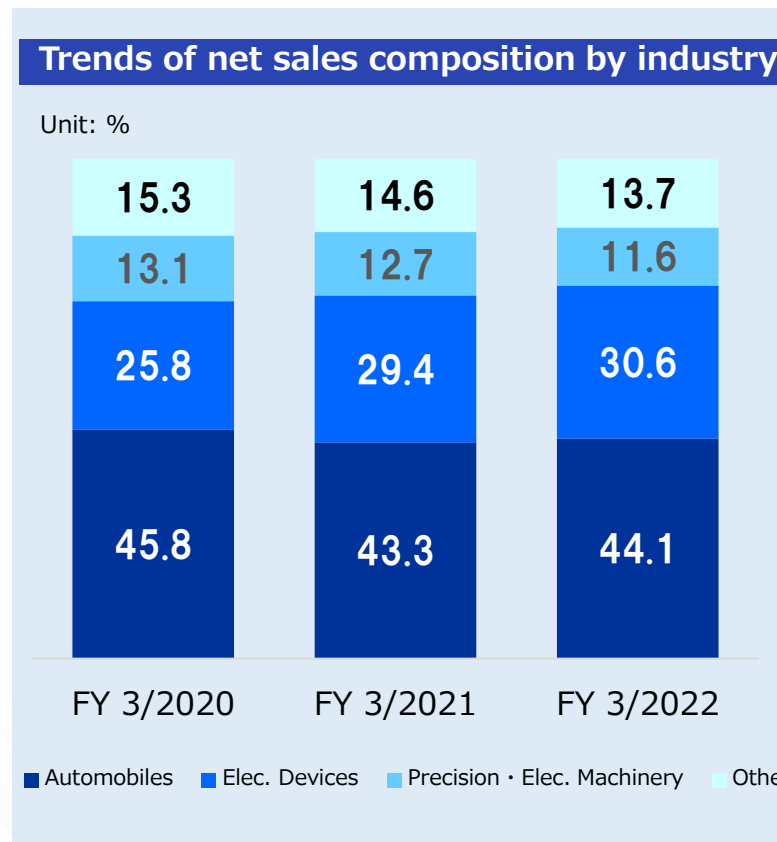


Review of Key KPIs 1 (NISSO, Non-consolidated)

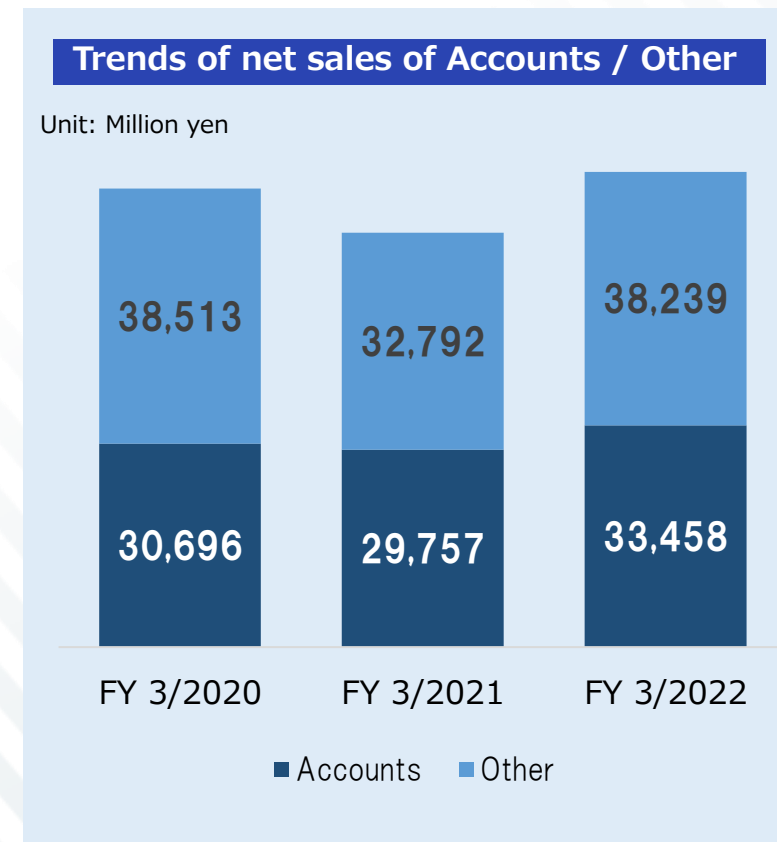
By focusing on expanding existing areas, year-end enrollment and net sales became record highs since NISSO's listing



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

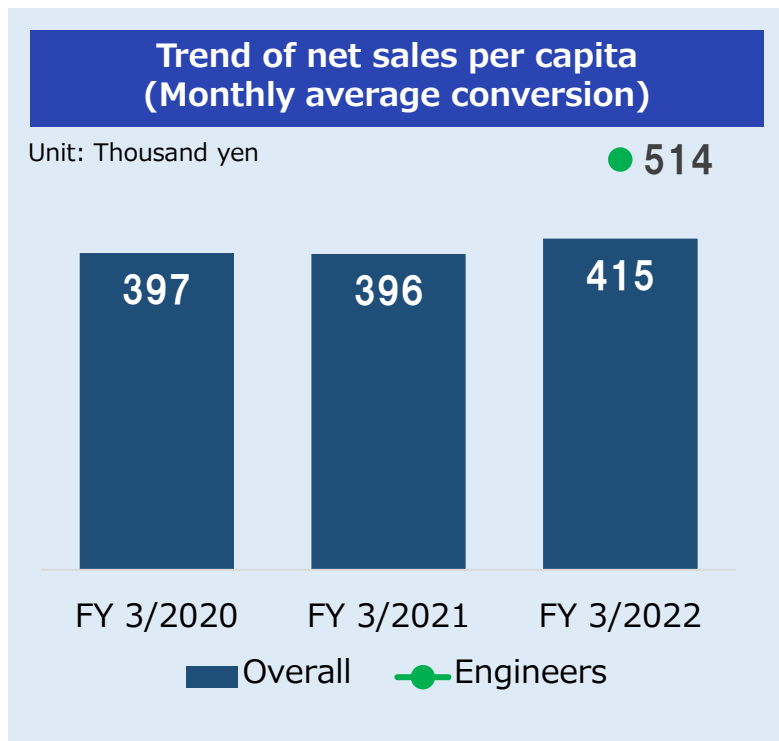


NISSO continues to acquire orders by strengthening business relationships with major automobiles and electronic devices-related manufacturers

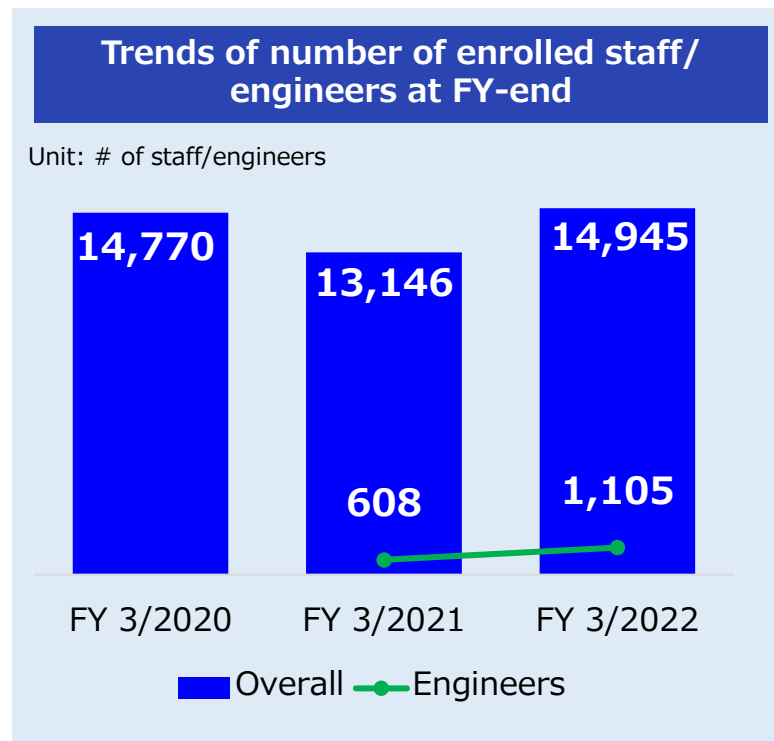


Steady growth in transaction scale of Account Companies

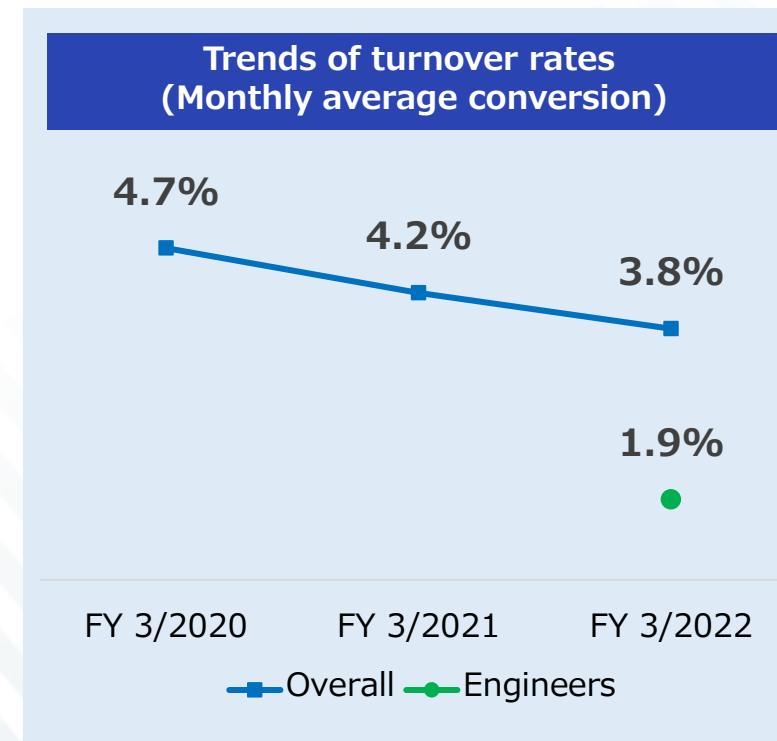
Review of Key KPIs 2 (NISSO, Non-consolidated)







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**

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

3

Toward the Achievement of the Medium-term Management Plan

(FY 3/23~FY 3/25)



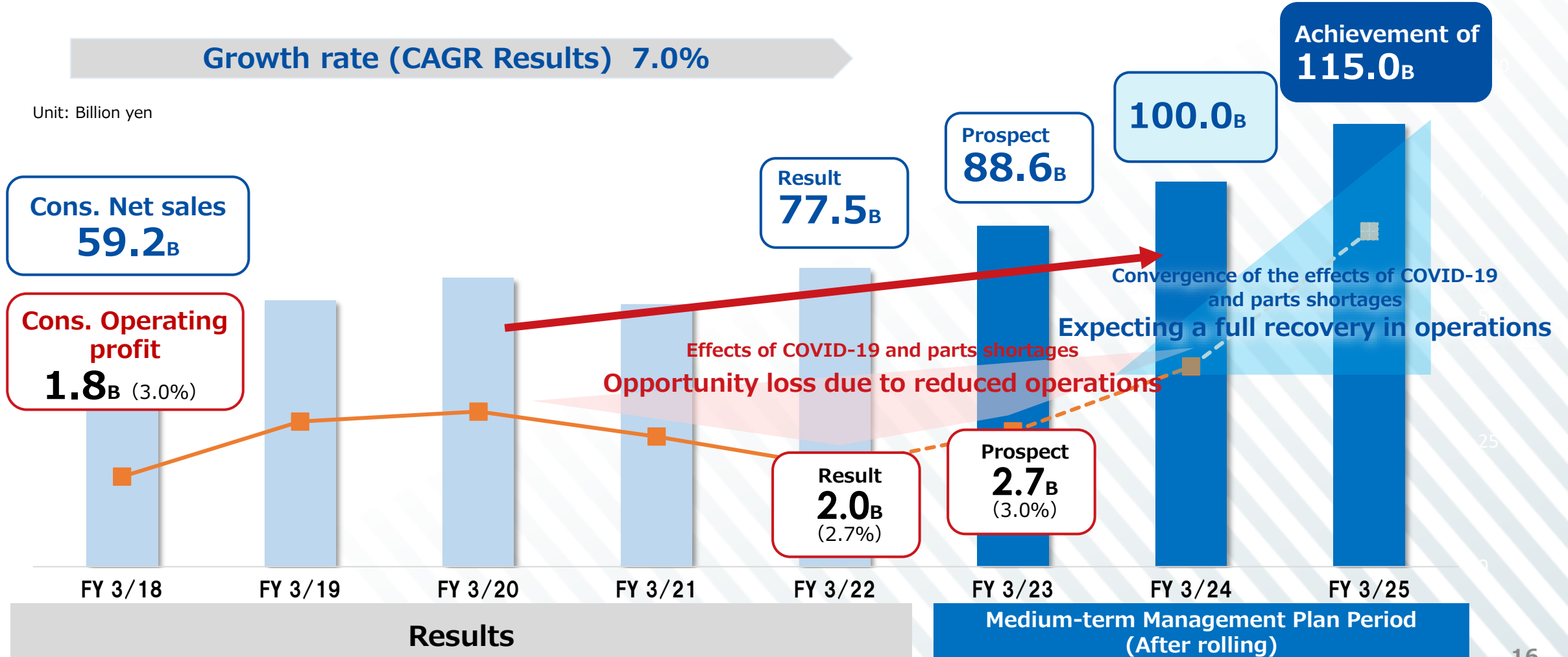
Review of the Medium-term Management Plan

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

Growth rate (CAGR Targets) 14.1%

Growth rate (CAGR Results) 7.0%

Unit: Billion yen



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

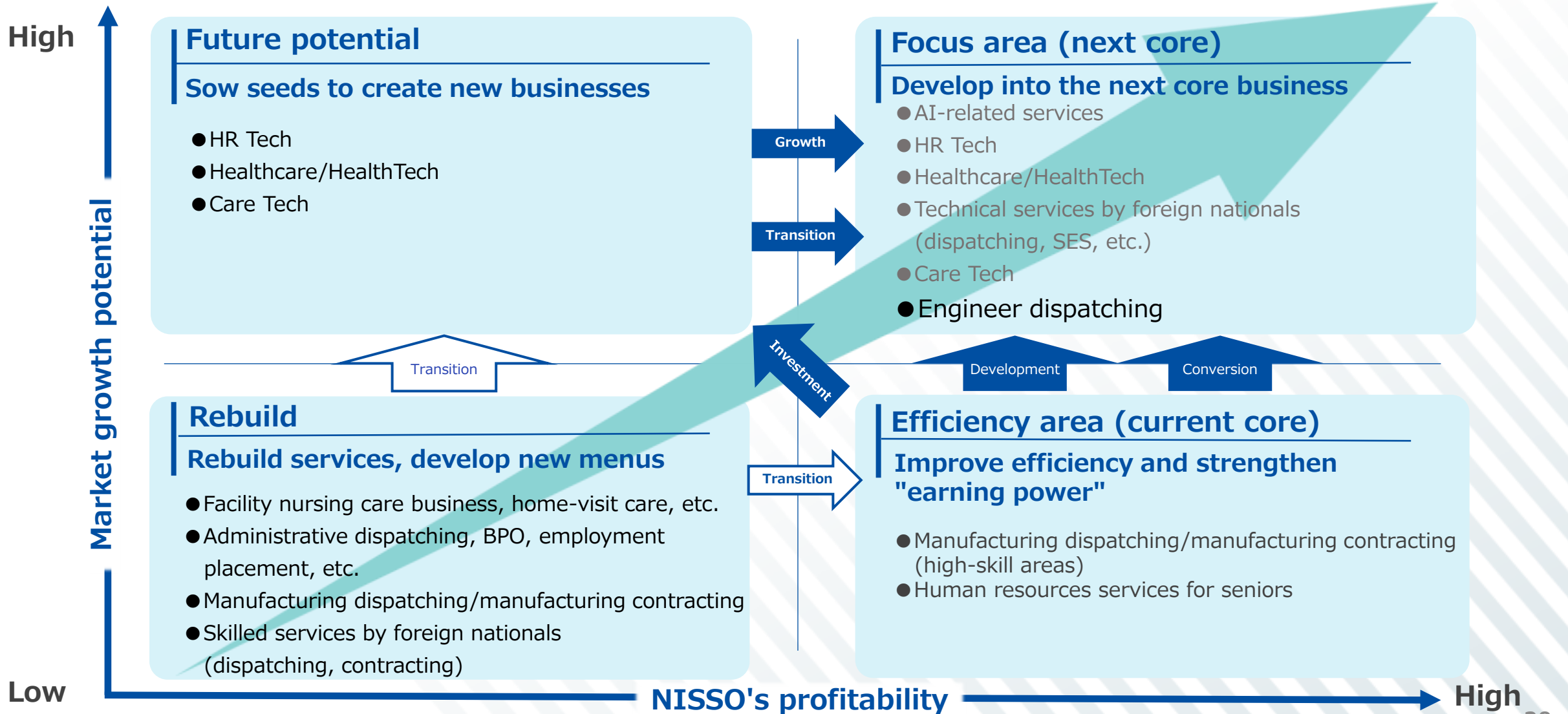
Business Strategy

- 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)

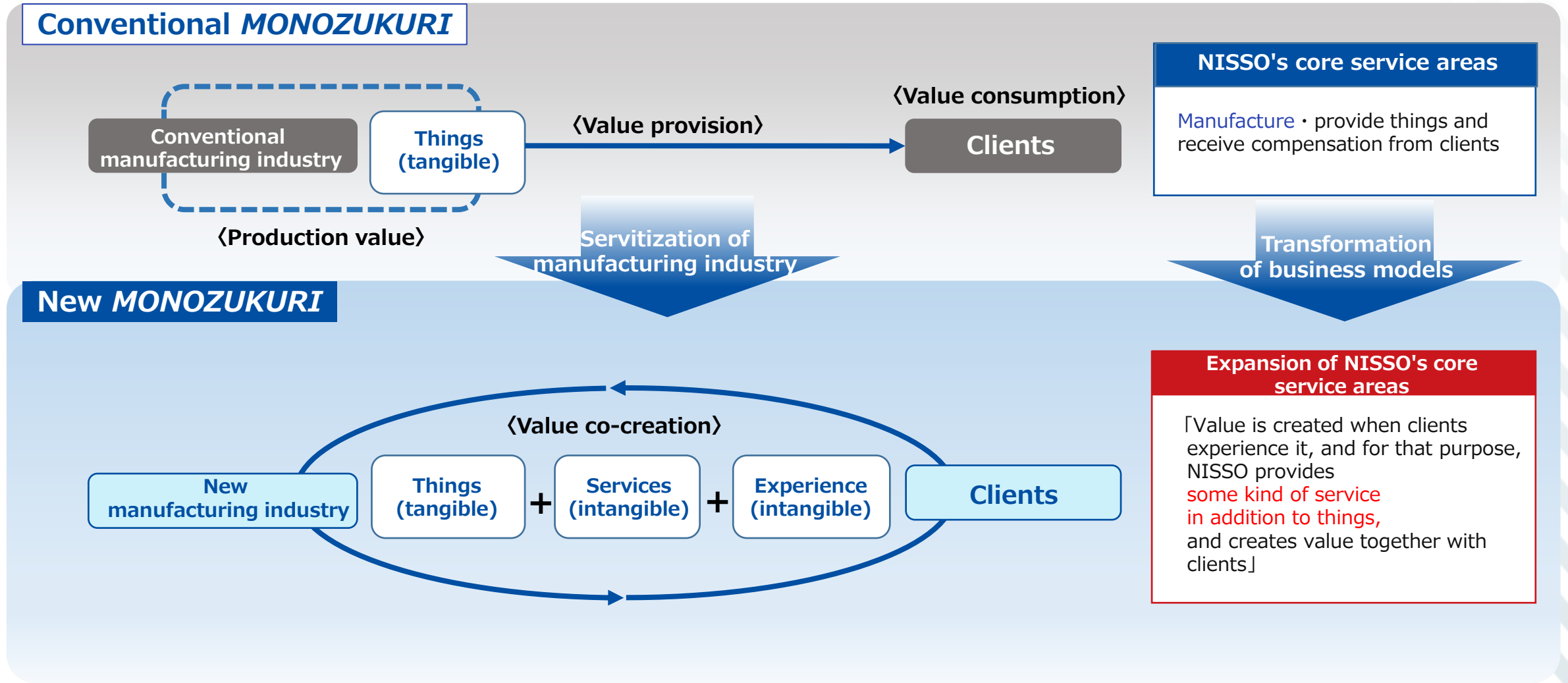
Infrastructure Strengthening Strategy

- 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



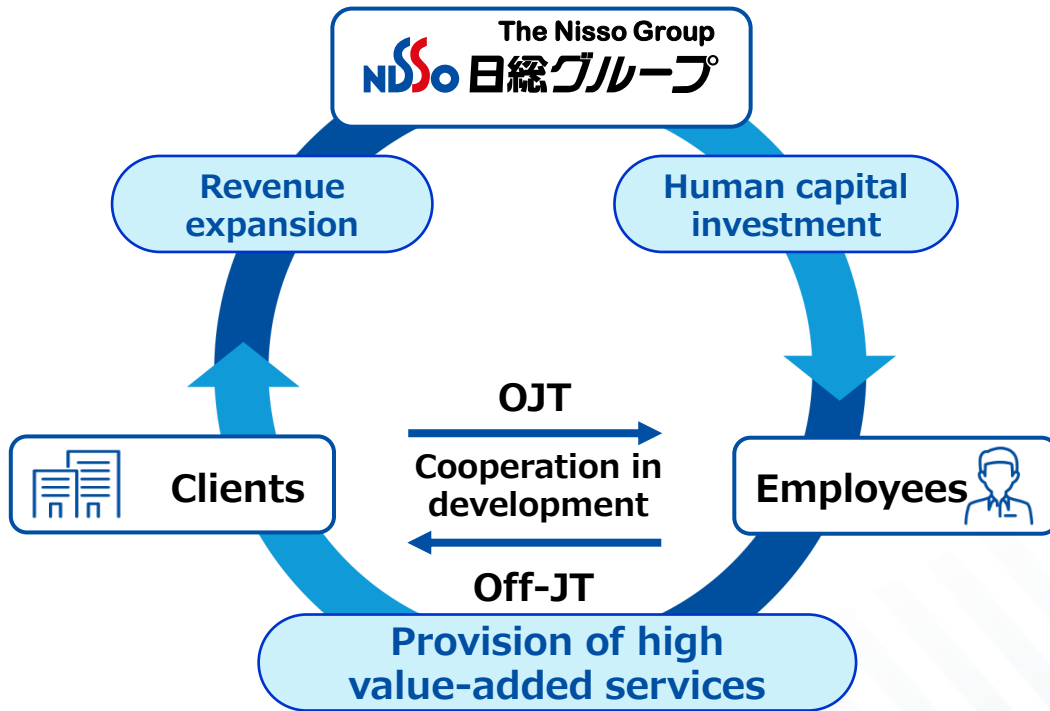
Provision of Services that Respond to Changing *MONOZUKURI* (Manufacturing)



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"> Develop into the next core business Expand high value-added areas 	<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	 <p>Nikon Nisso Prime Corporation 株式会社ニコン日総プライム</p>  <p>Nisso Pure Co., Ltd. 日総ひゅあ株式会社</p> <p>SHANGHAI NISSO HUMAN RESOURCES Co., Ltd.  上海電索人力資源服務有限公司</p>	<ul style="list-style-type: none"> Create synergies 	<ul style="list-style-type: none"> Strengthen cooperation with existing partnerships 	○
Other Businesses	Nursing Care ・ Welfare	 <p>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</p>	<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	 <p>Leaf NxT</p>	<ul style="list-style-type: none"> Sow seeds to create new value 	<ul style="list-style-type: none"> Build new partnerships 	○

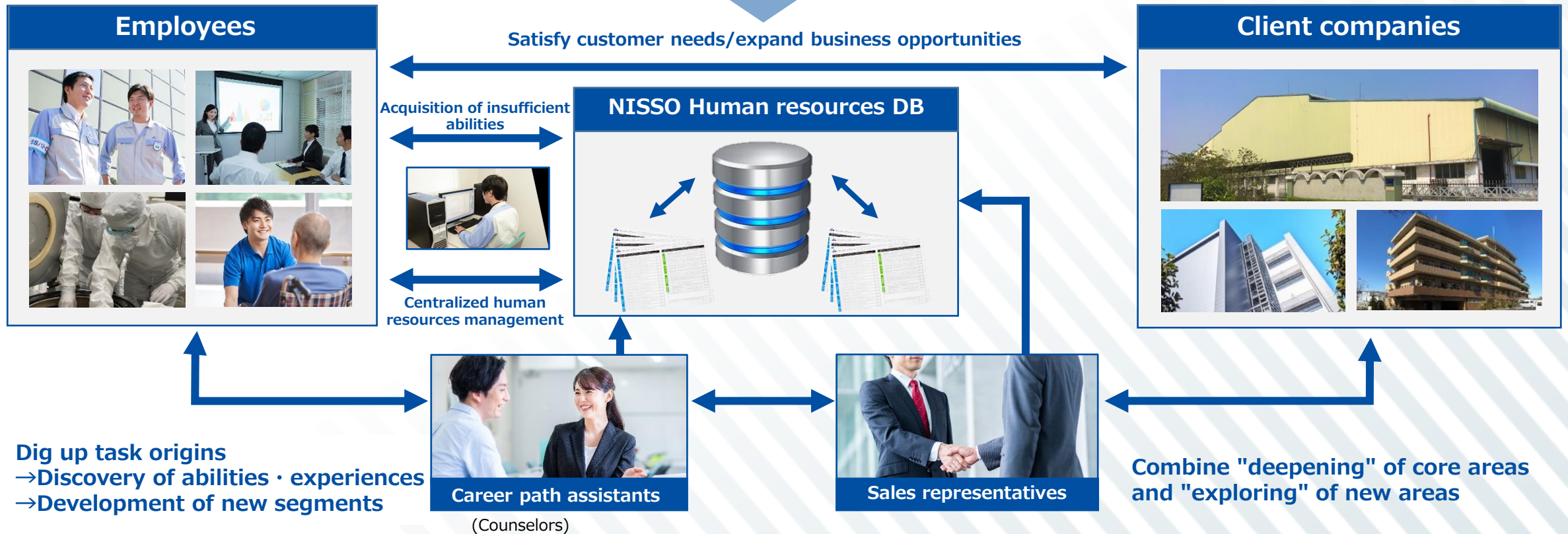
Practice of Human Capital Management



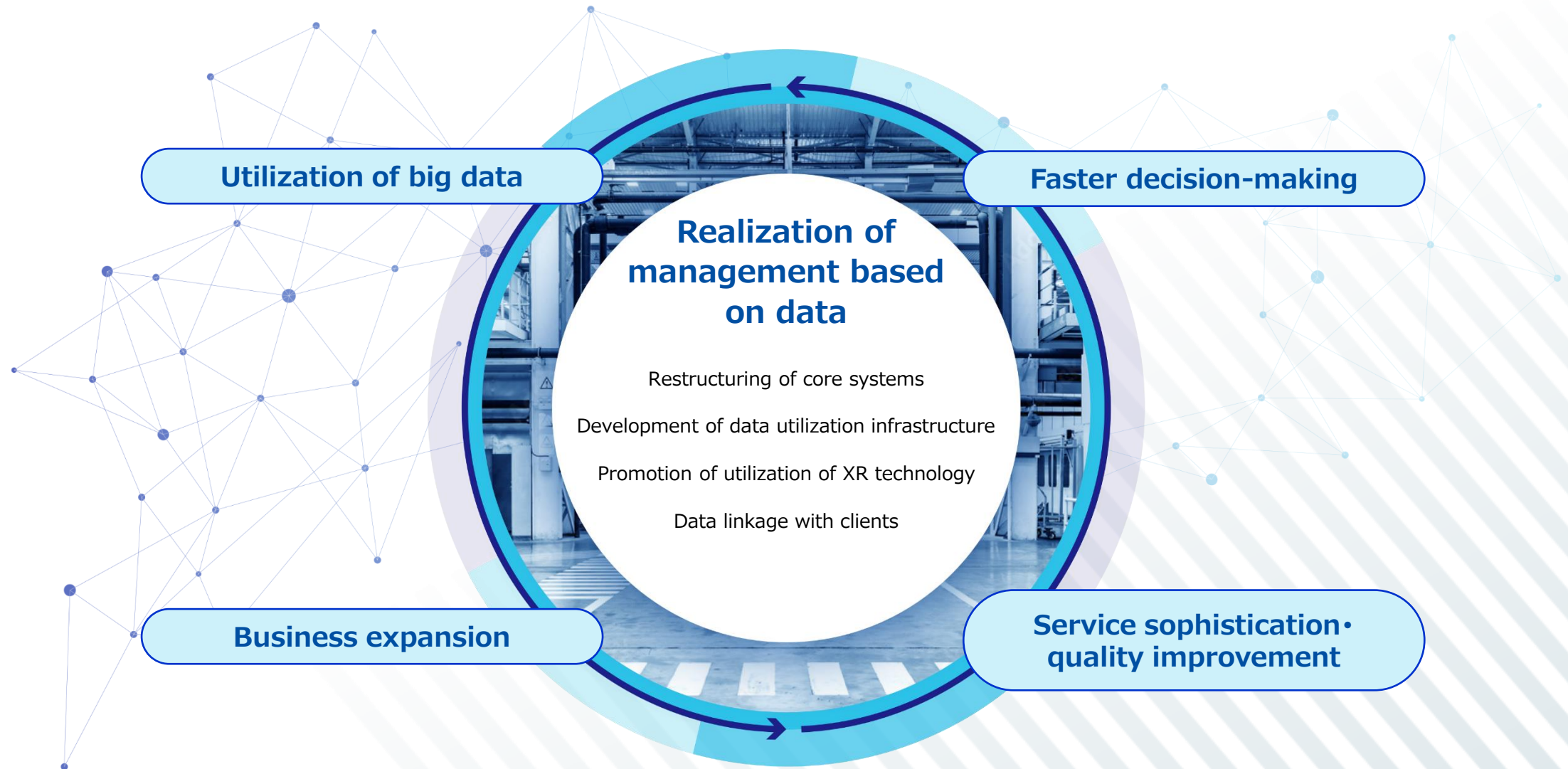
Response to Human Resources Mobility

- 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

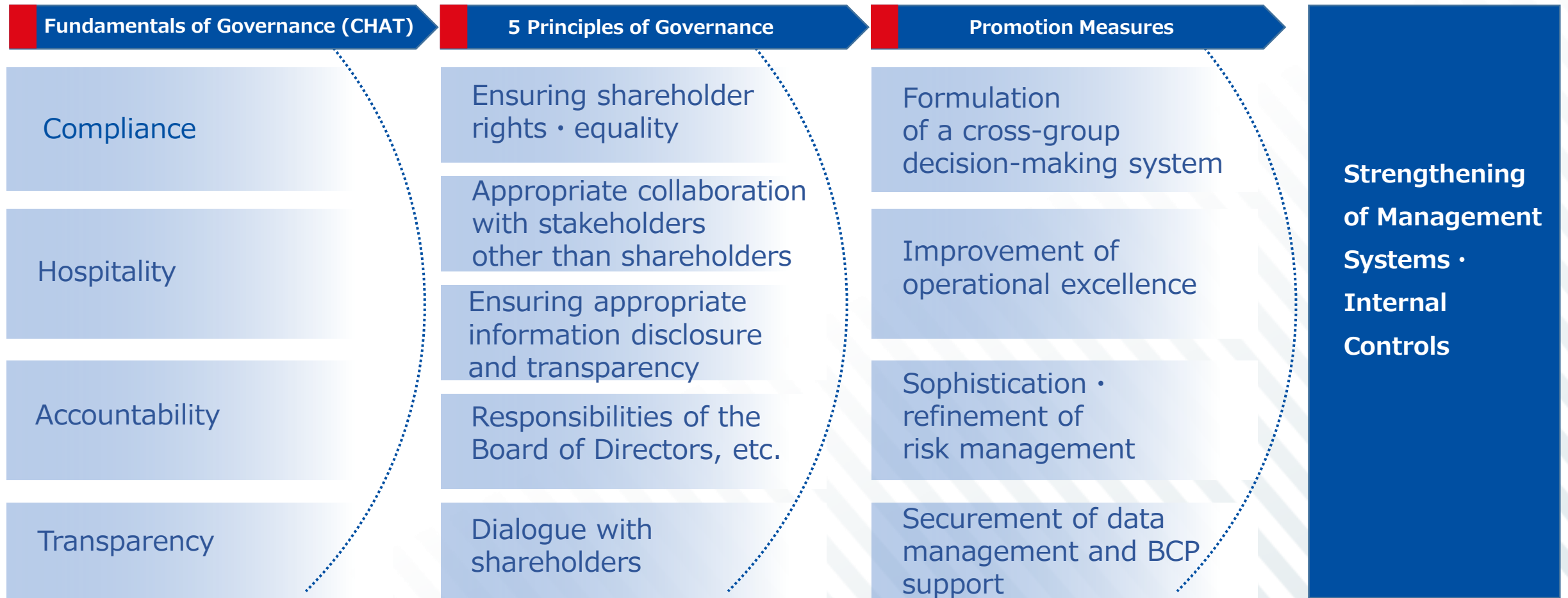
Improve matching rate · job conversion rate/
supply of human resource to growth business






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

