



*Nurturing and Bringing Out
the Best in People*

日総工産株式会社
NISSO CORPORATION
TSE 1 Code: 6569

FY 3/2022 - FY 3/2024

Medium-term Management Plan

May 12, 2021



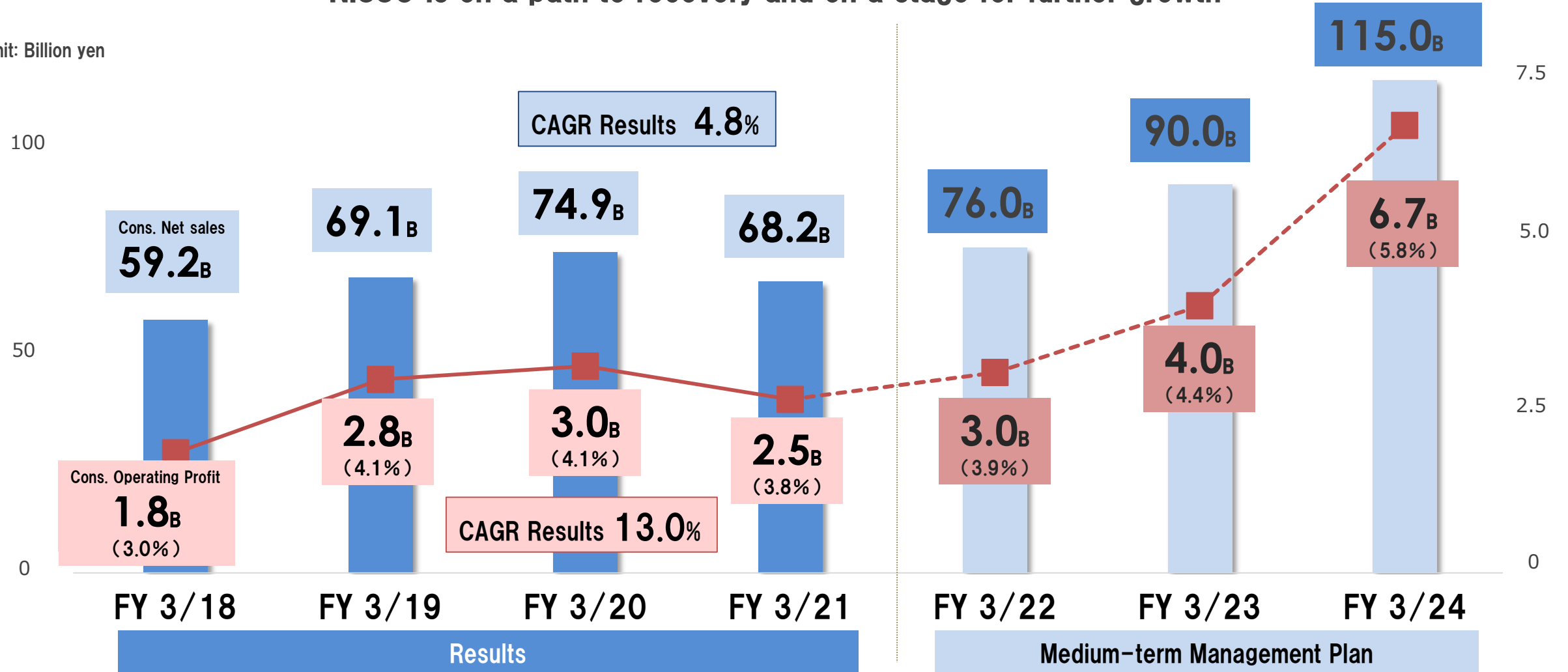
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Looking back so far

(Consolidated) Net Sales and Operating Profit Trends

Despite the impact of the new coronavirus (COVID-19), NISSO is on a path to recovery and on a stage for further growth

Unit: Billion yen



Review of Basic Strategy

Leads to the acquisition of certain market shares in Account Companies,
which are important clients

Personnel Strategy

Skilled Staff

High quality
personnel

Dispatch as indefinite-
term employees



Consideration •
compensation according
to skills

Client Strategy

Account
Companies
Expand transactions

- Region- • industry-restricted indefinite-term employees **5,436 staff**
- Oricon Customer Satisfaction Ranking 1st Place for 3 consecutive years

- Account Company transaction ratio **+ 8.6% increase**
- Continue to expand market share by improving client satisfaction



Looking ahead to new growth

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Mission · Vision

Nisso Group's "Mission" & "Vision"



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

- **will fulfill our Mission of**
Creating opportunities and hopes for people to work

- **Vision** (What we should aim for in 3 years)
To transform into a corporate group with high-growth potential
 - Creation of a comfortable workplace
 - Responding to social changes and changes in industrial structures
 - Strengthening of governance

Priority Implementation Items to Achieve Our Vision

■ Materiality (Key Issues)

Materiality 1

Creation of a comfortable workplace

Understand the characteristics of the business, clarify what a "rewarding workplace" is, and make improvements



■ Initiatives to be implemented

- Respect for human rights
- Practice of "Decent Work"
- Promotion of employee health and safety
- Strengthening of cooperation between business activities and the global environment

Materiality 2

Responding to social changes and changes in industrial structures

Aim to change to business structures that are resistant to economic fluctuation
In addition, we will accelerate investments in rapidly changing business environments such as diversity and DX



- Development of human resources capable of responding to change
- Support for the active participation of diverse human resources
- Promotion and coexistence of local community activities

Materiality 3

Strengthening of governance

In order to conduct management with an eye on sustainable growth, we will strengthen corporate governance, promote compliance management, and establish a risk management structure



- Practice of sustainability management
- Strengthening of corporate governance
- Strengthening of compliance management
- Practice of risk management



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Medium-term Management Plan **(FY 3/2022 ~ FY 3/2024)**

The demands of companies and individuals are changing and diversifying, and digital technologies that solve them are developing. Also, the infiltration of new work-styles during the COVID-19 pandemic is accelerating.

■ Social Issues

Decrease in the working population

Advances in digital technology

Diversification of work-styles

Changes in worker demand

Changes in companies

- Utilization of diverse human resources
- Utilization of digital technology
- Promotion of work-style reforms

Priority Issues



Technological innovation (DX) enables accurate responses to the demands of companies and individuals




*DX=Digital transformation

Changes in individual needs and awareness

- Diversification and individualization of work-styles
- Multi-cycle career formation

- Promote the introduction of new technologies and respond to diverse needs

Business Environment Awareness

■ Manufacturing Dispatching・Contracting		<ul style="list-style-type: none">• The market size in 2023 is expected to be 2.37 trillion yen*• Expected to decrease slightly to -7.1% compared to FY 2019
■ Engineer Dispatching		<ul style="list-style-type: none">• The market size in 2023 is expected to be 1.29 trillion yen*• Expected to increase significantly to +27.2% compared to FY 2019
■ Mutual		<ul style="list-style-type: none">• An era in which the business environment will drastically change due to the reorganization of the Tokyo Stock Exchange in 2022 and the spread of COVID-19

*Source: Current Status and Prospects of Human Resources Business 2020 Edition (Yano Research Institute Ltd.)

Priority Issues

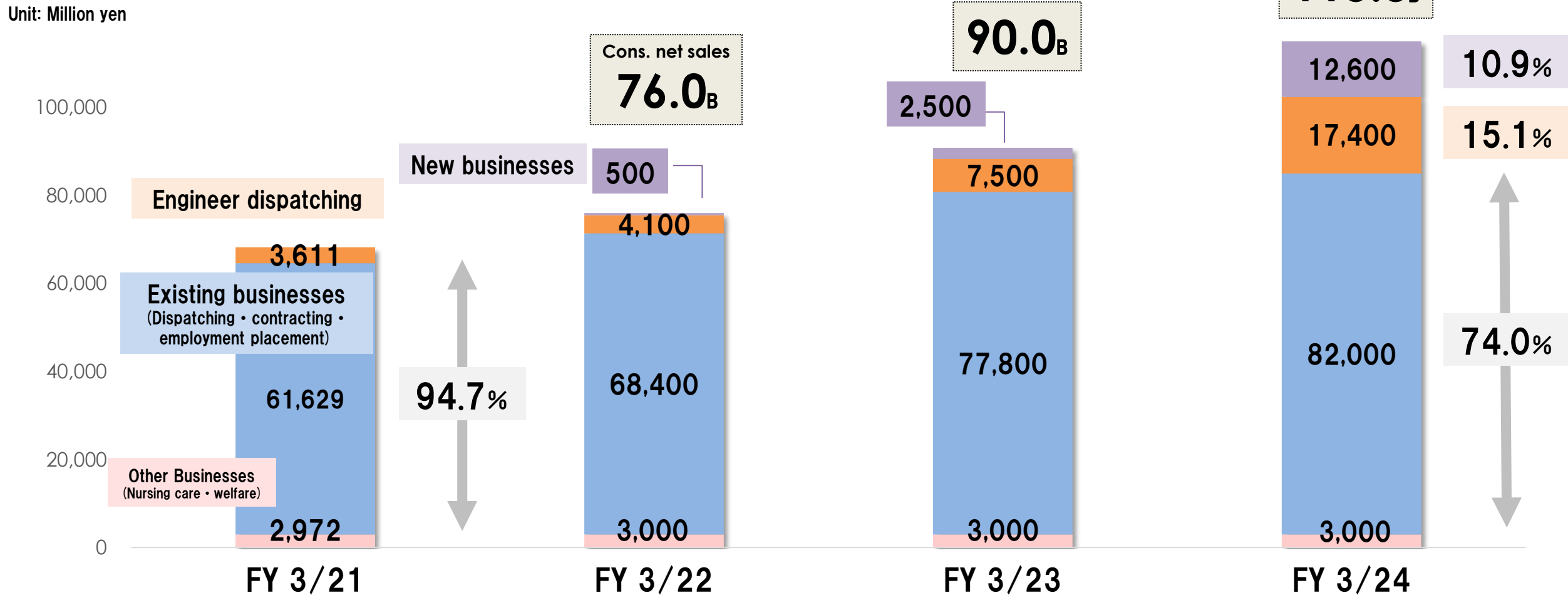
Taking advantage of the clutch of a rapidly changing business environment as an opportunity

- Acquisition of high-growth potential that is not affected by economic fluctuations
- Formulation of a management foundation where diverse human resources can flourish

Net Sales Target by Segment

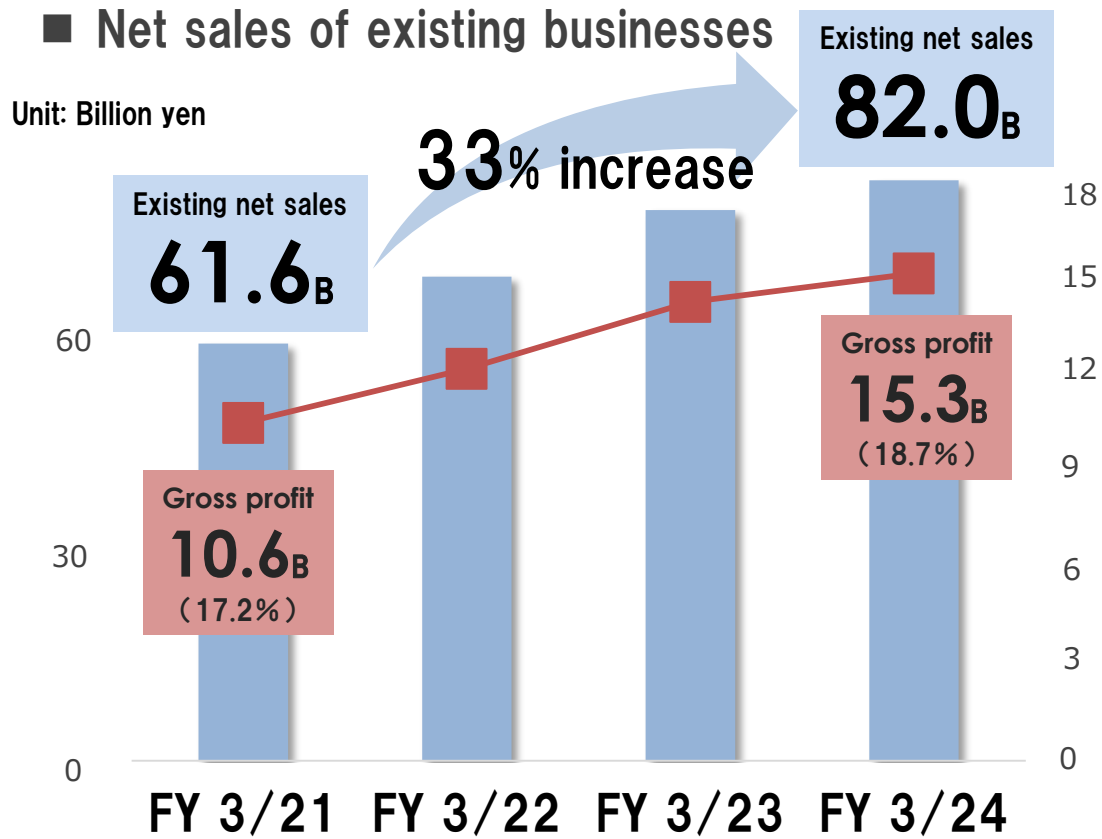


Improve the quality of service of existing businesses and invest in the engineering business and new services provided



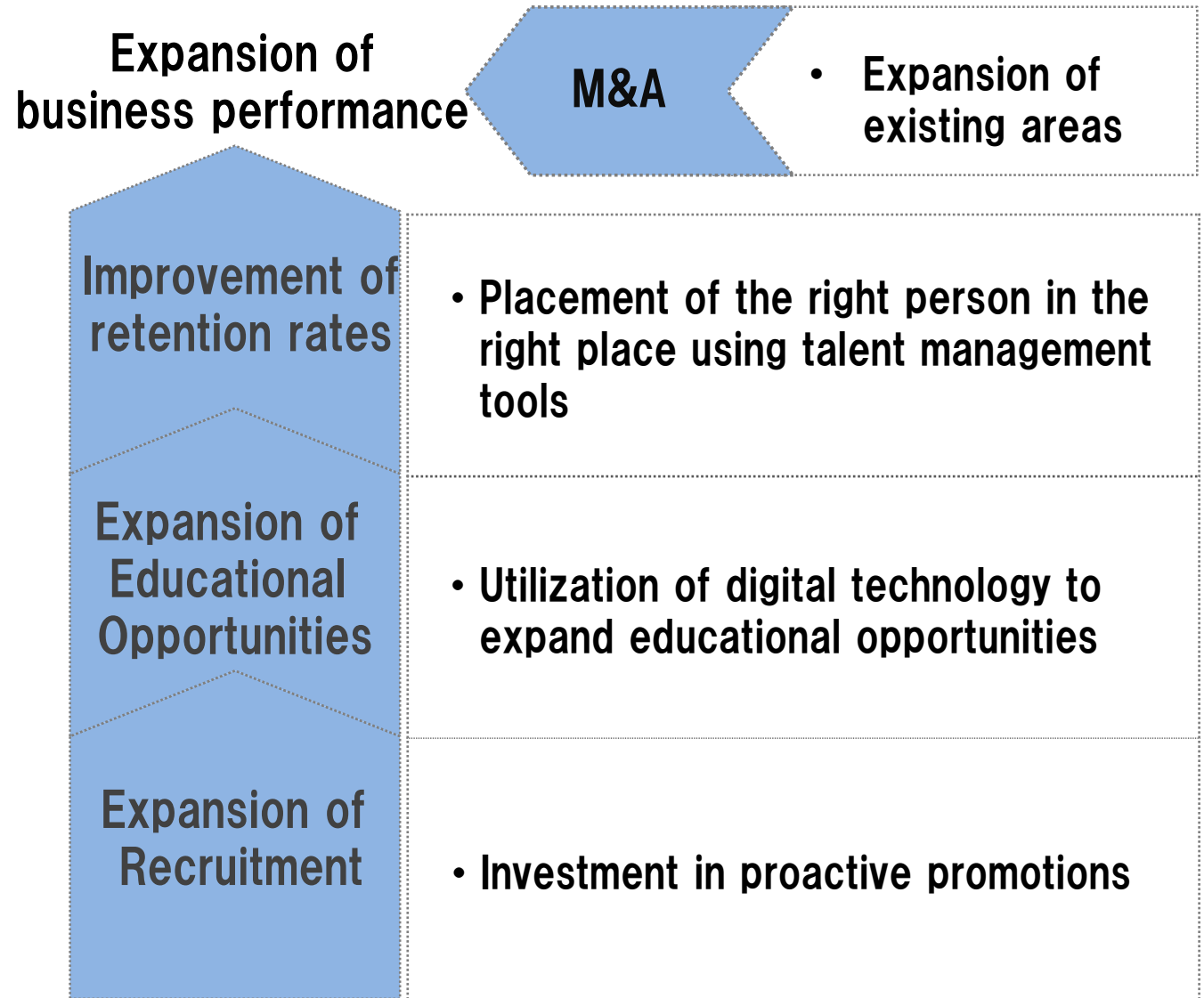
※FY 3/21 Inter-segment transactions -10 included

Individual Strategy: Expansion of Existing Areas



(Improving quality of services)

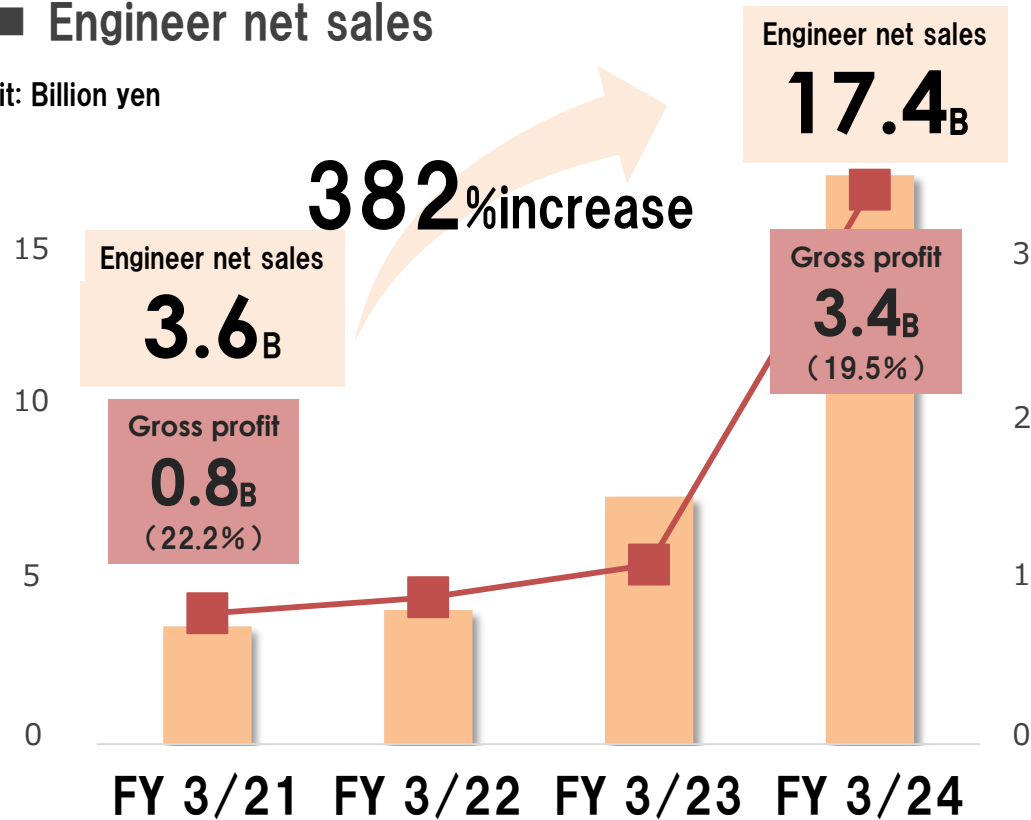
- Strengthening the service supply system
- Increasing shares of account clients



Individual Strategy: Expansion of Engineering Area

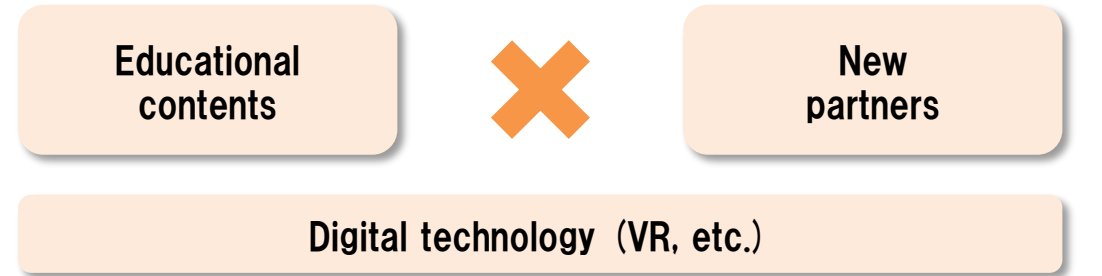
■ Engineer net sales

Unit: Billion yen

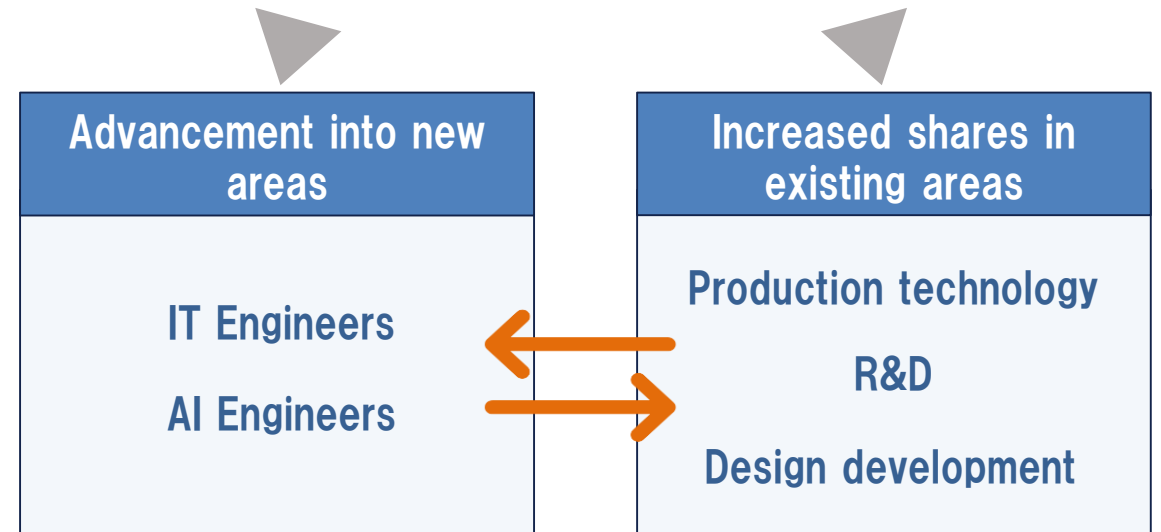


(Advancing into new areas)

- Promoting M&A and alliances
- Providing new services such as SES
- Increasing shares in existing areas



- Provision of new curriculums to
- More people than ever before

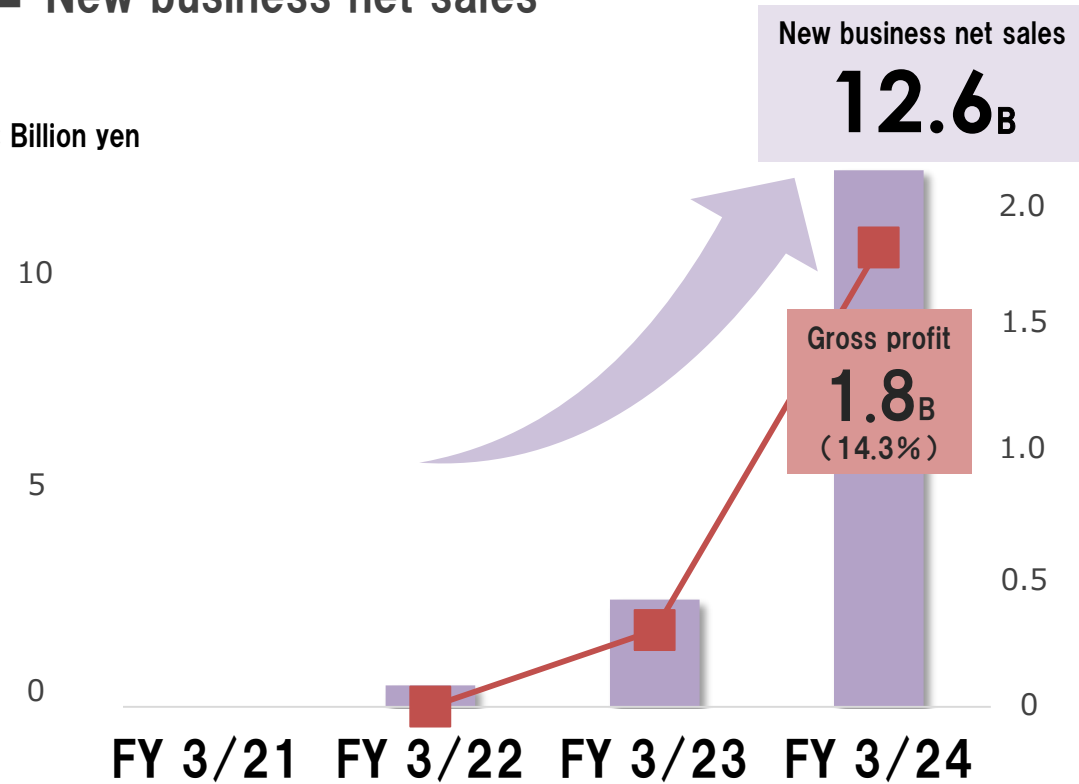


Individual Strategy: Creation of New Businesses



■ New business net sales

Unit: Billion yen



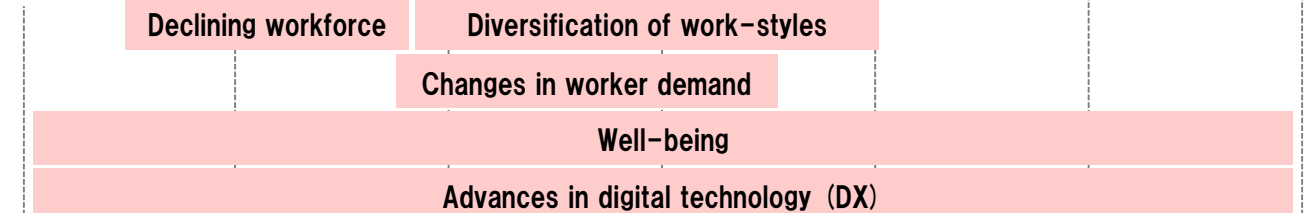
(Building a second pillar)

- Strengthening cooperation with existing partnerships
- Building new partnerships

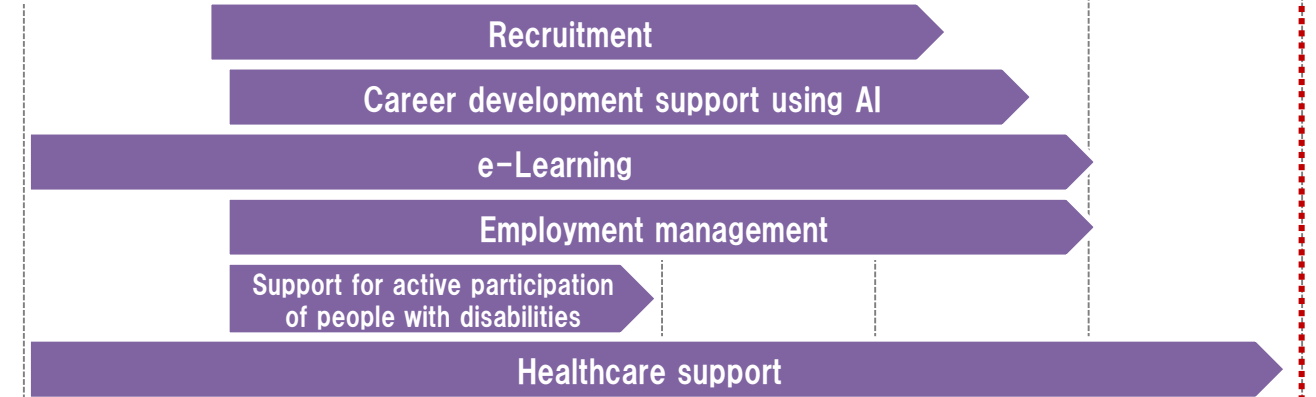
■ Life stage of "people"



■ Social issues



■ Services provided



- Value creation partners
 - Cross Compass (AI)
 - CrossLink (IT)
 - Nisso Pure
 - **New partnerships (HR-Tech, HealthTech)**
- Nikon Nisso Prime
- Nisso Nifty

Strengthening competitiveness with "Business IT"

- Introduction of talent management system
- Active introduction of cloud services
- DX promotion and new business development by digitizing existing operations

Strengthening the management foundation with "Corporate IT"

- Diverse and flexible work-style selection
- Clarification of career paths, career consulting functions
- Development of education•training systems
- Strengthening of on-site management (in collaboration with CrossLink)

Investment Policy

(Aggressive investment)

**Evolution of existing businesses and
creation of new businesses**

(Defensive investment)

Improving the efficiency • convenience of internal operations

Financial Policy

(Efficient operation of resources)

3-year average ROE: 20% or more

(Securing investments and a stable financial foundation required for growth)

Financial leverage: 2.5 times or less

(Consolidated) Management Target Values



Unit: Million yen

	FY 3/2022			FY 3/2023			FY 3/2024		
	Amount	Increase (Decrease)	Growth rate	Amount	Increase (Decrease)	Growth rate	Amount	Increase (Decrease)	Growth rate
Net sales	76,000	+7,786	+11.4%	90,800	+14,800	+19.5%	115,000	+24,200	+26.7%
Gross profit	13,600	+1,900	+16.2%	16,100	+2,500	+18.4%	21,000	+4,900	+30.4%
	17.9%			17.7%			18.3%		
Operating profit	3,000	+400	+15.4%	4,000	+1,000	+33.3%	6,700	+2,700	+67.5%
	3.9%			4.4%			5.8%		
Profit attributable to owners of parent	2,000	+407	+25.6%	2,800	+800	+40.0%	4,700	+1,900	+67.9%
	2.6%			3.1%			4.1%		



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The forward-looking statements and performance forecasts contained in this document are forecasts determined by NISSO 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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