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## **Business Report**

( April 1, 2025 to  
March 31, 2026 )

### **Current Status of the Corporate Group**

#### **(1) Status of Business for the Current Consolidated Fiscal Year**

##### **① Progress and results of business**

##### **Summary of Financial Results**

During the current consolidated fiscal year (hereinafter, the "consolidated fiscal year under review"), Japan's economy remained on a moderate recovery trend, reflecting a pick-up in private consumption and capital investment, despite the impact of U.S. trade policies. On the other hand, towards the end of the fiscal year, the escalating tensions in the Middle East emerged as a new risk, and some impact was observed in sectors such as the automobiles industry. As for the outlook, although economic recovery is expected against the backdrop of improvements in the employment and income environments, uncertainties remain high over developments in the Middle East, and fluctuations in financial and capital markets continue to warrant close monitoring.

Under these circumstances, the operating results for the consolidated fiscal year under review were as follows: net sales amounted to 111,430 million yen (up 9.7% year-on-year), operating profit amounted to 3,190 million yen (down 10.3% year-on-year), ordinary profit amounted to 3,200 million yen (down 10.2% year-on-year), and profit attributable to owners of parent amounted to 1,902 million yen (down 1.7% year-on-year).

(Net sales)

Net sales for the consolidated fiscal year under review increased by 9.7% compared to the previous consolidated fiscal year.

In the Nisso Group's (hereinafter, the "Group") core Manufacturing · Production Human Resources Services, the increase in the number of enrolled staff was mainly due to the consolidation of the results of subsidiaries acquired through M&A from July 1, 2025.

(Profit)

Operating profit for the consolidated fiscal year under review decreased by 10.3% compared to the previous consolidated fiscal year.

In the Group's core General Human Resources Services, the number of enrolled staff decreased in the Automotive Industry, which is highly profitable and accounts for approximately 40% of consolidated net sales. In addition, in the Engineering Human Resources Services, although the number of highly skilled human resources, mainly in the Semiconductor Industry field, increased, it did not reach the planned target level, resulting in a delay in recovering training costs. As a result, the gross profit margin declined by 0.3 percentage points compared to the previous consolidated fiscal year.

Regarding SG&A expenses, the SG&A expense ratio increased by 0.3 percentage points compared to the previous consolidated fiscal year despite an increase in net sales, mainly due to an increase in personnel expenses and amortization of goodwill associated with M&A, system investments, investments for the utilization of global human resources, and shareholder benefit expenses, etc., as a result of an increase in individual shareholders.

As a result, the operating profit margin was 2.9%, a decrease of 0.6 percentage points compared to the previous consolidated fiscal year.

## Financial Results by Service

### General Human Resources Services

Net sales of the General Human Resources Services for the consolidated fiscal year under review amounted to 107,766 million yen (up 9.4% year-on-year), and gross profit was 18,114 million yen (up 5.8% year-on-year).

(Manufacturing · Production Human Resources Services)

These services are classified into manufacturing dispatching and manufacturing contracting.

Please note that the results of Man to Man Co., Ltd. and Man to Man Assist Corp. have been included from July 1, 2025.

Net sales of these services for the consolidated fiscal year under review amounted to 86,374 million yen (up 10.1% year-on-year), representing an increase in revenue compared to the previous consolidated fiscal year.

The number of enrolled manufacturing · production staff at the end of the period was 15,902 (up 1,684 year-on-year) and the monthly turnover rate was 3.7% (an improvement of 0.1 percentage points year-on-year). Due to an increase in the billing unit-costs of manufacturing staff, the average monthly net sales per capita amounted to 463 thousand yen (up 17 thousand yen year-on-year). As a result, the gross profit margin for these services was 17.4%.

(Engineering Human Resources Services)

These services are classified into equipment technology and production technology in the manufacturing area, IT-related technology, design and development, etc.

Net sales of these services for the consolidated fiscal year under review amounted to 13,058 million yen (up 12.3% year-on-year), representing an increase in revenue compared to the previous consolidated fiscal year.

The number of enrolled engineers at the end of the fiscal year was 2,248 (up 194 year-on-year) due to the success of initiatives to promote career changes, and the monthly turnover rate was 1.9% (the same level as the previous fiscal year). The average monthly net sales per capita amounted to 514 thousand yen (down 11 thousand yen year-on-year). As a result, although the gross profit margin for these services decreased by 2.7 percentage points year-on-year to 17.9%, it continued to improve.

(Administrative Human Resources Services)

These services are classified into general office work dispatching and BPO (Business Process Outsourcing).

Net sales of these services for the consolidated fiscal year under review amounted to 2,106 million yen (down 5.6% year-on-year).

The number of enrolled administrative staff was 495 (down 55 year-on-year), and net sales revenue decreased compared to the previous consolidated fiscal year.

(Other Human Resources Services)

These services are classified into human resources dispatching for senior employees and light work contracting for employees with disabilities, as well as Web system development, etc.

Please note that the results of Man to Man Animo Corp. have been included from July 1, 2025.

Net sales of these services for the consolidated fiscal year under review amounted to 6,226 million yen (up 1.0% year-on-year).

In order to build a workplace model that enables senior citizens to flourish, NISSO HOLDINGS Co., Ltd. (hereinafter, the "Company") is working to develop and secure employment opportunities and to build a structure that supports the active participation of senior citizens. The number of senior employees (Prime employees) during the consolidated fiscal year under review was 717.

In order to build a workplace model that enables people with disabilities to flourish, the Company strives to coexist with local communities, including school officials, support organizations, and the government, while promoting independent activities that make the most of each individual's characteristics, such as accepting contracts for light work from general companies and engaging in Web system development, etc., rather than just employing people with disabilities. The number of employees with disabilities during the consolidated fiscal year under review was 272.

### **Other Services**

These services are classified into nursing care · welfare services, various security services, manufacturing system development contracting, etc.

Please note that the results of All Japan Guard Co., Ltd. and TECHPORT CO., LTD. have been included from July 1, 2025.

Net sales of these services for the consolidated fiscal year under review amounted to 3,664 million yen (up 18.7% year-on-year), and gross profit was 728 million yen (up 122.7% year-on-year).

In the facility nursing care services, which is the core of this business, the number of residents of nursing care facilities during the consolidated fiscal year under review was 374 (down 7 year-on-year). In addition, the occupancy rate at the facilities remained at a high level of 93.0% (down 1.8 percentage points year-on-year). As a result, the gross profit margin for these services improved by 9.3 percentage points year-on-year to 19.9%.

### **Industry Strategy**

The Group aims to expand its Manufacturing · Production Human Resources Services and Engineering Human Resources Services by meeting the human resources needs of each industry, with a focus on the Automotive (automobile manufacturing · EV-related manufacturing industry), Semiconductor (semiconductor manufacturing industry), and Electronics (electronic equipment manufacturing industry) Industries, which lead the Japanese economy.

The Automotive Industry's net sales for the consolidated fiscal year under review amounted to 40,361 million yen (down 2.3% year-on-year). Although automobile-related demand was on a gradual recovery trend, operations declined at the end of the fiscal year due to the impact of the situation in the Middle East.

The Semiconductor Industry's net sales for the consolidated fiscal year under review amounted to 15,379 million yen (up 14.3% year-on-year), due to an increase in the number of enrolled staff throughout the full business year and an increase in billing unit-costs.

The Electronics Industry's net sales for the consolidated fiscal year under review amounted to 11,338 million yen (up 1.0% year-on-year), mainly due to a moderate increase in the number of enrolled staff and operations.

### **Human Resources Development**

The total number of people who received training during the consolidated fiscal year under review was 22,211.

The Group has developed education and training facilities nationwide, and is promoting co-creation with clients in the field of human resources development in order to address issues such as the increasing sophistication of production activities, the diversification of human resources needs, and chronic labor shortages across the entire manufacturing industry.

During the consolidated fiscal year under review, the Group has been entrusted with the provision of training services and facility operations of "I-SPARK (Kitakami City)," a semiconductor-related human resources development facility established mainly by Iwate Prefecture in May 2025. By providing the human resources development expertise it has cultivated to date, the Group is contributing to strengthening the human resources base of local industries. In addition, the Group opened a new education and training facility, the "Nisso Technical Center Aichi," which has been in operation since October 2025. At this facility, while primarily focusing on human resources development for the Automotive Industry, the Group is also committed to medium- to long-term human resources development by enhancing its educational curriculum to enable its staff to respond to cutting-edge technologies that will support the future of the manufacturing industry.

### **Promotion of Diversity**

In order to achieve sustainable growth of its business, the Group recognizes that it is important to create workplaces where all employees can have dreams and a sense of satisfaction, and to create an environment where diverse human resources can thrive.

In particular, the Group, whose core business is the human resources business, recognizes that responding to the diversification of human resources is key management issue against the backdrop of a declining workforce and an aging population, and has positioned the "Promotion of DE&I (Diversity, Equity & Inclusion)" as its core implementation issue.

The "Promotion of DE&I" aims to enhance organizational resilience by securing diverse human resources and placing the right people in the right positions. As an indicator of the progress of its efforts, the Group has set a "diversity ratio" based on the composition of its workforce, including female employees, senior employees, global employees, and employees with disabilities, and has set a target of 40% by FY 3/2031.

At the end of the consolidated fiscal year under review, this indicator was at 34.2% (up 2.3 percentage points year-on-year). This was due to progress in the recruitment and retention of diverse human resources in each field, as well as the consolidation of special-purpose subsidiaries for the employment of persons with disabilities and a subsidiary in a business category with a high percentage of seniors through M&A conducted during the consolidated fiscal year under review, which ultimately had a positive impact on the composition of the Group's workforce.

### **Status of Financial Indicators**

In the consolidated fiscal year under review, although each profitability indicator declined compared to the previous consolidated fiscal year, the Company recognizes that this was mainly due to the temporary impact of upfront investments aimed at future growth. As a result, key management indicators such as ROE was 10.9%, and ROIC was 11.1%, with ROIC remaining above WACC (approximately 8.2%). Going forward, the Company will continue its efforts to improve capital efficiency.

Furthermore, each indicator is calculated based on the following definitions.

- Return on Equity (ROE):

Profit attributable to owners of parent ÷ ((equity capital at beginning of period  
+ equity capital at end of period) ÷ 2)

- Return on Invested Capital (ROIC):

After-tax operating profit ÷ invested capital (average interest-bearing liabilities for current period  
+ average net assets for current period)

② **Status of capital investments**

During the consolidated fiscal year under review, the Group carried out capital investment totaling 282 million yen for property, plant and equipment, as well as for intangible assets such as software.

Major capital investments are as follows:

Employee dormitories	109 Million yen
System introduction · modifications	67 Million yen
Training facilities	41 Million yen
Sales offices, etc.	39 Million yen
Headquarters equipment	16 Million yen

There were no disposals or sales of significant equipment · facilities.

③ **Status of funds procurement**

Not applicable.

④ **Status of transfer of business, absorption-type company split or incorporation-type company split**

Not applicable.

⑤ **Status of acquisition/transfer of business from other companies**

Not applicable.

⑥ **Status of succession of rights and obligations concerning the business of other corporations through absorption-type merger or absorption-type company split**

Not applicable.

⑦ **Status of acquisition or disposition of shares and other interests or share acquisition rights of other companies**

On April 25, 2025, the Company acquired all outstanding shares of All Japan Guard Co., Ltd., and made it a wholly owned subsidiary.

On May 30, 2025, the Company acquired a portion of the outstanding shares of Man to Man Holdings Co., Ltd., and subsequently, on June 1, 2025, the Company implemented a simplified share exchange in which the Company became the wholly owning parent company in the share exchange and Man to Man Holdings Co., Ltd. became the wholly owned subsidiary in the share exchange.

In addition, NISSO CORPORATION, a wholly owned subsidiary of the Company, newly established SUBARU nw Sight Co., Ltd. on June 2, 2025, and made it an equity-method affiliate of the Company.

(2) Trends in the Status of the Financial Position and Results of Operations

① Trends in the status of the financial position and results of operations of the Corporate Group

Classification		NISSO CORPORATION			
		43 <sup>rd</sup> Fiscal Year (FY 3/2023)	1 <sup>st</sup> Fiscal Year (FY 3/2024)	2 <sup>nd</sup> Fiscal Year (FY 3/2025)	3 <sup>rd</sup> Fiscal Year (Consolidated Fiscal Year under Review) (FY 3/2026)
Net sales	(Million yen)	90,827	96,858	101,560	111,430
Ordinary profit	(Million yen)	2,349	3,056	3,563	3,200
Profit attributable to owners of parent	(Million yen)	1,622	1,952	1,935	1,902
Net income per share	(Yen)	47.71	57.85	58.92	56.47
Total assets	(Million yen)	30,092	31,354	31,276	34,418
Net assets	(Million yen)	14,807	15,333	16,795	18,682
Net assets per share	(Yen)	435.20	467.99	509.04	554.83

(Note) Since the Company is in its 3rd Fiscal Year since establishment, the figures for the consolidated fiscal year of NISSO CORPORATION for the 43rd Fiscal Year is shown for reference.

② Trends in the status of the financial position and results of operations of the Company

Classification		1 <sup>st</sup> Fiscal Year (FY 3/2024)	2 <sup>nd</sup> Fiscal Year (FY 3/2025)	3 <sup>rd</sup> Fiscal Year (Current Fiscal Year*) (FY 3/2026)
Operating revenue	(Million yen)	1,238	2,158	1,997
Ordinary profit	(Million yen)	718	1,169	934
Profit	(Million yen)	791	876	840
Net income per share	(Yen)	23.47	26.68	24.95
Total assets	(Million yen)	16,077	15,979	17,734
Net assets	(Million yen)	13,755	14,155	14,677
Net assets per share	(Yen)	419.83	429.04	435.89

\*(hereinafter, the "fiscal year under review")

(3) Status of Parent Company and Significant Subsidiaries

① Status of parent company

Not applicable.

② Status of significant subsidiaries

Company Name	Capital	Ratio of Voting Rights Held by the Company in Subsidiaries, etc.	Main Business Contents
NISSO CORPORATION	100 Million yen	100.0%	Manufacturing dispatching, manufacturing contracting, employment placement, etc.
Nisso Nifty Co., Ltd.	450 Million yen	100.0%	Facility nursing care, home-based nursing care, etc.
Nisso Brain Co., Ltd.	50 Million yen	100.0% (100.0%)	Administrative dispatching, BPO, etc. (Note) 2
Nisso Pure Co., Ltd. (Note) 3	40 Million yen	100.0% (100.0%)	Light work contracting, sale of goods, etc.
Vector Shinwa Co., Ltd.	78 Million yen	100.0% (100.0%)	Manufacturing dispatching, manufacturing contracting, etc.
EYE'S Co., Ltd.	20 Million yen	100.0% (100.0%)	Manufacturing dispatching, IT engineer dispatching, etc.
NIKON NISSO PRIME CORPORATION	50 Million yen	51.0% (51.0%)	Human resources dispatching, recruitment, etc.
Man to Man Holdings Co., Ltd. (Note) 4	50 Million yen	100.0%	Business management, public relations, etc.
Man to Man Co., Ltd. (Note) 4	50 Million yen	100.0% (100.0%)	Manufacturing dispatching, manufacturing contracting, employment placement, etc.
Man to Man Assist. Corp. (Note) 4	50 Million yen	100.0% (100.0%)	Production consignment services, logistics consignment services, etc.
Man to Man Animo Corp. (Note) 3, 4	30 Million yen	100.0% (100.0%)	Web system development, government contracting business, etc.
TECHPORT CO., LTD. (Note) 4	100 Million yen	100.0% (100.0%)	Manufacturing system development contracting, etc.
All Japan Guard Co., Ltd. (Note) 5	80 Million yen	100.0%	Facility security · traffic security services, etc.

- (Note)
1. The figures in parentheses ( ) of the ratio of voting rights held by the Company in its subsidiaries, etc., is the ratio of voting rights based on indirect holdings.
  2. BPO (Business Process Outsourcing) refers to the outsourcing of operations and processes of specific business-related tasks to a [third- party] specialized company.
  3. This is a special-purpose subsidiary based on the "Act to Facilitate the Employment of Persons with Disabilities" (the Ministry of Health, Labour and Welfare).
  4. On May 30, 2025, the Company acquired a portion of the outstanding shares of Man to Man Holdings Co., Ltd., and subsequently, on June 1, 2025 (deemed acquisition date: June 30, 2025), the Company implemented a simplified share exchange in which the Company became the wholly owning parent company in the share exchange and Man to Man Holdings Co., Ltd. became the wholly owned subsidiary in the share exchange, thereby making it a consolidated subsidiary. In addition, the Company has designated its subsidiaries, Man to Man Co., Ltd., Man to Man Assist. Corp., Man to Man Animo Corp., and TECHPORT CO., LTD. as consolidated subsidiaries.
  5. On April 25, 2025 (deemed acquisition date: June 30, 2025), the Company acquired all shares of All Japan Guard Co., Ltd., and made it a consolidated subsidiary.

#### **(4) Issues to be Addressed**

In Japan, the business environment surrounding the Group continues to change at an unprecedented pace amid significant changes in the supply and demand structure of human resources, such as the advancements of Society 5.0 and Industry 5.0, the evolution of AI, and the decrease in the working population due to the declining birthrate and aging population. In addition, the outlook remains uncertain due to many variable factors such as U.S. tariff measures and rising geopolitical risks, including the situation in the Middle East.

Aiming to adapt to such a unpredictable business environment, the Company is promoting the following activities in order to continuously enhance corporate value and the importance of its existence, based on the 3-year Medium-term Management Plan announced in August 2024, with FY 3/2026 as the first year.

#### **(Initiatives to Achieve Medium-term Management Plan Targets)**

In order to achieve the goals of this Medium-term Management Plan, the Group will continue to build a structure that can respond flexibly to changes in demand trends and human resources needs. Therefore, the Group will strive to diversify its business portfolio by expanding its service areas to meet the diversifying needs of job seekers, while also expanding and diversifying its revenue opportunities.

As part of its efforts to strengthen the foundations of Group business operations, the Group will reorganize the Group structure to improve the efficiency of back-office functions and profitability, as well as reorganize and integrate its business portfolio and expand its human resources business areas.

At the same time, by promoting the optimal allocation of human resources across the Group, it will enable the rapid deployment of human resources to growth businesses and strive to improve the efficiency of business operations.

In addition, the Group will also aim to further accelerate growth in order to realize its vision of "To transform into a corporate group with high-growth potential." In order to achieve this, the Group will strengthen its business foundation and expand growth opportunities through M&A in growth areas in addition to its existing areas, as well as through capital and business alliances aimed at incorporating external growth, thereby strengthening its medium- to long-term growth potential. In this process, the Group expects that improvements in profitability will emerge gradually as its growth investments and efforts in human resources development progress.

#### **(Financial Strategy)**

##### **Financial Strategy Policy**

The Company will closely monitor its own capital costs (cost of equity and weighted average cost of capital (WACC)) and strives to pursue earning power and improve capital efficiency based on return on equity (ROE) and return on invested capital (ROIC) as key management indicators. In addition, the Company will strive to enhance corporate value by realizing a structure in which ROIC exceeds the cost of capital (weighted average cost of capital (WACC)) in a stable manner.

##### **Financial Strategy**

In pursuit of earning power, the Group will increase the added value of its existing businesses, review its business portfolio, invest in growth fields, improve operational efficiency through the use of digital technologies, and invest in human resources. In addition, in order to maintain financial discipline and improve capital efficiency, the Group will ensure appropriate allocation of management resources, proper use of debt, optimal shareholder returns (stable dividends and share buybacks), and timely and appropriate disclosure of information.

## **(Non-financial Strategy)**

### **Initiatives for Sustainability**

The Group recognizes the importance of contributing to society and the environment through investment in "people," who are the driving force behind the Group. Based on this philosophy, the Group formulated the "Sustainability Policy" in October 2021, aiming for sustainable business growth, and has established policies on human rights and labor, the environment, safety and health, and ethics, and are promoting initiatives toward the realization of a sustainable society.

The Group recognizes that sustainability is a key management issue from the perspective of its medium- to long-term business continuity and securement of human resources, and based on a framework of governance, strategy, risk management, and indicators and targets, it promotes initiatives under the supervision of the Board of Directors. Specifically, the Sustainability Committee and the Risk Management Committee work together to identify risks and opportunities that could affect business operations, continuously monitor their status, and incorporate them in management decisions as necessary.

Based on this philosophy, the Group aims to enhance corporate value by balancing business with social value, and have identified the following materialities (key issues): "Creation of a comfortable workplace," "Responding to social and structural changes," and "Strengthening of governance."

In "Creation of a comfortable workplace," the Group has positioned respect for human rights, improvement of employee well-being, and securement of occupational health and safety as important implementation issues. The Group believes that creating an environment where each and every employee can work with peace of mind and demonstrate their abilities will lead to strengthening its business foundation through the retention of human resources and the maintenance and improvement of service quality.

In addition, in "Responding to social and structural changes," the Group has positioned "Human Resources Development" and "Promotion of DE&I (Diversity, Equity, and Inclusion)" as key themes for medium- to long-term growth, based on the characteristics of its business, which is centered on the human resources business.

Furthermore, the Group recognizes that addressing climate change, which is essential for the continued existence of its business, is an important management issue, and is also actively pursuing initiatives to reduce GHG emissions.

These initiatives will be reviewed in light of changes in the business environment and business structure, while verifying the progress and effectiveness of indicators and targets, and will lead to sustainable business growth and the enhancement of corporate value.

## **(Business Strategy)**

### **Initiatives in General Human Resource Services**

#### **Industry Strategy**

As the industrial structure changes at an accelerating pace against the backdrop of technological innovation and environmental issues, the type of human resources required by each industry is also changing moment by moment. In particular, in order to respond to the human resources needs of the Japanese economy's leading industries, particularly those in the Automotive, Semiconductor, and Electronics Industries, the Company will launch training facilities equipped with the latest manufacturing equipment, develop high value-added human resources, and provide strong support to the industries undergoing transformation.

#### **Recruitment Strategy**

With the normalization of economic activities, there is a growing need for human resources, making it more necessary than ever for the Group to secure employees and staff.

In response to the challenge of securing human resources, the Group will further promote the utilization of global human resources. The Group aims to have 3,000 enrolled foreign national staff by the end of FY 3/2031 by developing various systems and environments that will allow people to feel good about coming to Japan and will encourage them to want to work more in Japan.

In addition, the Group will work to expand the "Recruitment Consortium," which promotes the mobilization of human resources within the Group and form alliances with other companies for the recruitment of high value-added human resources.

#### **Development Strategy**

The Group aims to address issues such as the increasing sophistication of production activities at manufacturers, the diversification of human resources needs, and the chronic labor shortage across the entire manufacturing industry, and will co-create with our clients in the field of human resources development while conducting research into the business areas that are necessary for business expansion. In addition, the Group will actively promote the development of high value-added human resources by combining the Group's unique "human resources development model" with occupations such as semiconductor and storage battery manufacturing, and maintenance and preservation, which the Group positions as areas of expansion. In cooperation with the public and private sectors, the Group will provide re-skilling opportunities for human resources working in other industries and other occupations, and will also develop human resources capable of supporting mass production related to semiconductors.

#### **Creation of New Services**

General Human Resources Services account for approximately 90% of consolidated net sales. Since these services are based on continuous business relationships with clients and have two aspects: "stability" and "dependence," the Group's business performance is significantly influenced by the production trends of its clients.

In addition to expanding its Engineering Human Resources Services, the Group will also expand its core General Human Resources Services Business by expanding into areas that have a high affinity with the Group's businesses, such as HR Tech and AI-related services, and by engaging in value co-creation through M&A and the establishment of new partnerships.

In addition, the Group offers the "NISSO HR Development Service," an entrusted education service. This service was created in order to address the issues that many of the Group's business partners have raised, such as the shortage of instructors who are responsible for providing education, a lack of practical skills training due to the inability to conduct OJT using actual production lines and on-site operations as a result of busy schedules, and a shortage of educational programs for inexperienced people. The Group, which has education and training facilities nationwide and a track record of developing many training curriculums, is positioned as a service that can assist in resolving these issues by providing employee training on behalf of the client, and the needs for this service is steadily expanding.

#### **Initiatives in Other Services**

##### **Nursing Care • Welfare Services**

In the nursing care and welfare industry, the stable provision of services remains an ongoing challenge due to factors such as the increasing number of people requiring nursing care and the chronic shortage of nursing care workers.

The Group considers securing a stable number of nursing care workers and improving the retention rate to be important issues, and will promote the creation of a comfortable working environment through tiered education for nursing care workers and introductory education for new hires. In addition, the Group will aim to secure new nursing care workers by promoting the utilization of diverse human resources, such as promoting the use of foreign human resources.

**(DX Strategy)**

The Group recognizes that the promotion of DX (digital transformation) to strengthen its business management functions and business operation bases is an important management issue for the Group to continue achieving sustainable profit growth.

In order to build a digital infrastructure, the Group will provide an IT infrastructure that enables applications to be used at any time and place, and will promote the centralization, visualization, standardization, and utilization of Group management data. In addition, the Group will strive to improve operational quality and reduce SG&A (selling, general and administrative) expenses by promoting the efficiency and automation of operations using AI, VR, and other technologies.

**(Initiatives for New Value Co-creation (CSV))**

In order to solve the issues faced by its clients and address social issues, the Group will not rely solely on management resources within the Group, but will actively pursue the co-creation of new value by considering collaborations with external partners as necessary, including participation in consortia involving industry, government, and academia, business and capital alliances, investments in startups, and M&A.

(5) Status of Corporate Officers

① Status of Directors (As of March 31, 2026)

Position in the Company	Name	Status of Responsibilities and Significant Concurrent Positions
Representative Director, President & Executive Officer	Ryuichi Shimizu	CW Holdings Co., Ltd. Representative Director NS Holdings Co., Ltd. Representative Director Japan Business Process Outsourcing & Staffing Association Chairman Japan Association of Human Resource Services Industry Vice Chairman
Director & Executive Officer	Kenji Fujino	NISSO CORPORATION Representative Director & President TSUNAGU GROUP HOLDINGS Inc. External Director
Director & Executive Officer	Yoichiro Tanaka	NISSO CORPORATION Director & Executive Officer
Director & Executive Officer	Kenichi Nomura	Nisso Nifty Co., Ltd. Director
Director & Executive Officer	Takashi Endo	Nisso Pure Co., Ltd. Representative Director & President NIKON NISSO PRIME CORPORATION Director
Director	Junichi Fukui	CRESCO LTD. Outside Director Harada Sekizenkai Councilor
Director (Full-time Audit & Supervisory Committee Member)	Yukiteru Hamada	Nisso Nifty Co., Ltd. Audit & Supervisory Board Member
Director (Audit & Supervisory Committee Member)	Miki Ohno	Crane Law Offices Attorney-at-Law
Director (Audit & Supervisory Committee Member)	Hideo Sakano	Sakano CPA Office Representative Director TAIYU AUDIT LLC Representative Partner

- (Note) 1. Director Junichi Fukui and Directors (Audit & Supervisory Committee Members) Yukiteru Hamada, Miki Ohno, and Hideo Sakano are External Directors.
2. Yukiteru Hamada has been selected as a Full-time Audit & Supervisory Committee Member in order to enhance the effectiveness of audits and strengthen audit and supervisory functions through enhanced information gathering and sufficient cooperation with the Internal Auditing Office, etc.
3. The Company has designated and reported all of its External Directors as Independent Officers pursuant to the provisions of the Tokyo Stock Exchange.
4. Directors (Audit & Supervisory Committee Members) Yukiteru Hamada and Hideo Sakano each have a considerable amount of knowledge regarding finance and accounting, as follows:
- Director (Audit & Supervisory Committee Member) Yukiteru Hamada has extensive experience and wide-ranging knowledge in financial institutions.
  - Director (Audit & Supervisory Committee Member) Hideo Sakano has received qualification as a certified public accountant.

- ② Outline of contents of Agreement for Limitation of Liability  
Pursuant to Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with each Director (excluding Directors responsible for the execution of business, etc.) to limit their liability for damages under Article 423, paragraph 1, of the Companies Act.  
The maximum amount of liability for damages under this agreement is the minimum liability amount as stipulated by laws and regulations.
- ③ Outline of contents of Indemnity Agreement, etc.  
Not applicable.
- ④ Outline of contents of Liability Insurance Contract for Officers, etc.  
The Company has entered into a liability insurance contract for officers, etc., with an insurance company as stipulated in Article 430-3, paragraph 1, of the Companies Act. The scope of the insured under the insurance contract is the main business executors such as Directors (including Audit & Supervisory Committee Members), Audit & Supervisory Board Members, Executive Officers, etc., of the Company and its subsidiaries etc., and all insurance premiums are borne by the Company (the Company).  
In the event that the insured is filed with a claim for damages by shareholders, third parties, etc., under the insurance contract, it shall compensate the insured for damages such as compensation for damages, litigation/contentious expenses, etc., that will be borne by the insured. However, there are certain disclaimers, such as damages caused by acts that are recognized as violations of laws and regulations, will not be compensated.
- ⑤ Remuneration of Directors  
A Matters concerning the Policy for Determining the Content of Individual Remuneration, etc., for Directors (excluding Directors who are Audit & Supervisory Committee Members)  
At the Board of Directors' Meeting held on June 26, 2024, the Company resolved a policy for determining the content of individual remuneration, etc., for Directors. Upon the resolution of the Board of Directors, the Company consulted with the Nomination and Remuneration Committee on the content of the resolution in advance, and received a report.  
In addition, the Board of Directors confirmed that the method of determining the content of remuneration, etc., and the determined content of remuneration, etc., were consistent with the policy, and that the report from the Nomination and Remuneration Committee was respected with regard to the individual remuneration, etc., of Directors pertaining to the fiscal year under review, and it was determined that it was in line with the policy.  
The outline of the policy for determining the content of individual remuneration, etc., for Directors is as follows:
- a. Basic Policy  
The remuneration of Directors (excluding Directors who are Audit & Supervisory Committee Members) of the Company shall be based on a remuneration system linked to shareholder interests so that it can fully function as an incentive to continuously enhance corporate value by achieving short-term business results and realizing the Medium-term Management Plan. In addition, the Company's basic policy is to ensure that the determination of the remuneration of individual Directors is at an appropriate level in consideration of their respective responsibilities.  
The remuneration level of Directors shall be determined based on the remuneration level set as a benchmark of companies of the same business scale as the Company and companies belonging to related industries and business categories, taking into consideration the balance between the Company's management content, employee salaries, etc.
- b. Policy on the Determination of the Amount of Individual Remuneration, etc., for Basic Remuneration (Fixed Remuneration) and the Calculation Method Thereof (Includes policies on the timing or conditions under which remuneration, etc., are to be rewarded.)  
The basic remuneration of the Company's Directors shall be determined by taking into account the roles and responsibilities, etc., and a fixed amount shall be paid each month.  
Furthermore, the remuneration for External Directors shall be limited to basic remuneration, taking into consideration the position in which they assume the supervisory function of management.

- c. Policy on the Determination of the Content and Calculation Method of Performance-linked Remuneration (Includes policies on the timing or conditions under which remuneration, etc., are to be rewarded.)

Performance-linked remuneration shall be paid at a fixed time each year in an amount calculated according to the target achievement rate by setting evaluation indicators in order to clarify the responsibility for achieving short-term performance and to increase the motivation to contribute to the achievement of the Medium-term Management Plan, as well as the enhancement of corporate value.

Furthermore, the amount of performance-linked remuneration varies from 0% to 150%, depending on the achievement rate of the indicators.

1. Indicators related to performance-linked remuneration

(Group performance)

- 3-year consolidated net sales growth rate

In order to measure the growth potential of business activities, the consolidated net sales growth rate shall be used as an indicator.

In order to avoid excessive environmental fluctuations in a single fiscal year, the 3-year average, including the fiscal year under review, shall be used as the standard.

- Consolidated operating profit (initial target ratio · Medium-term Management Plan target ratio)

In order to measure the profitability of business activities, consolidated operating profit shall be used as an indicator. The level of achievement of each of the initial targets and the Medium-term Management Plan targets shall be measured.

(Individual performance)

- Individual performance targets

Quantitative and qualitative individual performance targets shall be set for each individual and shall be deliberated by the Nomination and Remuneration Committee.

The results of the initial targets for the evaluation of the achievement levels of the targets shall be deliberated by the Nomination and Remuneration Committee.

2. Calculation method of performance-linked remuneration payments

The formula for calculating performance-linked remuneration payments by individual is as follows:

$$\text{Performance-linked remuneration payment} = \text{standard payment amount by position} \times \text{indicator payment rate}^*$$

\*Indicator payment rate

The indicator payment rate is calculated by multiplying the achievement level of each indicator by the evaluation weight.

Non-monetary remuneration shall be granted to shares with a transfer restriction period (during the period from the payment date to the date of resignation or date of retirement, etc., from the position of Director of the Company or any other position determined by the Board of Directors of the Company) in order to provide incentives for sharing value with shareholders, raising awareness of share prices by Directors, and enhancing corporate value over the medium- to long-term. The number of shares to be granted shall be determined by comprehensive consideration of positions, etc., and shall be granted at a certain time after the conclusion of the Ordinary General Meeting of Shareholders. Furthermore, the restricted shares shall be managed in a dedicated account opened with a securities company during the transfer restriction period so that they cannot be transferred, have security interests established or otherwise disposed of during the transfer restriction period.

- d. Policy on the Determination of the Ratio of the Amount of Basic Remuneration, Performance-linked Remuneration, etc., or the Amount of Non-monetary Remuneration, etc., to the Amount of Individual Remuneration, etc., of Directors

Regarding the ratio of remuneration by type of Director (excluding External Directors), the higher the position, the higher the weight of performance-linked remuneration shall be.

- e. Matters related to Decisions on the Content of Individual Remuneration of Directors

Regarding the amount of remuneration for each individual Director, based on a resolution of the Board of Directors, the Representative Director shall be entrusted with the determination of its specific content. In addition, the content of such authority shall be the amount of basic remuneration and performance-linked remuneration for each Director.

The Board of Directors shall consult with the Nomination and Remuneration Committee on the draft so that such authority can be appropriately exercised by the Representative Director, and the Representative Director who has received the above mandate shall determine the content of the individual remuneration based on the report.

Non-monetary remuneration shall be determined by the Board of Directors on the number of shares to be allotted to each individual Director based on the report of the Nomination and Remuneration Committee.

B Total amount of remuneration for the fiscal year under review

Classification	Number of Members	Amount of Remuneration (Million yen)	Total amount by type of remuneration (Million yen)		
			Basic remuneration	Performance-linked remuneration	Non-monetary remuneration
Directors (excl. Audit & Supervisory Committee Members) (External Director)	6 (1)	155 (6)	121 (6)	11 (-)	23 (-)
Directors (Audit & Supervisory Committee Members) (External Directors)	4 (4)	30 (30)	30 (30)	- (-)	- (-)
Total (External Officers)	10 (5)	186 (37)	151 (37)	11 (-)	23 (-)

- (Note) 1. The table above includes 2 Directors (including 1 External Director) who retired at the conclusion of the 2nd Ordinary General Meeting of Shareholders held on June 25, 2025. In addition, 1 of the 5 Directors (excluding External Directors) at the end of the fiscal year under review is not included in the number of eligible officers because he received no remuneration.
2. The amount of remuneration for Directors (excluding Audit & Supervisory Committee Members) does not include the portion of salaries for Directors concurrently serving as employees.
3. The indicators for performance-linked remuneration are the 3-year consolidated net sales growth rate, the ratio of consolidated operating profit to the initial target, and the ratio to the target of the Medium-term Management Plan, and individual performance indicators are set individually. The reason for selecting this indicator is to clarify the responsibility for achieving short-term performance and to increase the motivation to contribute to the achievement of the Medium-term Management Plan and the enhancement of corporate value. The amount of performance-linked remuneration is calculated in accordance with the provisions described in "A Matters concerning the Policy for Determining the Content of Individual Remuneration, etc., for Directors (excluding Directors who are Audit & Supervisory Committee Members)." and the performance indicators used in the calculation are a 3-year consolidated net sales growth rate of 7.1% and a consolidated operating profit of 3,220 million yen with an achievement rate of 81%.
4. The content of non-monetary remuneration is the shares of the Company, and the conditions, etc., at the time of allotment are as described in "A Matters concerning the Policy for Determining the Content of Individual Remuneration, etc., for Directors (excluding Directors who are Audit & Supervisory Committee Members)." In addition, the status of issuance during the fiscal year under review is described as in "Current Status of the Company, Status of Shares ⑤ Status of shares issued to Officers of the Company as consideration for execution of duties during the fiscal year under review" as matters not stated in documents to be delivered.
5. The maximum amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) was determined at the 1st Ordinary General Meeting of Shareholders held on June 26, 2024 as follows: basic remuneration is set to be within the limit of 300 million yen per year (of which the amount for External Directors is to be within the limit of 30 million yen per year), and performance-linked remuneration linked to the achievement level of company-wide consolidated performance (consolidated operating profit) targets in a single fiscal year as short-term incentive remuneration is set to be within the limit of 300 million yen per year (no provision to External Directors). In addition, separately from the above annual remuneration framework mentioned above, at the same Ordinary General Meeting of Shareholders, it is stipulated that restricted share remuneration is to be within the limit of 50 million yen per year as medium- to long-term incentive remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members and the External Director). The number of Directors (excluding Directors who are Audit & Supervisory Committee Members) at the time of the enactment of the Articles of Incorporation was 4 (including 1 External Director).
6. The maximum amount of remuneration for Directors who are Audit & Supervisory Committee Members was determined at the 1st Ordinary General Meeting of Shareholders held on June 26, 2024 to be within the limit of 60 million yen in total. The number of Directors who are Audit & Supervisory Committee Members at the time of the enactment of the Articles of Incorporation was 4.

7. The Board of Directors has delegated to Ryuichi Shimizu, Representative Director, President & Executive Officer, the determination of the amount of basic remuneration for each Director (excluding Directors who are Audit & Supervisory Committee Members; The same shall apply hereinafter.), and the allotment of performance-linked remuneration for each Director, excluding the External Director. The reason for the delegation is that the Company has determined that the Representative Director is suitable for evaluating the responsibilities of each Director while taking into consideration the overall business performance, etc., of the Company.
8. During the fiscal year under review, no officers' remuneration, etc. was received by External Officers from the subsidiaries of the Company.

⑥ Matters Concerning External Officers

- A Status of concurrent duties with other corporations and relationship between the Company and other such corporations
  - Director Junichi Fukui is an Outside Director of CRESCO LTD and Councilor of Harada Sekizenkai. There are no special relationships between the Company and each of the organizations at which he holds a concurrent position.
  - Director (Audit & Supervisory Committee Member) Yukiteru Hamada is an Audit & Supervisory Board Member of Nisso Nifty Co., Ltd. The concurrent position he holds is at Nisso Nifty Co., Ltd., a subsidiary of the Company.
  - Director (Audit & Supervisory Committee Member) Miki Ohno is an Attorney-at-Law at the Crane Law Offices. There is no special relationship between the Company and the organization at which she holds a concurrent position.
  - Director (Audit & Supervisory Committee Member) Hideo Sakano is the Representative Director of the Sakano CPA Office, and a Representative Partner of TAIYU AUDIT LLC. There are no special relationships between the Company and each of the organizations at which he holds a concurrent position.
- B Familial relationships with executors of business of the Company or specified related businesses, or with non-executive Officers
  - Not applicable.

C Main activities during the fiscal year under review

		Status of attendance, comments, and outline of duties performed regarding roles expected of External Directors
Director	Junichi Fukui	<p>He has attended all 18 of the Board of Directors' Meetings that were held during the fiscal year under review. Based on his insight and experience in corporate management at other operating companies, he has mainly made recommendations on corporate management.</p> <p>In addition, as the chairman of the Nomination and Remuneration Committee, he has attended all 10 committee meetings that were held since assuming office, and has provided fair opinions and recommendations in the decision-making process for the selection of candidates for Directors of the Company and remuneration for Directors, from an objective and neutral standpoint.</p>
Director (Audit & Supervisory Committee Member)	Yukiteru Hamada	<p>He has attended all 18 of the Board of Directors' Meetings in addition to all 14 of the Audit and Supervisory Committee Meetings that were held during the fiscal year under review. During these meetings which he has attended, he has provided appropriate comments based on his vast experience as a management executive of other companies.</p> <p>In addition, as a member of the Nomination and Remuneration Committee, he has attended all 10 committee meetings that were held since assuming office, and has provided fair opinions and recommendations in the decision-making process for the selection of candidates for Directors of the Company and remuneration for Directors, from an objective and neutral standpoint.</p>
Director (Audit & Supervisory Committee Member)	Miki Ohno	<p>She has attended all 18 of the Board of Directors' Meetings in addition to all 14 of the Audit and Supervisory Committee Meetings that were held during the fiscal year under review.</p> <p>She has a wealth of experience and exclusive knowledge as an attorney, and has provided appropriate comments from a professional standpoint as an attorney during these meetings, as well as fulfilling an appropriate role in ensuring the validity and appropriateness of decision-making.</p> <p>In addition, as a member of the Nomination and Remuneration Committee, she has attended all 13 committee meetings that were held during the fiscal year under review, and has provided fair opinions and recommendations in the decision-making process for the selection of candidates for Directors of the Company and remuneration for Directors, from an objective and neutral standpoint.</p>
Director (Audit & Supervisory Committee Member)	Hideo Sakano	<p>He has attended all 18 of the Board of Directors' Meetings in addition to all 14 of the Audit and Supervisory Committee Meetings that were held during the fiscal year under review. During these meetings which he has attended, he has provided appropriate comments based on his extensive experience and specialized knowledge as a certified public accountant and certified tax accountant.</p>

(Note) In addition to the number of Board of Directors' Meetings held as shown in the table above, there were two written resolutions that were deemed to have been resolved by the Board of Directors pursuant to Article 370 of the Companies Act and the provisions of the Articles of Incorporation.

## Consolidated Balance Sheet

(As of March 31, 2026)

(Unit: Million yen)

Item	Amount	Item	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>20,528</b>	<b>Current liabilities</b>	<b>13,412</b>
Cash and deposits	5,908	Current portion of long-term loans payable	484
Notes and accounts receivable - trade	13,098	Accrued expenses	7,450
Prepaid expenses	925	Income taxes payable	472
Other	607	Accrued consumption taxes	1,702
Allowance for doubtful accounts	(10)	Contract liabilities	181
		Provision for bonuses	1,679
<b>Non-current assets</b>	<b>13,890</b>	Provision for shareholder benefit program	199
<b>Property, plant and equipment</b>	<b>5,524</b>	Other	1,242
Buildings and structures	2,359	<b>Non-current liabilities</b>	<b>2,323</b>
Land	2,888	Long-term loans payable	554
Other	276	Deferred tax liabilities	358
<b>Intangible assets</b>	<b>3,431</b>	Net defined benefit liability	1,146
Goodwill	2,334	Other	264
Other	1,096	<b>Total liabilities</b>	<b>15,736</b>
<b>Investments and other assets</b>	<b>4,933</b>	<b>(Net assets)</b>	
Investment securities	2,115	<b>Shareholders' equity</b>	<b>17,983</b>
Lease and guarantee deposits	663	Capital stock	2,016
Deferred tax assets	941	Capital surplus	2,190
Net defined benefit asset	725	Retained earnings	14,028
Other	520	Treasury shares	(251)
Allowance for doubtful accounts	(31)	<b>Accumulated other comprehensive income</b>	<b>392</b>
		Valuation difference on available-for-sale securities	10
		Remeasurements of defined benefit plans	382
		<b>Non-controlling interests</b>	<b>306</b>
<b>Total assets</b>	<b>34,418</b>	<b>Total net assets</b>	<b>18,682</b>
		<b>Total liabilities and net assets</b>	<b>34,418</b>

## Consolidated Statement of Income

( April 1, 2025 to  
March 31, 2026 )

(Unit: Million yen)

Item	Amount	
<b>Net sales</b>		<b>111,430</b>
<b>Cost of sales</b>		<b>92,587</b>
<b>Gross profit</b>		<b>18,842</b>
<b>Selling, general and administrative expenses</b>		<b>15,652</b>
<b>Operating profit</b>		<b>3,190</b>
<b>Non-operating income</b>		
Interest income	15	
Dividend income	3	
Subsidy income	83	
House rent income	40	
Other	52	195
<b>Non-operating expenses</b>		
Interest expenses	30	
Share of loss of entities accounted for using equity method	55	
Rent expenses	18	
Other	81	185
<b>Ordinary profit</b>		<b>3,200</b>
<b>Extraordinary income</b>		
Gain on bargain purchase	5	5
<b>Extraordinary losses</b>		
Loss on sales of non-current assets	23	23
<b>Profit before income taxes</b>		<b>3,182</b>
Income taxes - current	1,153	
Income taxes - deferred	95	1,248
<b>Profit</b>		<b>1,933</b>
<b>Profit attributable to non-controlling interests</b>		<b>30</b>
<b>Profit attributable to owners of parent</b>		<b>1,902</b>

## Consolidated Statement of Changes in Equity

( April 1, 2025 to  
March 31, 2026 )

(Unit: Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,016	2,374	12,851	(842)	16,399
Changes of items during period					
Dividends of surplus			(725)		(725)
Profit attributable to owners of parent			1,902		1,902
Purchase of treasury shares				(199)	(199)
Disposal of treasury shares		(10)		47	36
Increase by share exchanges		(173)		744	570
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	(183)	1,176	591	1,584
Balance at end of current period	2,016	2,190	14,028	(251)	17,983

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	-	100	100	295	16,795
Changes of items during period					
Dividends of surplus			-		(725)
Profit attributable to owners of parent			-		1,902
Purchase of treasury shares			-		(199)
Disposal of treasury shares			-		36
Increase by share exchanges			-		570
Net changes of items other than shareholders' equity	10	281	291	11	302
Total changes of items during period	10	281	291	11	1,887
Balance at end of current period	10	382	392	306	18,682