



Consolidated Financial Results for the First Quarter of FY 3/2024 [Japanese GAAP]

August 7, 2023

Company Name NISSO CORPORATION

Stock Exchange Listing: Tokyo

Securities Code 6569 URL <https://www.nisso.co.jp/>

Representative (Title) Representative Director, President & CEO (Name) Ryuichi Shimizu

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Scheduled date of filing Quarterly Report August 7, 2023 Scheduled date of payment of dividend —

Preparation of supplementary materials for quarterly financial results: Yes (Scheduled to be posted on the Company's website on August 7, 2023 (Mon.))

Holding of quarterly financial results meeting: Yes (Scheduled to be held for institutional investors and analysts on August 9, 2023 (Wed.))

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Quarter of FY 3/2024 (April 1, 2023 – June 30, 2023)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First three months ended June 30, 2023	23,660	15.4	500	92.9	511	62.9	316	73.8
June 30, 2022	20,501	13.6	259	(44.8)	313	(40.1)	182	(47.2)

(Note) Comprehensive income For the first 3 months ended June 30, 2023: 323 Million yen (77.1%)
For the first 3 months ended June 30, 2022: 182 Million yen (-46.6%)

	Net income per share	Diluted net income per share
First three months ended June 30, 2023	Yen 9.31	Yen —
June 30, 2022	5.36	5.36

(Note) "Diluted net income per share" for FY 3/2024 1Q is not stated because there are no dilutive shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
June 30, 2023	29,556	14,586	48.5
March 31, 2023	30,092	14,807	48.4

(Reference) Equity capital As of June 30, 2023: 14,341 Million yen
As of March 31, 2023: 14,568 Million yen

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
Fiscal year ended March 31, 2023	Yen —	Yen 0.00	Yen —	Yen 16.00	Yen 16.00
Fiscal year ending March 31, 2024	—	—	—	—	—
Fiscal year ending March 31, 2024 (Forecast)	—	0.00	—	20.50	20.50

(Note) Revisions to the most recently announced dividend forecast: None

3. Consolidated Forecast for FY 3/2024 (April 1, 2023 – March 31, 2024)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	100,000	10.1	3,600	58.7	3,600	53.2	2,300	41.8	67.60

(Note) Revisions to the most recently announced consolidated earnings forecast: None

※ Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in the scope of consolidation): None

Newly added: (Co. name) , Excluded: (Co. name)

(2) Application of special accounting methods for the presentation of quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting estimates, and restatements

① Changes in accounting policies due to revisions in accounting standards, etc.: None

② Changes in accounting policies other than ① above: None

③ Changes in accounting estimates: None

④ Restatements: None

(4) Number of outstanding shares (Common stock)

① Number of shares outstanding at the end of the period (including treasury shares)	As of Jun. 30, 2023	34,353,200 Shares	As of Mar. 31, 2023	34,353,200 Shares
② Number of treasury shares at the end of the period	As of Jun. 30, 2023	328,480 Shares	As of Mar. 31, 2023	328,480 Shares
③ Average number of shares outstanding during the period (Quarterly total)	First three months ended Jun. 30, 2023	34,024,720 Shares	First three months ended Jun. 30, 2022	33,982,356 Shares

※ The quarterly financial statement is not subject to the quarterly review procedures of certified public accountants or auditing corporations

※ Cautionary statement on the appropriate use of earning forecasts, and other special items

(Notes on forward-looking statements, etc.)

• Earnings forecasts regarding future performance and other forward-looking statements in this material are based on certain assumptions judged to be valid and on information that is currently available to the Company, and do not represent promises by the Company that these figures will be achieved. In addition, actual results may differ significantly due to a variety of factors. For prerequisite conditions, etc. regarding the earnings forecasts, please refer to "1. Qualitative Information on Quarterly Financial Results, (3) Description of Future Forecast Information such as Consolidated Forecasts, etc." on P. 5 of the attachments.

(Supplementary materials for quarterly financial results and method of obtaining content for quarterly financial results meeting)

The Company is planning to hold a briefing session for institutional investors and analysts on Wednesday, August 9, 2023. **(In Japanese only)**

Quarterly financial results briefing materials to be used on that day will be posted on the Company's website on the day of the announcement of financial results (Monday, August 7, 2023).

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1. Qualitative Information on Quarterly Financial Results

(1) Description of Results of Operations

In the current consolidated cumulative first quarter (hereinafter, the "period under review"), in order to achieve its mission of "Creating opportunities and hopes for people to work", the Nisso Group (hereinafter, the Group) has been promoting initiatives "To transform into a corporate group with high-growth potential" by providing Human Resources Solution Services that support the growth of companies and people, aiming to create workplaces where workers can feel motivated and grow, and to provide services that can respond to social changes and changes in industrial structures.

The Group defines materiality (key issues) for the realization of its mission as "Creation of a comfortable workplace", "Responding to social changes and changes in industrial structures", and "Strengthening of governance". The Group aims to enhance corporate value through the creation of social value by promoting digitization (digitalization) and actively investing in human resources, maximizing employee satisfaction and customer/client satisfaction, providing high value-added services, and strengthening management structures and internal controls.

The results for the period under review are as follows:

(Unit: Million yen)

	FY 3/2023		FY 3/2024	
	Cons. cumulative 1st Qtr. (April 1, 2022 - June 30, 2022)		Cons. cumulative 1st Qtr. (April 1, 2023 - June 30, 2023)	
	Amount	(YoY)	Amount	(YoY)
Net sales	20,501	(up 13.6%)	23,660	(up 15.4%)
Operating profit	259	(down 44.8%)	500	(up 92.9%)
Ordinary profit	313	(down 40.1%)	511	(up 62.9%)
Profit attributable to owners of parent	182	(down 47.2%)	316	(up 73.8%)

The Company (NISSO CORPORATION)

At NISSO CORPORATION (hereinafter, "the Company"), which is the core of the Group, during the period under review, the number of enrolled manufacturing staff steadily increased to 16,132 (up 862 year-on-year) partly due to the expansion of opportunities for recruitment interviews through the use of Web interviews and other means, and the curtailment of the number of resignees associated with the normalization of production activities by its clients, manufacturers.

In addition, the Company has adopted an industry strategy that not only meets the needs of individual clients, but also responds proactively and promptly to the needs of each industry as the industrial structure changes at an accelerated pace against the backdrop of technological innovation and environmental issues. In particular, the Company is focusing on the Automotive Industry (automobile manufacturing and EV-related manufacturing industry), the Semiconductor Industry (semiconductor manufacturing industry), and the Electronics Industry (electronic equipment manufacturing industry).

Under this strategy, in the Automotive Industry, although the impact of parts shortages remained in part, net sales amounted to 9,499 million yen (up 18.8% year-on-year) as a result of steady demand for human resources. In the Semiconductor Industry, despite a decrease in demand in memory and other fields, net sales amounted to 3,208 million yen (down 0.4% year-on-year), at the same level from the corresponding period of the previous fiscal year. In the Electronics Industry, demand for PCs and communication equipment did not recover, and net sales amounted to 2,348 million yen (down 13.3% year-on-year), but human resource needs began to show signs of recovery.

With regard to human resources development, with the aim of providing high value-added services, the Group promoted the development of human resources by utilizing 9 training facilities nationwide, and a total of 4,680 people (down 887 people year-on-year) were trained, including manufacturing staff and engineers.

As a result of promoting these initiatives, the average monthly net sales per capita was 427 thousand yen (up 17 thousand yen year-on-year), and the Company's net sales increased 9.2% year-on-year to 20,711 million yen.

In addition, in terms of profits, as a result of a gradual recovery in production activities in the Automotive Industry and the effects of the novel coronavirus (COVID-19) pandemic coming to an end, the operating hours of manufacturing staff recovered and selling, general and administrative (SG&A) expenses were efficiently invested to increase net sales, resulting in operating profit of 453 million yen, up 72.0% year-on-year.

The results of operations by segment are as follows:

(General Human Resources Services Business)

(Unit: Million yen)

	FY 3/2023		FY 3/2024	
	Cons. cumulative 1st Qtr. (April 1, 2022 - June 30, 2022)		Cons. cumulative 1st Qtr. (April 1, 2023 - June 30, 2023)	
	Amount	(YoY)	Amount	(YoY)
Net sales				
Manufacturing • Production Human Resources Services	17,346	(up 12.3%)	18,770	(up 8.2%)
Engineering Human Resources Services	1,814	(up 46.1%)	2,174	(up 19.8%)
Administrative Human Resources Services	586	(down 3.3%)	544	(down 7.1%)
Other Human Resources Services	20	(up 65.5%)	1,408	(up 6,829.7%)
Total	19,767	(up 14.2%)	22,898	(up 15.8%)
Segment profit	254	(down 43.7%)	471	(up 84.9%)

(Note) As for net sales of Other Human Resources Services, net sales of Nikon Nisso Prime Corporation have been recorded from the second quarter consolidated accounting period of FY 3/2023.

Manufacturing • Production Human Resources Services (NISSO CORPORATION, Vector Shinwa Co., Ltd.)

In the Manufacturing • Production Human Resources Services, the Group is mainly engaged in manufacturing dispatching and manufacturing contracting, and by strengthening its service provision system to clients and strengthening its sales activities aimed at increasing orders, it has strengthened its "earning power".

During the period under review, the number of enrolled staff increased to 14,761 (up 643 year-on-year) by responding to robust human resources needs. In addition, as a result of efforts to enhance various educational curricula and strengthen communication in order to create a comfortable workplace, the turnover rate remained at a low level of 3.7% (an improvement of 0.1 percentage points from the corresponding period of the previous fiscal year). Furthermore, due to the effects of an increase in enrollment and average monthly net sales per capita of 427 thousand yen (which was an increase of 20 thousand yen from the corresponding period of the previous fiscal year), revenue increased by 8.2% year-on-year.

Engineering Human Resources Services (NISSO CORPORATION, Vector Shinwa Co., Ltd.)

In the Engineering Human Resources Services, the Group dispatches engineers mainly in the manufacturing industry and provides SES (System Engineering Service), with the aim of expanding its high value-added areas.

During the period under review, the number of enrolled engineers increased to 1,470 (up 231 year-on-year) as a result of the expansion of educational opportunities for employed workers, and the turnover rate was at 2.3% (the same level as the previous fiscal year). On the other hand, although net sales per capita amounted to 485 thousand yen (down 29 thousand yen from the corresponding period of the previous fiscal year) due to a decrease in operating hours as a result of a lack of recovery in demand for PCs and communications equipment, revenue increased by 19.8% year-on-year, partly due to the effect of increased enrollment.

Administrative Human Resources Services (Nisso Brain Co., Ltd.)

In the Administrative Human Resources Services, the Group provides general office work dispatching and BPO (Business Process Outsourcing), and is working to restructure services and develop new menus.

During the period under review, although the Group promoted recruitment activities centered on public relations and customer attraction activities, due to sluggish growth in the number of registrants, the number of enrolled administrative dispatched staff amounted to 553 (down 47 year-on-year).

Other Human Resources Services (Nikon Nisso Prime Corporation, Nisso Pure Co., Ltd.)

In Other Human Resources Services, the Group aims to build a business model that will enable older

employees and employees with disabilities to flourish.

In addition to enhancing its human resources dispatching business, Nikon Nisso Prime Corporation is working to support the active participation of older employees, as well as developing, securing, and building a structure for employment opportunities that will enable such employees to continue to work. The number of older employees employed during the period under review was 622.

Nisso Pure Co., Ltd., a special-purpose subsidiary of the Company, aims to create a workplace environment where diverse human resources can flourish. Rather than simply hiring employees with disabilities, the Group is promoting activities that take advantage of the characteristics of each individual, such as being entrusted with light work by external clients, and aiming to coexist with local communities, including school officials, support organizations, and the government. The number of employees with disabilities during the period under review was 223.

(Other Businesses)

(Unit: Million yen)

	FY 3/2023		FY 3/2024	
	Cons. cumulative 1st Qtr. (April 1, 2022 - June 30, 2022)		Cons. cumulative 1st Qtr. (April 1, 2023 - June 30, 2023)	
	Amount	(YoY)	Amount	(YoY)
Net sales				
Nursing Care • Welfare Services	737	(down 0.6%)	765	(up 3.8%)
Segment profit	5	(down 70.4%)	30	(up 470.8%)

Nursing Care • Welfare Services (Nisso Nifty Co., Ltd.)

In the Nursing Care • Welfare Services, the Group provides facility nursing care and home-based nursing care, and is working to restructure its provided services while developing new menus.

During the period under review, in the facility nursing care business, which is the mainstay of this service, by increasing business opportunities and working to increase the number of residents through Web previews and other means, the number of residents increased to 380 (up 11 year-on-year), and the occupancy rates at the facilities was 94.5% (improved by 2.7 points year-on-year), resulting in a 3.8% increase in revenue and a 470.8% increase in profit year-on-year.

(2) Description of Financial Position

(Assets)

Current assets at the end of the period under review amounted to 21,371 million yen, which was a decrease of 375 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 1,126 million yen in cash and deposits.

Non-current assets at the end of the period under review amounted to 8,184 million yen, which was a decrease of 160 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 134 million yen in "other" under the investments and other assets category.

As a result, total assets amounted to 29,556 million yen, which was a decrease of 536 million yen from the end of the previous consolidated fiscal year.

(Liabilities)

Current liabilities at the end of the period under review amounted to 11,946 million yen, which was a decrease of 240 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 623 million yen in provision for bonuses.

Non-current liabilities at the end of the period under review amounted to 3,022 million yen, which was a decrease of 74 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 122 million yen in long-term loans payable.

As a result, total liabilities amounted to 14,969 million yen, which was a decrease of 315 million yen from the end of the previous consolidated fiscal year.

(Net assets)

Total net assets at the end of the period under review amounted to 14,586 million yen, which was a decrease of 220 million yen from the end of the previous consolidated fiscal year. This was mainly due to the 316 million yen in profit attributable to owners of parent, and 544 million yen in dividends of surplus.

As a result, the equity ratio was at 48.5% (which was at 48.4% at the end of the previous consolidated fiscal year).

(3) Description of Future Forecast Information such as Consolidated Forecasts, etc.

Regarding the consolidated earnings forecast, there are no changes to the Consolidated Forecast for the full year announced in the "Consolidated Financial Results for FY 3/2023" on May 11, 2023.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: Million yen)

	FY 3/23 (As of Mar. 31, 2023)	1Q of FY 3/24 (Jun. 30, 2023)
Assets		
Current assets		
Cash and deposits	9,800	8,673
Notes and accounts receivable - trade	10,986	11,515
Other	965	1,187
Allowance for doubtful accounts	(5)	(5)
Total current assets	21,747	21,371
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,795	1,779
Land	2,670	2,670
Other, net	195	233
Total property, plant and equipment	4,660	4,682
Intangible assets		
Goodwill	868	843
Other	645	624
Total intangible assets	1,514	1,467
Investments and other assets		
Other	2,197	2,062
Allowance for doubtful accounts	(27)	(28)
Total investments and other assets	2,169	2,034
Total non-current assets	8,344	8,184
Total assets	30,092	29,556
Liabilities		
Current liabilities		
Current portion of long-term loans payable	490	490
Accrued expenses	6,119	6,504
Income taxes payable	555	81
Contract liabilities	245	249
Provision for bonuses	1,395	772
Provision for directors' bonuses	-	5
Provision for shareholder benefit program	104	47
Other	3,276	3,795
Total current liabilities	12,187	11,946
Non-current liabilities		
Long-term loans payable	2,019	1,896
Net defined benefit liability	583	621
Other	495	505
Total non-current liabilities	3,097	3,022
Total liabilities	15,284	14,969
Net assets		
Shareholders' equity		
Capital stock	2,016	2,016
Capital surplus	2,367	2,367
Retained earnings	10,460	10,233
Treasury shares	(281)	(281)
Total shareholders' equity	14,563	14,336
Accumulated other comprehensive income		
Foreign currency translation adjustment	0	0
Remeasurements of defined benefit plans	3	5
Total accumulated other comprehensive income	4	5
Non-controlling interests	239	245
Total net assets	14,807	14,586
Total liabilities and net assets	30,092	29,556

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
(Quarterly Consolidated Statement of Income)
(First Quarter of FY 3/24)

(Unit: Million yen)

	1Q of FY 3/23 (Apr. 1, 2022 - Jun. 30, 2022)	1Q of FY 3/24 (Apr. 1, 2023 - Jun. 30, 2023)
Net sales	20,501	23,660
Cost of sales	17,387	19,937
Gross profit	3,114	3,722
Selling, general and administrative expenses	2,854	3,221
Operating profit	259	500
Non-operating income		
Interest income	0	0
Dividend income	0	-
Subsidy income	54	8
House rent income	10	9
Other	16	15
Total non-operating income	82	34
Non-operating expenses		
Interest expenses	2	2
Share of loss of entities accounted for using equity method	6	1
Rent expenses	5	4
Other	13	16
Total non-operating expenses	27	24
Ordinary profit	313	511
Profit before income taxes	313	511
Income taxes - current	32	30
Income taxes - deferred	98	158
Total income taxes	131	188
Profit	182	322
Profit attributable to non-controlling interests	-	5
Profit attributable to owners of parent	182	316

(Quarterly Consolidated Statement of Comprehensive Income)
(First Quarter of FY 3/24)

(Unit: Million yen)

	1Q of FY 3/23 (Apr. 1, 2022 - Jun. 30, 2022)	1Q of FY 3/24 (Apr. 1, 2023 - Jun. 30, 2023)
Profit	182	322
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	0	1
Share of other comprehensive income of entities accounted for using equity method	(0)	(0)
Total other comprehensive income	0	1
Comprehensive income	182	323
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	182	317
Comprehensive income attributable to non- controlling interests	-	5

(3) Notes regarding Quarterly Consolidated Financial Statements

(Notes regarding the Going Concern Assumption)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Additional Information)

(Transition to a Pure Holding Company Structure through a Single Share Transfer)

At the Board of Directors' Meeting held on May 18, 2023 and the General Meeting of Shareholders held on June 28, 2023, the Company resolved to establish a pure holding company (wholly owning parent company), "NISSO HOLDINGS Co., Ltd." (hereinafter, the "Holding Company") through a single share transfer (hereinafter, the "Share Transfer") with the Company as a wholly owned subsidiary in the share transfer with an effective October 2, 2023 (scheduled).

(1) Background and purpose

Since its founding in 1971, the Group has been aiming to provide high-quality services that enable continuous growth as a company that "Creates opportunities and hopes for people to work" as its mission based on its founding philosophy of "Nurturing and Bringing Out the Best in People".

With technological innovation and globalization, the needs of clients and workers are diversifying, and the business environment surrounding the Group is changing rapidly, such as the progress of Society 5.0.

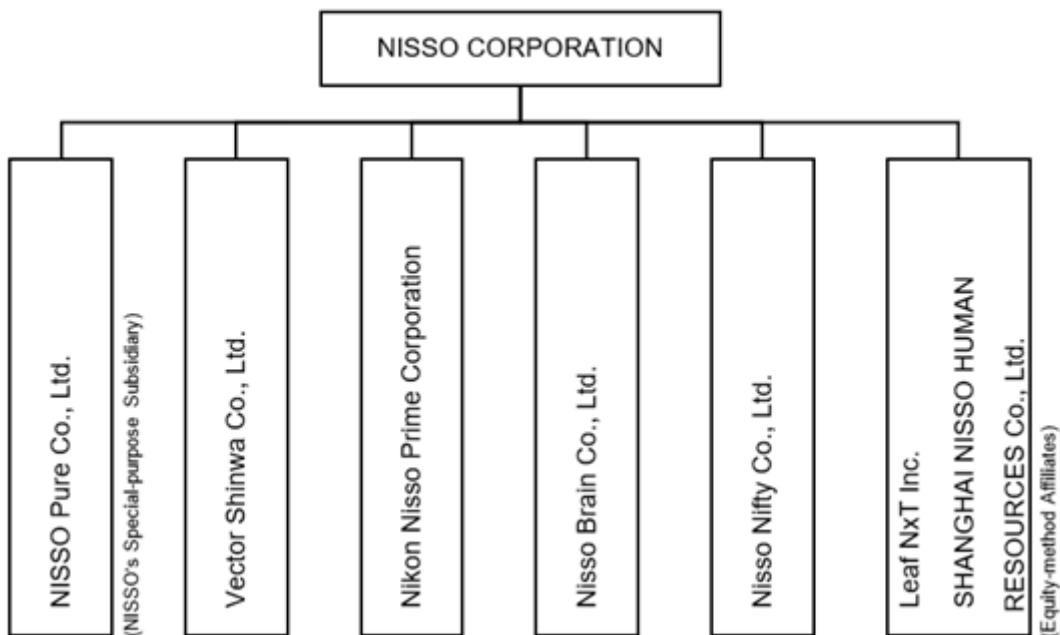
Under these circumstances, as the Group aims for further growth, it will strengthen its corporate governance structure and its compliance risk management systems that are specialized in each field by highly specialized operating companies while ensuring appropriate systems for the entire Group, and will expedite decision-making at each operating company in order to respond to the rapidly changing market environment. Therefore, the Group has decided to shift to a pure holding company structure as the optimal system for this purpose.

Through this, the Group will aim for further business expansion and sustainable growth.

In addition, the Holding Company will be established as a company with an Audit and Supervisory Committee to further strengthen and enhance its corporate governance structure, including strengthening the supervisory function of the Board of Directors and the audit function of the Audit and Supervisory Committee.

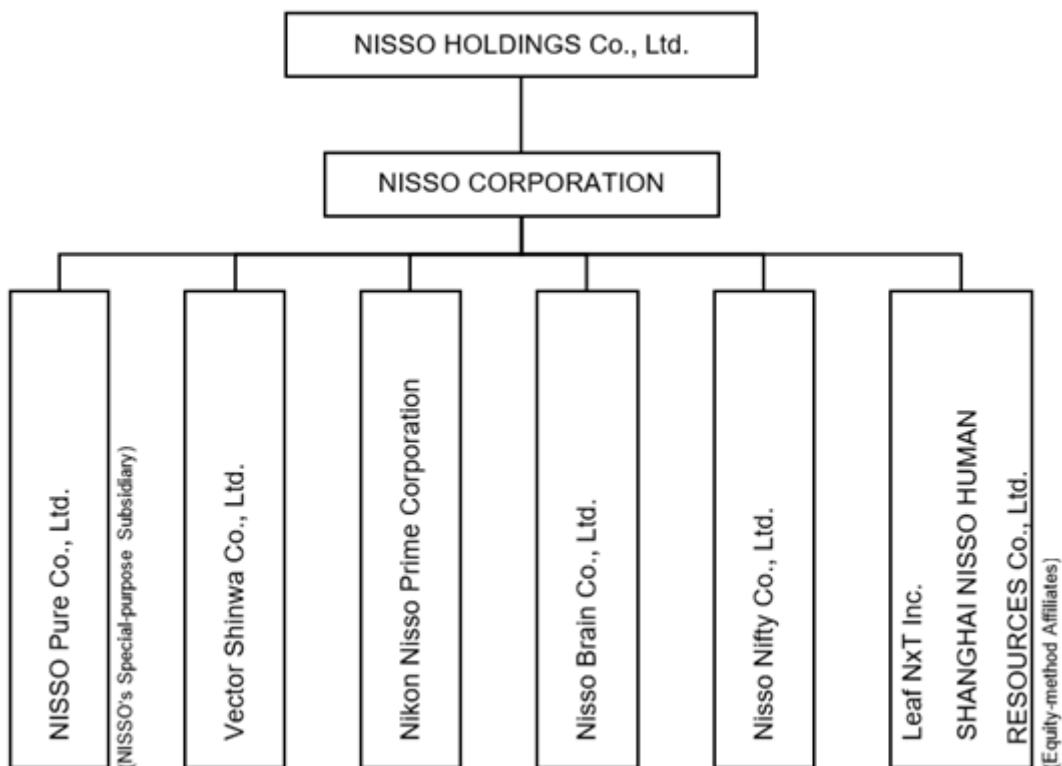
Regarding the Share Transfer Plan, at the NISSO CORPORATION's Ordinary General Meeting of Shareholders held on June 28, 2023, a resolution regarding the approval of the Share Transfer Plan and matters necessary for the Share Transfer was passed. As a result of the Share Transfer, the Company will become a wholly owned subsidiary of the Holding Company, and therefore, although the Company's shares will be delisted, the Holding Company plans to apply for listing on the Prime Market of the Tokyo Stock Exchange, Inc. (hereinafter, the "Tokyo Stock Exchange"). The listing date is scheduled for October 2, 2023, which is the date of registration of the establishment of the Holding Company (effective date of the share transfer), subject to examination by the Prime Market of the Tokyo Stock Exchange.

- (2) Procedures for transitioning to a pure holding company structure
 The Company plans to implement the transition to a pure holding company in the following manner:
 (As of today)



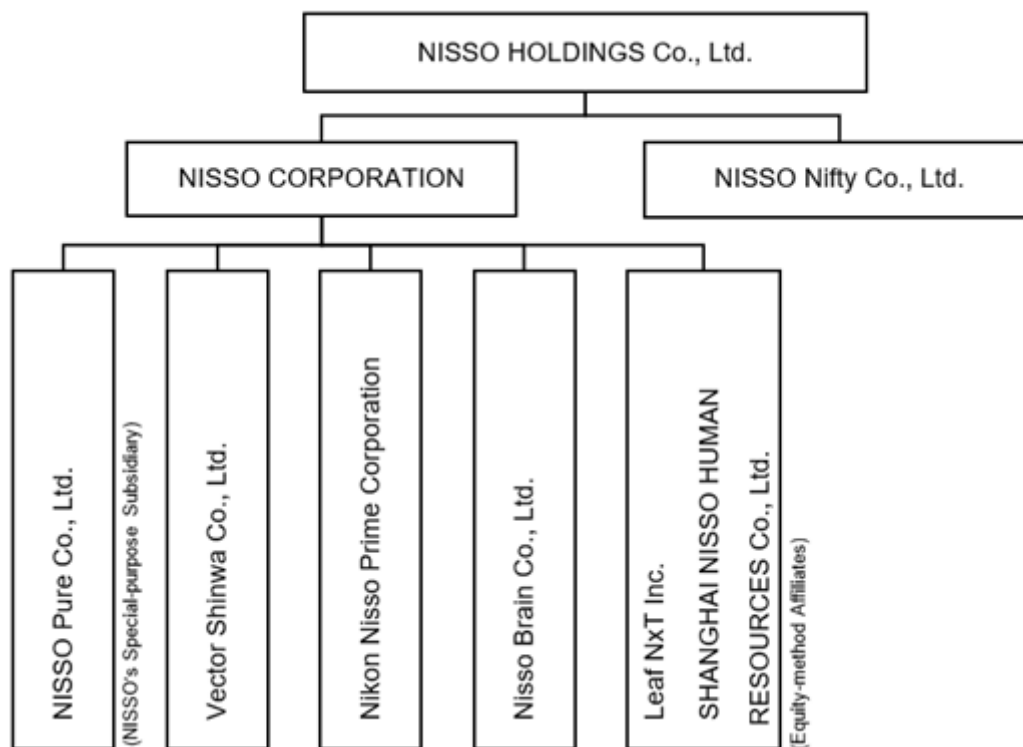
(Step 1) Establishment of pure holding company through the share transfer
 (Implementation of the Share Transfer)

By establishing the Holding Company through the Share Transfer on the date of October 2, 2023, the Company will become a wholly owned subsidiary of the Holding Company.



〈Step 2〉 Structure after establishment of the Holding Company

Nisso Nifty Co., Ltd., a subsidiary of the Company, is scheduled to become a subsidiary of the Holding Company.



2. Summary of the Share Transfer

(1) Schedule of the share transfer

Record date for Ordinary General Meeting of Shareholders	March 31, 2023
Board of Directors' Meeting for approval of share transfer plan	May 18, 2023
Ordinary General Meeting of Shareholders for approval of share transfer plan	June 28, 2023
Date of delisting of the Company's shares	September 28, 2023 (Scheduled)
Date of registration of establishment of Holding Company (effective date)	October 2, 2023 (Scheduled)
Date of listing of shares of Holding Company	October 2, 2023 (Scheduled)

However, the schedule may be changed due to the necessity of the progress of the procedures for the Share Transfer or other reasons.

(2) Method of share transfer

This is a single share transfer in which the Company is a wholly owned subsidiary and the Holding Company is the wholly owning parent company established through the share transfer.

(3) Details of allotment related to the share transfer (Share transfer ratio)

Company name	NISSO HOLDINGS Co., Ltd. (Wholly owning parent company established through share transfer · Holding Company)	NISSO CORPORATION (Wholly owned subsidiary through share transfer · the Company)
Share transfer ratio	1	1

①Share transfer ratio

Shareholders of the Company who are listed or recorded in the Company's register of shareholders immediately prior to the time when the Share Transfer becomes effective will be allotted 1 share of common stock of the holding company to be established for each share of common stock of the Company held by such shareholders.

②Number of shares per share unit

The Holding Company will adopt a share unit system in which the number of shares per share unit will be 100

③Basis for calculation of share transfer ratio

The Share Transfer will establish 1 wholly owning parent company through a single share transfer of the Company, and since there will be no change in the shareholder composition of the Company and the shareholder composition of the Holding Company at the time of the Share Transfer, 1 share of common stock of the Holding Company will be allotted for 1 share of common stock of the Company held by the shareholders of the Company, with the primary purpose of not causing disadvantage to the shareholders of the company.

④Results, method and basis of calculation by a third-party organization

For the reason described in ③ above, the share transfer ratio will not be calculated by a third-party organization.

⑤Number of new shares to be delivered through the Share Transfer (Scheduled)

Common stock 34,024,720 (Scheduled)

The number of new shares above is based on the total number of shares outstanding of the Company, which is 34,353,200 shares (as of the end of March 2023). In the event that the total number of shares outstanding of the Company changes prior to the Share Transfer taking effect, the number of new shares above to be delivered by the Holding Company will change. したがって Furthermore, as a result of the Share Transfer, the number of treasury shares of the Company as of March 31, 2023 (328,480 shares) (including shares less than one share unit) is excluded from the scope of new share delivery in the calculation above because the Holding Company plans to cancel the shares held by the Company to the extent that they can be cancelled in practice by the time immediately prior to the time when the Holding Company acquires all of the shares outstanding.

(4) Handling of share acquisition rights and bonds with share acquisition rights in connection with the Share Transfer

The Company has not issued share acquisition rights or bonds with share acquisition rights.

(5) Matters related to the listing of the Holding Company

The Company plans to apply for listing of shares of the newly established Holding Company on the Prime Market of the Tokyo Stock Exchange, and the listing date of the Holding Company is scheduled for October 2, 2023. In addition, since the Company will become a wholly owned subsidiary of the Holding Company through the Share Transfer, it is scheduled to be delisted on September 28, 2023, prior to the listing of the Holding Company.

Furthermore, the delisting date is subject to change as it is determined in accordance with the rules of the Tokyo Stock Exchange.

3. Overview of the Company Involved in the Share Transfer

(Wholly owned subsidiary through share transfer • the Company)

(1) Company name	NISSO CORPORATION		
(2) Location	1-4-1 Shin Yokohama, Kohoku-ku, Yokohama, Kanagawa		
(3) Representative	Representative Director, President & CEO Ryuichi Shimizu		
(4) Business description	Manufacturing-related Human Resources Services Business		
(5) Capital	2,016 Million JPY (As of March 31, 2023)		
(6) Date of establishment	February 3, 1971		
(7) Total number of shares outstanding	34,353,200 shares (As of March 31, 2023)		
(8) Fiscal year-end	March 31		
(9) Major shareholders and shareholding ratio	NS Holdings Co., Ltd.		40.90%
	The Master Trust Bank of Japan, Ltd. (Trust Account)		7.94%
	Custody Bank of Japan, Ltd. (Trust Account)		7.33%
	Tadao Shimizu		3.01%
	Chikako Shimizu		2.86%
	NOMURA PB NOMINEES LIMITED OMNUVUS-MSRGIN (CASHPB)		1.49%
	Shoichi Iwashige		1.27%
	Employee Shareholding Association		1.27%
	STATE STREET BANK AND TRUST COMPANY 505103		0.90%
MSIP CLIENT SECURITIES		0.78%	
(10) Consolidated operating results and consolidated financial position for the last three years (Unit: Million yen)			
Fiscal year-end	FY 3/2021	FY 3/2022	FY 3/2023
Net assets	12,763	13,559	14,807
Total assets	21,631	27,462	30,092
Net assets per share (Yen)	357.90	399.01	435.20
Net sales	68,213	77,549	90,827
Operating profit	2,599	2,087	2,268
Ordinary profit	2,949	2,369	2,349
Profit attributable to owners of parent	1,592	1,696	1,622
Net income per share (Yen)	47.08	49.94	47.71
Dividend per share (Yen)	20.10	18.00	16.00

(Note) 1. The total number of shares outstanding includes 328,480 treasury shares.

2. The shareholding ratio is calculated after deducting treasury shares (328,480 shares).

4. Overview of the Company to be Newly Established through the Share Transfer

(Wholly owning parent company established through share transfer • Holding Company) (Scheduled)

(1) Company name	NISSO HOLDINGS Co., Ltd.
(2) Location	1-4-1 Shin Yokohama, Kohoku-ku, Yokohama, Kanagawa
(3) Representative	Representative Director, President & CEO Ryuichi Shimizu
(4) Business description	Business management of group companies and related operations
(5) Capital	2,016 Million JPY
(6) Date of establishment	October 2, 2023
(7) Fiscal year-end	March 31
(8) Net assets	*TBD
(9) Total assets	*TBD

*TBD=To be determined

5. Overview of Accounting Treatment

Since it falls under the category of "transactions under common control" in corporate accounting, there is no impact on profit and loss.

Furthermore, no goodwill is expected to arise from the Share Transfer.

6. Future Prospects

Following the Share Transfer, the Company will become a wholly owned subsidiary of the Holding Company. As a result, the Company's business results will be reflected in the consolidated financial results of the Holding Company, which is the wholly owning parent company.

Furthermore, the impact of the Share Transfer on business performance will be minor.