

Shareholder memo

Fiscal Year	April 1 to March 31 of the following year
Ordinary General Meetings of Shareholders	Late June each year
Record Dates	Voting rights at the Ordinary General Meeting of Shareholders March 31 of each year Year-end dividend March 31 of each year Interim dividend September 30 of each year
Method of Public Notices	It will be posted at the following address on NISSO's website: https://www.nisso.co.jp/en/ir/notice/ However, if electronic public notices cannot be made due to accidents or other unavoidable reasons, public notices will be published in the Nihon Keizai Shimbun (Nikkei Newspaper).
Stock Exchange Listing	First Section of the Tokyo Stock Exchange (Securities Code 6569)
Shareholder Registry Administrator	Mizuho Trust & Banking Co., Ltd. 1-2-1 Yaesu, Chuo-ku, Tokyo Japan
Mailing Address	2-8-4 Izumi, Suginami-ku, Tokyo 168-8507 Japan
Telephone inquiries	Stock Transfer Agency (Business Planning) Department Mizuho Trust & Banking Co., Ltd. TEL. 0120-288-324 (Toll-free, in Japanese only) (9:00~17:00 excluding Saturdays, Sundays and public holidays)

Official Mascot Character

"Seizo-kun" and "Peta" supporting Japan's MONOZUKURI



"Seizo-kun" is the official mascot character of NISSO CORPORATION. He has been active since 2007! He came from faraway in space to protect the safe and comfortable workplaces of people who work in factories. Even today, Seizo-kun and Peta support Japan's MONOZUKURI.



To Our Shareholders

April 1, 2020 ~ September 30, 2020
[41st Fiscal Year Interim Report]



NISSO CORPORATION

NISSO CORPORATION
Securities Code 6569



Founding Philosophy

Nurturing and Bringing Out the Best in People

We believe in the unlimited potential of people, will grow together through teaching and learning, and will expand our circle of trust while creating a lively workplace.



Greetings

Please allow me to express my sincere gratitude for your continued support of the Nisso Group. I would also like to express my heartfelt sympathy to those affected by the new coronavirus infections, and to those who have faced management difficulties as a result. In such a social environment, the Nisso Group believes that it is necessary to convey our business activities and growth strategies in more detail, and in order to further deepen our communication with all of you, we have published this first Shareholder Report.

NISSO CORPORATION was founded in 1971 as a pioneer in manufacturing-related human resources services. Since then, for 50 years, based on our founding philosophy of "Nurturing and Bringing Out the Best in People", we have focused on "human development", taking into account the aptitude of each individual, and "workplace creation", where workers can flourish with a sense of satisfaction, and have built strong relationships of trust with our client companies. Today, Japan's industrial world is facing a variety of challenges, including the transformation of industrial structures through technologies such as AI, IoT, and 5G, productivity reforms in preparation for a declining workforce, and the threat of infectious diseases and natural disasters that are expanding worldwide. We will take on these social issues together with our client companies, contribute to solving them from the aspect of human development, and aim to enhance our corporate value by realizing the growth of the working people and the growth of industry together.

We look forward to your continued support and encouragement in the future.

Ryuichi Shimizu

Chairman, President, CEO & Representative Director



Business Introduction

What are NISSO's strengths?

Q1 What is the Nisso Group?

In addition to NISSO, which conducts worker dispatching and contracting for manufacturing, our group companies are engaged in business in a variety of fields, including office work dispatching and employee placement businesses, nursing care and welfare businesses, and the employment of people with disabilities.

General Human Resources Business			Other Businesses
NISSO CORPORATION Manufacturing dispatching·contracting businesses Conducts business with leading domestic manufacturers	Nisso Pure Co., Ltd. Promotes employment of people with disabilities NISSO CORPORATION's special purpose subsidiary	Nisso Brain Co., Ltd. General office work dispatching business Business centers around Yokohama	Nisso Nifty Co., Ltd. Home·facility nursing care businesses Operates 6 facilities in Yokohama

FY 3/2020 Sales by Segment

General Human Resources Services Business, 96.3%
72,178 Million yen

Other Businesses, 3.7%
2,796 Million yen

In order to enhance the skills and techniques necessary in *MONOZUKURI* (manufacturing) workplaces in a practical manner, we are actively engaged in training using actual equipment and machines such as semiconductor manufacturing equipment and automobile assembly tools. As a foundation for supporting all of these educational systems, we have established education·training facilities and various facilities and tools in 8 locations nationwide. By utilizing these facilities to develop skilled human resources, we are able to aim for a wide range of career development based on the aptitudes and hopes of the working people. As a result, employees become established, leading to the assignment of high-added value human resources in line with client needs. We are also working on the development of human resources in more advanced areas such as equipment maintenance, aiming to provide higher quality services.

Q2 What are NISSO's strengths?





We will respond to the needs of human resources utilization associated with the recovery of domestic and overseas demand with highly skilled human resources unique to the Nisso Group.

Market Environment and Business Performance Report

The domestic economy during the consolidated cumulative second quarter of FY 3/2021 was greatly affected by the spread of the new coronavirus (COVID-19) infections.

In the General Human Resources Services Business, with regard to the core manufacturing-related human resources services, in the first quarter, production lines of client manufacturers were partially suspended, closed, and operational adjustments were made due to the impact of the drop in demand as a result of the state of emergency declaration and the spread of infections worldwide. In the second quarter, there were signs of recovery in automobiles-related production, and production of electronic components·devices remained flat due to increased IT demand as a result of 5G and changes in work-styles. Although we have focused on protecting the employment of manufacturing staff, the number of enrolled staff at the end of September 2020 decreased by 2,246 compared to the end of the previous fiscal year due to the decline in the need to utilize external human resources.

In such an environment, NISSO has developed a strategy to focus on assigning "skilled staff", who are indefinite-

term employees, to Account Companies, who are positioned as important clients, while developing human resources by utilizing our own educational facilities. As a result, the General Human Resources Services Business reported net sales of 31,515 million yen (down 11.1% year-on-year), and operating profit of 771 million yen (down 31.5% year-on-year).

In the nursing care business operated by Nisso Nifty Co., Ltd., a group company, efforts were made to improve the quality of services and to increase the number of residents at the "Sweetpea" nursing care facilities (6 locations in Yokohama, Kanagawa). However, although the number of new residents increased due to the spread of infections, personnel and operating expenses increased, and the business performance of Other Businesses resulted in net sales of 1,461 million yen (up 6.7% year-on-year), and operating loss was 39 million yen (which was an operating profit of 2 million yen in the corresponding period of the previous fiscal year).

As a result, net sales for the consolidated cumulative second quarter amounted to 32,972 million yen (down 10.4% year-on-year). Operating profit was 731 million yen (down 35.2% year-on-year), ordinary profit was 989 million yen (down 14.3% year-on-year), and profit attributable to owners of parent amounted to 596 million yen (down 24.0% year-on-year).

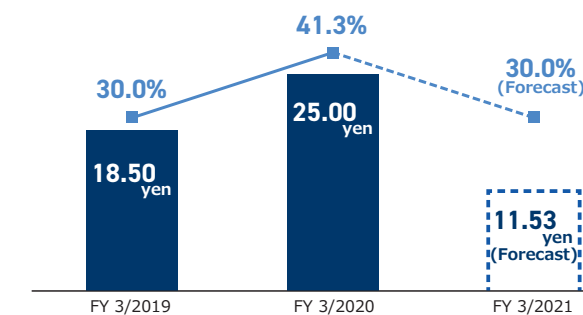
Consolidated Forecast

Revision of Full-year Consolidated Forecast for FY 3/2021
(April 1, 2020 - March 31, 2021)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net income per share
Previous forecast (A)	Million yen 64,000	Million yen 1,500	Million yen 1,750	Million yen 1,050	Yen 31.06
Present forecast (B)	67,000	1,800	2,100	1,300	38.43
Change (B - A)	3,000	300	350	250	-
% Change	4.7	20.0	20.0	23.8	-
(Reference) Previous FY results (FY 3/2020)	74,966	3,061	3,149	2,033	60.51

Dividends per share/Consolidated payout ratio

■ Dividends per share ◆ Consolidated payout ratio



NISSO's common stock was split at a ratio of 2 shares for 1 share on May 1, 2019, and the FY 3/2019 dividend payout shown above is the dividend payout amount after the stock split.

Revisions of Full-year Consolidated Forecast and Dividend Forecast for FY 3/2021

In the "Notice of Full-year Consolidated Forecast and Dividend Forecast for the Fiscal Year Ending March 31, 2021" announced on August 7, 2020, it was assumed that economic activity will gradually resume and that the business environment of the Nisso Group will moderately recover from the impact of the spread of COVID-19 infections from the second quarter onwards, and the Full-year Consolidated Forecast was calculated. On the other hand, with regard to manufacturing-related human resources services, the Nisso Group's core business, recovery has taken place earlier than originally planned, including the improvement of net sales per capita due to an increase in operations of manufacturing staff under the resumption of production activities at client manufacturers as a result of the lifting of the state of emergency declaration. In addition, in the automobiles-related industry, partial suspensions of production lines and operational adjustments were improved due to the recovery of domestic and overseas demand, and in the electronic devices-related industry, IT demand due to 5G and changes in work-styles remained firm. As signs of recovery are beginning to appear, we have revised our Full-year Consolidated Forecast and Dividend Forecast.

Approach to Redistribution of Profits

NISSO considers the redistribution of profits to shareholders and the enhancement of corporate value as key management issues, taking into consideration the balance between securing funds for growth investments and strengthening the corporate structure that can respond to changes in the business environment. In addition, by setting the consolidated dividend payout ratio of 30% as a general standard, NISSO's basic policy is to continue to steadily redistribute profits to all of our shareholders.

Furthermore, although NISSO considers the year-end dividends as a general principle, the Articles of Incorporation stipulate that it is possible to distribute dividends of surplus twice a year as interim dividends and year-end dividends in order to enhance the redistribution of profits to shareholders.

As the decision-making body, the Board of Directors is determined to make it possible to flexibly carry out the payment of interim dividends and year-end dividends while taking into consideration business performance trends and other factors.

NISSO's Past and Future

Introducing the history of NISSO, from our founding in 1971 to the present, and our future growth strategies.



1971 Foundation

Established Nisso Koei Co., Ltd., the predecessor of NISSO

Our founder, from his experience of working as a welding technician for shipbuilding, originally launched the business of welding work contracting. The work of "contracting", which was created by the accumulation of our founder's personally-chosen power of professionals, and which produces results within the organization that he is responsible for, has led to the current manufacturing contracting and dispatching businesses.

1980 Established NISSO CORPORATION

Created a new market by setting up product manufacturing contracting on premises of manufacturer factories

Origin of Company Name

Japan achieved high-levels of growth in the 1970s, and supplying high-quality industrial products was the objective of each and every company. It was during this era that our founder embraced the desire for his company "to be entrusted with Japan's (日本) entire (総) factory (工場) production operations (生産業務)" and named his company "NISSO" (or *Nisso Kosan*, 日総工産 in Japanese).

2011 "Superior Manufacturing Contractor" certification obtainment

Received certification as a superior business operator in the contracting business

2015 "Excellent Dispatching Business Operator" certification obtainment

Received certification as an excellent business operator in the dispatching business

2004 Business development centered on the manufacturing dispatching Business

Started manufacturing dispatching business in response to the lifting of the ban on dispatching to manufacturing operations

2018 Listed on the First Section of the Tokyo Stock Exchange



Core Competence

Skilled Staff·Accounts

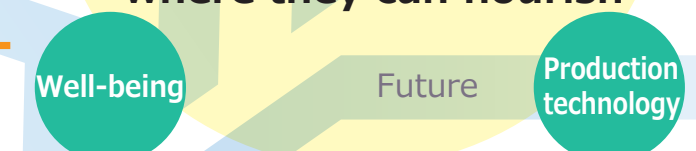
Human resources development capabilities Key Clients

The Nisso Group has come face-to-face with "people" for 50 years
Aiming to become a 100-year company, we will continue to come face-to-face with "people", and work to enhance human capital



High-added value of human resources

Utilizing our own unique training expertise, we will increase the added value of "people", and continue to create "workplaces" where they can flourish

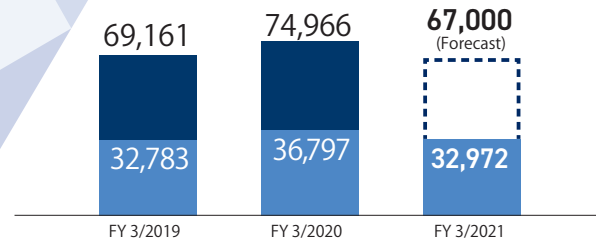


Past

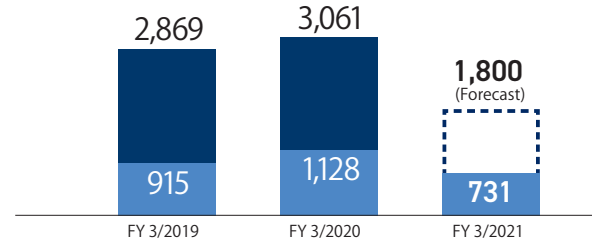
Performance Highlights

Consolidated

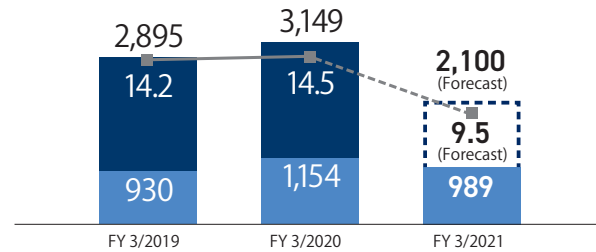
Net sales (Million yen)
■ 2Q YTD ■ Full-year



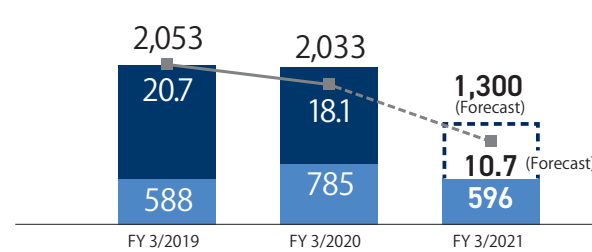
Operating profit (Million yen)
■ 2Q YTD ■ Full-year



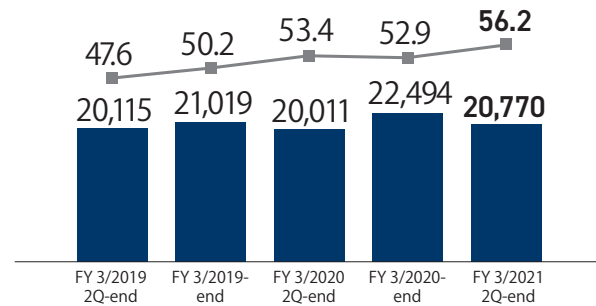
Ordinary profit (Million yen) / **ROA** (%)
■ 2Q YTD ■ Full-year



Profit attributable to owners of parent (Million yen) / **ROE** (%)
■ 2Q YTD ■ Full-year



Total assets (Million yen) / **Equity ratio** (%)



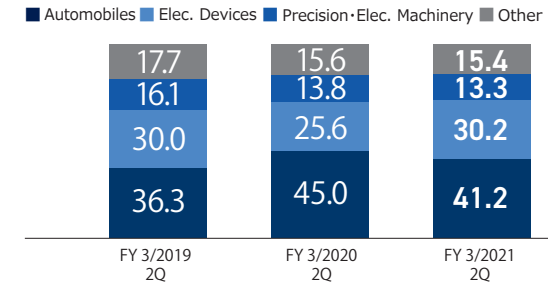
Glossary

What is ROE?

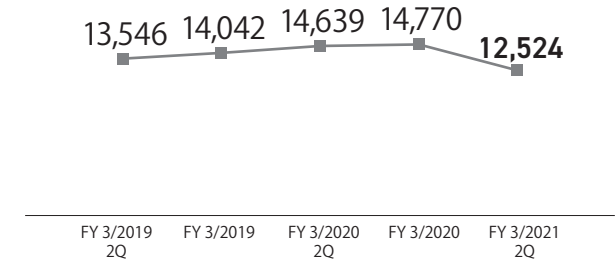
Abbreviation for Return on Equity. It is one of the profitability indicators that shows how much profit a company has made in relation to the invested capital.
NISSO's ROE is calculated by using the following formula:
Return on Equity = Profit ÷ Average equity capital × 100

Non-consolidated (NISSO)

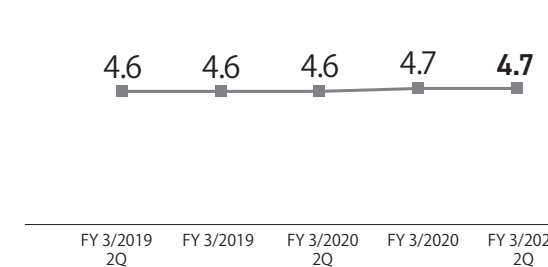
Trend of Net Sales Composition Ratios by Industry (NISSO) (%)



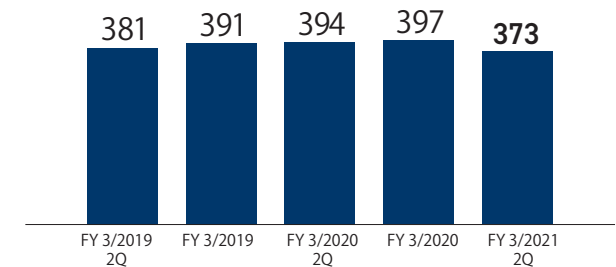
Trend of Number of Enrolled Staff (# of staff)



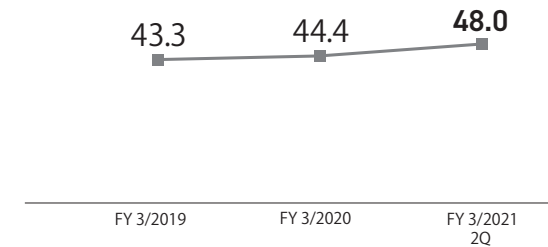
Trend of Turnover Rates (%)



Trend of Net Sales per Capita (Monthly average conversion) (Thousand yen)



Ratio of Account Company Groups Net Sales to NISSO Total (%)



Glossary

What are Account Companies?

A general term for corporate groups with high-added value products who have a deep understanding of NISSO, and have established a relationship of mutual trust with our company in a long-standing history of conducting transactions.
By leveraging our strong network of contacts with Account Companies, NISSO is able to make unique proposals to the management of our clients. In addition, since clients share their mid- to long-term production plans with us, it has led to our implementation of planned staffing.

TOPIC 1

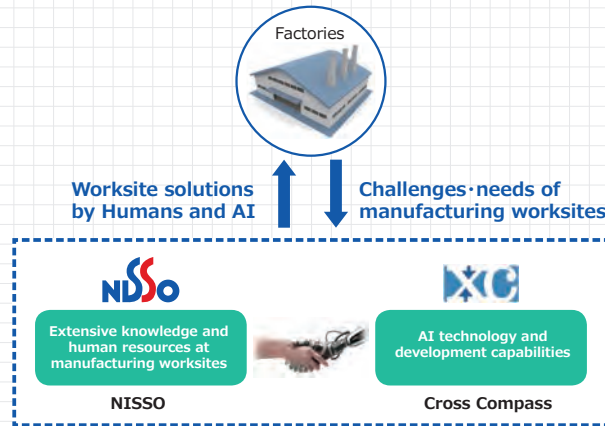
Capital and Business Alliance with Cross Compass Ltd.



Signing Ceremony

Key Initiatives

- Sales expansion/promotion of services utilizing both client bases and sales networks
- Joint development of platforms for the manufacturing industry
- Human resources exchanges for the purpose of training/development



NISSO has concluded a capital alliance agreement and a business alliance agreement with Cross Compass Ltd. on September 17, 2020.

By leveraging the strengths and expertise of both companies, NISSO and Cross Compass will aim to create high-added value services for the manufacturing industry referred to as "Worksite Solutions by Humans and AI" with the aim of improving productivity and quality at manufacturing sites through digitalization, and to further enhance corporate value and create new services to achieve synergy.

TOPIC 2

Nisso Group CSR Report 2020

The CSR Report 2020 was released on NISSO's website in October 2020. This report sets concrete plans and targets based on stakeholder engagement. Going forward, we will continue to contribute to the resolution of social issues through our business, engage in corporate activities with the aim of achieving sustainable growth, and strive to enhance corporate value.

Key Initiatives

- CSR activities for the realization of a sustainable society
- Implementation of the "Sustainable Development Goals" that SDGs strive for
- Promotion of human development in line with the new



Corporate Outline/Status of Shares

(As of September 30, 2020)

Corporate Outline

Trade Name	NISSO CORPORATION (Japanese Co. Name 日総工業株式会社)
Securities Code	6569
Date Founded	February 3, 1971
Headquarters	Nisso Kosan (NISSO) Shin Yokohama Bldg., 1-4-1 Shin Yokohama, Kohoku-ku, Yokohama, Kanagawa 222-0033
URL	https://www.nisso.co.jp/en/
Number of Employees (Consolidated)	2,038
Manufacturing Staff/Dispatched Staff	13,251 (Avg. during FY)
Capital	2,012 Million yen
Main Business Activities	Manufacturing-related Human Resources Services (Manufacturing Dispatching, Manufacturing Contracting, Employment Placement, etc.)
Corporate Officers	Chairman, President, CEO & Representative Director Ryuichi Shimizu Senior Managing Director Toshiyasu Udagawa Managing Director Shinichi Matsuo Managing Director (External) Shin Monzawa Managing Director (External) Miki Ohno Full-time Audit & Supervisory Board Member (External) Akira Ishida Audit & Supervisory Board Member (External) Ryuta Hasegawa Audit & Supervisory Board Member (External) Hideo Sakano

Status of Shares

Total number of authorized shares	102,400,000 shares
Total number of outstanding shares	34,201,200 shares
Number of shareholders	4,494

Status of Major Shareholders

Name / Company Name	Number of Shares Held (shares)	Percentage (%)
NS Holdings Co., Ltd.	12,604,000	37.25
Tadao Shimizu	2,216,800	6.55
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,147,100	6.35
Custody Bank of Japan, Ltd. (Trust Account)	2,026,100	5.99
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	1,043,600	3.08
Chikako Shimizu	974,000	2.88
BNY GCM CLIENT ACCOUNT JPRD AC ISG(FE-AC)	820,960	2.43
Custody Bank of Japan, Ltd. (Trust Account 9)	816,900	2.41
J.P. MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMS RE CLIENT ASSETS-SEGR ACCT	672,600	1.99
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN(CASHPB)	520,200	1.54

※ The percentage figures listed above are rounded off to the second decimal point.

Status of breakdown by shareholder-type (Percentage, No. of Shares Held)

