



NISSO CORPORATION
50th ANNIVERSARY

To Our Shareholders

April 1, 2020 ~ March 31, 2021
[41st Fiscal Year Report]



NISSO NISSO CORPORATION

Securities Code 6569



**By contributing
to our clients and society
through our business,
we aim to be
a 100-year company.**



Greetings

I would like to express my sincere gratitude to our shareholders for your continued support of the Nisso Group.

On February 3, 2021, NISSO CORPORATION was able to celebrate the milestone of the 50th Anniversary of our founding. Please allow me to take this opportunity to express my heartfelt gratitude to all of you for your support and kindness.

FY 3/2021 was a year in which social conditions and lifestyles changed completely due to the new coronavirus (COVID-19).

In terms of work-styles, in addition to changes in the way people work, such as tele-working, companies are required to conduct management on the premise of an uncertain future, which has brought about changes in the relationship between employees and the companies that they work for. I believe that it is necessary in the "new normal" era to combine the advantages of remote work using the Web, VR, and real activities.

On the other hand, I feel that changes at manufacturers are still in the future. Perhaps, the time may come when manufacturing can be done remotely at manufacturing sites. Even as times change, this business model that nurtures and places valuable human resources in the market at that time will continue to be important.

Going forward, we will continue to put into practice our founding philosophy of "Nurturing and Bringing Out the Best in People", and further enhance our skills in order to cultivate people.

The speed of change surrounding the business environment is faster than we have ever experienced before. Under these circumstances, in our new Medium-term Management Plan, we have set forth a policy "to transform into a corporate group with high-growth potential".

By enhancing our ability to respond quickly to changes in the new era, we will take on the challenges of not only our manufacturing-related human resources services, but also businesses that will serve as engines for our new growth.

Ryuichi Shimizu
Representative Director, President & CEO

FY 3/2021 Performance Report

In the General Human Resources Services Business, although domestic manufacturers, who are NISSO's important clients, were in a severe situation in the first half of the fiscal year due to the spread of COVID-19 infections, from the second half onwards, production recoveries have been seen, the order environment has improved, and the number of enrolled staff (number of personnel in operation) has increased. Regarding the automobiles-related industry, although there were temporary effects due to the earthquake and semiconductor shortages, the effects were limited.

In Other Businesses, the occupancy rate of nursing care facilities remained stable, resulting in a full-year profit. As a result, the full-year consolidated results were as follows: net sales of 68,213 million yen (down 9.0% year-on-year), operating profit of 2,599 million yen (down 15.1% year-on-year), ordinary profit of 2,949 million yen (down 6.4% year-on-year), and profit attributable to owner of parent amounted to 1,592 million yen (down 21.7% year-on-year).

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.

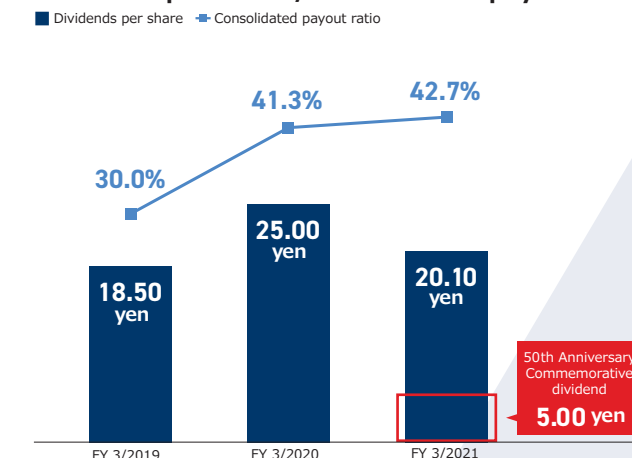
Regarding the year-end dividend for FY 3/2021, NISSO has decided to pay a dividend of 20.10 yen per share, which includes an ordinary dividend of 15.10 yen in addition to a commemorative dividend of 5.00 yen, as announced in the "Notice of Revision of Dividend Forecast for the Fiscal Year Ending March 31, 2021 (50th Anniversary Commemorative Dividend)" on February 8, 2021.

For the next fiscal year, NISSO expects an annual dividend of 18 yen per share (consolidated dividend payout ratio of 30.6%).

FY 3/2021 Financial Results

Net sales 68,213 <small>Million yen</small> - 9.0% YoY	Operating profit 2,599 <small>Million yen</small> - 15.1% YoY
Ordinary profit 2,949 <small>Million yen</small> - 6.4% YoY	Profit attributable to owners of parent 1,592 <small>Million yen</small> - 21.7% YoY

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.

Thanks to all of you, NISSO celebrated our 50th Anniversary.

NISSO was founded in 1971, focusing on the worker dispatching business in the new era.

Since then, for 50 years, we have supported clients of Japanese *MONOZUKURI* (manufacturing) companies through human development.



Our 50th Anniversary Logo

The 50 years that have been built through the connections between people are expressed in the form of the number "50" and either "NISSO and the manufacturer" or "people who work with NISSO" hand-in-hand



NISSO CORPORATION
50th ANNIVERSARY

Expanding business operations by building relationships of trust with Japan's leading manufacturers

NISSO has built long-standing relationships of trust with clients of global corporate groups in the automobiles, electronic components, precision machinery, and electrical machinery industries. In addition to sharing production plans and systematically placing personnel throughout the year, we also educate and develop human resources based on client requests from a medium- to long-term perspective, and dispatch human resources with highly specialized skills. We also carry out proposal activities related to education and training. These Account Companies account for about 48% of NISSO's sales.

Our founding philosophy of "Nurturing and Bringing Out the Best in People" as the starting point for any era

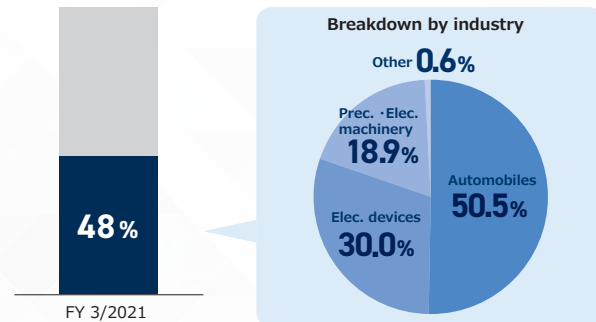
Based on the founding philosophy of "Nurturing and Bringing Out the Best in People", we at NISSO have focused our efforts on human resources development. In order to place skilled staff with high skills that compare favorably with employees at their assigned destinations, from early on, we invited former employees who were active in the manufacturing departments of major manufacturers to engage in human resources education. At the same time, we have developed a systematic educational curriculum to bring out the potential of each individual and realize growth. In addition, we have established training facilities that reproduce actual worksites and can provide various types of practical training. In recent years, we established the Nisso Technical Center Higashi-Nihon (automobiles·semiconductors·precision equipment) in 2016 and the Nisso

Technical Center Naka-Nihon (semiconductors·precision equipment) in 2018, and have been working on the development and training of human resources capable of not only production skills but also equipment maintenance. In the future, in anticipation of the acceleration of *MONOZUKURI* automation, we will develop human resources capable of responding to the introduction of AI and DX, and aim to become a company that is chosen by both client companies and the working people by nurturing high value-added human resources that meet higher needs.

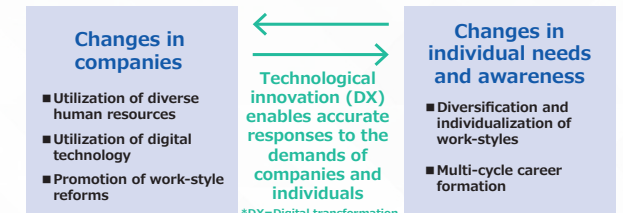
Transformation into a corporate group capable of sustaining high-growth potential

Society will undergo major changes, such as a shortage of AI-capable human resources due to technological innovation, an irreversible and accelerated digital shift due to the spread of COVID-19, and the automation of simple tasks due to advances in digital technology. Under such circumstances, NISSO will transform into a company that can achieve sustainable growth by evolving our existing businesses and creating new ones.

Ratio of Account Company Sales to NISSO Total



Social Issues



Medium-term Management Plan

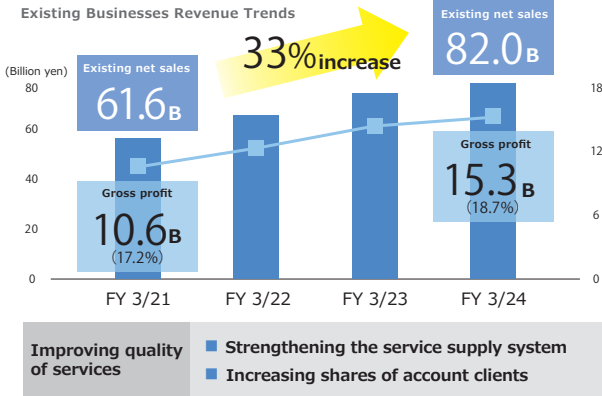
(FY 3/2022 ~ FY 3/2024)

NISSO has formulated a new Medium-term Management Plan which starts from FY 3/2022. Based on our "Mission" and "Vision" as we look ahead to new growth, the Nisso Group will take advantage of the clutch of a rapidly changing business environment as an opportunity to acquire high-growth potential that is not affected by the economy and formulate a management foundation where diverse human resources can flourish.

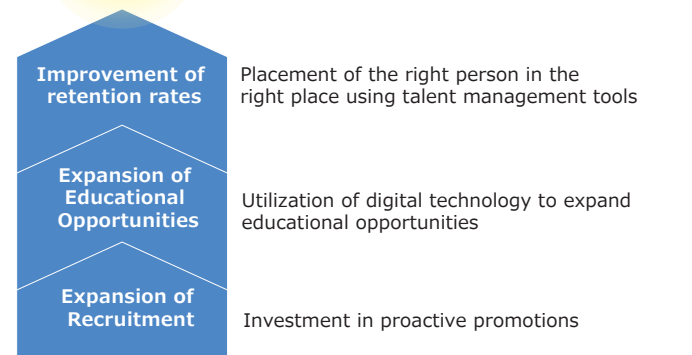
Nisso Group's "Mission" & "Vision"

We, the Nisso Group with Human Resources Solution Services that support the growth of companies and people
will fulfill our Mission of Creating opportunities and hopes for people to work
Vision(What we should aim for in 3 years) To transform into a corporate group with high-growth potential

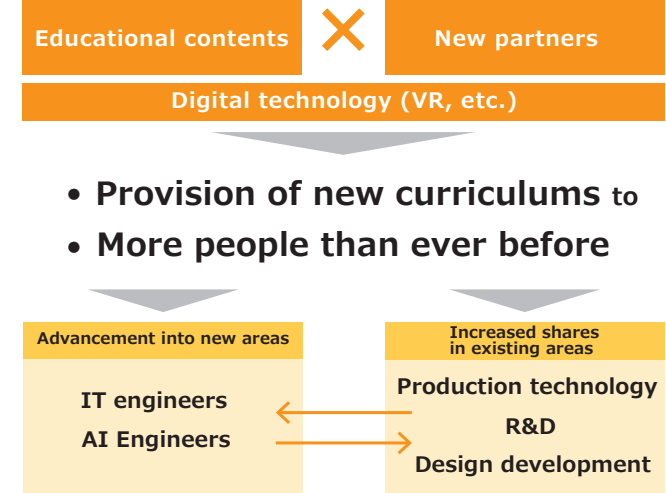
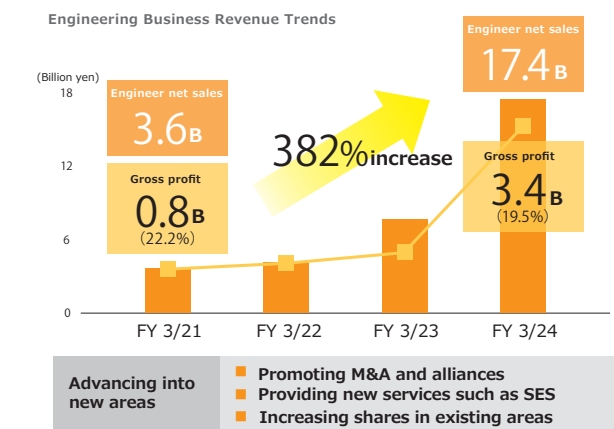
Individual Strategy : Expansion of Existing Areas



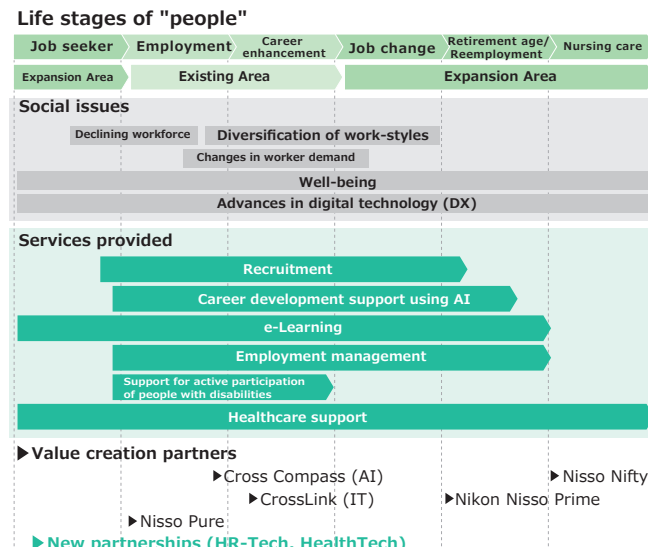
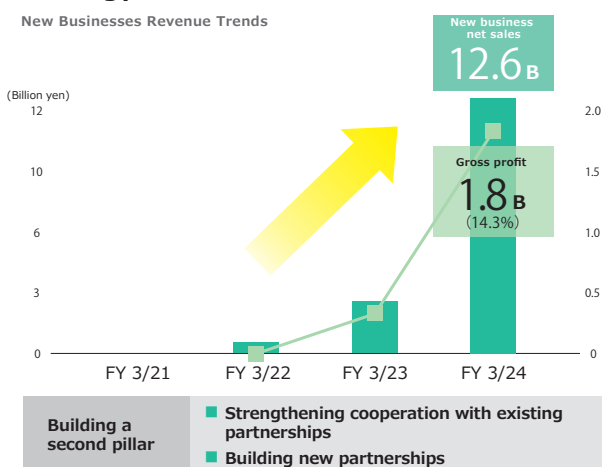
Expansion of business performance



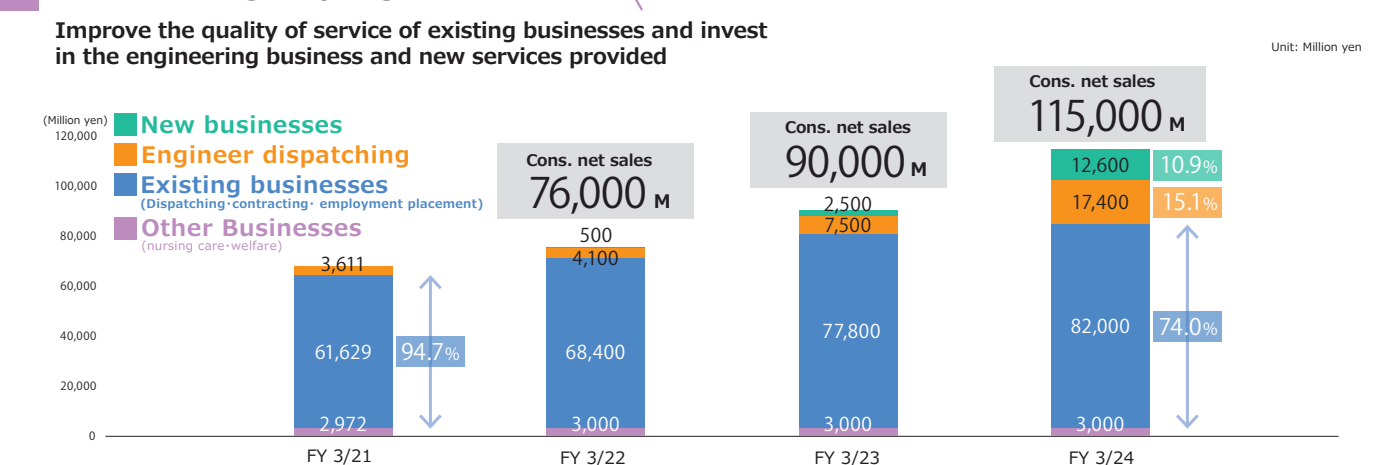
Individual Strategy : Expansion of Engineering Area



Individual Strategy : Creation of New Businesses



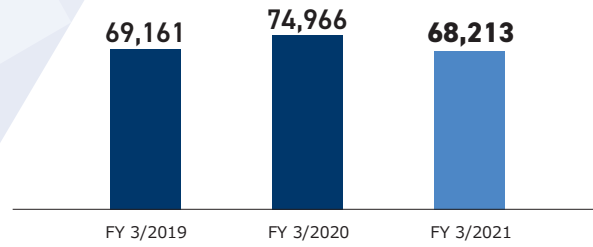
Net Sales Target by Segment



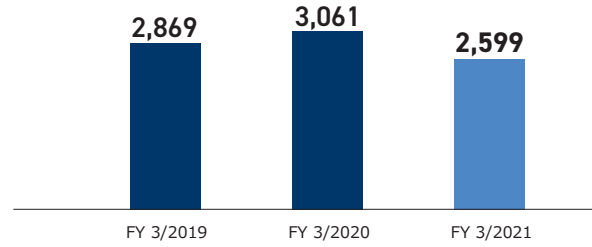
※FY 3/21 Inter-segment transactions -10 included

Consolidated

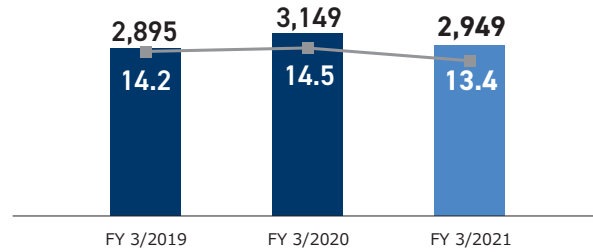
Net sales (Million yen)



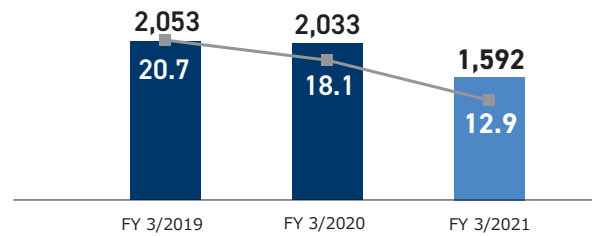
Operating profit (Million yen)



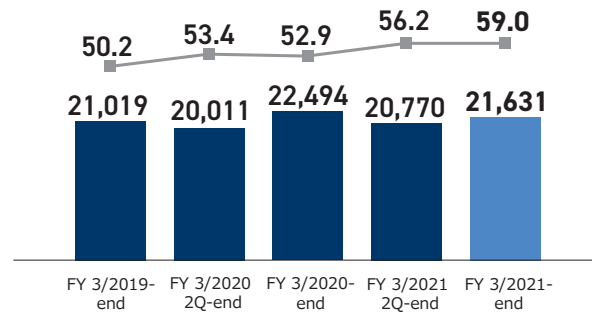
Ordinary profit (Million yen) / ROA (%)



Profit attributable to owners of parent (Million yen) / ROE (%)

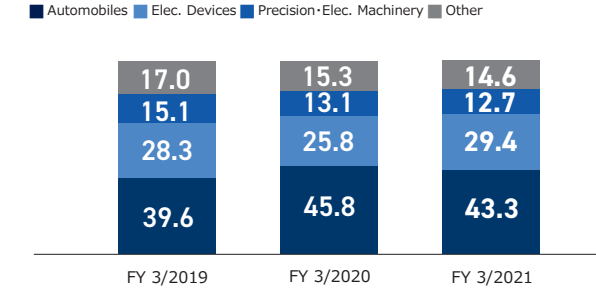


Total assets (Million yen) / Equity ratio (%)

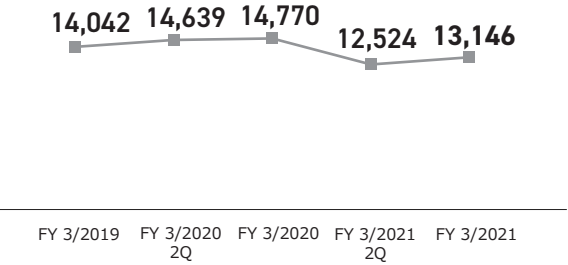


Non-consolidated (NISSO)

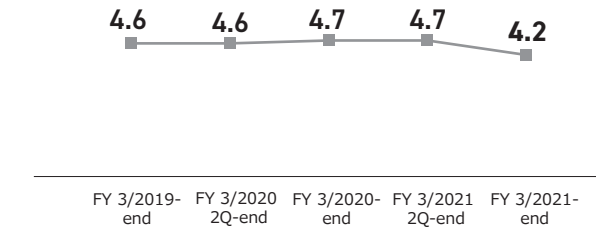
Trend of Net Sales Composition Ratios by Industry (NISSO) (%)



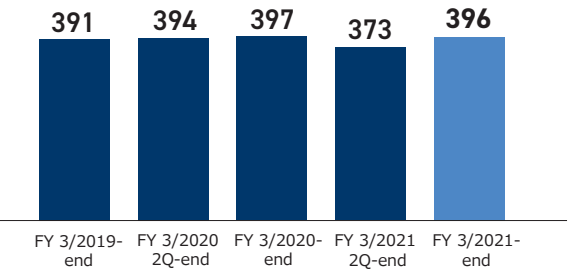
Trend of Number of Enrolled Staff (# of staff)



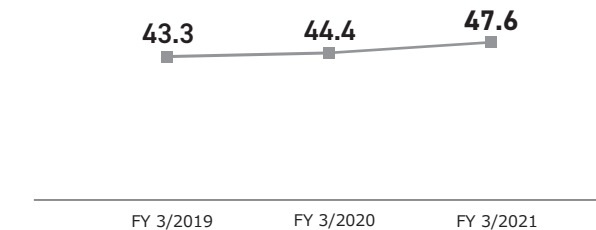
Trend of Turnover Rates (%)



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



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



Glossary

What is ROA?

Abbreviation for Return on Assets. It is one of the profitability indicators that shows how much profit has been generated for total assets. NISSO's ROA is calculated by using the following formula: Return on Assets = Ordinary profit ÷ Average total assets x 100

Glossary

What is a training facility?

NISSO has 8 well-equipped education and training facilities nationwide.

Nisso Technical Centers

- Higashi-Nihon Kurihara City, Miyagi
- Naka-Nihon Okaya City, Nagano
- Kyushu Buzen City, Fukuoka

Nisso Training Centers

- Tomakomai Tomakomai City, Hokkaido
- Ota Ota City, Gunma
- Toyota Toyota City, Aichi
- Hamamatsu Hamamatsu City, Shizuoka

Nisso Techno Center

Yokohama, Kanagawa

Dialogue between Analyst Mariko Mabuchi and President Shimizu

NISSO's President Shimizu discussed our "transformation into a corporate group capable of sustaining high-growth potential" with economic analyst Mariko Mabuchi.

1. Celebrating our 50th Anniversary ~Until now and from now on~

- ① 50th Anniversary, a look back
- ② Company introduction・recognition of current status
- ③ Future growth strategies

2. Key Points of the Medium-term Management Plan

- ① Overview
- ② Management target values

For details, please refer to the following URL (in Japanese only):

URL http://www.nsjournal.jp/nsj_library/nisso-6569/



Mariko Mabuchi

Corporate Outline /Status of Shares

(As of March 31, 2021)

Corporate Outline

Trade Name	NISSO CORPORATION <small>(Japanese Co. Name 日能工産株式会社)</small>
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
Number of Employees (Consolidated)	1,998
Manufacturing Staff・Dispatched Staff	13,072 (Avg. during FY)
Capital	2,015 Million yen
Main Business Activities	Manufacturing-related Human Resources Services (Manufacturing Dispatching, Manufacturing Contracting, Employment Placement, etc.)
Corporate Officers <small>(As of April 1, 2021)</small>	Representative Director, President & CEO Ryuichi Shimizu Managing Director, Managing Executive Officer & COO 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

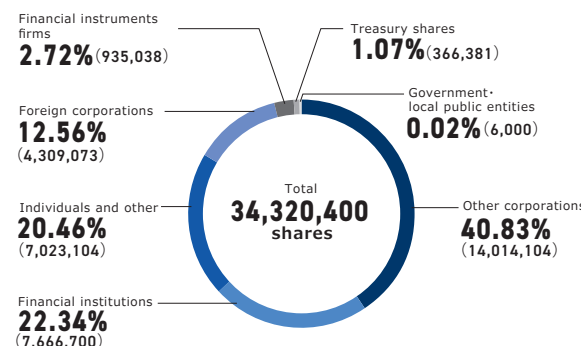
Total number of authorized shares	102,400,000 shares
Total number of outstanding shares	34,320,400 shares
Number of shareholders	4,047

Status of Major Shareholders

Name / Company Name	Number of Shares Held (shares)	Percentage (%)
NS Holdings Co., Ltd.	13,917,400	40.99
Custody Bank of Japan, Ltd. (Trust Account)	2,652,600	7.81
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,315,400	6.82
Tadao Shimizu	1,022,600	3.01
Chikako Shimizu	974,000	2.87
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	826,300	2.43
Custody Bank of Japan, Ltd. (Trust Account 9)	671,500	1.98
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	532,560	1.57
BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD	440,659	1.30
Shoichi Iwashige	433,800	1.28

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

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



Shareholder memo

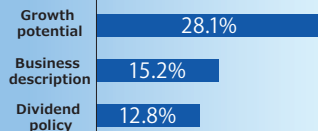
Fiscal Year	April 1 to March 31 of the following year
Ordinary General Meetings of Shareholders	Late June of each year
Record Dates	Voting rights at the Ordinary General Meeting of Shareholders March 31 of each year Year-end dividend March 31 of each year Interim dividend September 30 of each year
Method of Public Notices	Public notices 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, they 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)

Shareholder Report Questionnaire Report of Results

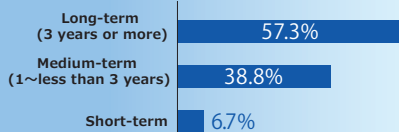
Thank you for your cooperation in filling out the questionnaire requested in the 41st Fiscal Year Interim Report "To Our Shareholders". Below is a summary of the main results and some of the comments we received.

The opinions of our shareholders are introduced below

Q1 Reason for purchase of NISSO's shares (Multiple answers, Top 3)



Q2 Future holding policy



Shareholder



I hope that by maximizing the individuality of your employees, it will lead to major reforms.

NISSO



We will develop human resources capable of responding to changes and transform ourselves into a corporate group with high-growth potential.



Please consider shareholder benefits.



NISSO considers the redistribution of profits to shareholders and the enhancement of corporate value as key management issues. We will fully consider the introduction of a shareholder benefit program internally.