

To Our Shareholders

43rd Fiscal Year Interim Report

April 1, 2022 ~ September 30, 2022

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Greetings

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

Since our founding, the Nisso Group has been committed to providing human resource services that support the Japanese *MONOZUKURI* (manufacturing) industry with the philosophy of "*Nurturing and Bringing Out the Best in People*". The times are now entering Society 5.0, where digital technology innovations are being used to solve various social problems. The Nisso Group aims to transform itself significantly and become a human resources company that meets the needs of the times.

I hereby present the Nisso Group's 43rd Interim Report (from April 1, 2022 to September 30, 2022).

Representative Director, President & CEO Ryuichi Shimizu

[See inside for details](#)

President's Message

— Formulation of a New Medium-term Management Plan —

We have reexamined our management plans in response to changes in the business environment. We will aim for greater growth based on our business portfolio strategy.

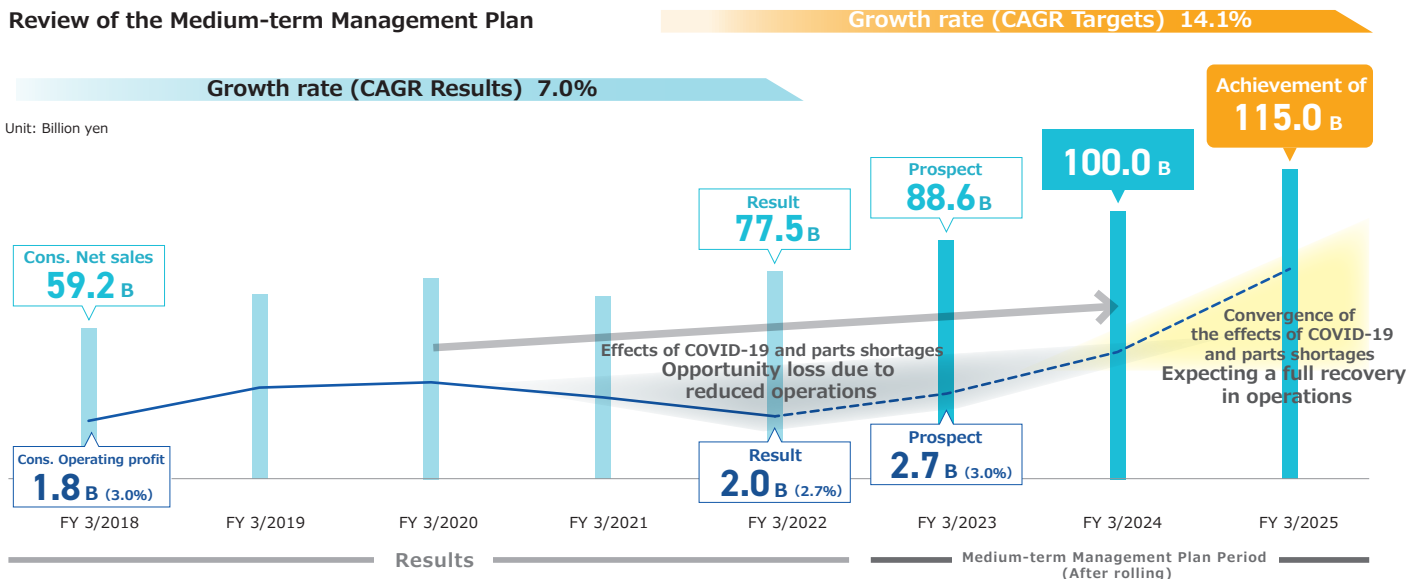


Financial Results for FY 3/2023 2Q

In 2Q, the number of enrolled staff increased steadily to 15,730 (non-consolidated, up 785 from the end of the previous fiscal year), partly due to the strong human resources needs of our clients and the strengthening of promotions such as TV commercials. In the automobiles-related industry, operations improved moderately, and net sales in the automobiles-related industry amounted to 16,981 million yen (up 15.9% year-on-year). In the electronic devices-related industry, although demand for

components related to PCs and communications equipment decreased, production remained high due to demand for semiconductors, and net sales in the electronic devices-related industry were 12,285 million yen (up 17.2% year-on-year). As a result, the Nisso Group's net sales amounted to 43,162 million yen (up 17.6% year-on-year). On the other hand, in terms of profit, although there was an increase in the number of enrolled staff, operating profit was 510 million yen (down 38.1% year-on-year), due in part to the impact of a decrease in operating hours as a result of parts shortages, etc.

Review of the Medium-term Management Plan



Background of the Announcement of the New Medium-term Management Plan

The Medium-term Management Plan announced in May 2021 was a 3-year plan starting from FY 3/2022, but although net sales for FY 3/2022 exceeded the plan, operating profit fell short of the initial plan. In response to this, NISSO reorganized and reviewed our business environment and market opportunities, and in August 2022, we announced a new Medium-term Management Plan centered on business portfolio strategies and infrastructure strengthening strategies. We will push back our management targets by 1 year and will work to achieve sales of 115 billion yen for FY 3/2025.

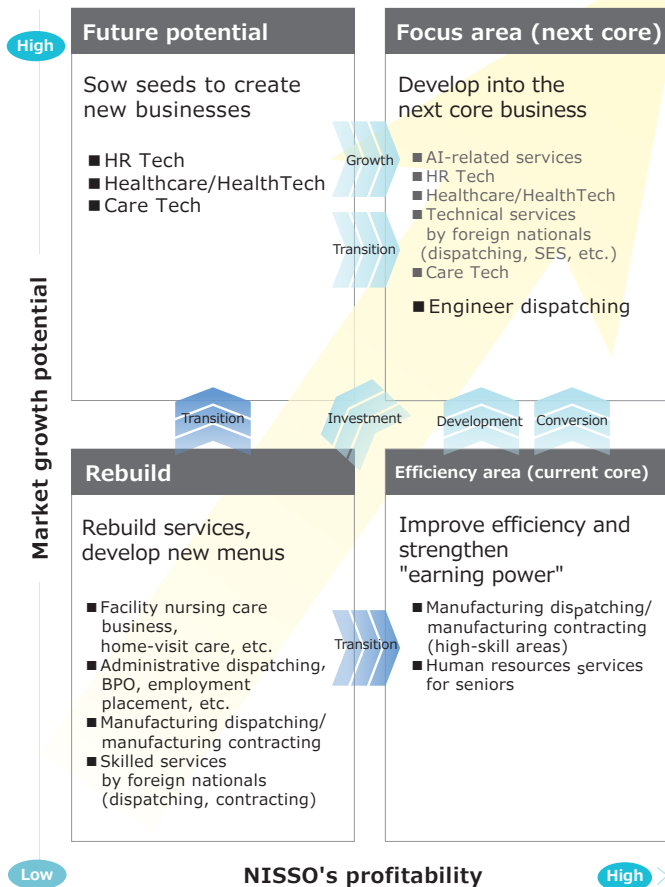
Business Portfolio Strategy

Considering the future business environment and market opportunities, we believe that although the labor force population will decrease, this will accelerate human resources mobility and expand opportunities in the human resources market. Regarding our business portfolio, we will take on the challenge of expanding our business from our current core "efficiency area" to the next-generation core "focus area", where we will further enhance our business to develop human resources, and increase profits over the medium term. In anticipation of future market trends, we believe that developing specialized human resources in growth areas will lead to our next stage of growth.

Provision of Services that Respond to Changing MONOZUKURI (Manufacturing)

The manufacturing industry has undergone major changes since the days of simply making hardware and selling it to customers. Under such circumstances, our business model must also be transformed. In addition to providing tangible things as we have in the past, we will take on the challenge of a model that increases customer/client satisfaction through services and experience. By doing so, we hope to earn the trust of our clients even more.

Business Portfolio Strategy



Based on these strategies, we will work to strengthen our business foundation, focusing on 4 key areas: practice of human capital management, response to human resources mobility, realization of business transformation by digitizing business operations, and strengthening of governance. We hope that you will look forward to the further growth of the Nisso Group.



<https://www.nisso.co.jp/en/ir/>

Topics

TOPICS

Business Alliance

August | Capital and Business Alliance with DOCTORS Co., Ltd.

In order to develop new businesses in the medical DX area for the era of online medicine, we have concluded a basic agreement for a business alliance with DOCTORS Co., Ltd., including capital participation. With the mission of "supporting the construction, distribution, and sales of new digital healthcare services in the DX era" through the power of doctors x IT, DOCTORS Co., Ltd. is building and promoting a "Digital Health Platform" from the perspective of on-site medical professionals together with medical specialists (more than 600 doctors). Leveraging the strengths and expertise of both companies, we aim to develop new "Medical, Human, and Labor" services that utilize digital health.

Examples of the business alliance

- Development of new "Medical, Human, and Labor" services in the Healthcare/ HealthTech field
- Development of new services centered on the development of medical DX human resources
- Other matters discussed by both parties that would contribute to the enhancement of corporate value

TOPICS

Human Resources Development

October | Announced Plans to Open a Training Center in Kumamoto

NISSO has 8 training centers, including the Nisso Technical Center Higashi-Nihon (Kurihara City, Miyagi) and Naka-Nihon (Okaya City, Nagano), which introduce actual semiconductor manufacturing equipment and implement various educational programs to develop human resources who can maintain equipment in areas such as semiconductors, where needs are expanding.

The training facility in Kumamoto, which is scheduled to be the 9th in Japan, plans to operate training equipment and training programs that further enhance the expertise cultivated at the existing training facilities, and will contribute to the shortage of human resources at semiconductor manufacturers in terms of both quality and speed of human resources development.



TOPICS

Information Disclosure

November | Published the Nisso Group Sustainability Report 2022



NISSO has been publishing the "CSR Report" since 2020. In response to the growing demand for information disclosure on sustainability, including society and the environment, we have changed the name of the report to the "Sustainability Report" this year to enrich information related to Nisso Group's approach to the responsibilities we should fulfill as a member of society, and our activities. Going forward, we will continue to communicate the corporate activities of the Nisso Group through the Sustainability Report in order to deepen dialogue with our stakeholders, and strive to enhance corporate value.

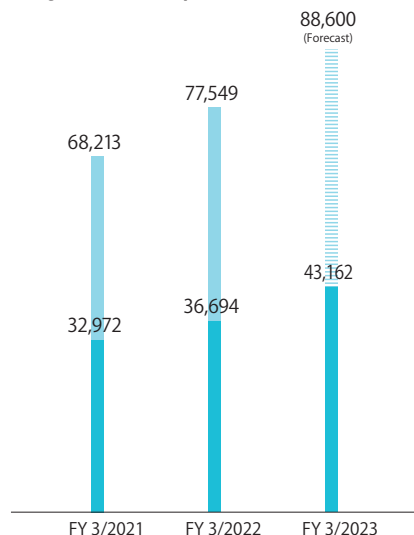


https://www.nisso.co.jp/en/ir/esg/esg_13.html

Consolidated Performance Highlights

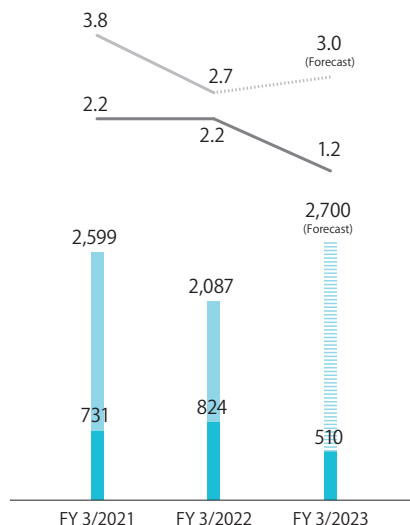
Net sales (Million yen)

■ 2Q YTD ■ Full-year



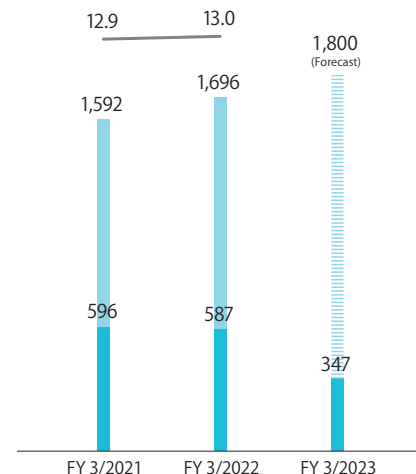
Operating profit (Million yen)

■ 2Q YTD ■ Full-year
 / Operating profit margin (%) — 2Q YTD — Full-year



Profit attributable to owners of parent (Million yen)

■ 2Q YTD ■ Full-year
 / ROE* (%)



https://www.nisso.co.jp/en/ir/finance/finance_03.html

Shareholder Returns

Dividends



FY 3/2023

16 yen (Forecast)

NISSO considers the redistribution of profits to shareholders and the enhancement of corporate value as key management issues. In addition, by setting the consolidated dividend payout ratio of 30% or more as a general standard, NISSO's basic policy is to continue to steadily redistribute profits to all of our shareholders.

Shareholder Benefits



Presentation of benefit points from the NISSO Premium Benefits Club

- The accumulated points can be exchanged for more than 5,000 different complimentary products.
- Presentation conditions require one to be listed as a shareholder holding 300 shares or more in the register of shareholders at the end of March every year from 2022.

In addition to expressing our gratitude to our shareholders for their continued support, we have established a Shareholder Benefits Program with the aim of enhancing the attractiveness of investing in our shares and increasing the number of shareholders who will hold our shares over the medium to long term.

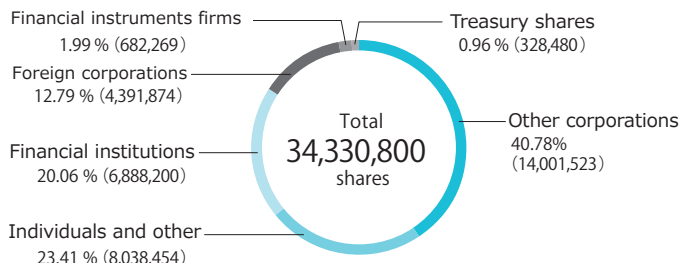
Corporate Outline (As of September 30, 2022)

Trade Name	NISSO CORPORATION (Japanese Co. Name 日総工業株式会社)
Listed Exchange	Prime Market, Tokyo Stock Exchange (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)	2,201
Manufacturing Staff Dispatched Staff	16,221 (Avg. during FY)
Capital	2,016 Million yen
Main Business Activities	Manufacturing-related Human Resources Services (Manufacturing Dispatching, Manufacturing Contracting, Employment Placement, etc.)
Corporate Officers	Representative Director, President & CEO Ryuichi Shimizu 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 (As of September 30, 2022)

Total number of authorized shares	102,400,000 shares
Total number of outstanding shares	34,330,800 shares
Number of shareholders	4,784

Status of breakdown by shareholder-type



Shareholder memo

Shareholder Registry Administrator	Mizuho Trust & Banking Co., Ltd. 1-3-3 Marunouchi, Chiyoda-ku, Tokyo, Japan
Mailing Address	Mizuho Trust & Banking Co., Ltd. Stock Transfer Agency (Business Planning) Department 2-8-4 Izumi, Suginami-ku, Tokyo 168-8507 Japan
Telephone inquiries	TEL. 0120-288-324 (Toll-free, in Japanese only) (9:00~17:00 excluding Saturdays, Sundays and public holidays)



NISSO's brand movie "Dream, Together" won the Award for Design Excellence at the Eibunren Awards 2022

We are pleased to announce that NISSO's brand movie won the Award for Design Excellence at the Eibunren Awards 2022 (JAAP International Short Film Festival) sponsored by the Japan Association of Audiovisual Producers, Inc. 『Dream, Together』 is a short film that depicts the deepening of bonds from the perspective of dispatched staff through their daily communication with labor managers. Available on NISSO's YouTube channel (in Japanese only).



<https://www.youtube.com/watch?v=p3Yi6F3zi-4>