

FY 3/2024

Financial Results Briefing Materials

Scheduled to be held on May 13, 2024



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NISSOホールディングス

Making hardworking people, happy.

NISSO HOLDINGS

TSE Prime Market Code:9332

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1

Financial Results Summary (FY 3/2024)

FY 3/2024 Results

- Revenue and profits increased year-on-year
- Consolidated net sales increased by 6.6% year-on-year, consolidated operating profit increased by 34.8% year-on-year
- In the Automotive Industry, although net sales increased, growth slowed due to problems such as inspection irregularities
- Engineering Human Resources Services showed a sharp recovery in 4Q, due in part to the recovery of the Semiconductor Industry
- Nursing Care · Welfare Services also increased revenue and profits year-on-year

FY 3/2025 Consolidated Earnings Forecast

- Revenue and profits are expected to increase from the previous fiscal year
- In the Automotive Industry, although the impact of inspection irregularities may remain, operations are expected to recover
- Demand for components in the Semiconductor Industry (memory field, etc.) and the Electronics Industry is expected to grow steadily
- Continued investment is expected in training-related activities for the start of operations of new semiconductor and battery factories in 2026 and 2027

FY 3/2024 Consolidated Financial Results Highlights

(Unit: Million yen)

Points

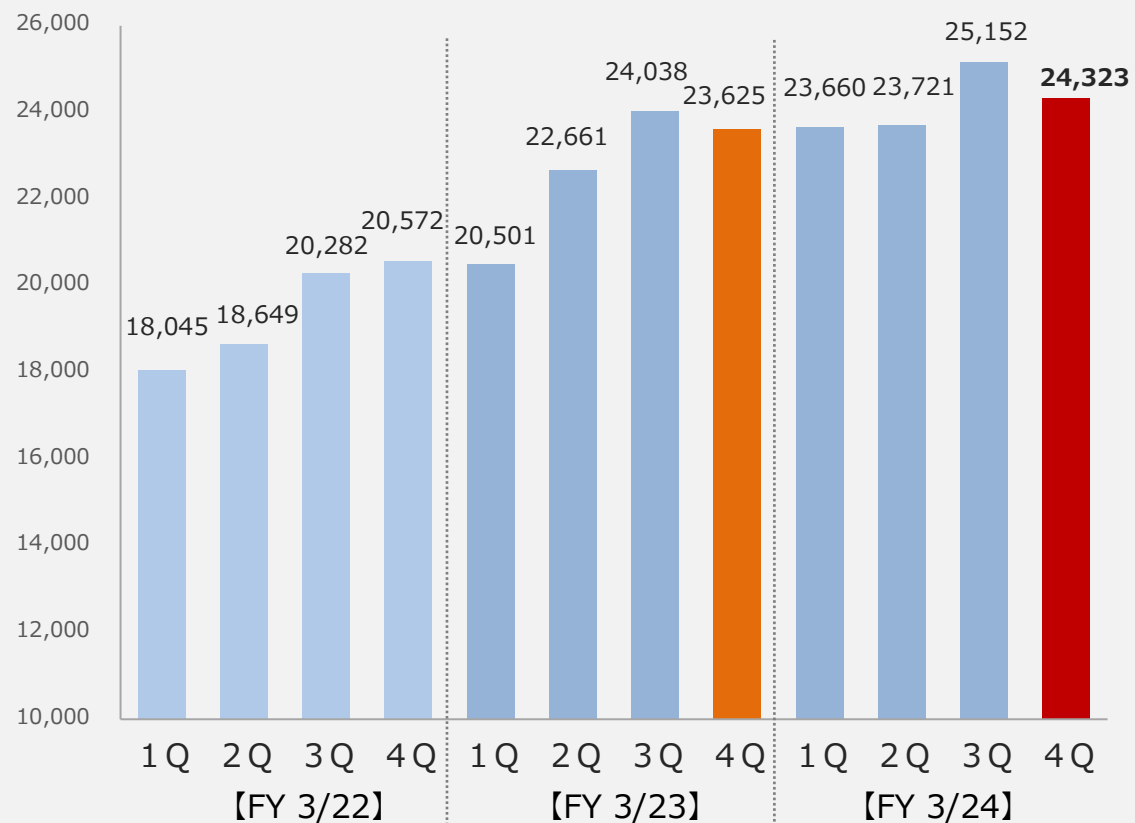
Operating profit increased by 34.8% YoY

- Net sales increased by 6.6% YoY, partly due to an increase in the number of enrolled staff.
- Nursing Care · Welfare Services increased revenue and profits YoY.
- The SG&A expense ratio decreased by 0.1% YoY, partly due to net sales growth.

	FY 3/23		FY 3/24		Year-on-Year	
	Results	% of Total	Results	% of Total	Increase (Decrease)	% Change
Net sales	90,827	100.0%	96,858	100.0%	6,031	6.6%
Gross profit	14,554	16.0%	16,014	16.5%	1,460	10.0%
SG&A expenses	12,286	13.5%	12,956	13.4%	670	5.5%
Operating profit	2,268	2.5%	3,058	3.2%	789	34.8%
Ordinary profit	2,349	2.6%	3,056	3.2%	707	30.1%
Profit attributable to owners of parent	1,622	1.8%	1,952	2.0%	329	20.3%

(Unit: Million yen)

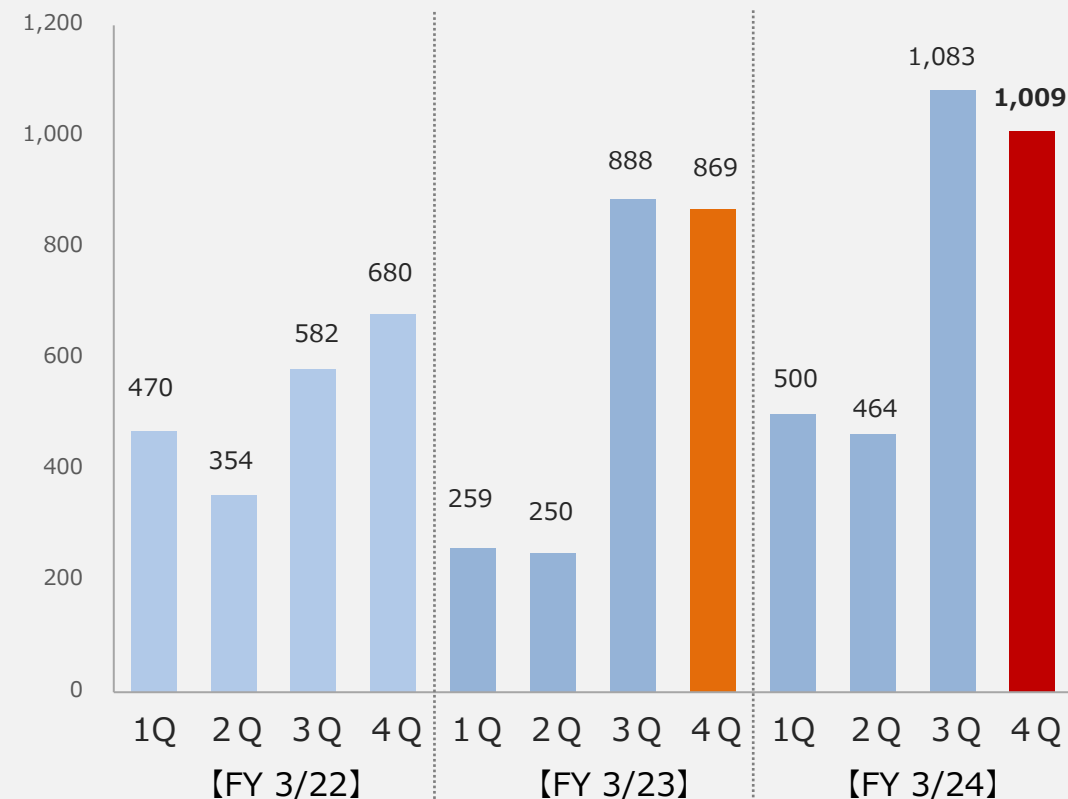
Net sales



(Unit: Million yen)

Operating profit

Up 16.0% YoY in 4Q



2

Financial Results by Service (FY 3/2024)

NISSOホールディングス (Our Company · Holding Company)
NISSO HOLDINGS Co., Ltd.



Manufacturing · Production Human Resources Services

Engineering Human Resources Services

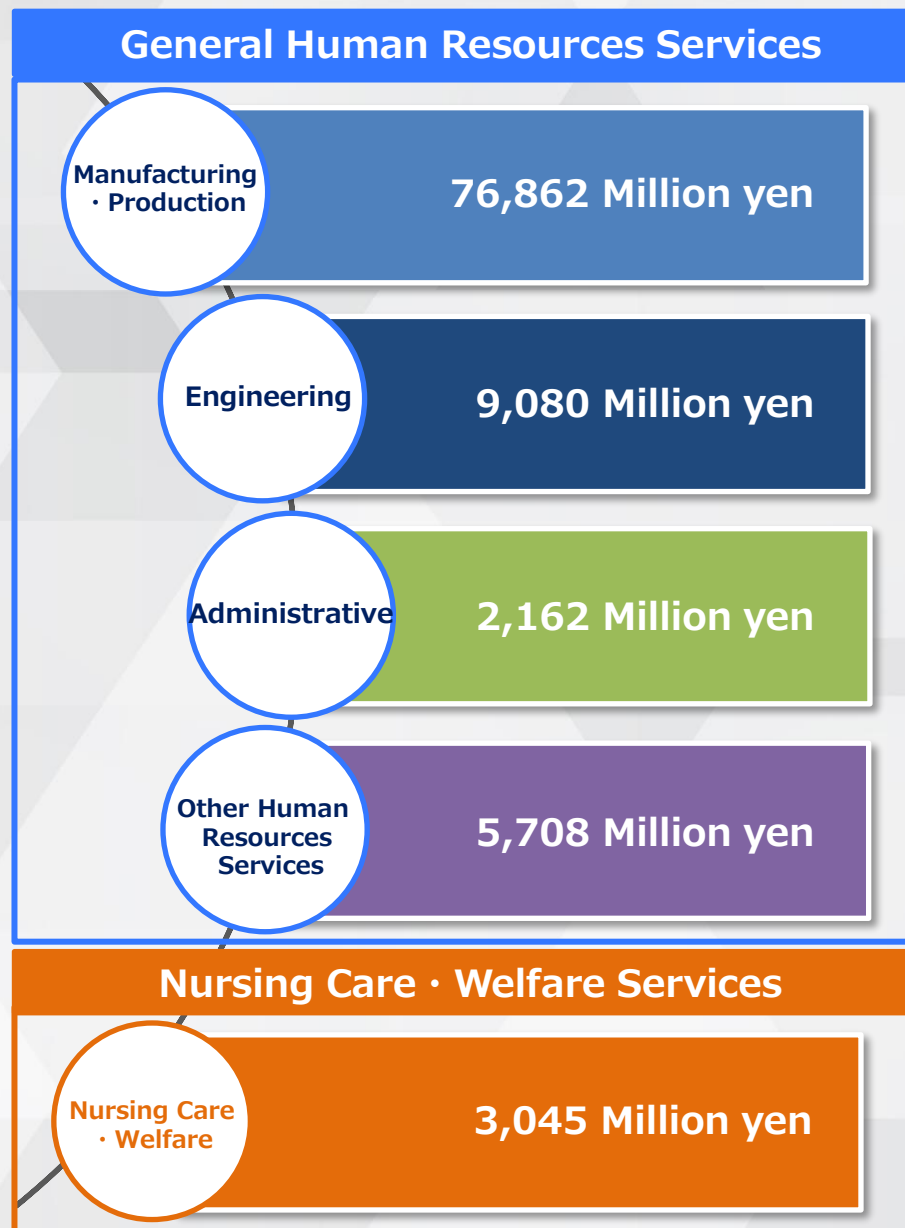
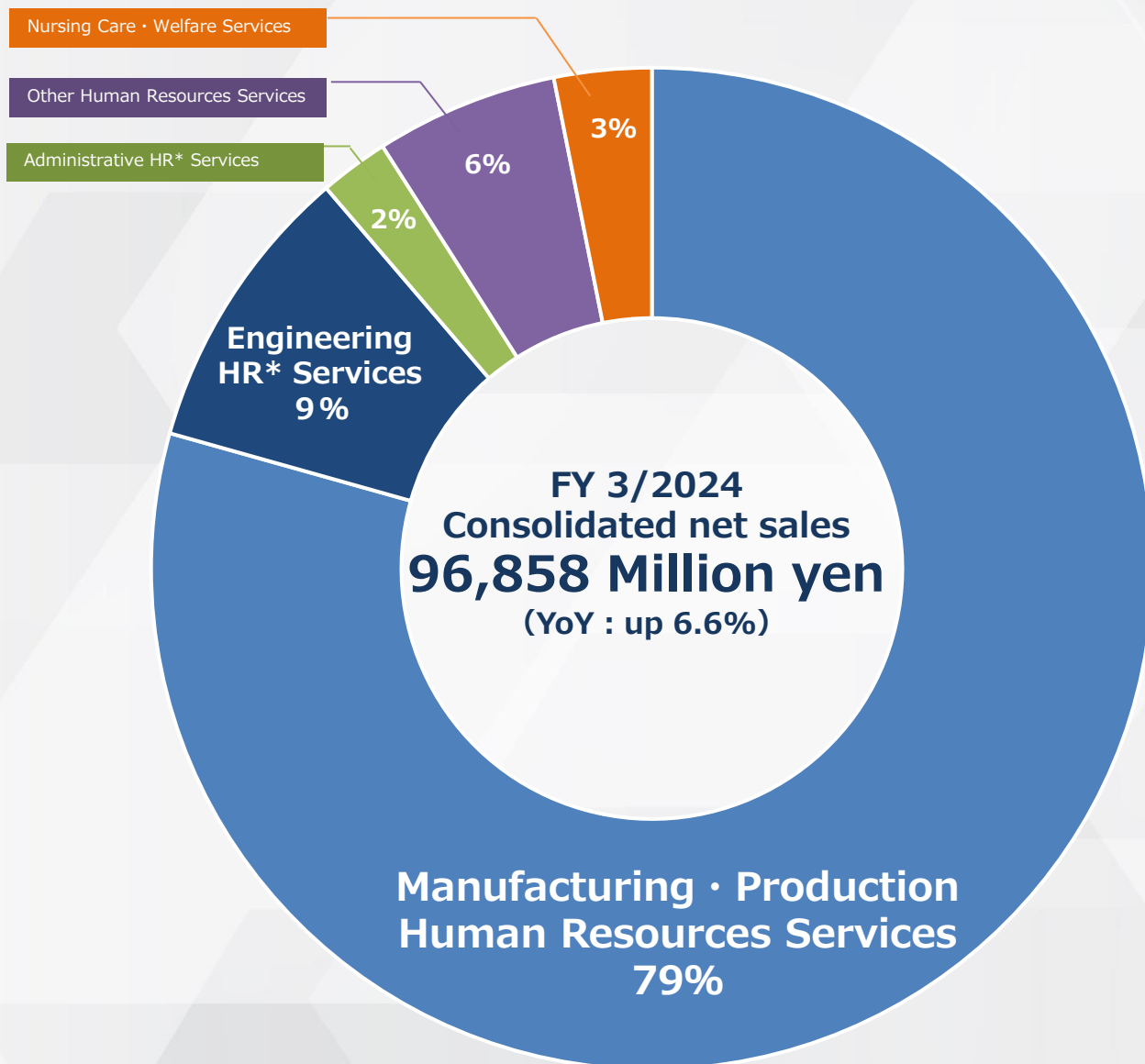
Administrative Human Resources Services

Other Human Resources Services

Nursing Care · Welfare Services

Net Sales by Service

※Internal transactions have been eliminated



HR* = Human Resources

General Human Resources Services

Net Sales

In 4Q, although manufacturing · production net sales increased by 2.4% YoY, partly due to an increase in the number of enrolled manufacturing · production staff and an increase in billing unit-costs, growth slowed due to problems such as inspection irregularities in the Automotive Industry.

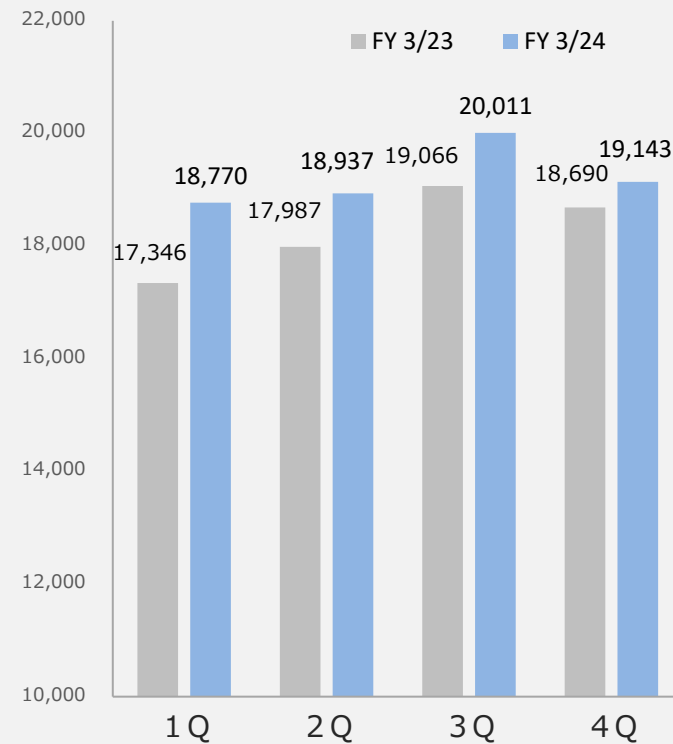
Number of Enrolled Staff

The number of enrolled manufacturing · production staff increased by 207 YoY.

(Unit: Million yen)

Manufacturing · Production Net Sales

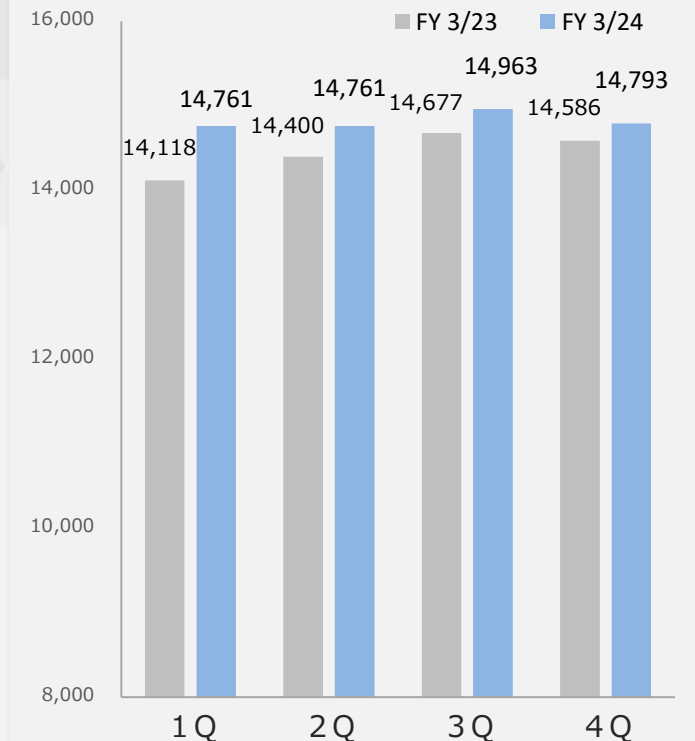
(Quarterly)



※Internal transactions have been eliminated

(Unit: # of Staff)

Number of Enrolled Manufacturing · Production Staff at Quarter-end



Avg. Monthly Net Sales per Capita

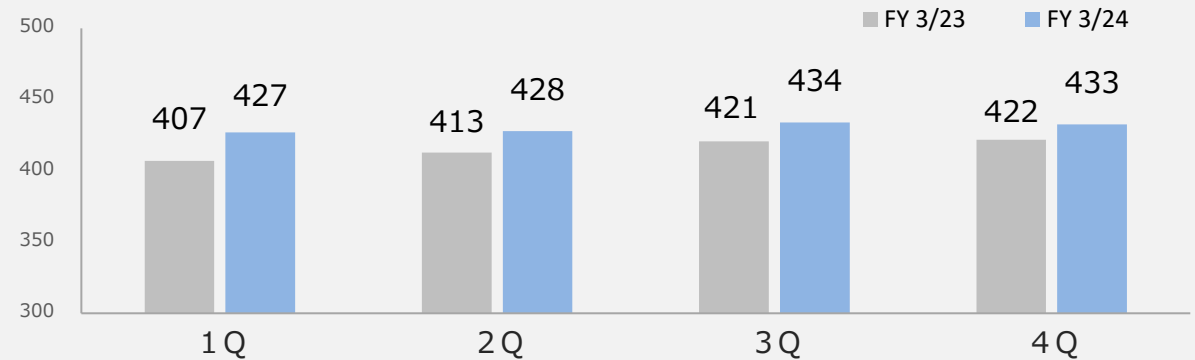
Although manufacturing · production net sales per capita increased by 2.5% YoY, growth slowed due to problems such as inspection irregularities in the Automotive Industry.

Turnover Rate

The manufacturing · production turnover rate remained at the same level YoY, and is the previous fiscal year, it remained below 4% for the full year.

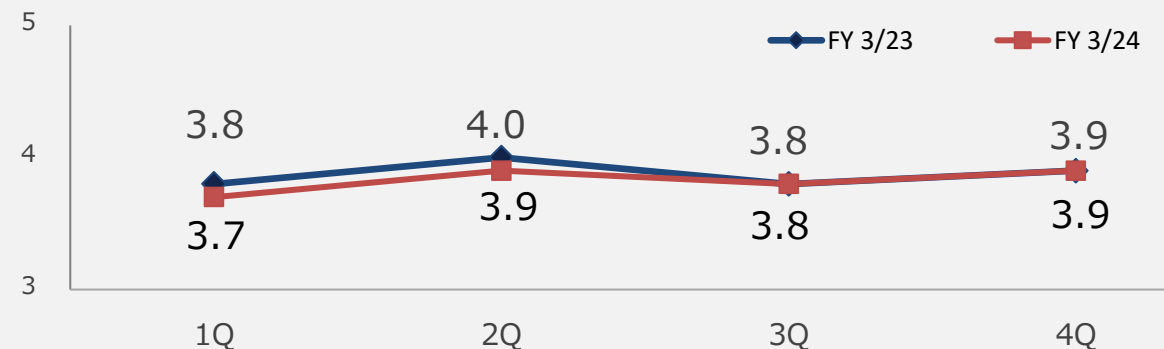
(Unit: Thousand yen)

Manufacturing · Production Avg. Monthly Net Sales per Capita



(Unit: %)

Manufacturing · Production Trend of Turnover Rate (Monthly Avg.)



Net Sales

- In 4Q, engineering net sales increased by 6.4% YoY, showing a clear recovery.
- The cumulative total increased by 5.3% YoY.

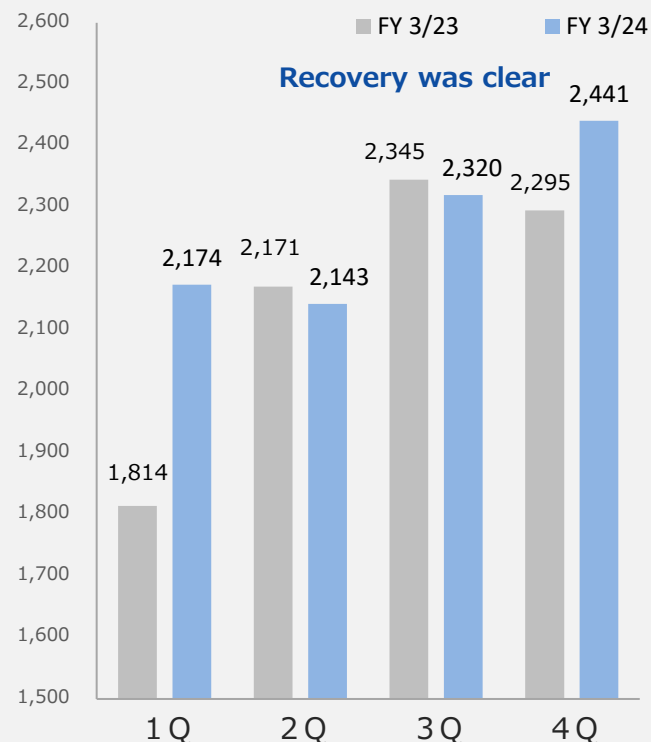
Number of Enrolled Engineers

The number of enrolled engineers increased by 27 YoY, partly due to the gradual recovery of the Semiconductor Industry.

(Unit: Million yen)

Engineering Net Sales

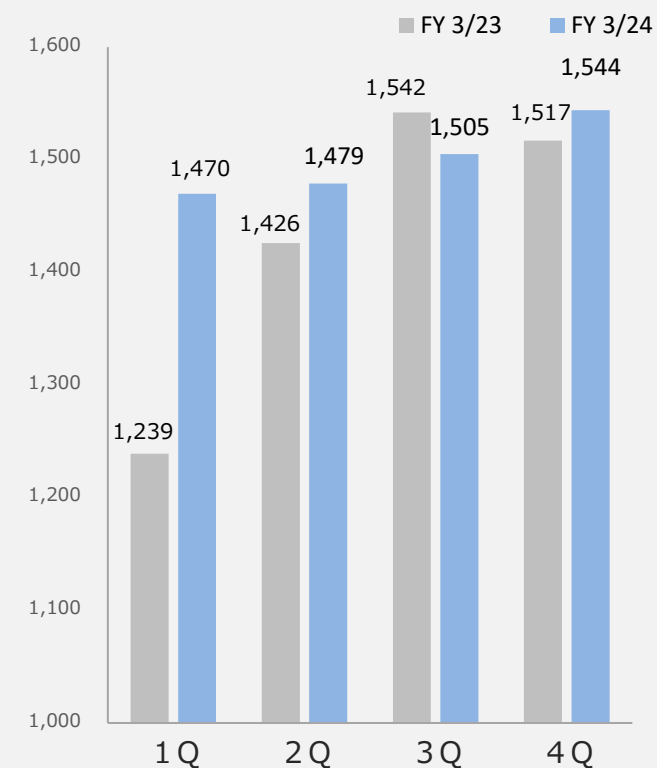
(Quarterly)



※Internal transactions have been eliminated

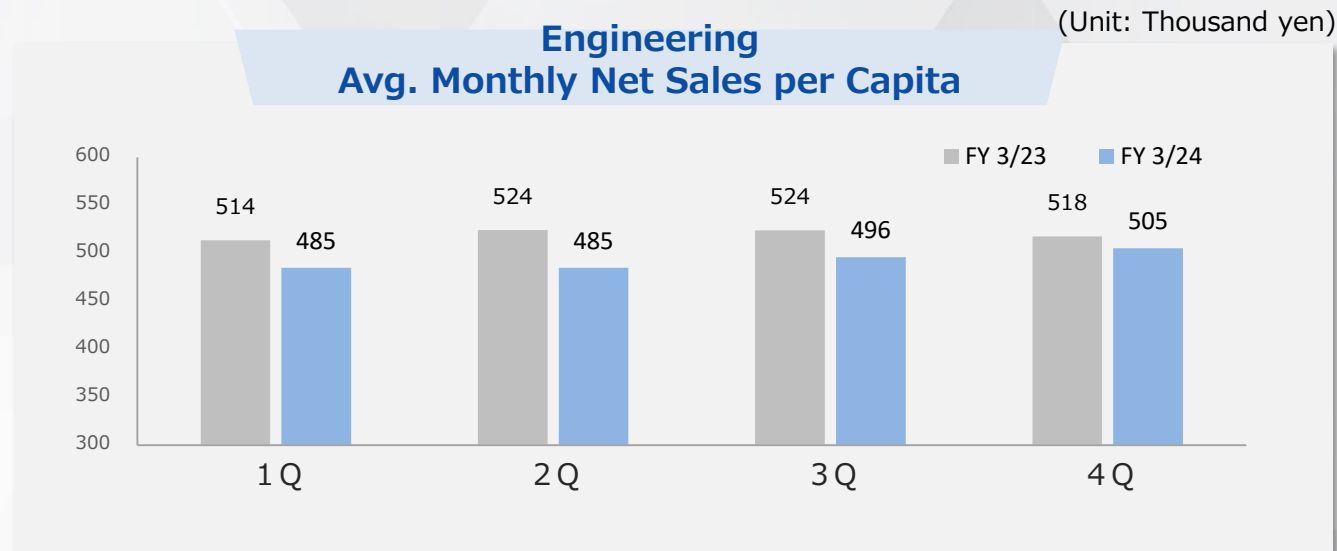
(Unit: # of Engineers)

Number of Enrolled Engineers at Quarter-end



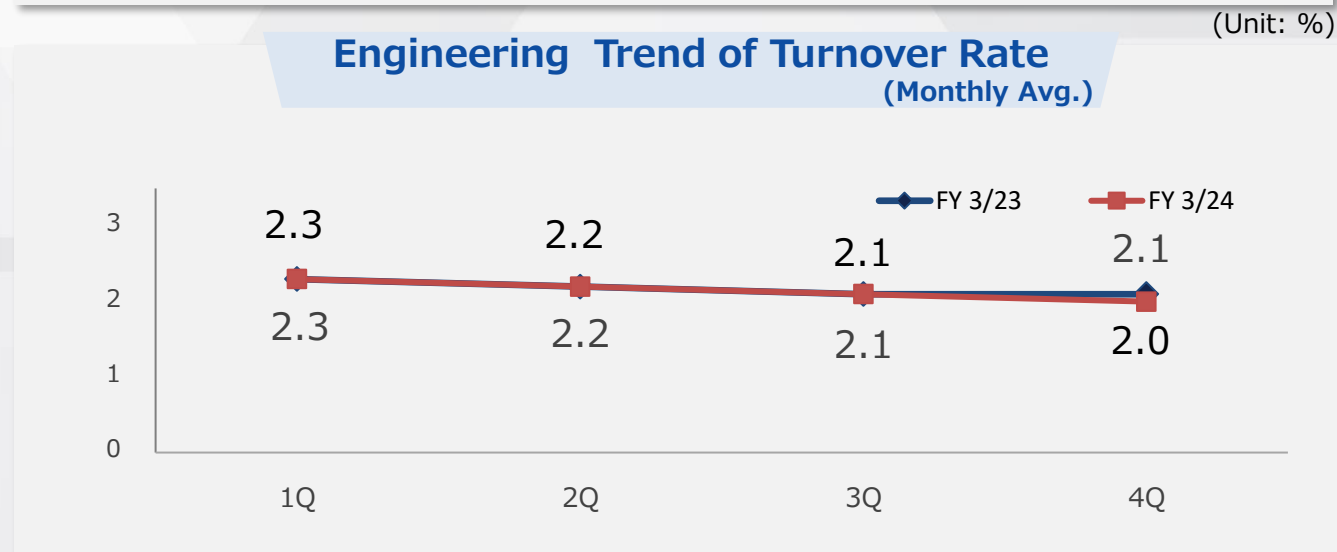
Avg. Monthly Net Sales per Capita

Although engineering net sales per capita decreased YoY, it has been on a recovery trend since 2Q.



Turnover Rate

The engineering turnover rate improved by 0.1 percentage points YoY and was just below 2%.



Administrative Human Resources Services

In 4Q, administrative net sales decreased by 5.5% YoY, partly due to a decrease in the number of enrolled administrative staff.

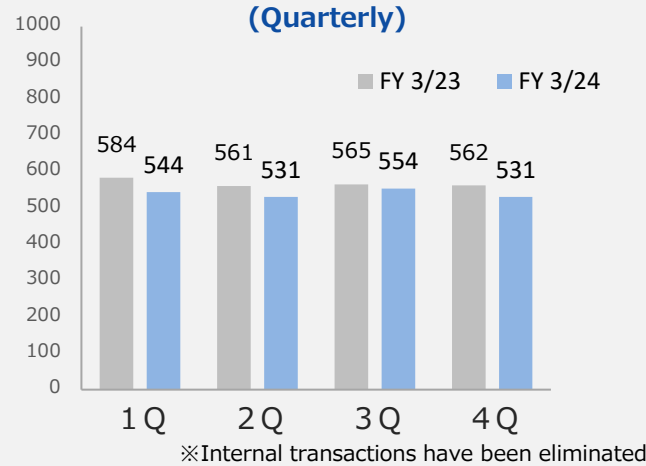
Other Human Resources Services

- Nikon Nisso Prime Corporation supports the active participation of Prime employees, and the number of Prime employees in 4Q was 697.
- Nisso Pure Co., Ltd. has created a workplace environment where diverse human resources can flourish, and the number of employees with disabilities in 4Q was 227.

※Prime employees: Senior employees

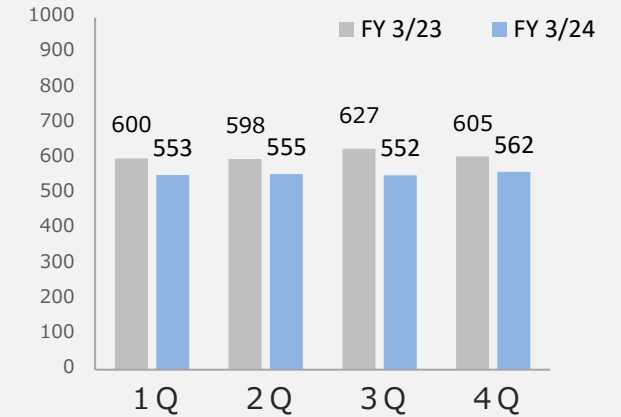
(Unit: Million yen)

Administrative Net Sales



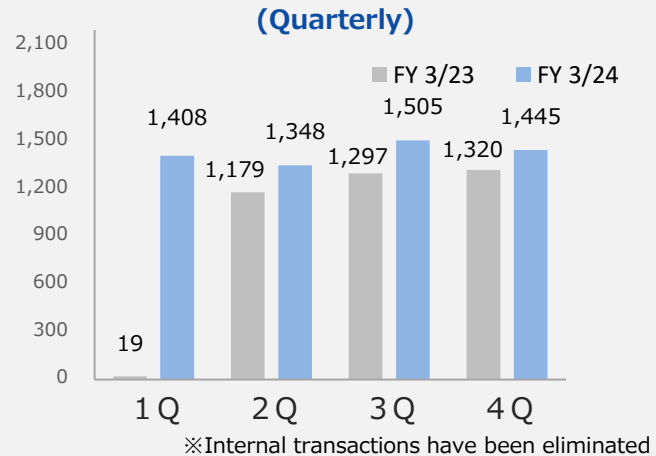
(Unit: # of Staff)

Number of Enrolled Administrative Staff at Quarter-end



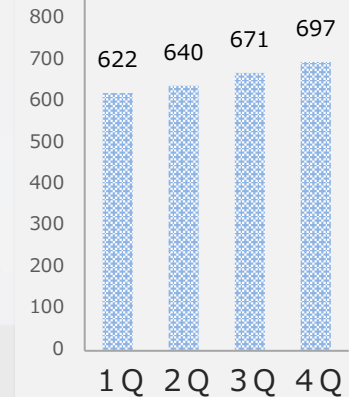
(Unit: Million yen)

Other Net Sales



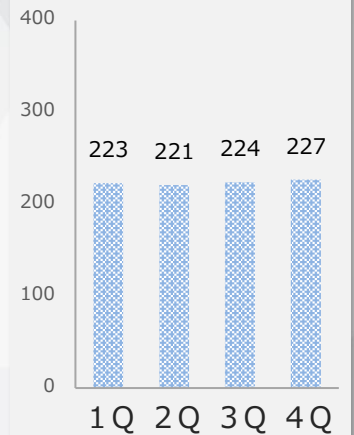
(Unit: # of Employees)

Prime Employees



(Unit: # of Employees)

Employees w/ Disabilities



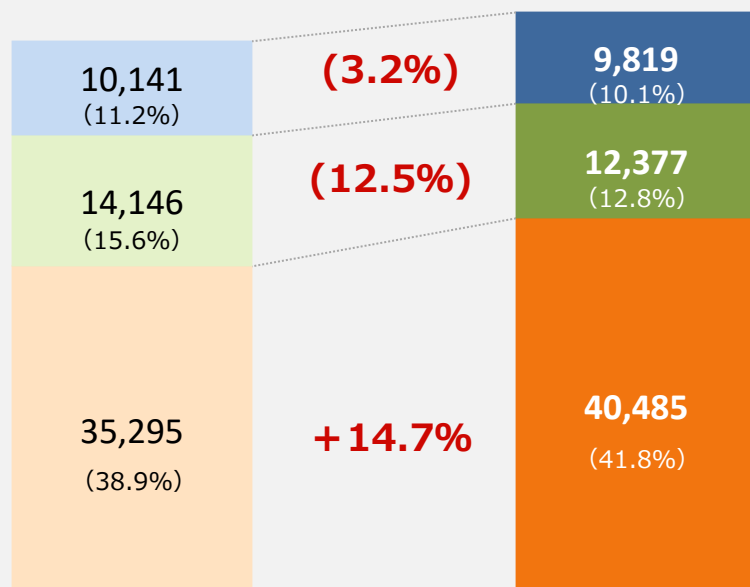
Results of Industry Strategy for Expansion of General Human Resources Services

FY 3/2024 Net Sales by Industry

Consolidated Net Sales Composition Ratios

(Unit: Million yen)

Automotive Semiconductor Electronics



※ () = % of consolidated net sales, Red = % of Year-on-Year growth

		Automotive Industry (Automobile manufacturing · EV-related manufacturing industry)	Semiconductor Industry (Semiconductor manufacturing industry)	Electronics Industry (Electronic equipment manufacturing industry)
FULL-YEAR	NET SALES	Up 14.7% YoY	Down 12.5% YoY	Down 3.2% YoY
	OPERATIONAL PERSONNEL	Operations did not increase due to certification issues, etc.	Manufacturing equipment and semiconductor memory were on a recovery trend · power semiconductors were steady	Recovered gradually
4TH QUARTER TRENDS	OPERATIONAL PERSONNEL	Decreased due to certification issues, etc.	Recovered gradually	Recovered gradually

Nursing Care • Welfare Services

Nursing Care · Welfare Services are centered on facility nursing care and home-based nursing care

Facility Nursing Care

In Yokohama, Kanagawa, we operate 6 fee-based nursing homes and provide nursing care services to residents. With the motto of providing high-quality services, the occupancy rate at the facilities remain at a high level.

Sweetpea Shin Yokohama



Sweetpea Konandai mio



Sweetpea Kanazawa Hakkei



Sweetpea Honmoku Sankeien



Home-based Nursing Care

We have 1 nursing care station in Yokohama, Kanagawa Prefecture, 2 in Iwaki City, Fukushima, and 2 outpatient care facilities in Iwaki City, Fukushima.

Sweetpea Mitsukyo



Sweetpea Higashi Totsuka



Human Resources Development

Aiming for high-quality nursing care, we focus on human resources development.

Points

- The overall occupancy rate of nursing care facilities remained at a high level of 94.8%.
- Net sales increased slightly YoY.
- Total sales increased by 7.9% YoY.
- Started participation in Kanagawa Prefecture's Healthcare New Frontier Policy. Promoting individual collaboration with related industry- academia-government-related organizations.

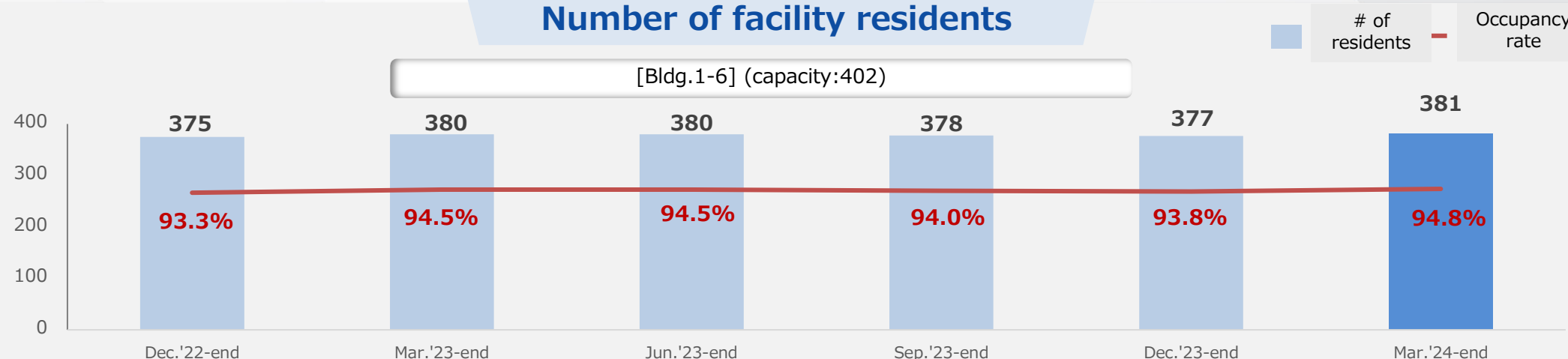
● Results of Nursing Care · Welfare Services

※Internal transactions have been eliminated
(Unit: Million yen)

	FY 3/23	FY 3/24	Year-on-Year	
	Results	Results	Increase (Decrease)	% Change
Net sales	3,017	3,045	28	0.9%
Gross profit	307	332	24	7.9%

Number of facility residents

(Unit: # of residents)



3

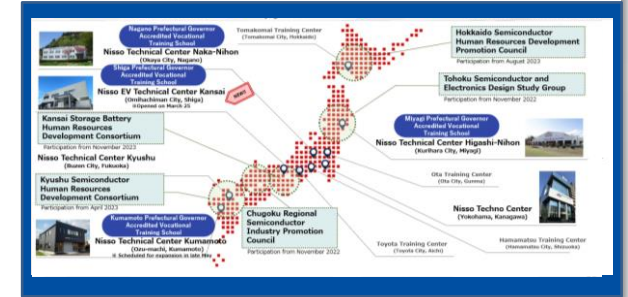
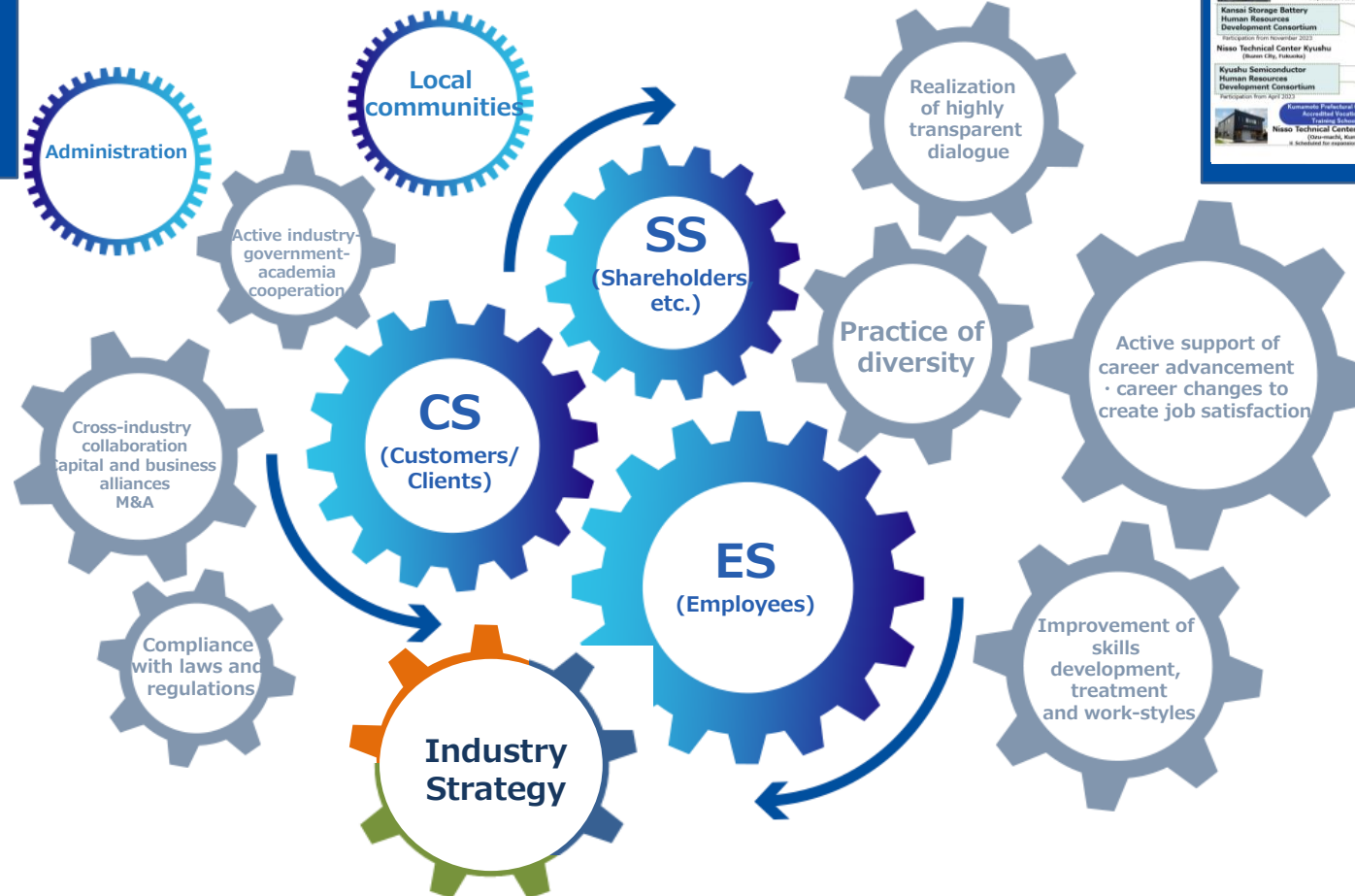
Toward the Growth of the Nisso Group

Nisso Group Growth Cycle Image

- Rapid changes in the client environment



Responding to EVs and DX



Flexible M&A

Capital and business alliances to enhance synergies

Acquisition of new points of contact

Collaboration with other industries

Responding to human resources mobility

Active industry-government-academia collaboration

Advanced human resources development

Strengthening of recruitment structures

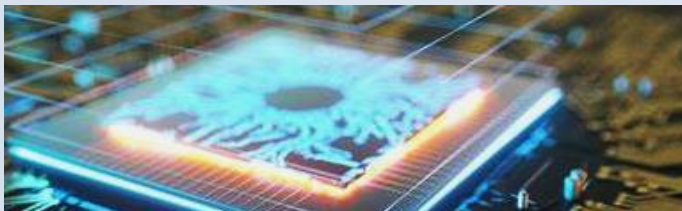
Continuing our Industry Strategy to expand Manufacturing · Production Human Resources Services and Engineering Human Resources Services as a growth engine

Industry Strategy Industries driving Society 5.0



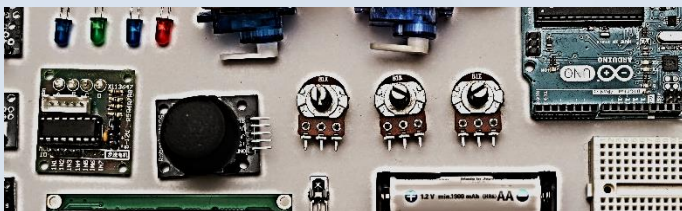
**Automotive
Industry**

Automobiles/
EV-related



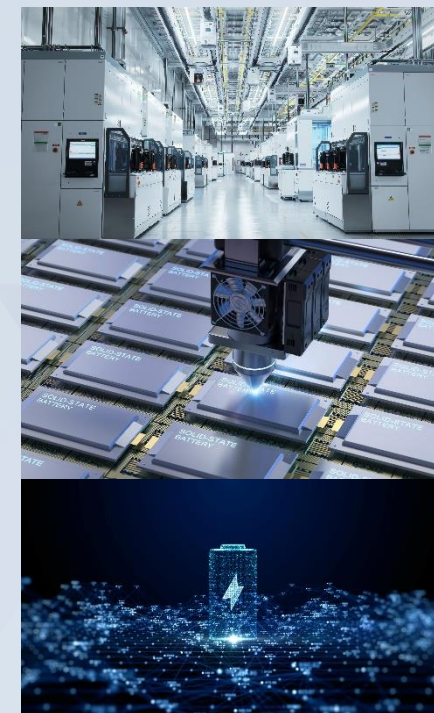
**Semiconductor
Industry**

Semiconductors/
semiconductor
manufacturing
equipment



**Electronics
Industry**

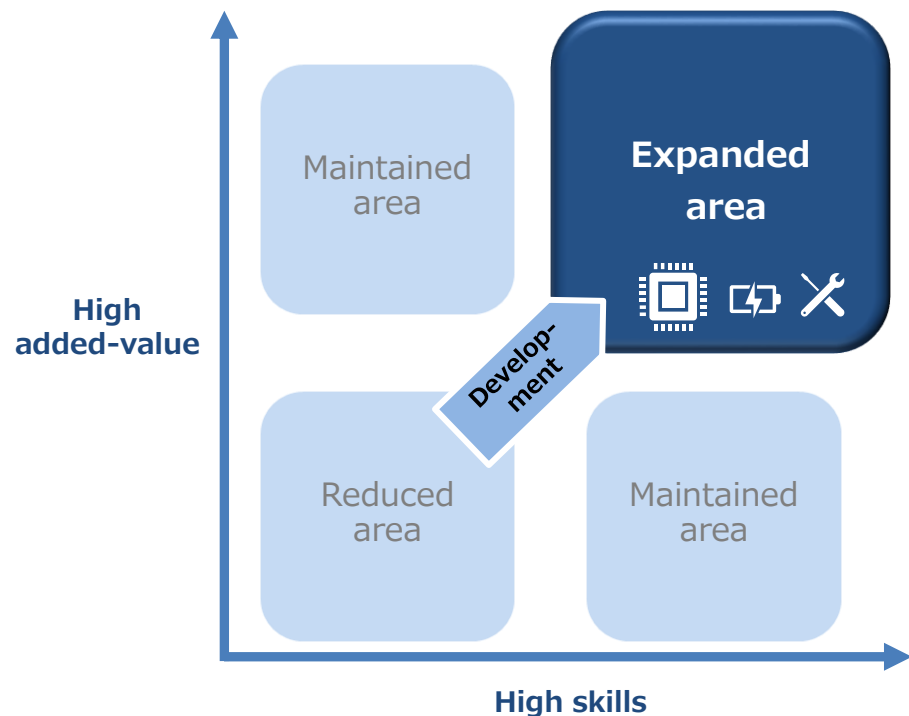
Communication
equipment/
electronic
components



**Actively approaching areas that will
become the next pillars of growth**

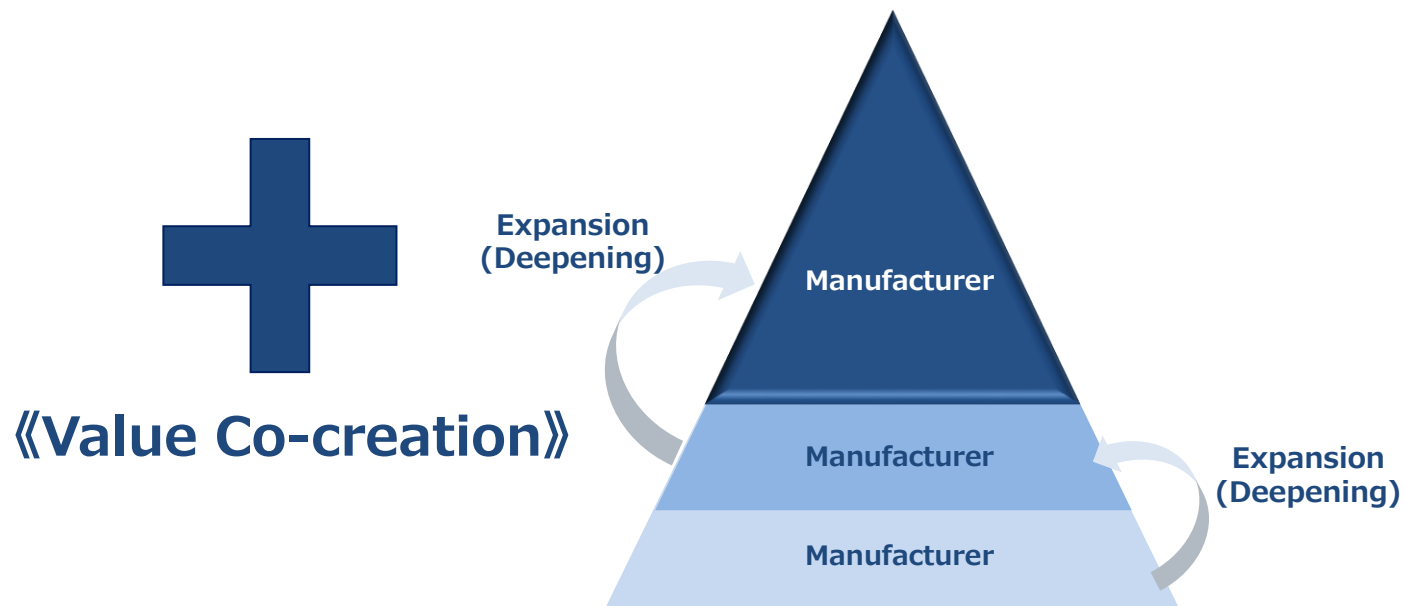
   **Industry Strategy**

Towards expanding · developing areas



Deepening into an indispensable partner













Co-creation with manufacturers to solve problems in expanding areas



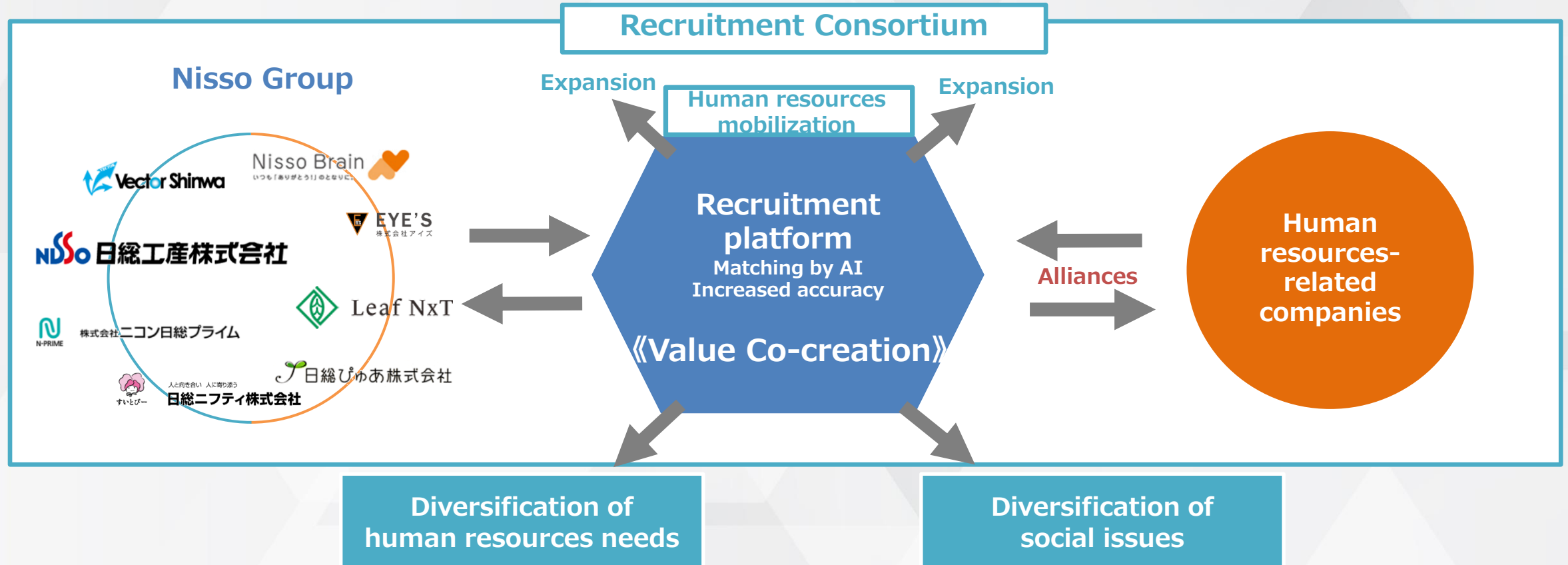
- Examination of expanded areas
- Creation of a system to develop high value-added human resources

- Expansion of business partners (Deepening of relationships)
- Responding to changing (sophisticated) needs

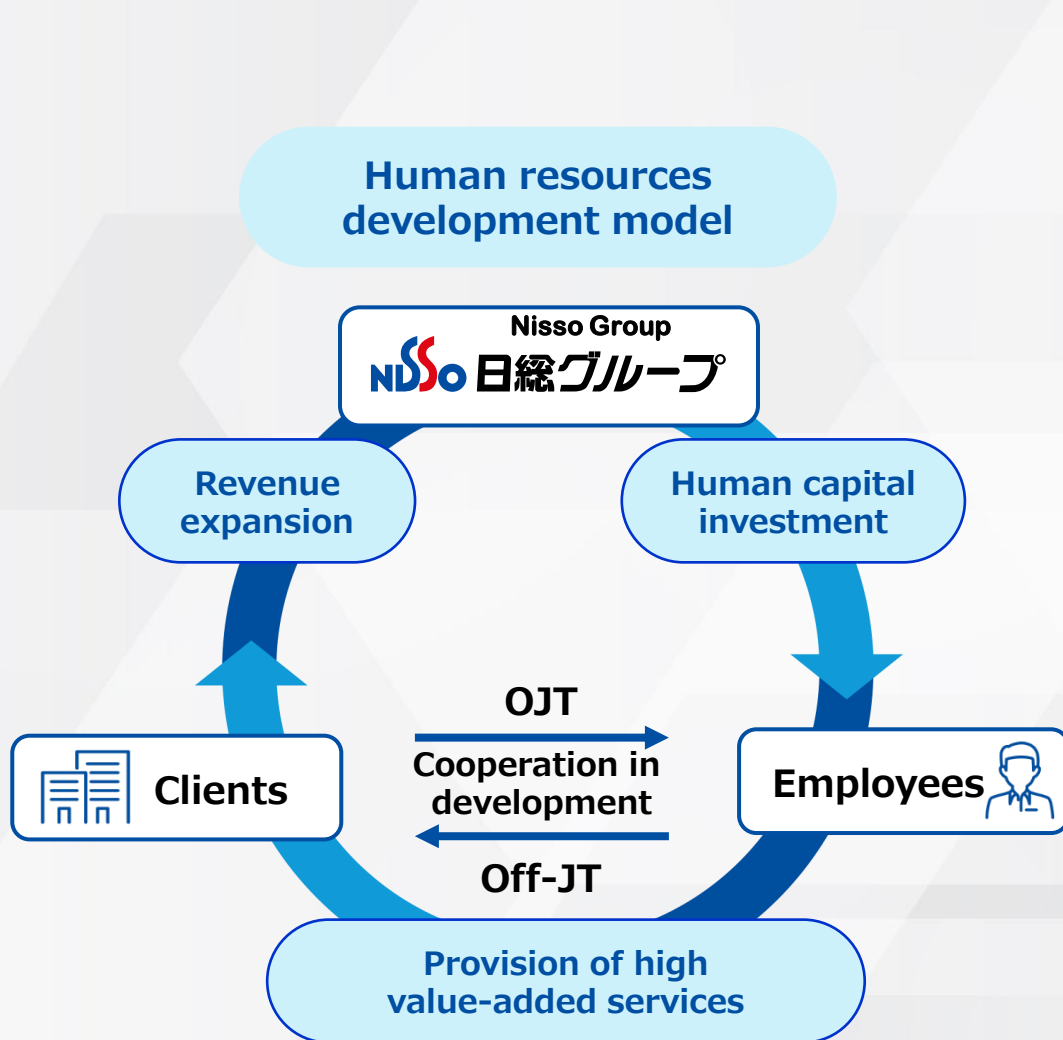
Realizing sustainable business growth by deepening the quality and content of the services provided

	Automotive Industry (Automobile manufacturing · EV-related manufacturing industry)	Semiconductor Industry (Semiconductor manufacturing industry)	Electronics Industry (Electronic equipment manufacturing industry)
Capital Investment	Clear & sunny  Will expand	Clear & sunny  Will expand	Sunny  Will gradually expand
Production Trends	Cloudy, then sunny  Will increase gradually Will be busy in 2H	Cloudy, then sunny  Manufacturing equipment · memory will recover Power semiconductors will be strong	Cloudy  Will be linked with semiconductors
Operational Trends	Sunny  Will normalize Will be busy in 2H	Sunny  Will normalize Will be busy in 2H	Cloudy, then sunny  Will normalize
Personnel Trends	Clear & sunny  Will be vigorous	Sunny  Will recover Will be busy in 2H	Sunny  Will recover

Establishment and expansion of a recruitment consortium centered on the Nisso Group



In response to diversifying social issues and human resources needs, we will build and develop a recruitment platform that leverages Group synergies to lead to business expansion



Personnel system reform

Enhancement of career advancement systems

- Promotion of well-being
- Membership-type
→Shift to job-type



Expansion of training facilities

- Establishment of Nisso EV Technical Center Kansai
- Expansion of Nisso Technical Center Kumamoto (Scheduled)



Development of engineers

- Launch of new employee training e-learning tool "Start engineer"



Increase the number of career path assistants

- Consideration of in-house qualifications



Introduction of VR/AR education

- Completion of VR tool selections



Diversity management

- Partnerships with overseas educational institutions



Promotion of career changes

Visualization of skills

- Utilization of human resources matching service "JOBMINES™"



Development of nursing care human resources

- FY 3/2024 Educational achievements 1,571 participants (Total)

Nisso Group's Educational Achievements

Points

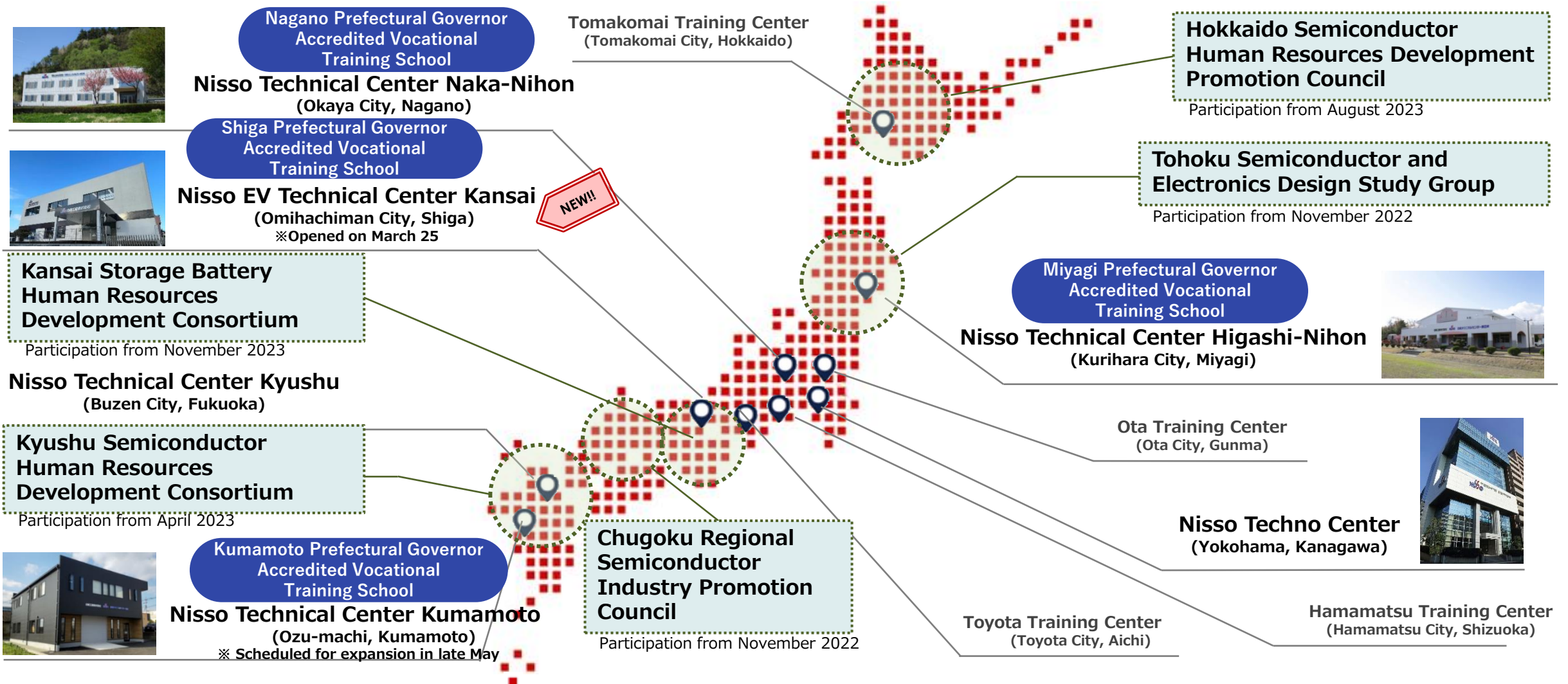
- We aim to provide high value-added services and expand educational opportunities for the entire Nisso Group.
- The need for external employee training (entrusted) is expanding. We provide customized training content based on client needs.

● FY 3/2024 Educational achievements (total # of participants)

Classification	Training content	FY 3/24 Cumulative Total
(Direct) Engineer training	Manufacturing equipment maintenance · manufacturing equipment technology Mechanical design · production technology Special education for industrial robots, etc.	1,370
(Direct) Manufacturing · production training	<i>MONOZUKURI</i> (manufacturing) education Foreman education Hazard simulation education, etc.	16,613
(Direct) Other training	Regular compliance education Career support training Qualification (enhancement) training, etc.	1,485
Nursing care · welfare training	Elder abuse prevention · physical restraint abolition training Accident prevention risk management training Infectious disease · food poisoning prevention training, etc.	1,571
Total		21,039
External employee training (Entrusted)	Fundamentals of mechanical maintenance Fundamentals of manufacturing equipment Hazard simulation education, etc.	187

Toward the Practice of Human Capital Management

Expanding training facilities and promoting industry-government-academia collaboration for the development of high value-added human resources



Environment surrounding the Kumamoto training facility

Saga Prefecture

- Silicon wafers
- Silicon single crystal wafers
- Fine ceramic parts, etc.

Nagasaki Prefecture

- MOS IC, CMOS image sensors
- High-purity silicon wafers

Kumamoto Prefecture

- Semiconductor contract manufacturing
- System LSI
- CMOS image sensors
- Semiconductor manufacturing equipment
- CMP equipment

Fukuoka Prefecture

- Power devices
- Power modules
- System LSI, image sensors
- SiC power devices, etc.

Oita Prefecture

- Logic LSI
- Industrial MOS IC, LSI assembly

Miyazaki Prefecture

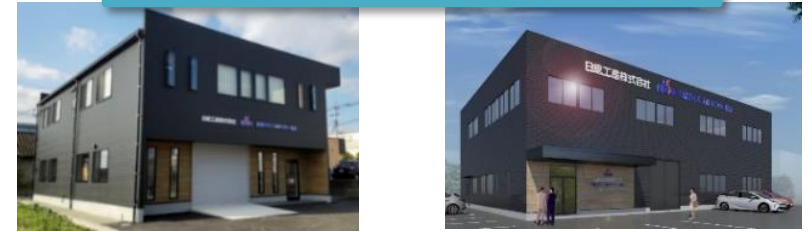
- Hall elements
- Silicon wafers
- Communication LSI
- SiC power semiconductors
- SiC wafers

Kagoshima Prefecture

- Semiconductor components
- Liquid crystal color filters
- Semiconductor manufacturing equipment
- Multilayer ceramic capacitors



Nisso Technical Center Kumamoto



To meet growing human resources needs

- Nisso Technical Center Kumamoto to be expanded in May
- Providing "reskilling" opportunities for human resources working in other industries and occupations
- Promoting career shifts to the semiconductor industry
- Responding to the human resources development needs of not only our own employees but also employees of manufacturers (Education and training entrustment services)
- Working with the public and private sectors to develop human resources capable of the mass-production of semiconductors

Challenges faced by manufacturers



Difficulties in both recruitment and human resources development due to changes in the market and workplace environment



- **Development of training programs · OJT that can respond to diversification**
- **Shortage of human resources in the sciences**
- **Human resources in the humanities and experience in other industries · Training of inexperienced manufacturing personnel**
- **Shortage of human resources · instructors who can educate**



Entrusted needs

《Value Co-creation》

Service provision

Customized training programs that leverage our strengths to meet the needs of our clients

Strengths of the Nisso Group



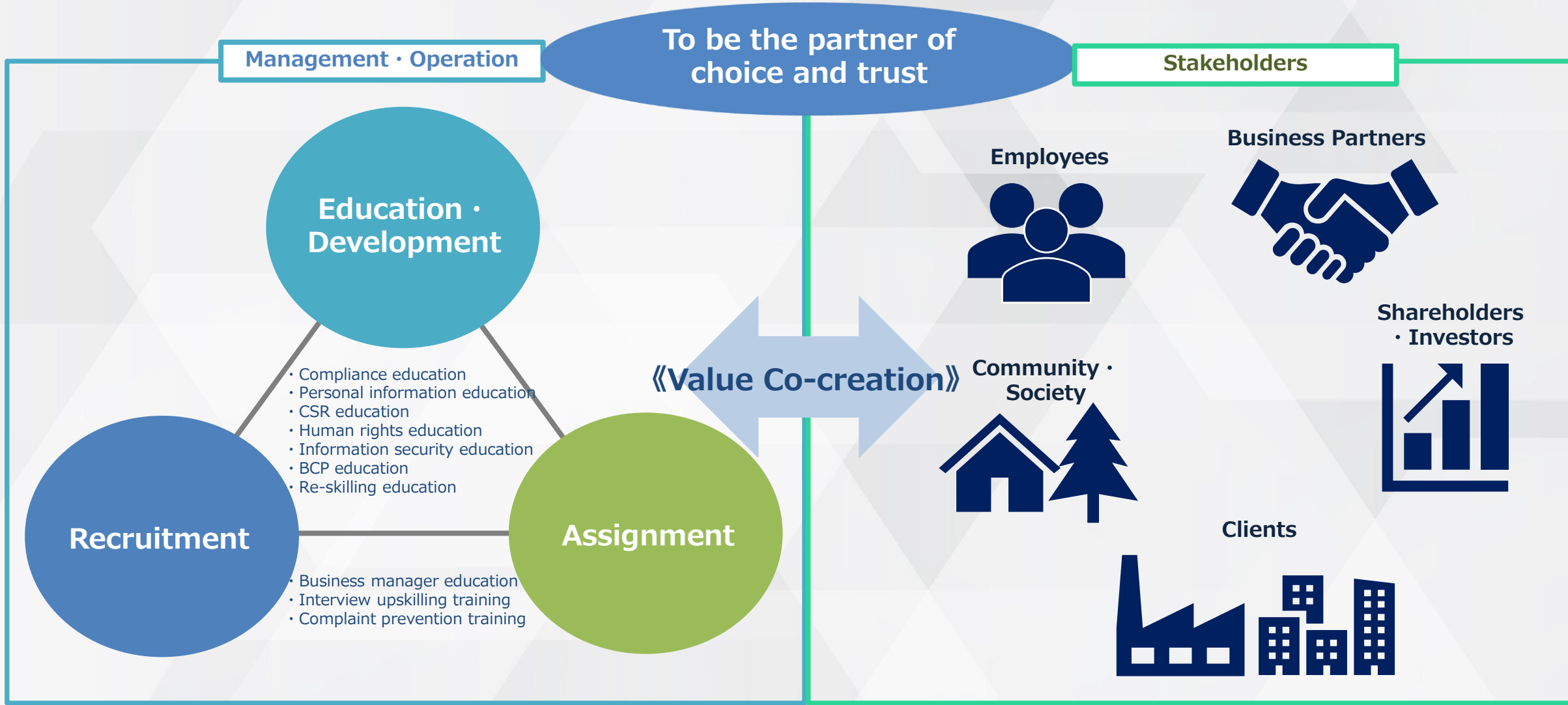
Training programs for people from many different industries and those with no experience

Training facilities equipped with actual equipment



Diverse team of instructors from various companies

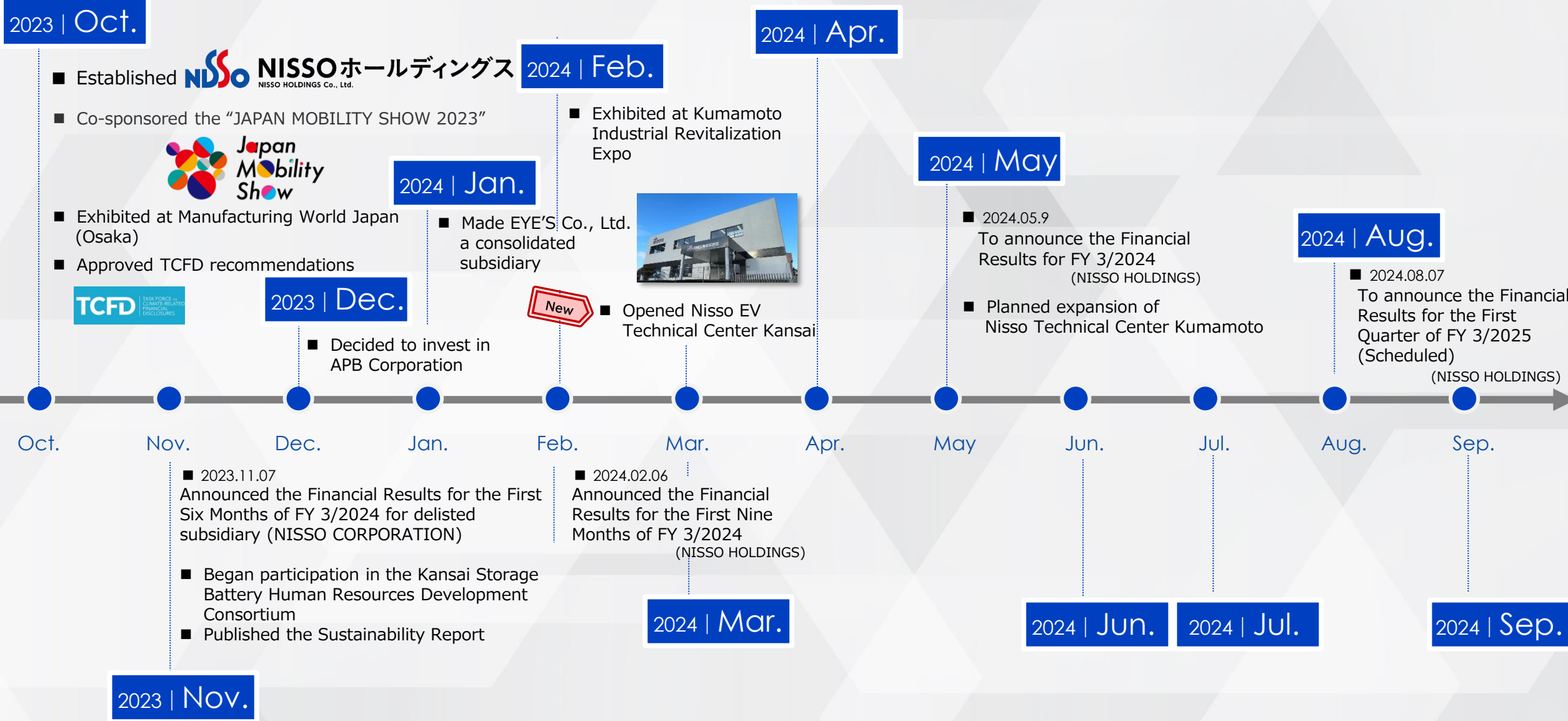
【ACTION】 Aiming to be a Trusted Partner



As a corporate group with strengths in human resources development, we will implement educational programs to maintain governance and continue our efforts to earn the trust of our stakeholders.

4

Nisso Group Topics





"EYE'S Co., Ltd." joins the Nisso Group

- EYE'S will provide business process solutions, its field of expertise, to the client base of the Nisso Group.
- We will expand our services by integrating the IT engineering services of EYE'S with the engineering area of the Nisso Group.
- EYE'S is currently developing a service called "FREE AID" that matches freelance mechanical and electrical engineers with projects and tasks that require their skills.



"Nisso EV Technical Center Kansai" opens

- NISSO CORPORATION opened the "Nisso EV Technical Center Kansai" on March 25, 2024.
- Established as a core training base for developing storage battery human resources in the Kansai region.
- Participated in the "Kansai Storage Battery Human Resources Development Consortium" established by the Kansai (Kinki) Bureau of Economy, Trade and Industry and strengthened cooperation.

5

Future Prospects (FY 3/2025)

FY 3/2025 Full-year Consolidated Forecasts

In the full-year consolidated (earnings) forecast, in our core General Human Resources Services Business, we expect revenue and profits to increase, based on the assumption that in addition to the recovery of operations in automobiles, the semiconductor memory field, etc., will remain strong, and demand for components related to PCs and communications equipment will also recover.

● FY 3/2025 Full-year Consolidated Forecast (April 1, 2024 ~ March 31, 2025)

(Unit: Million yen)

	FY 3/24 Results		FY 3/25 Forecast		Year-on-Year	
	Results	% of Total	Forecast	% of Total	Increase (Decrease)	% Change
Net sales	96,858	100.0%	106,000	100.0%	9,141	9.4%
Operating profit	3,058	3.2%	3,800	3.6%	741	24.3%
Ordinary profit	3,056	3.2%	3,800	3.6%	743	24.3%
Profit attributable to owners of parent	1,952	2.0%	2,400	2.3%	447	22.9%

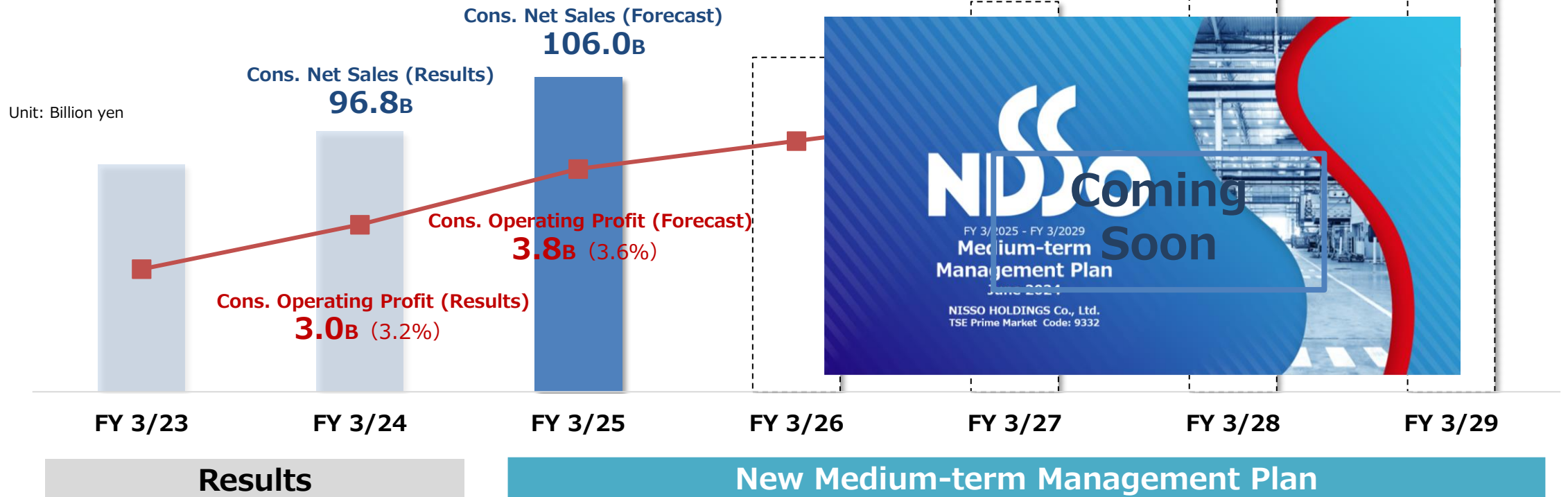
NISSO Sustainable Growth for the Future "New Medium-term Management Plan" to be announced

We will accelerate growth investments and strive to enhance corporate value while working to resolve social issues in the area of human resources.

Next-generation Growth Stage Towards Value Co-creation

Development model X Co-creation = Strengthening our earning power through the diversification of our business portfolio

- ✓ **Creating human resources together:** Human resources development such as enhancing career and skills
- ✓ **Creating business together** : Recruiting and placing the right people to the right jobs according to client needs
- ✓ **Creating solutions together** : Responding to diverse work-styles and changes in *MONOZUKURI* (manufacturing)



6

Shareholder Return Policy

Basic Policy

NISSO HOLDINGS 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 HOLDINGS' basic policy is to continue to steadily redistribute profits to all of our shareholders.

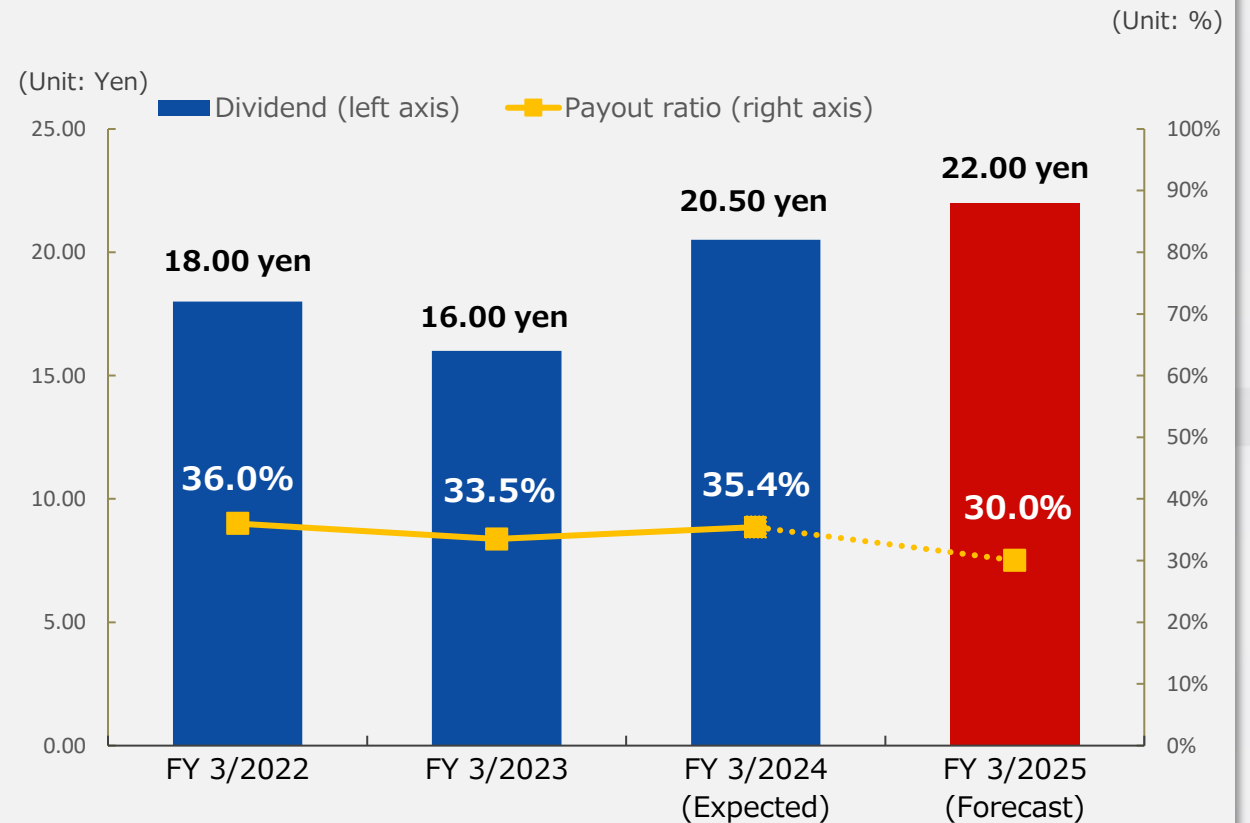
FY 3/2024 Expected Dividend

NISSO HOLDINGS expects to pay a dividend of 20.50 yen per share (consolidated dividend payout ratio of 35.4%).

FY 3/2025 Dividend Forecast

NISSO HOLDINGS expects to pay a dividend of 22.00 yen per share (consolidated dividend payout ratio of 30.0%).

Dividend and Payout Ratio



※Until FY 3/2023, the figures for NISSO CORPORATION before the holding company structure are presented.

7

Financial Condition (FY 3/2024)

Financial indicators related to management are as follows:

Classification	KPI	FY 3/24 Results	Indicator Purpose
Capital profitability	Operating profit margin	3.2%	Profitability · efficiency management
	ROE	13.2%	
	ROIC	11.6%	
Capital structure	Financial leverage	2.1	Financial soundness

NISSO HOLDINGS will closely monitor our own cost of capital (cost of equity and weighted average cost of capital (WACC)) and will strive to pursue earning power and improve capital efficiency by using return on equity (ROE) and return on invested capital (ROIC) as key management indicators. In addition, we 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. Moreover, in FY 3/2024, ROIC exceeded the cost of capital (weighted average cost of capital (WACC)).

Consolidated Balance Sheet

(Unit: Million yen, %)

	Mar. '23-end		Mar. '24-end		Increase (Decrease)
	Amount	% of Total	Amount	% of Total	
Current assets	21,747	72.3	21,899	69.8	151
Cash and deposits	9,800	32.6	9,641	30.7	(159)
Notes and accounts receivable - trade	10,986	36.5	11,238	35.8	252
Non-current assets	8,344	27.7	9,455	30.2	1,110
Property, plant and equipment	4,660	15.5	5,072	16.2	411
Intangible assets	1,514	5.0	1,611	5.1	96
Investments and other assets	2,169	7.2	2,771	8.8	602
Total assets	30,092	100.0	31,354	100.0	1,261
Current liabilities	12,187	40.5	13,360	42.6	1,172
Accrued expenses	6,119	20.3	6,553	20.9	434
Income taxes payable	555	1.8	795	2.5	240
Provision for bonuses	1,395	4.6	1,479	4.7	83
Non-current liabilities	3,097	10.3	2,660	8.5	(436)
Long-term loans payable	2,019	6.7	1,550	4.9	(468)
Total liabilities	15,284	50.8	16,021	51.1	736
Shareholders' equity	14,563	48.4	14,939	47.6	375
Non-controlling interests	239	0.8	275	0.9	35
Total net assets	14,807	49.2	15,333	48.9	525
Total liabilities and net assets	30,092	100.0	31,354	100.0	1,261

Point

① Increase due to expansion of the number of staff in operation

Due to the expansion of the number of staff in operation in the manufacturing-related human resources services, "notes and accounts receivable (trade)" of current assets and "accrued expenses" of current liabilities increased.

② Repayments

As a result of contractual repayment of loans payable, "long-term loans payable" of non-current liabilities decreased.

③ Business combination

Assets and liabilities increased due to an increase in the number of consolidated subsidiaries associated with the acquisition of shares.

④ Overall

As a result of the above, total assets increased by 4.2%, total liabilities increased by 4.8%, and total net assets increased by 3.4% compared to the end of the previous fiscal year, resulting in an equity ratio of 48.0%.

Consolidated Statements of Cash Flows

(Unit: Million yen)

	FY 3/23	FY 3/24	Increase (Decrease)
	Amount	Amount	
CF from operating activities	2,285	3,230	944
CF from investing activities	(146)	(1,289)	(1,142)
CF from financing activities	(1,112)	(2,100)	(987)
Net increase (decrease) in cash and cash equivalents	1,026	(159)	(1,185)
Cash and cash equivalents at beginning of period	8,773	9,800	1,026
Cash and cash equivalents at end of period	9,800	9,641	(159)

Point

① Cash flows from operating activities

Proceeds from profit before income taxes amounted to 3,056 million yen, absorbing expenditures such as income taxes paid of 865 million yen, resulting in proceeds of 3,230 million yen.

② Cash flows from investing activities

Expenditures for the purchase of securities amounted to 300 million yen, while expenditures for the purchase of property, plant and equipment amounted to 650 million yen, resulting in expenditures of 1,289 million yen.

③ Cash flows from financing activities

Expenditures for the purchase of treasury shares amounted to 1,062 million yen, and cash dividends paid of 544 million yen resulted in expenditures of 2,100 million yen.



Glossary

Word/Term	Explanation
Manufacturing dispatching	Manufacturing dispatching is conducted in accordance with the "Act for Securing the Proper Operation of Worker Dispatching Undertakings and Protection of Dispatched Workers", and dispatching services are provided to manufacturers including automobiles manufacturing, semiconductor manufacturing, and electronic equipment manufacturing. The right to instruct and order the work lies with the manufacturer, which is the dispatching destination, and the employer is the dispatching company. Procedures related to labor management, such as recruitment and payroll, are carried out by the employer, the dispatching company.
Manufacturing contracting	Manufacturing contracting provides services to manufacturers including automobiles manufacturing, semiconductor manufacturing, and electronic equipment manufacturing. The contracting company uses part or all of the manufacturer's processes・equipment to establish production, quality control, labor management, and workplace management systems. In response to orders from the ordering party (manufacturers), the contracting company conducts manufacturing, processing and inspections under a management system, and delivers the finished products (deliverables) to the ordering party upon completion.
Human Resources Development Model	A model for developing high value-added human resources. By developing human resources using the Nisso Group's unique advanced Off-JT, we provide our clients with human resources who can quickly acquire skills and establish themselves after being assigned to a workplace.
Industry Strategy	A strategy for proactively and speedily responding to the needs of each industry that the Nisso Group focuses on, in order to expand our General Human Resources Services business.
Turnover rate	The cumulative (YTD) number of resignations divided by the total average number of enrolled staff each month. It represents the average withdrawal rate for the relevant period.
Nisso Technical Centers	Large-scale education and training facilities that educate highly specialized technical staff in various industries such as automobiles, electricity, and semiconductors. The Technical Centers provide a wider range of education than the Training Centers, and can also provide contracted training services.
Nisso Training Centers	Education and training facilities that provide specialized skills education for specific industries. Education and training are provided on the premise of assignment to specific manufacturers.



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The forward-looking statements and performance forecasts contained in this document are forecasts determined by NISSO HOLDINGS based on information available at the time of preparation, and include potential risks and uncertainties. Therefore, please be aware that the actual results may differ greatly from the forward-looking statements described due to changes in various factors.

<For future IR-related inquiries>

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