NISSO GROUP

# INTEGRATED REPORT 2025

NISSO HOLDINGS

Making
hardworking people,
happy.

# Creating the Future for "Hardworking People"

### "Why does NISSO go to such lengths? I want to learn its secrets."

Investing with a long-term perspective and pursuing the development of human resources with high market value and scarcity. The path to victory lies here.

P. 05 Message from the President

### It's not about immediate profits, but how we can increase the value of each individual

Improving skills leads to higher compensation, but development takes time. Long-term growth requires commitment.

P. 25 NISSO's Human Resources Development Story

Ryuichi Shimizu

Representative Director,
President & Executive Officer

Changing the labor market,
changing values about work-styles,
and changing the mindset on
human resources utilization

### The greatest challenge in the future labor market is mismatches

Reskilling people in jobs that are disappearing and offering careers in high demand will lead to stable employment, company growth, and a solution to the labor shortage.

P. 27 Human Resources Development

### The mass consumption model for dispatched staff should come to an end

We believe it is the mission of a General Human Resources Services company to enable working people to feel a sense of fulfillment and happiness through their work.

P. 37 Medium-term Management Plan

### To continue growing in an era of uncertainty, we must continue to change

We will accelerate the transformation of our business portfolio with speed. By changing the composition of the Board of Directors, we take on challenges with decisiveness of action.

P. 40 Business Portfolio Transformation for Sustainable Growth


## Nisso Technical Center Kumamoto

A training facility that opened in April 2023 and was expanded in May 2024. It is equipped with state-of-the-art semiconductor manufacturing equipment and staffed with former manufacturer instructors with on-site production experience. The center features a cleanroom that enables practical training, semiconductor equipment (dry etching equipment, CVD), six-axis industrial robots, PLC training kits, and more. Kumamoto Prefectural Governor Accredited Vocational Training School.

# This is how far NISSO goes!

**Our pride as a pioneer in manufacturing dispatching, and human resources development**

**We have a proven track record of pioneering the manufacturing contracting and manufacturing dispatching markets, protecting workers' rights, and leading the industry. With this pride in mind, we take on challenges in areas that other companies cannot imitate. In an increasingly uncertain labor market, we invest in human resources to realize our mission of "creating opportunities and hopes for people to work."**



## Actual semiconductor manufacturing equipment for hands-on training: 5

The Nisso Group's training facilities provide an environment where trainees "can learn through trial and error," something that is difficult to achieve with OJT alone. Since they train on actual equipment and experience real operations, they can contribute immediately upon dispatch. Employees themselves can also begin work without feelings of anxiety.

In the semiconductor industry, which faces an acute labor shortage, we receive such high evaluations from clients that they wonder, "How is NISSO CORPORATION able to provide such outstanding human resources?"

## Cleanroom ceiling height: 4.5m

## Grated flooring

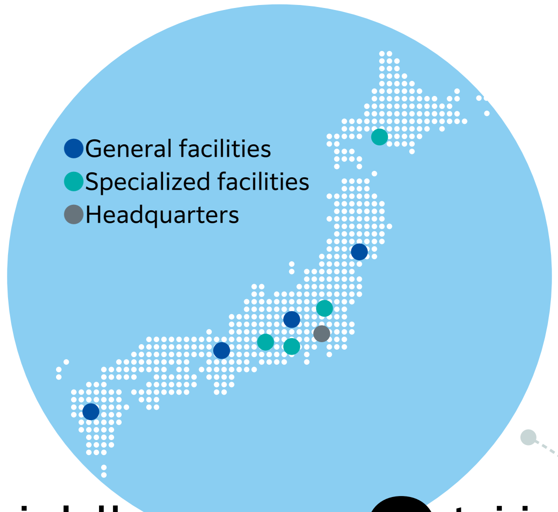
Semiconductor defects can be caused by grit and dust generated during production. At the Nisso Technical Center Kumamoto, we have pursued realism by recreating a semiconductor factory cleanroom. Just like an actual factory where semiconductor manufacturing equipment is in operation, the ceiling was designed at a height of 4.5 meters, and the grated floor facilitates the exhaustion of dust.

In this realistic environment, trainees become accustomed to actual machines, enabling them to begin work without hesitation when they are actually dispatched.

## Nisso Technical Center Kumamoto
## On-site apartment

In April 2025, a ten-story apartment for trainees was completed on the premises of the Nisso Technical Center Kumamoto.

Some training curricula at the center extend over four months. Previously, trainees stayed in nearby housing and commuted by way of a shuttle service. Having an on-site apartment now makes it easier for trainees to study after hours and ask instructors questions, while also fostering an environment where they can immerse themselves in training and encourage one another.




## Unrivaled human resources development capabilities originating from 9 training facilities nationwide

We have established training facilities nationwide that provide pre-assignment training in both basic and communication skills, as well as advanced programs to develop high value-added human resources. These facilities also serve as venues to reskill employees with practical experience, thereby enhancing their market value as human resources.

In Kumamoto, we focus on training related to semiconductor manufacturing, while in the Kansai region, we focus on storage batteries, tailoring programs to regional characteristics and needs across Japan.

Message from the President

# Enhancing the Value of Human Resources

# Increasing "Earning Power" over the Medium to Long Term

Ryuichi Shimizu

Representative Director, President & Executive Officer

With the automation of factories and the advancement of AI, the working environment at manufacturing sites are undergoing drastic changes. As a pioneer in manufacturing dispatching, the Nisso Group is focusing on the development of human resources that will be needed by the next generation, while also advancing the transformation of our business portfolio. We are refining our human resources and services, ensuring they forever remain relevant, aiming for sustainable growth.

NISSO HOLDINGS has published our Integrated Report for the first time with the aim of enabling stakeholders to gain a deeper understanding of our business model, which has supported the Japanese manufacturing industry, and our future growth strategies. Nisso Koei, the predecessor of NISSO CORPORATION, the core of the Group, was founded in 1971 as a pioneering manufacturing contracting business. In 1986, what is now Nisso Brain Co., Ltd., was established, followed by what is now Nisso Nifty Co., Ltd., in 1990. Under the founding philosophy of "Nurturing and Bringing Out the Best in People," we have contributed to society by supporting both individuals and companies through the human resources services we provide.

Since 2020, we have accelerated our growth to create new value in the business area of human resources. This has been accomplished through initiatives such as the establishment of NIKON NISSO PRIME CORPORATION as a joint venture, the conversion of Vector Shinwa Co., Ltd. and EYE'S Co., Ltd., into subsidiaries, a capital and business alliance with TSUNAGU GROUP HOLDINGS Inc. (hereinafter, the "TSUNAGU GROUP"), and the launch of Leaf NxT Inc., a joint venture between the TSUNAGU GROUP and NISSO CORPORATION.

## Transforming the Labor Market

The Nisso Group's mission is "creating opportunities and hopes for people to work." As society and industries change, the skills required of working people are constantly evolving. Since our founding, we have developed human resources with skills that meet market needs by utilizing our own training facilities and curricula. We believe, that human resources who have improved their skills come to the realization of, "I have value and I can contribute to society," during the course of their work, which leads to feelings of happiness and satisfaction. It is this belief that stands as the foundation of our mission which, when realized, supports the business growth of our business partners, boosts their satisfaction, and ultimately leads to the own growth of NISSO HOLDINGS. The fundamental prerequisite for this virtuous cycle is investment in human capital, such as employee skill acquisition.

"Reskilling" and "mobilization of human resources" are major themes in today's labor market, and we believe that human resources companies such as ourselves have a responsibility to contribute to their realization. From the outset, dispatched labor has been premised on job-based employment, with a focus on how highly marketable human resources can be sent off effectively to the workplace. Traditionally, the main function of dispatched staff has been that of an employment buffer, but we believe that the mass-consumption model of repeatedly deploying and withdrawing large numbers of dispatched staff must come to an end.

Work-styles of dispatched staff can serve as a platform for diverse career development—for those with a professional mindset toward their desired work, for those

who have dedicated themselves to what they want to do, for those whose employment aspirations were not realized following graduation, for those who gave up higher education or careers due to the COVID-19 pandemic or family circumstances, and for those who have yet to find what they truly want to pursue.

For dispatched staff working under a job-based model, skill enhancement is key to increasing their market value. As this market value increases, the treatment received by dispatched staff will also naturally improve. This opens many doors to diverse work-styles and career development options, and above all, leads to individual happiness. With the skills they have acquired as their strength, they can help realize a society in which all experience happiness and fulfillment. The Nisso Group has a responsibility to bring the said skills to the forefront and develop dispatched staff.

P. 25 NISSO's Human Resources Development Story

## Developing and Dispatching High Value-Added Human Resources

We believe that the source of our competitive advantage lies in our "human resources development method." This method creates value in the form of "a long-standing trust and a proven track record in manufacturing dispatching," "the capability to supply human resources," and "a low turnover rate of dispatched staff."

In our core business of manufacturing dispatching, employees who will later be dispatched undergo training based on the Nisso Group's human resources development method before taking on roles at their new workplaces. At our training facilities located throughout Japan, they can receive not only classroom instruction but also practical training using equipment employed in actual manufacturing processes. The employees are paid their salaries during training, allowing them to focus on learning without concern for their livelihood. In April 2025, a one-room apartment for those stopping over during training was completed on the premises of NISSO CORPORATION's training facility, the Nisso Technical Center Kumamoto (hereinafter, the "TC Kumamoto"). This has aided in establishing an environment where employees can devote themselves to acquiring skills over the long term.

Based on the expertise accumulated over more than half a century in manufacturing dispatching, we have built strong relationships with our business partners, enabling us to identify issues and needs in line with the times. This, in turn, leads to the preemptive development of future skills, and the formulation of proactive staffing and recruitment plans. What business areas will our business partners—major manufacturers—focus on in the future, and what skills will they require from human resources? By hypothesizing the profile of the next type of human resources that will be needed, and proactively reflecting this in our training curricula, we can develop such personnel. This enables us to dispatch high value-added human resources that other dispatching companies cannot provide.

P. 23 Competitive Advantages Cultivated through Market Development

Dispatched staff of the Nisso Group are not limited to fixed-term, irregular employment (registered dispatching), in which they are only employed when demand arises from our business partners. We also have a large number of indefinite-term, regular-type dispatched staff, who are employed by NISSO HOLDINGS as regular employees and then dispatched to our business partners. For job seekers, this provides employment stability, while for the Nisso Group, it offers the advantage of developing employees from a long-term perspective and enhancing their market value.

This initiative has led to a relatively low turnover rate of Nisso Group's dispatched staff within the industry. While some dispatched staff may experience loneliness or anxiety at their dispatch destinations, these feelings are eased by the pre-assignment training, the exhaustive support of the Nisso Group's supervisors, and the career guidance provided by consultants with national qualifications. As part of our corporate culture, there is also a spirit of hospitality where senior employees and peers support one another. We have approximately 1,300 business partner companies nationwide that serve as client companies. Even if dispatched staff relocate due to family circumstances, they are able to continue working at new dispatch destinations without resigning. This is another reason for our low turnover rate.

## Focusing on Automobiles, Semiconductors, and Electronic Components

Amid changes in the business environment, we are pursuing an industry strategy that narrows the focus to key client industries so that we can provide more competitive, high value-added human resources. The main three areas we are pinpointing in Japan are those where high demand and labor shortages are expected, namely the "Automotive," "Semiconductor," and "Electronics" Industries. We will be implementing a strategy to develop and provide human resources that possess the skills required by these industries.

In the previous Medium-term Management Plan (three years from FY 3/2023), we set ambitious targets (net sales of 115 billion yen, operating profit of 6.7 billion yen) as we anticipated a full recovery in demand for human resources following the COVID-19 pandemic. In the final year, FY 3/2025, net sales increased by 4.9% year-on-year to 101.5 billion yen and operating profit increased by 16.3% to 3.5 billion yen, setting new record highs since our listing. However, the targets were not achieved. The reasons for this were attributable mainly to external factors, including supply chain disruptions and quality issues stemming from geopolitical risks in the automobiles industry, as well as weaker-than-expected business conditions in the semiconductor industry. In FY 3/2025 alone, although growth in the number of enrolled staff in the Automotive Industry was sluggish, higher billing unit-costs resulted in a 2.0% increase in revenue. In the Semiconductor Industry, rising demand for engineers led to an 8.7% increase in revenue, while in the Electronics Industry, business expansion by major clients drove a 14.4% increase in revenue.

P. 37 Review of the Previous Medium-term Management Plan / Management Targets of the New Medium-term Management Plan

In the Automotive Industry, the manufacturing and production area is changing due to the electrification of vehicles (EVs), autonomous driving, and IoT. With the Nisso Group's track record of transactions with many manufacturers, we can smoothly shift human resources from shrinking areas to those expected to grow. Most recently, we established an education and training facility in Shiga Prefecture to develop human resources who can undertake equipment maintenance on production lines and take up postings at storage battery manufacturers.

In the Semiconductor Industry, the shortage of human resources capable of handling production has become evident, creating challenges for our business partners. NISSO HOLDINGS invited former manufacturer employees with specialized knowledge to act as instructors and train human resources, who were then dispatched to manufacturers. At TC Kumamoto, we have also developed a cleanroom that facilitates practical training using actual manufacturing equipment in an environment that is similar to that of the workplaces.

In the Electronics Industry, which is linked with the field of semiconductors, NISSO HOLDINGS actively makes proposals for the dispatch and development of human resources to manufacturers that produce electronic components for cutting-edge semiconductors.

Our initiatives in the Semiconductors and Electronics Industries have been well received, leading us to begin providing entrusted services such as reskilling and career advancement programs for the employees of our business partners. Our human resources development method, refined over more than a decade of trial and error, has become a tremendous strength, to the point where our business partners say, "We can consult with NISSO because they are NISSO." It is not uncommon for manufacturers to face challenges in human resources development, but NISSO HOLDINGS hopes that our curricula will contribute to enhancing the market value of the employees of our business partners.

As digital transformation (DX) advances, human capital strategies are also being called into question. Going forward, manufacturing equipment and robots will determine the fate of *MONOZUKURI* (manufacturing), and so we regard these industries as growth areas that will be highly sought after in the next era.

NISSO HOLDINGS is in a position to connect with many manufacturers and quickly share issues with companies that produce competitive products. We propose human resources development and dispatching that contribute to the resolution of issues faced by our clients, as well as training programs for the employees of manufacturers.

P. 48 Development into New Services

In the new Medium-term Management Plan set to commence in FY 3/2026, we set targets of net sales of 150.0 billion yen and operating profit of 7.5 billion yen (operating profit margin of 5.0%) for FY 3/2028. In the Automotive Industry, amid once-in-a-century changes and volatility in U.S. tariffs, we will secure profits by supplying human resources with specialized expertise. In the Semiconductor Industry, we will advance human resources development ahead of the scheduled start of mass production at a large-scale semiconductor factory in 2027. In the first one to two years of the Medium-term Management Plan, investments in the development of the aforementioned human resources will take priority.

In addition to increasing the value of dispatched staff, we will review our business portfolio, actively invest in growing fields, and regularly consider opportunities for bolstering and expanding business areas through M&A.

To meet market needs, we will also advance investment in expanding educational facilities and curricula, enhance our training instructor team, and develop new tools such as MR. At TC Kumamoto, we expanded the training building in 2024, increasing the annual trainee capacity from 100 to 300. We have introduced virtual reality (VR) into training, incorporating programs that allow trainees to experience potential workplace hazards such as falls and electric shocks.

P. 49 Message from the Officer in Charge of Finance

For enhancing corporate value over the medium to long term, investment in sustainable growth and sound risk-taking is indispensable. Our ultimate target is set for 2027, when large-scale mass production of semiconductors is scheduled to begin. We announced the Medium-term Management Plan in August 2024, ahead of its start in April 2025, to inform our stakeholders that profits will remain at a lower level for some time due to upfront investment. In terms of financial indicators, we aim for growth exceeding the industry standard with a net sales growth rate of 12.3%, an average ROE of over 20%, and a dividend payout ratio of over 30%, while working to further enhance our earning power. Additionally, we are targeting an operating profit margin of 5% in FY 3/2028. While there is the option to set a higher target of over 10% in several years, we prioritize investment in educational initiatives that will allow employees to develop their careers and secure incentives that reward those who go the extra mile.

## Responding to Environmental Change with Skill Shifts

Though we expect increases in both revenue and profits this fiscal year, following on from the previous fiscal year, we deem it inadvisable to indiscriminately gather human resources for manufacturing sites where demand is expected to decline over the coming years merely to increase sales. Rather, we believe it is more beneficial to reskill operator personnel at manufacturing sites so that they can succeed in areas where demand will be needed in the future.


Going forward, mismatches will become the greatest challenge in the labor market. With the advancement of AI and IoT, manufacturing sites have already begun to change. New equipment is being introduced, production processes are changing, and demand for operator personnel is certain to shrink. As factories proceed with automation and labor-saving, demand for human resources with strong development capabilities, process management skills, and maintenance abilities is expected to grow. Companies that cannot secure such human resources cannot expect future growth.

For workers whose current skills will no longer be in demand due to technological advancement, we present new career paths by shifting their skills to operating and maintaining manufacturing equipment, robots, and AI. The Nisso Group proactively develops human resources to support the transforming manufacturing industry.

Since no sales are generated during reskilling and training periods, the salaries of dispatched staff are borne by us. Few dispatching companies go this far. We believe that by developing employees into higher value-added engineers, billing unit-costs will rise, contributing in the medium to long term to improvements in operating profit margin and return on invested capital (ROIC).

In rapidly changing markets, required skills also change accordingly. The continual acquisition of knowledge pertaining to the cutting-edge technologies of each era becomes a powerful asset for dispatched staff, leading to the creation of long-term employment and the realization of desired careers. This also represents a response to changes in the working environment and contributes to the solving of social issues such as the declining birthrate and aging population, employment mismatches, and labor shortages.

By understanding the mechanisms by which career advancement is achieved and role models are realized, we believe the motivation of employees will be enhanced. Accordingly, we share successful examples of our human resources development method with our employees.

## Transforming the Business Portfolio

In October 2023, the Nisso Group transitioned to a holding company structure with the objective of further enhancing our earning power through swift decision-making, strategic and agile execution of M&A, business portfolio transformation in line with new business opportunities, and the formulation of appropriate capital allocation accompanying growth strategies. This enables each group company to bolster its expertise and focus on its respective businesses.

A year and a half after becoming a pure holding company, we have, as our next step, changed the composition of our Directors, showcasing our decisiveness of action in facing today's rapidly changing environment. Excluding Directors who are Audit & Supervisory Committee Members, the Board of Directors was expanded from four to six members, with three new appointees who have extensive practical experience within the Nisso Group. Kenji Fujino was also reappointed as President of NISSO CORPORATION, creating a Board of Directors composed of members who have closer ties to practical operations and business, thereby reinforcing our capability to respond quickly and effectively.

We are also advancing initiatives in M&A and joint ventures, and in April 2025, we decided on the conversion of All Japan Guard and Man to Man Holdings into subsidiaries and the establishment of a joint venture with Subaru and World Intec. By bringing in partners capable of promptly addressing challenges that would take too long to solve under our current business model, we aim to bridge the gap between the needs of industry and of job seekers.

Furthermore, as part of our organizational reform, we abolished the "Corporate Value Enhancement Committee" and newly established the "Sustainability Committee" and the "Risk Management Committee." While such steps for the future do not yield immediate results, they must be initiated at this stage to realize our ideal vision. It is difficult to leave such decisions to executives in charge of operations or specific departments, so we created a system in which top management makes decisions through these company-wide organizations.

## Enhancing the Presence of Dispatched Staff

I also serve as Chairman of the Japan Business Process Outsourcing and Staffing Association, a general incorporated association engaged in outsourcing and centered in the fields of manufacturing contracting, manufacturing dispatching, and logistics. It is my responsibility to ensure that everyone working in this industry can work with a sense of fulfillment.

Dispatched staff, who work under a job-based model, can enhance their market value by acquiring skills. As their market value rises, instances where they are treated more favorably than regular employees will likely increase. We are committed to raising the market value of dispatched staff and enhancing their presence in the labor market.

Values are diversifying, and needs regarding workstyles are becoming increasingly segmented. Without abandoning the hope of attaining happiness through work, we will prepare a wide variety of jobs so that everyone can work with zeal. While responding to job seekers' needs, we also address diverse social issues and changes in the labor market, such as recruitment mismatches and labor shortages.

Our goal is to become a "human resources company with a waiting line." The Nisso Group will support the careers of employees working within the Group so they can attain happiness through their work, while providing business partners with high-quality human resources services. By thoroughly pursuing our measures, we aim to establish the brand reputation of "If it's a human resources company, it's NISSO." We hope all will look forward with anticipation to the future endeavors of NISSO HOLDINGS.

# Issuance of the Integrated Report 2025

The Nisso Group, centered around NISSO HOLDINGS, has issued our first-ever "Integrated Report."
Since our founding in 1971, under the founding philosophy of "Nurturing and Bringing Out the Best in People," we have for more than half a century developed businesses centered on "people." From the founding of Nisso Koei, the predecessor of NISSO CORPORATION, the core of the Group, to the present day, we have always placed the highest importance on the growth of human resources, promoting businesses centered on human resources services.
Our greatest commitment is that of "human resources development," but we also devote efforts to improving working environments so that carefully nurtured human resources can play active roles in broader fields. This is an important initiative that is intrinsically linked to the expansion of the Nisso Group's business.
By developing environments where employees can work with peace of mind over the long term, we aim to enhance employee satisfaction, which we are confident will in turn also lead to improvements in the quality of the services we provide to our clients.
It is our hope that our aspirations will be made apparent through this report.

## Main Topics

P. 05

### Message from the President

Describes strategies to enhance the added value of "people," the Group's greatest asset, and to strengthen "earning power."

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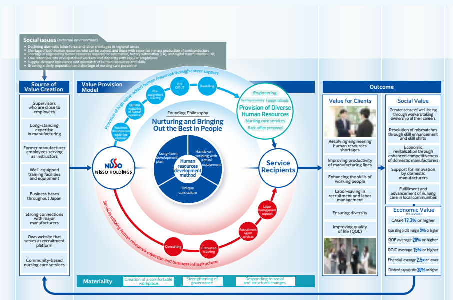
### Value Creation Process

Explains the framework through which we contribute to solving the issues presented by clients and society, while aiming to enhance corporate value.



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### Launch of the New Medium-term Management Plan

Introduces the policies, targets, and strategies for providing new services through the advancement of human resources services and co-creation with stakeholders.




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**Editorial Policy**
The Nisso Group prepared and issued the Integrated Report 2025 to clearly convey to all stakeholders—including shareholders and investors, employees, clients, and local communities—our Group's financial information centered on business strategies, non-financial information focused on "people," and the new governance structure for implementation commencing FY 3/2026.

**Scope and Period Covered**
As of March 31, 2025: NISSO HOLDINGS Co., Ltd. and its consolidated subsidiaries.
* Some activities after April 2025 are also mentioned

**Reference Guidelines**
IFRS Foundation "International Integrated Reporting Framework"; Ministry of Economy, Trade and Industry "Guidance for Collaborative Value Creation."

**Cautionary Note Regarding Forward-Looking Statements**
The forward-looking statements and performance forecasts contained in this report are based on information currently available and the judgment of NISSO HOLDINGS, and include potential risks and uncertainties. Actual results may differ significantly from the forward-looking statements described herein due to changes in various factors.

## Nisso Group Philosophy System

Founding Philosophy

### Nurturing and Bringing Out the Best in People

We believe in the infinite potential of people. Through teaching and learning, we grow together, creating vibrant workplaces while expanding circles of trust.

MISSION

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

### To transform into a corporate group with high-growth potential

Through Human Resources Solution Services that support the growth of companies and people, we are creating workplaces where working people can work with fulfillment and continue to grow, while also aiming to provide services that can respond to social and industrial structural changes. We are promoting initiatives "to transform into a corporate group with high-growth potential."

Brand Slogan

### Making hardworking people, happy.

What do people seek in "working"? There are many answers to that question.
"Work" is profound. That is why NISSO stands close to "working"
—seriously, kindly, reliably, and steadfastly.
For more than 50 years, NISSO has walked together with the needs and changes of "working."
That is why we understand how we can make "working" better from here on.
The experience we have accumulated, our human resources development,
and our sales efforts—these connect and bear fruit.
So that "working" brings people fulfillment and joy.


Brand Movie Expressing the Founding Philosophy

### Supporting career fulfillment and enriched lives through human resources development

The Nisso Group has released a brand movie on our corporate homepage and official YouTube channel that shows our support system for those aiming to build their own careers.

Take a look and see for yourself our commitment and approach to human resources development as the Nisso Group strives to realize our founding philosophy.

https://www.youtube.com/watch?v=p3Yi6F3zi-4
https://www.youtube.com/watch?v=y3eNqtnISiQ
(in Japanese only)


NISSO CORPORATION Brand Movie Vol. 2 "Tomorrow, Together"

# History of Value Creation through Nurturing and Bringing Out the Best in People

**In 1971, focusing on the new era of worker dispatching, NISSO HOLDINGS was founded. For more than 50 years since then, we have supported Japanese *MONOZUKURI* (manufacturing) companies through the development of people. We will continue to value "people," respond to client needs, and contribute to society through "Nurturing and Bringing Out the Best in People."**

## Formative Period 1971-1990

### Developing Manufacturing Human Resources Services Amid Changes in Industrial Structure

The predecessor of NISSO CORPORATION, Nisso Koei Co., Ltd, was founded in response to the rising need for on-site manufacturing contracting. However, it was soon hit by the oil crisis and forced to temporarily scale down operations. At the same time, many manufacturers, particularly in the automobile industry, streamlined their organizations and shifted to business structures that outsourced labor, which led to a rapid growth in demand for external human resources in the manufacturing sector. Amid these changes in the external environment, NISSO CORPORATION explored new forms of human resources services, thereby laying the foundation for our current business.

**1971** Nisso Koei founded

**1980** NISSO CORPORATION established

**1986** Nisso Office M Two (currently Nisso Brain) founded

**1989** New "NISSO" logo mark decided

**1990** Nisso Fudosan (currently Nisso Nifty) founded



Nisso Koei was founded in Toranomon, Minato-ku, Tokyo

## Growth Period 1991-2001

### As an Industry Pioneer, Striving to Enhance the Status of Workers

When the Worker Dispatching Act came into effect in 1986, the acceptance of new forms of external labor by companies accelerated. Even during the boom of the labor market driven by economic growth and the subsequent recession caused by the collapse of the bubble economy, NISSO CORPORATION consistently prioritized legal compliance and focused on staff development. As an industry pioneer, we drove not only our own growth but also the growth and sound development of the industry.

**1997** NISSO CORPORATION Shin Yokohama Headquarters Building completed

NISSO CORPORATION Headquarters Building

## Transformation Period 2002-2022

### Imposing Transformation to Overcome Economic Fluctuations

While continuing to grow following the lifting of the ban on worker dispatching in manufacturing operations, we were severely affected by the Lehman Brothers collapse and the Great Earthquake. To strengthen competitiveness in a highly uncertain business environment, we entered into engineer dispatching and manufacturing equipment maintenance, which are less affected by economic conditions. We successively established educational facilities with the aim of developing and producing high value-added human resources. We also made efforts to improve the treatment of dispatched staff, thereby enhancing human resources value and retention rates, leading to gradual performance recovery. In 2018, NISSO CORPORATION was listed on the First Section of the Tokyo Stock Exchange (currently the Prime Market).

**2007**
NISSO CORPORATION's mascot character "Seizo-kun" created
Nisso Pure was established as a special-purpose subsidiary of NISSO CORPORATION

**2016** Nisso Technical Center Higashi-Nihon opened

**2018** NISSO CORPORATION was listed on the First Section of the Tokyo Stock Exchange

**2020** Joint venture with NIKON NISSO PRIME established

**2021** Vector Shinwa joined the Group; joint venture Leaf Nxt established

**2022** NISSO CORPORATION transitioned to the Prime Market of the Tokyo Stock Exchange

NISSO CORPORATION Call Center opened

NISSO CORPORATION Nisso Technical Center Higashi-Nihon opened


NISSO CORPORATION Listed on the First Section of the Tokyo Stock Exchange

## Second Founding Period 2023 onward

### Advancing to the Next Growth Stage through Transition to a Holding Company Structure

In 2023, with the aim of solving social issues through business and achieving sustainable growth, we established a pure holding company. We are transforming our business portfolio to strategically respond to changes in the external environment, such as the emergence of geopolitical risks. We are inviting companies that share our founding philosophy to join the Nisso Group, strengthening resources and providing value as a human resources company that can respond to diverse work-style needs.

**2023** NISSO HOLDINGS was established as the pure holding company of the Nisso Group

**2024** EYE'S joined the Group
Capital and business alliance with TSUNAGU GROUP HOLDINGS

**2025** All Japan Guard joined the Group
Man to Man Holdings joined the Group
Joint venture SUBARU nw Sight established

## Changes in Industry

Steel and shipbuilding

Automobiles and electrical machinery

Semiconductors and LCDs

New energy

Semiconductors and storage batteries

## Social Developments and Related Laws

1972 Industrial Safety and Health Act enacted

1973 First oil crisis

1974 Employment Insurance Act enacted

1979 Second oil crisis

1986 Worker Dispatching Act enacted; Act on Equal Opportunity and Treatment between Men and Women in Employment enacted; Public notice on standards concerning the distinction between worker dispatching business and business conducted through contracting

1989 Consumption tax introduced

1995 Great Hanshin Earthquake

1995 Product Liability Act enacted

1999 Partial amendment of the Worker Dispatching Act enacted

2004 Amendments to the Worker Dispatching Act and Employment Security Act lifted the ban on worker dispatching in manufacturing operations

2007 Dispatch period in manufacturing operations extended to three years

2008 Lehman Brothers collapse

2011 Great East Japan Earthquake

2012 Revised Worker Dispatching Act enacted
(indefinite employment and treatment improvements for dispatched workers, ban on day labor dispatching, etc.)

2013 Revised Labor Contracts Act enacted
(conversion to indefinite employment, statutory establishment of doctrine of employment termination, prohibition of unreasonable working conditions)

2015 Revised Worker Dispatching Act enacted
(unification of worker dispatching businesses, three-year maximum acceptance period per individual dispatched worker, etc.)

2016 Kumamoto Earthquake

2022 Russia's invasion of Ukraine

2024 Revised Employment Security Act enacted
(clarification of working conditions, etc.)

2024 Noto Peninsula Earthquake

# NISSO in Figures

For more than half a century, the Nisso Group has continued to support working people and the sites of *MONOZUKURI* (manufacturing).
Here we present the trust we have built, expressed through figures that symbolize the Nisso Group.

As of March 2025

## Founding

**1971**

Founder Tadao Shimizu launched a welding contracting business at a shipyard. As a pioneer of manufacturing human resources services, he developed the market and expanded the scale of the business relative to industry growth.

## Ratio of engineers

**12.6** %

We are focusing on increasing the ratio of engineers, whose market value is high and demand is strong.

| | |
|---|---|
| FY 3/2023 | 9.4% |
| FY 3/2024 | 9.5% |
| FY 3/2025 | 12.6% |
| FY 3/2031 | Target 30% |

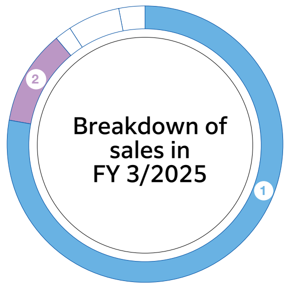
## Number of engineering training participants

**4,454** persons

* Total number of training participants from FY 3/2023 to FY 3/2025

## Consolidated net sales (+4.9% YoY)

**101,560** million yen




1 Manufacturing·Production Human Resources Services sales

78,445 million yen

2 Engineering Human Resources Services sales

11,631 million yen

FY 3/2028 target consolidated net sales

150,000 million yen

## Ratio of diverse human resources

**31.9** %

Diverse human resources are indispensable for the Group's sustainable growth. We promote the active participation of women, the elderly, foreign nationals, and employees with disabilities.

## Total employees

**19,631** persons

## ORICON Customer Satisfaction

No. **1** for the **3**rd consecutive year

In the ORICON Customer Satisfaction® survey on "Factory·Manufacturing Dispatching," we ranked No. 1 overall for the sixth time since the survey began in 2019, and have achieved first place overall for three consecutive years since 2023.
* Overall No. 1 in the 2025 ORICON Customer Satisfaction® survey "Factory·Manufacturing Dispatching"

## Number of clients

Leveraging long-standing experience and established trust, we provide human resources services to a wide range of industries, including Japan's leading manufacturers.

**1,389** companies

Of which are listed companies 50.2%

We are expanding our network and continuously evolving a variety of services.

## Number of Group companies

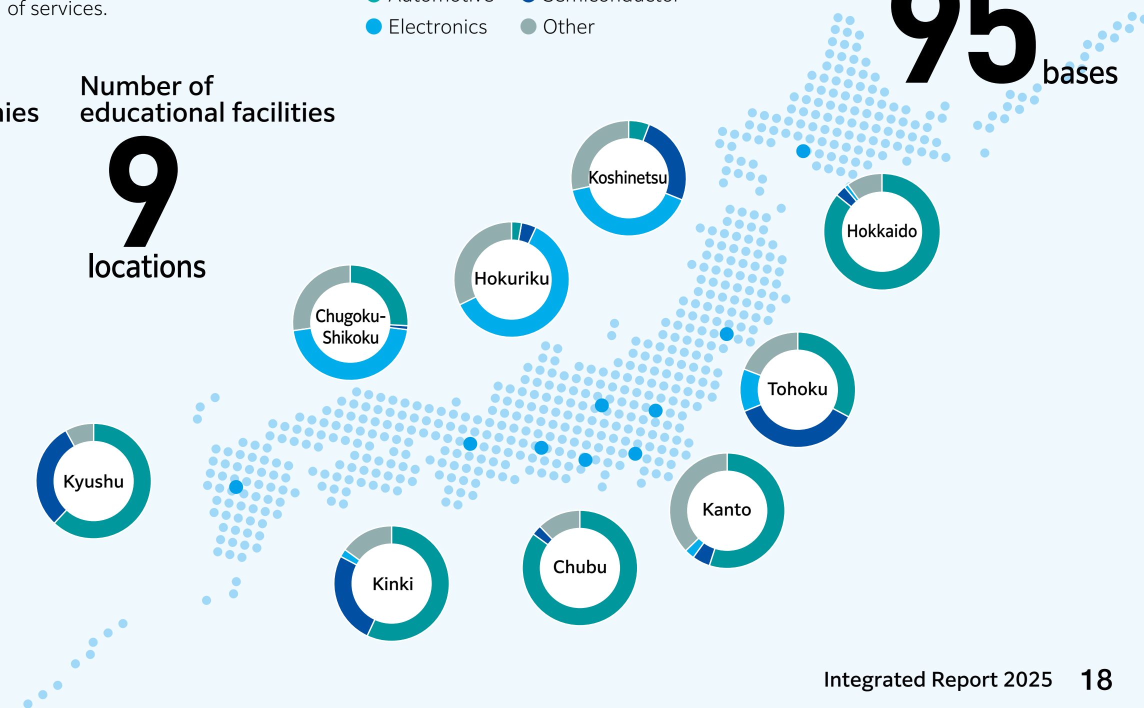
**9** companies (As of March 2025)

**18** companies (As of August 2025)

## Number of educational facilities

**9** locations

## Breakdown of sales by industry segment and region




## Number of domestic bases

**95** bases

Chapter 1

# NISSO's Value Creation

To realize our mission of "creating opportunities and hopes for people to work," we will continue to expand Human Resources Solution Services that support the growth of companies and people.







## Business Description

Guided by our founding philosophy of "Nurturing and Bringing Out the Best in People," the Nisso Group fulfills our mission of "creating opportunities and hopes for people to work." Through Human Resources Solution Services that support the growth of companies and people, we aim to build workplaces where working people can find fulfillment in work and grow, while also providing services that respond to social changes and changes in industrial structures, thereby promoting initiatives to "transform into a corporate group with high-growth potential."

## Main Service Providing Companies

| | Business Description | Service Categories | |
|---|---|---|---|
| NISSOホールディングス NISSO HOLDINGS Co., Ltd. | | | |
| 日総工産株式会社 NISSO CORPORATION | The core company of the Group, engaged in the development of manufacturing dispatching, contracting, and employment placement businesses nationwide in line with the founding philosophy of "Nurturing and Bringing Out the Best in People." | Manufacturing ·Production Human Resources Services | Engineering Human Resources Services |
| Vector Shinwa 株式会社ベクトル伸和 Vector Shinwa Co., Ltd. | Engages primarily in contracting operations for semiconductor and precision equipment manufacturing, and strengthening and expanding the Group's business foundation. | | |
| EYE'S 株式会社アイズ EYE'S Co., Ltd. | Handles IT-area dispatching and consignment as well as manufacturing dispatching and contracting for machine tool manufacturers, with a client base distinct from NISSO CORPORATION. | | |
| Nisso Brain 日総ブレイン株式会社 Nisso Brain Co., Ltd. | Provides BPO, human resources dispatching and personnel placement under the credo of "Always next to Thank You!" | Administrative Human Resources Services | |
| 株式会社ニコン日総プライム NIKON NISSO PRIME CORPORATION | Promotes human resources services and the creation of opportunities for older people to flourish, with the mission of "create a society where people can continue to work." | Other Human Resources Services | |
| 日総ぴゅあ株式会社 Nisso Pure Co., Ltd. | Creates opportunities for people with disabilities to grow and flourish with the vision of "Creating happy futures for CS employees." | | |
| MantoMan Holdings Man to Man Holdings Co., Ltd. | | | |
| Man to Man 株式会社 Man to Man Co., Ltd. | A general human resources services company with a strong business base in the Chubu-Tokai area, handling diverse services with a focus on manufacturing-related dispatching. | Manufacturing ·Production Human Resources Services | Engineering Human Resources Services |
| Man to Man Vietnam Man to Man Vietnam Co., Ltd. | Provides personnel placement services mainly for Japanese companies in Vietnam, as well as development lab team formation services and BPO services. | | |
| Man to Man Assist Man to Man Assist Corporation | Conducts production and logistics consignment businesses, while aiming to contribute to Japanese industries and society. | | |
| animo STYLE Man to Man Animo Corporation | Aims to realize a symbiotic society by securing living spaces and providing vocational skills development and employment/retention support for persons with disabilities, the elderly, foreign nationals, and people facing employment difficulties. | Other Human Resources Services | |
| TECHPORT テックポート株式会社 TECHPORT CO., LTD. | Focusing on software and system development, develops technologies needed by clients, such as technology for improving operational efficiency, labor saving, and increasing productivity. | Other Services | |
| 人と向き合い 人に寄り添う すいとぴー 日総ニフティ株式会社 Nisso Nifty Co., Ltd. | Operates fee-based nursing homes with nursing care, home-based nursing care, and outpatient care facilities, with the aim of "Coming face-to-face with people and being there for them." | | |
| オールジヤパンガード株式会社 All Japan Guard Co., Ltd. | A company with a 55-year track record engaged in facility security for public facilities and traffic security, with employees spanning a wide range of generations. | | |

* Nisso Pure Co., Ltd. and Man to Man Animo Corporation are special-purpose subsidiaries based on the "Act to Facilitate the Employment of Persons with Disabilities" (Ministry of Health, Labour and Welfare).

## Other Affiliates

| | Service Name | Remarks |
|---|---|---|
| TSUNAGU GROUP HOLDINGS Inc. | RPO, human resources consulting, etc. | A listed company on the Tokyo Stock Exchange Standard Market (Securities Code: 6551) |
| Leaf NxT Inc. | Provides recruitment support, human resources platform services, etc. | A human resources services company jointly funded by TSUNAGU GROUP HOLDINGS and NISSO CORPORATION |
| SUBARU nw Sight Co., Ltd. | Engaged in temporary staffing, fee-based employment placement business, various outsourcing, subcontracting business, etc. | Established by Subaru Corporation, NISSO CORPORATION, and World Intec |
| Force Corporation | Outsourcing business and BPO contracting | An affiliated company of Man to Man Co., Ltd. |

# Value Creation Process

We will develop high value-added human resources required in the coming era, and respond to the changing business environment and client needs.
Through diverse human resources, we will contribute to solving challenges faced by clients and society, and aim to transform into a corporate group with high-growth potential.

## Social issues (external environment)

- Declining domestic labor force and labor shortages in regional areas
- Shortage of both human resources who can be trained, and those with expertise in mass production of semiconductors
- Shortage of engineering human resources required for automation, factory automation (FA), and digital transformation (DX)
- Low retention rate of dispatched workers and disparity with regular employees
- Supply-demand imbalance and mismatch of human resources and skills
- Growing elderly population and shortage of nursing care personnel

## Source of Value Creation

- Supervisors who are close to employees
- Long-standing expertise in manufacturing
- Former manufacturer employees serving as instructors
- Well-equipped training facilities and equipment
- Business bases throughout Japan
- Strong connections with major manufacturers
- Own website that serves as recruitment platform
- Community-based nursing care services

## Value Provision Model

Provision of high value-added human resources through career support

Recruitment of indefinite-term regular-type employees
Optimal matching of human resources
Pre-assignment training
OJT Off-JT
Reskilling

NISSO HOLDINGS

Founding Philosophy
**Nurturing and Bringing Out the Best in People**

Human resources development method
- Long-term development plan
- Hands-on training with actual equipment
- Unique curriculum

Provision of Diverse Human Resources
- Engineering
- Dispatching and contracting
- Foreign nationals
- Nursing care services
- Back-office personnel

Service Recipients

Services utilizing human resources expertise and business infrastructure

Consulting
Entrusted training
Recruitment agent services
Labor management support

## Materiality

- Creation of a comfortable workplace
- Strengthening of governance
- Responding to social and structural changes

## Outcome

### Value for Clients

- Resolving engineering human resources shortages
- Improving productivity of manufacturing lines
- Enhancing the skills of working people
- Labor-saving in recruitment and labor management
- Ensuring diversity
- Improving quality of life (QOL)

### Social Value

- Greater sense of well-being through workers taking ownership of their careers
- Resolution of mismatches through skill enhancement and skill shifts
- Economic revitalization through enhanced competitiveness of domestic manufacturers
- Support for innovation by domestic manufacturers
- Fulfillment and advancement of nursing care in local communities

### Economic Value
(FY 3/2028)

- CAGR 12.3% or higher
- Operating profit margin 5% or higher
- ROE average 20% or higher
- ROIC average 15% or higher
- Financial leverage 2.5x or lower
- Dividend payout ratio 30% or higher

# Competitive Advantages Cultivated through Market Development

As a pioneer of manufacturing worker dispatching, the Nisso Group has cultivated unique competitive advantages over our history that spans more than half a century.
These competitive advantages form the foundation of the General Human Resources Services provided by the Nisso Group.
From this solid foundation, we create new values for our clients and connect them to sustainable growth.

Competitive advantage 01

## Career advancement system for indefinite-term regular-type employees

Based on a long-term vision, we have introduced a career advancement system that stabilizes the employment of employees, evaluates skills, and enables them to leverage their experience.

Competitive advantage 02

## Sales capabilities to identify client issues

With business bases nationwide, we grasp the diverse needs of our clients and provide optimized, high value-added human resources services to solve their issues.


Competitive advantage 03

## Fine-tuned support system

We assign representatives with outstanding hospitality, and by expanding the use of IT tools, we are building a support system that enables the same services to be received anywhere.

Competitive advantage 04

## Human resources development, anticipating industry trends

We actively participate in industry–government–academia collaboration organizations led by the Ministry of Economy, Trade and Industry, and are committed to developing human resources in line with the times while keeping an eye on the future.

Competitive advantage 05

## Extensive development programs and a knowledgeable instructor team

At education and training facilities nationwide, we assign former employees of various manufacturers as instructors, bringing together a wide range of expertise and working to develop and strengthen original educational content.

Competitive advantage 06

## Practical training using actual equipment

In training settings, we use actual manufacturing equipment employed in the field.
Through advanced Off-JT, we develop and produce ready-to-work human resources every day in line with client needs.

Competitive advantage 07

## Long-standing business relationships with major companies

For more than half a century since our founding, we have continued to do business with leading companies in each industry, providing services refined through expertise built on a history of trust.

# NISSO's Human Resources Development Story

**The mechanism for continuously producing high value-added human resources required by society is a form of value chain uniquely built by NISSO.
Employees acquire advanced skills, enhance their value and treatment as human resources, and deliver that value to clients as high-quality services.**

## 1 New employee training

Aimed at fostering an understanding of both the workings of a company, and the shift in mindset from that of a student to that of a working adult. Employees acquire the basic knowledge required and foster cooperation and team spirit.

P. 27 Human Resources Development

## 2 Safe and secure work-styles

To ensure an environment where employees can continue working safely and healthily at their assigned workplaces, we conduct regular monitoring through mental health care and pulse surveys.

P. 58 Occupational Safety and Health

## 3 Fair personnel system

To realize treatment in accordance with individual skills, we conduct performance alignment sessions with superiors of staff twice a year, reflecting results in bonus evaluations and base salary increases.

P. 29 Human Capital Management

## 4 Career change support Career consulting

Through interviews with career path assistants, we identify individual career development needs and support the realization of careers in line with employees' aspirations.

P. 29 Human Capital Management

## 5 Welfare benefits

Through the introduction of the Employee Shareholding Association and a defined contribution pension system, we contribute to employees' asset formation. We also provide a welfare benefit package service offering access to company housing systems and various discounts, leading to higher satisfaction.

P. 57 Well-being

**Dispatched staff** — Career fulfillment and an enriched life

**NISSO** — Profit growth through high value-added human resources

**Clients** — Enhanced competitiveness through excellent human resources

### Employee Journey to Enhance Human Resources Value

Example: Ms. N starts her career at age 22

**22 y/o** — 1 New employee training: Graduated from school, joined NISSO CORPORATION/entered basic operations

"Learning the basics of working life and starting practical work. I'll do my best at my own pace!"

**24 y/o** — 2 Safe and secure work-styles: ·OJT ·Safety and health education
Accumulating practical experience/upgraded to operator, and received a salary increase at the second dispatch destination

"Even as a dispatched staff, I feel secure having connections with senior colleagues and peers."

**26 y/o** — 3 Fair personnel system: Entry into advanced operations/salary increase

"My efforts are properly recognized."

**28 y/o** — 4 Career change support Career consulting: Acquisition of advanced expertise through reskilling/career changes from production manager to engineer

"I found what I want to do. I want to take on the challenge."

**30 y/o** — 5 Welfare benefits: Marriage/taking annual leave for honeymoon

"Long vacation for a resort wedding!"

**32 y/o** — Taking maternity/childcare leave and returning to work

"My goal is to become an IT engineer!"

**Advancing to a new stage through course selection**

**[New employee training]**
- Mental health support initiatives/mindset as a working adult
- Compliance/personnel system
- Personal information/information security
- Corporate outline/Medium-term Management Plan
- *MONOZUKURI* (manufacturing) education
- QC Story ·Data scientist ·Hazard simulation education

**[Pre-assignment education]**
- Explanation of in-house rules
- By workplace/by industry/by job type

**[Unique education]**
- Critical task education

**[Qualification acquisition]**
- e-learning
- Utilization of the qualification acquisition subsidy system

**[Hierarchical education and training]**
- 4 hours of classroom learning per year
- e-learning

**[Manufacturing equipment maintenance training]**
- Fundamentals of machinery ·Fundamentals of electricity
- Fundamentals of maintenance ·Fundamentals of control
- Disassembly and assembly

# Human Resources Development

## Basic View

In order to solve social issues such as labor shortages, mismatches, regional decline, widening disparities, and changes in the natural environment, companies, human resources, and services with the ability to create new added value are required.

The Nisso Group implements our "Human Resources Development Policy" to develop human resources who can take on the challenge of infinite possibilities in all fields. By providing diverse human resources with more opportunities for education and training, and enhancing added value, we build a virtuous cycle that improves both service quality and employee engagement.

**Nisso Group Human Resources Development Policy**

Believing in the potential of each person and bringing out such potential are thoughts that have been consistently included in our philosophy since our foundation, and they are fundamental concepts for promoting human resources development. The Nisso Group will develop human resources who challenge all possibilities in all fields in order to achieve sustainable business growth and realize a sustainable society.

- We provide educational opportunities that aim to improve the growth and engagement of each employee
- We provide educational opportunities in response to social changes so that diverse human resources can play an active role in a diverse society
- By providing educational opportunities, we foster independence and willingness to take on challenges, and support the realization of career visions

## Provision of Educational Opportunities

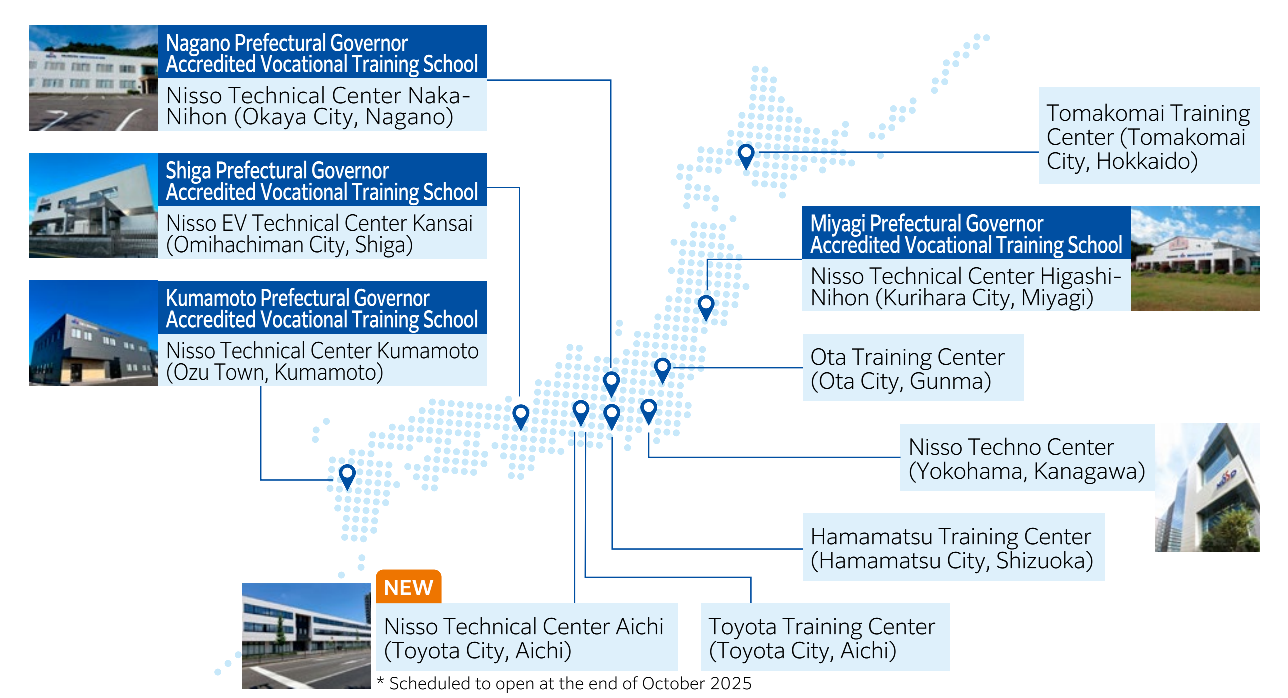
The Nisso Group provides educational opportunities tailored to the expertise of each division, differentiating between business divisions that dispatch employees to client companies and indirect divisions working at Headquarters and other locations.

| | | Training Program | Participants (FY 3/2025) |
|---|---|---|---|
| Business Division | Engineering | • Manufacturing equipment maintenance<br>• Manufacturing equipment technology<br>• Mechanical design • Production technology<br>• Special education for industrial robots, etc. | 1,852 persons |
| | Manufacturing·production | • *MONOZUKURI* (manufacturing) education<br>• Foreman education • Hazard simulation education, etc. | 14,804 persons |
| | Other | • Regular compliance education • Career support training<br>• Qualification (enhancement) training, etc. | 3,124 persons |
| | Nursing care·welfare | • Elder abuse prevention·physical restraint abolition training<br>• Accident prevention risk management training<br>• Infectious disease·food poisoning prevention training, etc. | 2,882 persons |
| Indirect Division | | • New employee training • Labor management training • Sales training<br>• Recruitment training • DX/ICT-related training • Regular compliance/risk training | 1,587 persons |

# Education in Manufacturing·Production and Engineering Divisions

## Well-Equipped Educational Facilities and Equipment

At nine education and training facilities nationwide, NISSO HOLDINGS conducts training for employees dispatched to our business partners. We invite former manufacturer employees as instructors, set curricula by hearing client companies' required human resources and operational issues, and provide training using actual equipment such as semiconductor manufacturing equipment. This creates an environment where employees "can learn through trial and error," fostering the development of ready-to-work human resources.



* Scheduled to open at the end of October 2025

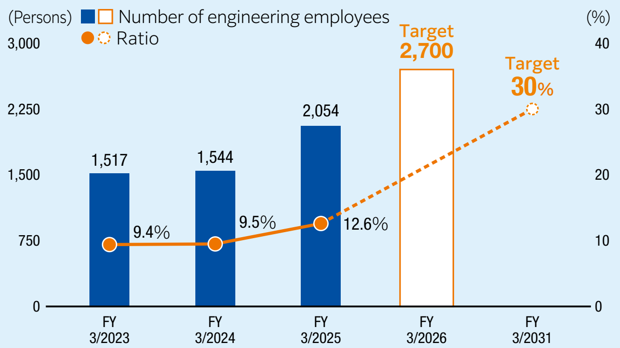
## Step-up Program Tailored to Each Individual

To ensure that participants fully understand the training content, the Nisso Group checks comprehension and implements incremental step by step training. In line with each individual's career vision, we offer a variety of programs in addition to equipment technology, including training to develop IT engineers and training that enables career change into upstream areas such as research and development.

## Development of Engineering Human Resources

The Nisso Group is focusing on developing equipment technology engineers who support *MONOZUKURI* (manufacturing) of electronic devices such as semiconductors, which are highly profitable. Our targets are to increase the number of engineering employees to 2,700 by FY 3/2026, and to raise the ratio of engineering employees to 30% of all employees by FY 3/2031, fostering their development under our "Guideline Policy (ideal state)." The ratio of engineering employees has been increasing annually, reaching 12.6% in FY 3/2025.

**Trends in Number and Ratio of Engineering Employees**




**Guideline policy** (ideal state)

**Purpose**

Acquire **basic knowledge** and **skills** to perform engineering operations

- **Safely:** Human resources who can carry out operations while putting safety first
- **Correctly:** Human resources who can use tools, measuring instruments, and components correctly
- **Accurately:** Human resources who can perform tasks with quality awareness

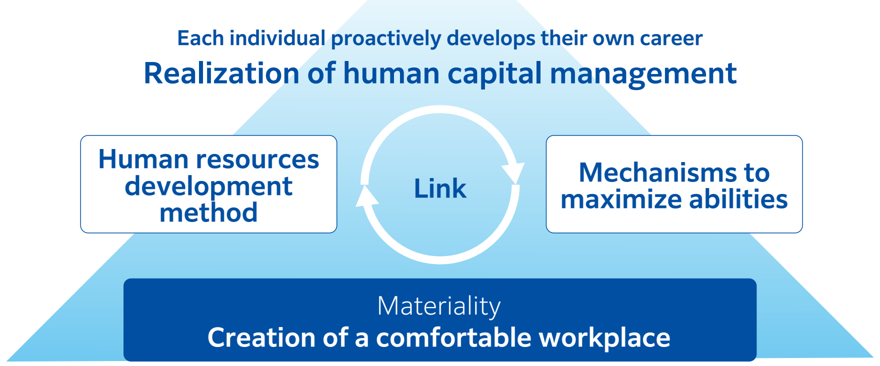
**Feature**

**Quick ramp-up** because they understand specialized terminology and operations

# Human Capital Management

The Nisso Group practices management that places the highest priority on "people," with the aim of realizing our founding philosophy of "Nurturing and Bringing Out the Best in People." Believing in the potential of each and every employee, we recognize that their individual growth, which is spurred on through the endeavors born of countless possibilities, is directly linked to corporate growth. By respecting and utilizing each individual's diverse values and personalities, and by continuously building mechanisms to maximize their abilities and create comfortable workplaces, we believe we can realize an environment where people can grow and thrive.

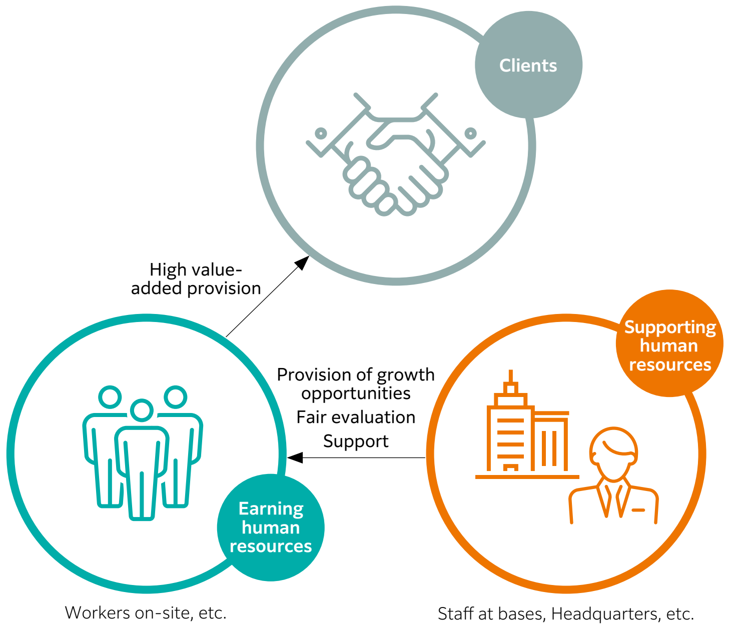
### Making hardworking people, happy.




## Building Mechanisms that Maximize Abilities

The Nisso Group enhances employee capabilities by making use of our strengths in methods related to human resources development. Of all employees, 87.1% are "earning human resources" who work at client companies, contractors, or nursing care facilities. We have established a system where "supporting human resources" assist these "earning human resources," who are our true assets, so that they can work with peace of mind, and zeal, and over a long career. We are improving environments and designing systems so that both earning and supporting human resources can fully demonstrate their abilities.

- **Fair personnel system**
We provide opportunities for employees to grow into high value-added human resources through various training programs that are aligned with their aptitude and grade.
We are promoting the transformation toward a personnel system that is designed to fairly reflect performance and organizational contributions in evaluations.
- **Utilization of HR Tech**
We visualize skills and build systems that allow employees to demonstrate their abilities through optimal placement.
- **Business efficiency improvement through DX**
By improving productivity through DX, we are creating an environment where earning human resources can focus on skill enhancement and service quality improvement, and supporting human resources can concentrate on core operations such as close communication with earning human resources, strategy formulation, and business improvement.
- **Career consulting**
We conduct career consulting to support employees in making better choices for their autonomous career advancement and career changes.




### Employee Voices: Developing Careers at the Nisso Group

# Making hardworking people, happy.

This is how we make it happen!

## Earning Human Resources

For three years in Tsuru City, Yamanashi, I worked on solving community issues. Initiatives for regional revitalization by municipalities are urgent issues, and contributing to them was a rewarding job. I am still engaged in work related to regional revitalization and find it meaningful to contribute to society. As expectations for senior employees grow, I am striving to continue to play an active role by acquiring knowledge and skills.

**Mr. Ishii**
NIKON NISSO PRIME
Job title: Regional issue resolution support

I support IaaS provision on a high-security e-business service platform, handling installation of physical hosts for resource enhancement and introducing and updating related peripheral equipment. Although the frequent specification changes can make it hard work, I feel a sense of accomplishment when the tasks are completed without issues.

**Mr. Hashimoto**
EYE'S
Job title: IT engineer

Belonging to the IT outsourcing business group, I handle data entry, initial setups for PCs, and reuse operations, as well as providing work guidance to employees with disabilities. As a group leader, I find great appeal in supporting each employee according to their disability characteristics, working together to achieve goals and quotas.

**Mr. Nomura**
Nisso Pure
Job title: Work guidance and instruction for employees with disabilities

I am responsible for managing foreign staff. I feel a sense of achievement when I clearly convey rules, give accurate instructions, and operations proceed smoothly. By acquiring production management qualifications and accumulating practical experience, I aim to work with professionalism and, in the future, fulfill my dream of buying a home in Japan and becoming a permanent resident.

**Mr. Buu**
Vector Shinwa
Job title: Interpretation, production management, training guidance, and client negotiation

## Supporting Human Resources

When our entire sales office works together and we receive gratitude from clients and staff, and the members feel a sense of accomplishment, it is a rewarding moment. Being able to work with leading major companies is also one of the attractions. I believe that one of our sales office's most important roles is to meet the needs of clients and job seekers and connect the two through "education."

**Mr. Saito**
NISSO CORPORATION
Job title: Sales Office Manager (Nagoya Sales Office)

I feel a sense of accomplishment when staff and clients communicate their trust in me, or when I secure and complete large projects. Although I do not have specific goals yet, I want to make use of my curiosity to gain various experiences and become a person with a wealth of knowledge.

**Ms. Seijo**
NISSO CORPORATION
Job title: Operations management (labor management, client relations, etc.)

I feel truly happy when job seekers find employment and thank me, or when I later see them thriving. I myself started with no experience, but the careful support I received from my supervisor is still strongly etched in my memory. I want to provide attentive support so I can be someone others can rely on.

**Ms. Naka**
Nisso Brain
Job title: Job placement for job seekers

The moment when residents smile is the happiest for me. Providing nursing care services as a team allows me to gain broad knowledge, which is also a point of appeal of this work. I study Japanese daily so that I can communicate more smoothly with more people. Another one of my goals is to study at a nursing college and become a nurse.

**Ms. Cain**
Nisso Nifty
Job title: Nursing care at fee-based nursing home

I feel a strong sense of fulfillment when I receive words of gratitude from residents and their families. By working in collaboration with my team, I deepen my knowledge of multiple professions, enhance my expertise as a care worker, and aim to provide better care services. I also aspire to become a certified care worker trusted by my colleagues.

**Ms. Win**
Nisso Nifty
Job title: Nursing care at fee-based nursing home

Nisso Technical Center Kumamoto: Human Resources Development Dialogue

# Responding to the Strong Demand for Semiconductor Engineers through Human Resources Development Using Actual Equipment


**Osamu Kyan**
Director,
Nisso Technical Center Kumamoto
Education & Training Section,
Human Resources Development Division,
Business Planning Department,
NISSO CORPORATION

×

**Kazuya Osawa**
Instructor,
Nisso Technical Center Kumamoto
Education & Training Section,
Human Resources Development Division,
Business Planning Department,
NISSO CORPORATION


**Osamu Kyan**
Joined NISSO CORPORATION in 2001. After working as an operator and general leader at manufacturing sites, he engaged in worksite management operations. Subsequently, he engaged in tasks such as the improvement of contracting sites and served as a manager of the Shimane Sales Office in the Profit Division, and assumed his current position in 2024. Currently, he is involved in the operation of educational training facilities.

**Kazuya Osawa**
Joined NISSO CORPORATION in 2005. Engaged in semiconductor manufacturing equipment maintenance, working mainly as an engineer in charge of CVD equipment maintenance for 10 years. After engaging in functional inspection work of semiconductor manufacturing equipment, he was assigned to an educational facility as an instructor in 2018. He assumed his current position in August 2023.

**Kumamoto has now become a major cluster of the semiconductor industry. In this region, the "Nisso Technical Center (TC) Kumamoto," which develops ready-to-work human resources through providing training on the actual equipment that is found at work sites, was opened in 2023 and expanded in 2024. Two individuals on the front line of human resources development discussed the significance and strengths of TC Kumamoto, as well as how it contributes to the industry and the local community.**

## Teaching Social Etiquette in Addition to Technical Skills

**Kyan** In the introductory training phase prior to assignment at client companies, trainees first study the basics and then learn how to apply them using actual equipment. As the Center Director of Nisso Technical Center (TC) Kumamoto, the first thing I teach trainees is the importance of communication and social etiquette. Things such as not pretending to know what they do not, and the significance of greeting others with enthusiasm. When assigned to a site, I instruct them to ask without reserve if something is unclear. In class, we create an environment where those who understand help those who do not, so that trainees also acquire the spirit of mutual assistance.

**Osawa** Trainees are always aware of their strengths and weaknesses through tests and other means. When they discover their weaknesses they learn to ask those with strengths in those areas for advice. This is essential in any kind of work.

**Kyan** While the greetings of trainees are quiet when they first enroll, by the time they complete the program, their greetings are louder. The volume of their greetings surprises visitors to our center. Don't you think the one-minute speech given in rotation every morning serves as training for speaking in front of others?

**Osawa** That's true. As an instructor at Nisso Technical Center Kumamoto, training engineers, I feel their growth daily. Some cannot perform well at first, but during the two-month training, trainees who repeatedly say "I can't do it, so let me try" clearly improve. Such proactive trainees leave a particularly strong impression.

**Kyan** The perspective of trainees also changes between enrollment and completion. At enrollment, their awareness is vague—"I am interested in becoming an engineer." By completion, it becomes concrete—"I want to become this kind of engineer." This is also the result of the education provided by instructor team. As understanding of the work deepens through training, and as opportunities are provided for graduates to share about their current work, trainees are able to envision how they will work after completing the program.

## Real Equipment Training Fosters Confidence

**Osawa** At our center, we have actual dry etching equipment and chemical vapor deposition (CVD) equipment, which within the domain of semiconductor manufacturing equipment, play important roles. They must be kept in a vacuum state and are difficult to handle, but the skills learned are versatile and can be applied to other equipment. This is because many elements are also commonly found in electrical systems and transport systems. Another reason for introducing them is the high demand for maintenance of dry etching equipment in actual semiconductor manufacturing sites.

**Kyan** Kumamoto is the first to introduce semiconductor manufacturing equipment compatible with 300mm wafers, although such equipment has already been introduced at other TCs. Trainees who have handled actual equipment can operate it without feeling overwhelmed when they join client companies. They can also ask questions without hesitation. Manufacturers are pleased when trainees are able to get up to speed quickly.

**Osawa** Trainees operate actual equipment in a "simulated clean room" that is designed to replicate the real working environment, wearing cleanroom suits. The ceiling is the same height as in an actual clean room, and floor grating is also used. Experiencing the scale of a clean room before assignment enables trainees to begin work without feeling daunted when first assigned. Occasionally, some trainees find that they have an allergy to the cleanroom suits, and discovering this before going on assignment is also an advantage.

**Kyan** At our center, we also provide troubleshooting training on semiconductor manufacturing equipment for manufacturer employees. It is difficult to conduct troubleshooting training at manufacturers, as production lines cannot be stopped. How do you decide which problems to reenact?

**Osawa** We gather information through daily exchanges with manufacturers on "what kinds of problems are occurring." Based on this information, for example, in the case of electrical systems, we manipulate wiring to create a malfunction, and then ask trainees, "Where is the problem?" and "What should be done to make it work?" In addition to manufacturer employees, dispatched staff with some on-site experience are also eligible for troubleshooting training. It is often conducted when the individual wishes to improve their skills or when requested by a manufacturer.

**Kyan** When a machine fails, manufacturers request the original manufacturer to replace the faulty part as a unit. This does not build knowledge of the equipment. However, if the mechanism of the machine and troubleshooting are mastered, the cause of the problem can be resolved on the spot, leading to cost reduction. For dispatched staff, acquiring troubleshooting skills and returning to the site enhances their value accordingly. This leads to favorable results both for the individual and for NISSO CORPORATION.

**Osawa** Curricula and equipment are regularly updated to reflect industry trends and manufacturer requests. Recently, new equipment was introduced, so we are preparing to first share knowledge among the instructor team and expand it laterally. The TC instructor team is diverse, including those from semiconductor and automobile manufacturers, as well as those like myself with on-site experience at NISSO CORPORATION.

**Kyan** In addition to the experience of instructor teams, feedback obtained by NISSO CORPORATION's Engineering Business Division during regular interviews with dispatched staff is reflected in the training content. The instructor team holds weekly meetings within the center and monthly meetings at the level of training centers nationwide to share issues and enhance curricula. These accumulated efforts increase the market value of graduates. We also place importance on opportunities to hear from external experts to incorporate new insights.

## Raising Industry Awareness through Industry-Government-Academia Collaboration

**Kyan** Although the semiconductor industry is often discussed in connection with DX and AI, public recognition is still insufficient. At our center, we collaborate with Kumamoto Prefectural College of Technology, providing some of the lessons for the students, as part of our industry-government-academia collaboration. Raising awareness of the semiconductor industry in society, starting with students, is also the mission of our center. TC Kumamoto also receives many visits from students and companies. We see this as an opportunity to communicate the presence of human resources who support the semiconductor industry behind the scenes. This is one of our important roles.

**Osawa** Our center supports the upskilling of dispatched staff—that is, the increase in dispatching unit-costs—through education. Furthermore, dispatched staff who complete the center's training are highly evaluated by client manufacturers, leading to said manufacturers requesting that we "train their employees as well," which has given rise to our entrusted training services. Expanding business through such a virtuous cycle contributes not only to the increase of net sales and profits for the Group as a whole, but also to society, which is facing a shortage of semiconductor human resources. This is also a source of joy for me.

**Kyan** As recognition of our center grows, we receive more inquiries from those who want "to entrust work to a trustworthy company." In recent years, Kumamoto has been bustling with a rush of new and expanded semiconductor factories both domestically and overseas. By sending out semiconductor human resources, we are confident that we can contribute to improving productivity at production sites and ultimately regional revitalization.

Chapter 2

# Practice of Value Creation

Announced a three-year Medium-term Management Plan starting from FY 3/2026.
By practicing a value creation process with "people" as the core of our business strategy, we aim to achieve the management target of an operating profit margin of 5% in FY 3/2028.





## Message from the Officer in Charge of Strategy

**Kenji Fujino**
Director & Executive Officer
Representative Director,
President & Executive Officer,
NISSO CORPORATION

# Incorporating External Expertise to Move Beyond Human Resources Suppliers

# Recruiting and Developing High Value-Added Human Resources Aligned with Challenges

**As the head of NISSO CORPORATION, the core company of the Group, I will address the challenges of our business partners, improve the quality and accuracy of the recruitment and development of dispatched employees through data utilization, and aim to achieve the net sales, operating profit, and operating profit margin targets of the Medium-term Management Plan.**

Having received approval at the General Meeting of Shareholders, I have assumed the position of President of NISSO CORPORATION. Accordingly, I stepped down as Senior Managing Director & COO of NISSO HOLDINGS. Since transitioning to a holding company structure in 2023, to advance the separation of management and business, NISSO HOLDINGS determined that it would not be appropriate for me to retain the position of Senior Managing Director & COO—the second most authoritative position in the HOLDINGS—while also serving as the head of NISSO CORPORATION, the largest operating company in the Group. At the HOLDINGS, I will serve as a Director in charge of Group Strategy and, from my business-centric position, I will execute my duties with NISSO CORPORATION's main stakeholders in mind, namely its business partners and employees.

## Changing Role of Dispatching Companies

In the new three-year Medium-term Management Plan, starting FY 3/2026, as President of NISSO CORPORATION, I place particular emphasis on achieving net sales and operating profit. To accomplish this, the strength of NISSO HOLDINGS in high value-added human resources development is essential.

NISSO HOLDINGS operates nine education and training facilities nationwide, where, in addition to classroom instruction, training using actual equipment such as semiconductor manufacturing equipment is provided. The curriculum also incorporates other practical items, such as issues that have been shared with business partners. In some cases, dispatched staff who have completed an assignment at a manufacturing site return to the education and training facilities to acquire more advanced skills.

Through such training programs, a virtuous cycle emerges where dispatching unit-costs rise and dispatched staff are hired as regular employees by our business partners. In FY 3/2025, the monthly average net sales per capita in the Manufacturing·Production Human Resources Services were 446,000 yen, a 3.2% increase compared to the previous fiscal year.

Since the COVID-19 pandemic, issues such as labor

Message from the Officer in Charge of Strategy

shortages and industry challenges stemming from the U.S.-China trade friction have become evident. In response, manufacturers are rapidly accelerating DX, factory automation (FA), and technology development, in efforts to pursue greater efficiency in both production and development. Consequently, the skills and human resources profiles required of workers are also changing significantly.

Traditionally, the role of dispatching companies ended once human resources were sent to business partners. However, today's best practice is to recruit dispatched staff, nurture them, and enhance their skills to increase their added value and, in turn, raises dispatch unit-costs and creates a cycle in which benefits are returned to the dispatched staff. This cycle fosters a win-win relationship among business partners, dispatched staff, and NISSO HOLDINGS.

Our business partners span a wide range of industries. By addressing the challenges of individual companies, NISSO HOLDINGS engages strategic foresight discussions, which is one of our strengths. As a professional service provider that supports even top industry manufacturers, I devote my efforts to addressing the challenges of each client company.

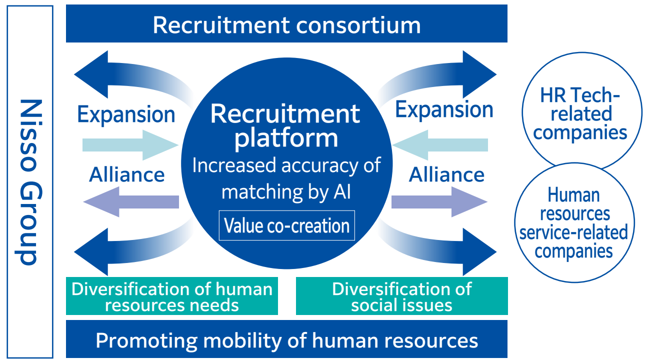
## Countermeasures for Hiring Loss: "Strongest Alumni"

To achieve the operating profit target of 7.5 billion yen in FY 3/2028, it is essential to control recruitment costs. NISSO HOLDINGS was among the first in the industry to operate our own recruitment website, through which about half of the applications for dispatched staff are received. In addition, our recruitment bases, which cover the entire country from Hokkaido to Okinawa, contribute to efficient talent pool formation while controlling costs. However, while our recruitment website for dispatched employees received over 5,000 applications per month in FY 3/2025, an issue presented itself in the form of a large number of mismatches that occurred prior to hiring.

We believe the key lies in alumni recruitment: a hiring method in which employees who have already left a particular company once, are rehired. In this era of declining birthrates and an aging population, ready-to-work human resources are a true asset.

NISSO HOLDINGS possesses an enormous amount of data obtained at the "entry point" of recruitment, such as human resources attributes and hiring processes.

### Recruitment Strategy/Aiming for Zero Mismatches




By combining the expertise of the TSUNAGU GROUP, which joined our Group, with our big data, we identify issued brought about by recruitment mismatches and improve hiring rates and profitability.

By maintaining connections with applicants, even if they are not taken on for a particular position, and recommending other roles, the possibility of being hired can present itself. In essence, we are investing in the development of our own recruitment platform to build the "strongest alumni network." Advancing the utilization of such human resources data not only controls recruitment costs but also creates employment opportunities for human resources that had previously been overlooked in the hiring process.

The recruitment and development model of NISSO HOLDINGS also applies to global human resources working from overseas. In present-day Japan, labor compensation is not particularly high, an issue born in part of the weak yen. To attract overseas human resources to work in Japan, it is important that they feel their skills can improve and their own added value will increase through employment in Japan.

Along with developing global human resources domestically, we are also advancing overseas expansion. In May 2025, NISSO HOLDINGS reached a basic agreement on a business alliance with "FPT IS Company Limited (FPT IS)," Vietnam's largest IT company, and the local subsidiary of Mitsubishi Research Institute. The objective is to build a mechanism that will facilitate the circulation of semiconductor human resources.

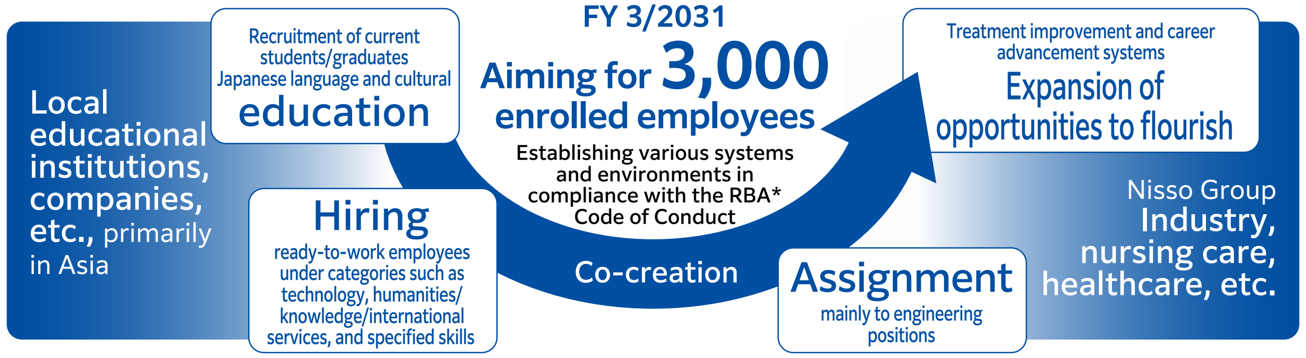
In addition to the semiconductors industry, automation of many factories, including those involved in the food industry, are progressing in ASEAN countries. Each country is sending human resources abroad on temporary postings for the purpose of generating economic growth back home. As such, global human resources who come to Japan to learn how to operate and maintain robots and machinery at the education and training facilities of NISSO HOLDINGS may eventually return to their own countries. We position ourselves to prepare an environment where they can remain connected with us and continue to flourish even after heading back to their respective countries. This concept is at the core of NISSO HOLDINGS' global strategy.

With a focus on the time spent by the said global human resources in Japan before returning home, and as part of our efforts to establish and express an open and welcoming environment, we have created opportunities for them to learn about Japanese lifestyle and culture. It is our aim to have 3,000 enrolled foreign employees by FY 3/2031.

## Business Opportunities in Data-Driven Management

Some may believe that as AI and factory automation (FA) become more widespread, manufacturing human resources will eventually become unnecessary. However, robots and machinery still require maintenance and parts replacement. Based on past data, human resources capable of determining situations, such as "after how many more uses will a failure occur" and then performing preventive maintenance on components, are in demand. Likewise, attention is focusing on human

### Recruitment Strategy/Expansion of Global Human Resources Recruitment




* Responsible Business Alliance. Standards established to conduct business while respecting safe working environments, human rights, and the environment.

resources who can analyze "what data is effective for machine learning" in the field of AI. We are also considering initiatives to dispatch human resources recruited and developed by NISSO HOLDINGS into such data-driven management positions.

NISSO HOLDINGS will also advance reforms to our human resources development methods. We are introducing job-based employment and a talent management visualization system, creating a mechanism under which human resources are evaluated fairly and impartially. Through such mechanisms, we will enhance employee engagement, raise the overall standard of human resources, increase net sales, and develop future personnel.

As President of NISSO CORPORATION, I will devote all my efforts to generating 120 to 130 billion yen of the Group's consolidated net sales target of 150 billion yen set in the new Medium-term Management Plan (FY 3/2028).

## Evolving Business Through Open Innovation

Until now, the Nisso Group's business has been based on self-reliance. However, we cannot survive by simply remaining in our own bubble. To resolve issues, we have established the Group Strategy Department with the purpose of identifying the missing elements through external perspectives, engaging in business matching, and implementing solutions.

The previous Medium-term Management Plan, covering three years from FY 3/2023, faced drastic external environmental changes, and building up our businesses in the said three years was fraught with difficulties. The situation in Ukraine, the COVID-19 pandemic, certification fraud issues in the automobile industry, and U.S.-China frictions directly impacted business partners and slowed demand for the human resources of NISSO HOLDINGS. Reflecting on our failure to fully foresee changes in the global environment, we will strengthen our information marketing capabilities and build a system that allows recovery even during unforeseen external changes.

In the new Medium-term Management Plan, we will deepen our Industry Strategy, which aims to achieve balance across different industrial areas. It will target a portfolio effect in which even if one area stagnates, stable performance in another ensures management stability. However, in line with progress being made in the domain of automobile electrification, the correlation between the semiconductor and electronic device industries has become stronger. Therefore, stagnation in the automobile industry could lead to stagnation in the semiconductor and electronic device industries as well. Moreover, growth will slow if we only dispatch to existing client industries. As a medium- to long-term issue beyond the new Medium-term Management Plan, we will develop new client industries to accelerate sales growth, while also leveraging the strength of the skills that we have acquired on operating and maintaining manufacturing equipment in our existing businesses that can be applied to other industries as well.

As a Director of NISSO HOLDINGS, I will work closely with individual companies within the Group, coordinating and supporting them with issues that they find difficult to address on their own. We are also promoting the consolidation of back-office functions into the HOLDINGS and the conversion of dispatched staff to regular employees. While implementing what is lacking in the Nisso Group, we will build an organization that maximizes sales and profits. I am confident that we will achieve the targets set forth in the new Medium-term Management Plan and hope that all are looking forward to the new structure that NISSO HOLDINGS will take.

# Nisso Group Business Strategy

## Medium-term Management Plan (FY 3/2026–FY 3/2028)

NISSO HOLDINGS has formulated a Medium-term Management Plan covering FY 3/2026 to FY 3/2028. In the General Human Resources Services field, responding to changing human resources needs, brought about by changes in the social environment requires the development and appropriate supply of diverse human resources who can flourish in a new era. Based on this situation, the policy of this Medium-term Management Plan is "Business portfolio diversification and expansion," under which we will promote various initiatives for business portfolio transformation, beginning with continuous investment that captures changes in the times. Through contributing to social issues surrounding the labor environment, we will create new value in co-creation with stakeholders and work to enhance corporate value across the entire Group.

### Management Philosophy and Policy

**Business portfolio diversification and expansion**

**Financial strategy**
- Expanding the ROIC spread
- Appropriate business resource allocation and shareholder returns policy

**Management strategies**

**Non-financial strategies**
- Practice of human capital management
- Environmental and social initiatives
- Strengthening governance

**Deepening existing strategies**
- Recruitment strategy
- Industry strategy
- Development strategy

**Business strategy/Co-creation**

General Human Resources Services

**Exploring new strategies**
- Creation of new services

Five services | Nursing Care･Welfare Services | New initiatives

**DX strategy**

Establishment/Strengthening of digital infrastructure Visualization/Sophistication of management Business reform/Efficiency/Automation

### New Medium-term Management Plan Policy

We will respond to digital transformation (DX), Green transformation (GX), AI, and other transformative changes while carefully maintaining financial discipline and increasing the sophistication of governance, risk management, compliance, and security (GRCS). We will deepen the quality and content of the services we provide in our core business, the General Human Resources Services, by taking a completely fresh look at business processes, and will increase engagement with clients and workers as we engage in an in-depth search for new services that will lead to the resolution of social issues such as the declining birthrate and aging population, increasing mobility of human resources, improvement in productivity, well-being, and diversity. We will provide new services through co-creation with stakeholders.

### Review of the Previous Medium-term Management Plan / Management Targets of the New Medium-term Management Plan

During the previous Medium-term Management Plan period up to FY 3/2025, we faced a harsh business environment, including delays in the recovery of the semiconductor industry following the COVID-19 pandemic and shortages of automobile parts caused by geopolitical risks. Under these circumstances, in order to respond to changes in human resources needs in industry, we carried out the development of educational facilities and investments in equipment and human resources as planned. As a result, although net sales and profit did not reach the figures outlines in the plan, we were able to achieve increases in both revenue and profits.

In the new Medium-term Management Plan, as management targets for FY 3/2028, the final year, we have set net sales of 150 billion yen, operating profit of 7.5 billion yen (operating profit margin of 5.0%). While continuing to actively make investments for growth, we will create highly value-added businesses that other companies cannot imitate, and aim to achieve our targets and sustainable enhancement of corporate value.

(Unit: Million yen)

| | FY 3/2022 | FY 3/2023 | FY 3/2024 | FY 3/2025 | FY 3/2028 |
|---|---|---|---|---|---|
| Net sales | 77,549 | 90,827 | 96,858 | 101,560 | 150,000 |
| Operating profit | 2,087 | 2,268 | 3,058 | 3,555 | 7,500 |

Operating profit margin: 3.5% (FY 3/2025) → 5.0% (FY 3/2028)

## Business Strategy

**We will implement initiatives in each service field by focusing on the two pillars of "Deepening existing strategies" and "Exploring new strategies."**

### General Human Resources Services

Technological innovation is bringing major changes to industry, and demand for highly skilled human resources with strong development capabilities, process management capabilities, and maintenance expertise is expected to increase. In light of this situation, we will implement appropriate measures to pursue growth.

| Deepening Existing Strategies | Exploring New Strategies |
|---|---|
| • Industry strategy<br>Automotive, Semiconductor & Electronics<br>• Recruitment strategy<br>Expansion of recruitment of global human resources, zero mismatches<br>• Development strategy<br>Establishment of new development bases, development of semiconductor human resources, reskilling of human resources in line with the EV shift, and responding to the needs of a transforming industrial sector | • Creation of new services<br>Entrusted education and training services, Start engineer, and initiatives leveraging Group synergies |

P. 41 Manufacturing･Production Human Resources Services
P. 43 Engineering Human Resources Services
P. 45 Administrative Human Resources Services/Other Human Resources Services

P. 40 Business Portfolio Transformation for Sustainable Growth—Initiatives for Co-creation
P. 48 Development into New Services

### Nursing Care･Welfare Services

We will advance initiatives that contribute to solving social issues such as the increasing number of people requiring nursing care, the chronic shortage of nursing care workers, and the decline in the quality of nursing care services.

P. 47 Other Services (Nursing Care･Welfare Services)

## DX Strategy

### Message from the Officer in Charge of DX

#### Building a Foundation for Growth Through the Promotion of DX

For the Nisso Group to achieve sustainable growth, promoting DX to strengthen management functions and business operation foundations is a critical management issue. We position the period through FY 3/2027 as the "Digital Infrastructure Construction Phase" and will implement initiatives focusing on three priority areas: "Establishment/Strengthening of digital infrastructure," "Visualization/Sophistication of management," and "Business reform/Efficiency/Automation." As the Officer in charge of DX, I will steadily advance these initiatives and contribute to performance expansion in the "Digital Creation and Deployment Phase" that will begin from FY 3/2028, the period of the New Medium-term Management Plan.

**Go Taguma**
Executive Officer & DX Strategy Division Head

**Three Pillars of the Digital Infrastructure Construction Phase**

| | |
|---|---|
| Establishment/Strengthening of infrastructure | Provision of IT infrastructure enabling the use of necessary applications anytime and anywhere |
| Visualization/Sophistication of management | Centralization, visualization, standardization, and utilization of Group management data |
| Business reform/Efficiency/Automation | Improving operational efficiency through the use of AI, VR, and other technologies |

**Leveraging Digital Infrastructure to Contribute to Performance Expansion**

| | |
|---|---|
| Enhancing existing strategies | • Rapid action through data utilization<br>• Improved matching accuracy<br>Improvement of number of enrolled staff × unit-costs × operating rate |
| Exploring new strategies | • AI × HR = HRTech<br>Providing clients with new services utilizing AI, big data, etc.<br>• Converting educational content into VR and selling it externally |

## Financial Strategy

**By pursuing earning power through initiatives such as enhancing the added value of existing businesses, and by maintaining financial discipline and improving capital efficiency, we aim to expand the equity spread and ROIC spread and achieve sustainable enhancement of corporate value. Based on this strategy, we have established management indicators to measure the progress and achievement of the Medium-term Management Plan.**

P. 49–50 Message from the Officer in Charge of Finance

| ROE | | ROIC (Return on invested capital) | WACC (Weighted average cost of capital) |
|---|---|---|---|
| 12.3% FY 3/2025 | → 20% or higher on average FY 3/2028 | 13.1% FY 3/2025 | Approx. 8.0% FY 3/2025 |

**Sustainable enhancement of Corporate Value**

Expansion of equity spread and ROIC spread

### Pursuit of earning power

- Adding of value to existing businesses
- Review of business portfolio
- Investment in growth fields
- Improvement of operational efficiency through the use of digital technology
- Investment in human resources

### Maintenance of financial discipline and improvement of capital efficiency

- Appropriate allocation of management resources
- Appropriate utilization of debt
- Optimal shareholder returns (stable dividends and share buybacks)
- Timely and appropriate information disclosures

## Non-Financial Strategies

**To achieve sustainable business growth, we believe that contributing to society and the environment through business activities is also important. Based on this recognition, we are promoting initiatives to realize the materiality (key issues) of "Creation of a comfortable workplace," "Responding to social and structural changes," and "Strengthening of governance."**

P. 53 Materiality (Key Issues)

### Practice of Human Capital Management

We aim to expand our profits by investing in human capital through training and education while circulating the Nisso Group's Human Resources Development Model and providing high-value-added services.

P. 29 Human Capital Management

### "Environmental" and "Social" Initiatives

As a company providing Human Resources Solution Services, we have established policies on human rights, occupational safety and health, environment, and ethics, and are promoting initiatives to realize a sustainable society.

P. 54 Human Rights
P. 57 Well-being
P. 58 Occupational Safety and Health
P. 61 Initiatives for Climate Change and the Environment

### Implementation of Diversity

Based on the philosophy of "Nurturing and Bringing Out the Best in People," we support the creation of an environment where diverse human resources, including women, the elderly, people with disabilities, and global human resources, can flourish.

P. 55 Diversity, Equity & Inclusion (DE&I)

### Strengthening of Governance

By ensuring compliance with laws and regulations and accurate information disclosures, we secure management transparency and promote management that emphasizes corporate governance and compliance, with a view to enhancing corporate value.

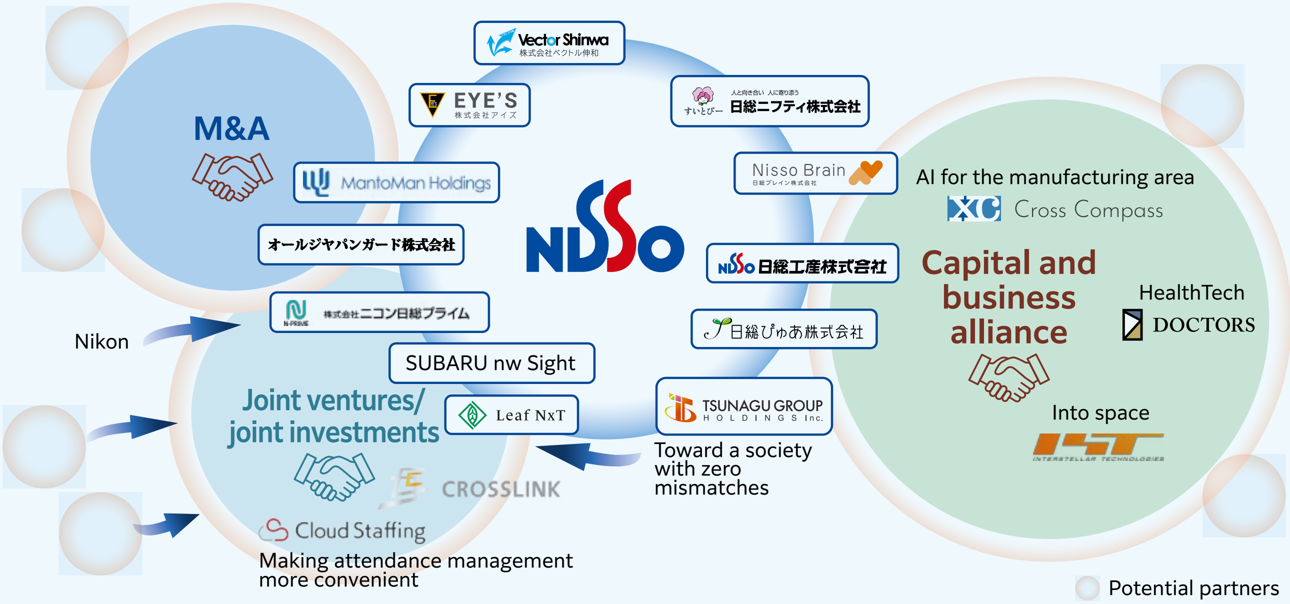
P. 63 Corporate Governance
P. 72 Risk Management P. 73 Compliance





# Business Portfolio Transformation for Sustainable Growth—Initiatives for Co-creation

**To continue growing in an uncertain era, we will, free of limitations, proactively pursue collaboration with potential partners. By participating in industry-government-academia consortiums, concluding capital and business alliances, investing in start-ups, and conducting M&A, the entire Group will work toward the creation of shared value (CSV).**




## Major Achievements

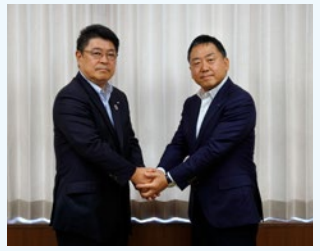
### May 2024 | Capital and Business Alliance with "TSUNAGU GROUP HOLDINGS Inc."

NISSO HOLDINGS and TSUNAGU GROUP HOLDINGS concluded a capital and business alliance agreement.
TSUNAGU GROUP HOLDINGS is a consulting and solutions company in the recruitment domain. Leveraging the strengths of both parties, we will provide higher-value services to companies facing issues such as increasingly severe labor shortages and hiring difficulties.

**(Solution example: Recruitment agent services)**

"Recruitment agent services" are a type of human resources service in which we perform recruitment-related tasks on behalf of our clients. To resolve the issue of insufficient capacity in the clients' personnel division, NISSO CORPORATION and TSUNAGU GROUP have collaborated to provide employee recruitment agent services.

Furthermore, adjustments between job seekers and clients are handled by Leaf NxT Inc., a subsidiary of both companies. By leveraging the strengths of all three companies, we are delivering meticulous services, and demand is steadily increasing.



### April 2025 | Made "All Japan Guard Co., Ltd." a Subsidiary

NISSO HOLDINGS acquired all shares of All Japan Guard Co., Ltd. and made it a wholly owned subsidiary. All Japan Guard is a company primarily engaged in facility and traffic control security at public facilities.

As the security industry faces increasingly severe labor shortages, collaboration with the Nisso Group enables the rapid securing of necessary human resources. As part of the Nisso Group's mission of "creating opportunities and hopes for people to work," we aim to provide opportunities for people of a wide range of ages to thrive.

### June 2025 | Establishment of Human Resources Services Company "SUBARU nw Sight Co., Ltd."

SUBARU Corporation, NISSO CORPORATION, and World Intec Co., Ltd. established a new human resources services company, "SUBARU nw Sight," as a joint venture among the three companies. Leveraging the strengths of each company, this new company will provide human resources services to business partners as well as SUBARU and SUBARU-related companies, aiming to build a human resources scheme that supports the evolving production activities of the entire manufacturing industry.

## Business Overview

# Manufacturing･Production Human Resources Services

We provide optimal human resources services for various *MONOZUKURI* (manufacturing) sites. Our services can be utilized according to workload fluctuations, and we have a track record of use across a wide range of industries nationwide.

### Business Description

In the Manufacturing･Production Human Resources Services, we mainly provide human resources in the areas of manufacturing dispatching and manufacturing contracting.

Manufacturing dispatching, based on the "Worker Dispatching Act," supplies human resources to manufacturers, primarily in the automotive, semiconductor, and electronics industries. In manufacturing contracting, Group companies establish workplace operation systems under their own direction and supervision, including production, quality, and labor management, and carry out manufacturing, processing, and inspection in response to orders from manufacturers, delivering finished products as deliverables.

Through these efforts, we realize flexible and high-quality manufacturing support that meets manufacturers' needs.

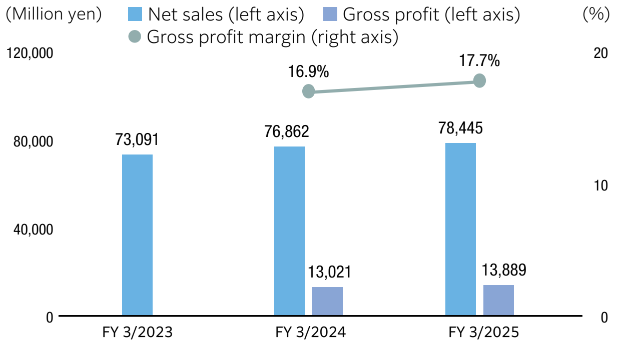
### Results for FY 3/2025 and Outlook

Net sales of the service in FY 3/2025 were 78,445 million yen, an increase of 2.1% compared to FY 3/2024.

The number of enrolled staff at fiscal year-end was 14,218 (down 575 year-on-year), due in part to the decline in enrolled staff as differences in production volume and human resources needs among manufacturers, especially in the Automotive Industry, became more pronounced, and also to stagnation in personnel placement caused by matching issues (such as work location and job category). On the other hand, as a result of continued initiatives to improve workplace environments, the monthly turnover rate was 3.8% (an improvement of 0.1 percentage points year-on-year). In addition, due to an increase in billing unit-costs for manufacturing staff, the average monthly net sales per capita rose to 446,000 yen (up 13,000 yen year-on-year). As a result, net sales of this service increased year-on-year, and the gross profit margin was 17.7% (an improvement of 0.8 percentage points year-on-year).

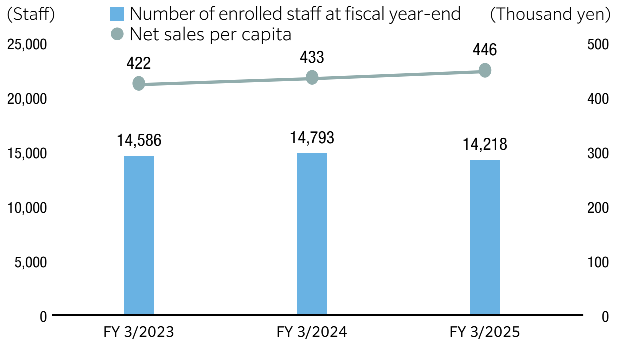
For FY 3/2026, the Automotive Industry (automobile manufacturing and EV-related manufacturing industry), which is one of the Nisso Group's focus industries, may be impacted by the U.S. tariffs, but we do not expect any significant changes in production volume. In the Semiconductor Industry (semiconductor manufacturing industry), the performance of the Nisso Group's focus manufacturers is expected to remain steady. In addition, anticipating demand for human resources associated with the launch of new semiconductor and battery factories in 2026 and 2027, we will continue to invest in development-related initiatives. Meanwhile, demand for electronic components in the Electronics Industry (electronic equipment manufacturing industry) is expected to remain flat.

**Trends in net sales, gross profit, and gross profit margin**




* For FY 3/2023, only net sales disclosed; internal transactions eliminated.

**Trends in the number of enrolled staff at fiscal year-end and net sales per capita**




## Recognition of the Current Situation

### Risks

- With respect to the breakdown of net sales by industry, the automobile-related industry is the largest, accounting for approximately 40% of consolidated net sales. Accordingly, any sudden production fluctuations in the automobile industry pose a risk of having a significant impact on the performance of the Nisso Group.
- In the event of termination of contracts with major business partners, there is a risk of impact not only on the Nisso Group's business performance but also on increased costs for maintaining employment.

### Opportunities

- Due to rising demand for human resources accompanying the normalization of economic activities, securing workers has become essential.

  The Nisso Group has established our own recruitment channels and possesses a system for human resources development using actual equipment, which enables us to continue securing workers going forward. This will serve as a major growth engine for the Nisso Group.

### Strengths

- Since our founding, the Nisso Group has conducted business with major manufacturers, enabling us to provide human resources services that leverage this expertise.
- The Nisso Group has sales offices nationwide and possesses common processes such as recruitment, development, assignment, and management, thereby being able to provide consistent human resources services.

## Medium-term Management Plan Initiatives

### Expansion of Industry Strategy

- To respond to the human resource needs of industries centered on automobiles, semiconductors, and electronics that lead the Japanese manufacturing industry, we have established training facilities equipped with the latest manufacturing equipment to develop high value-added human resources.
- By promptly assigning developed human resources in accordance with client needs, we will differentiate ourselves from other companies and aim to expand our business.

### Strategy for the Automotive Industry

- Amidst simultaneous structural changes referred to as a "once-in-a-century" transformation of the automobile industry, we will produce human resources trained at nine training facilities nationwide using actual equipment.

### Strategy for the Semiconductor and Electronics Industries

- By deepening the relationships between training facilities and industry-government-academia collaboration, we aim to further human resources development as well as the development and expansion of services.

TOPIC

### Made Man to Man Holdings a Subsidiary

In May 2025, "Man to Man Holdings" joined the Nisso Group. Comprising six affiliated companies, Man to Man Holdings develops services centered on manufacturing-related human resources dispatching business, focusing on automobile manufacturers (including suppliers), semiconductor device manufacturers, and others. With the addition of a company possessing a strong business foundation in the Chubu-Tokai area, the Nisso Group aims to establish an overwhelming presence in this region.

The Nisso Group will build a structure that enables us to capture further business opportunities by integrating existing resources, such as the active utilization of foreign human resources, development of entrusted software and packaged software, and the entrusted business of web system development by employees with disabilities. Contribution to the Nisso Group's business performance is scheduled to begin in the second quarter of FY 3/2026.

# Engineering Human Resources Services

We provide Engineering Human Resources Services with diverse skills.
We dispatch a wide range of human resources, from equipment maintenance to mechanical design, and research and development operations.

## Business Description

In the Engineering Human Resources Services, we provide highly specialized human resources for the manufacturing and IT-related fields. Among these, the manufacturing area is the core field, and we have a large number of engineers capable of handling a wide range of tasks, including design, production and quality control, and equipment maintenance. Furthermore, we are actively working to expand global human resources and IT human resources services, and aiming to further grow our business domain.

## Results for FY 3/2025 and Outlook

Net sales of this service in the consolidated fiscal year amounted to 11,631 million yen (up 28.1% year-on-year).

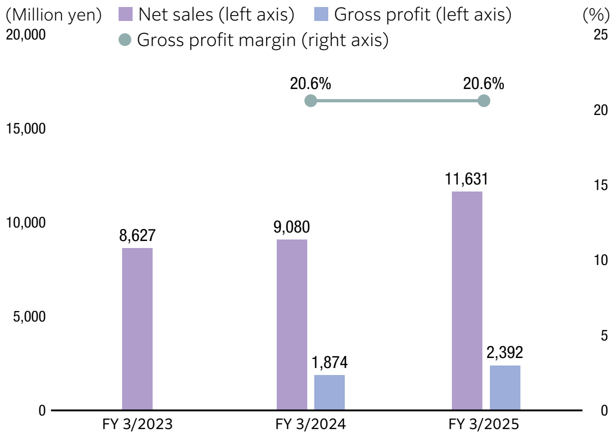
The number of enrolled engineers in our service at the end of the fiscal year increased to 2,054 (up 510 year-on-year), spurred by a steady demand for personnel for semiconductor manufacturers, a key focus area. In addition, by conducting pre-assignment training using our unique curriculum, we were able to keep the monthly turnover rate at a low level of 1.9% (an improvement of 0.1 percentage points year-on-year). Furthermore, with strong production activities among semiconductor-related clients, the monthly average net sales per engineering employee rose to 525,000 yen (up 20,000 yen year-on-year).

As a result, net sales of this service increased year-on-year, and the gross profit margin stood at 20.6% (same level as the previous year), which is higher compared to the Manufacturing·Production Human Resources Services.

In FY 3/2026, we will promote career changes for existing employees to achieve an end-of-period enrollment of 2,700 engineering employees, who have higher profit margins compared to other services. By improving treatment and conducting unit-cost negotiations in line with skills, we will increase the added value of employees.

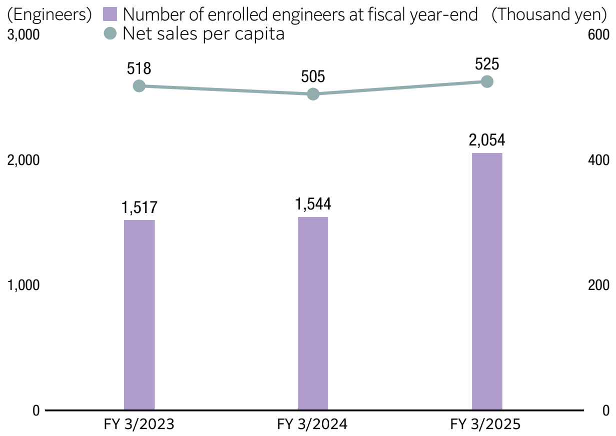
In addition, by boosting recruitment of global human resources and expanding the IT area, we aim to increase the ratio of engineering employees to 30% by FY 3/2031.

**Trends in net sales, gross profit, and gross profit margin**




* For FY 3/2023, only net sales disclosed; internal transactions eliminated.

**Trends in the number of enrolled engineers at fiscal year-end and net sales per capita**




## Current Situation Recognition

### Risks

- Risks include decreased motivation of workers due to skill mismatches, as well as leakage of technical or client information obtained in the course of duties at client sites.
- In addition to recruitment risks such as difficulty in securing appropriate personnel due to shortages of highly skilled human resources and supply-demand imbalances, there is also the risk of not recovering education investments if employees leave the company in a short period of time.

### Opportunities

- By returning dispatch unit-costs to dispatched staff according to their skills, we can provide career change opportunities and improve treatment for those working in the Nisso Group.
- Compared to the Manufacturing·Production Human Resources Services, the higher unit-costs enable us to conduct a more profitable business, which will serve as a major growth engine.

### Strengths

- We conduct practical training using actual semiconductor equipment at training facilities nationwide. By gaining an understanding of the equipment, troubleshooting methods, and safety procedures, we develop ready-to-work human resources in the workplace.
- We have instructor teams with extensive practical experience and systematically structured training curricula to cultivate human resources with advanced expertise, such as design skills using CAD.

## Medium-term Management Plan Initiatives

### Development Strategy

- To address challenges such as the diversification and sophistication of human resource needs, as well as labor shortages, while also exploring new areas for business expansion, we will co-create value with clients in the field of human resources development.
- By utilizing the unique "Human Resources Development Model" of NISSO HOLDINGS in semiconductor and storage battery manufacturing, and occupations involved with maintenance, and upkeep, we will promote the development of high value-added human resources and, under public-private partnerships, work on providing reskilling opportunities and developing human resources capable of mass production.

### Expansion of Global Human Resources Recruitment

- With the increase in human resources needs accompanying the normalization of economic activities, securing workers has become an issue of the utmost importance for the Nisso Group.
- To address the challenge of securing personnel, we will further promote the utilization of global human resources. We will develop systems and workplace environments that make people feel, "I am glad I came to Japan" and "I want to work more in Japan," aiming for 3,000 enrolled global human resources by the end of FY 3/2031.

TOPIC

## On-site Technical Capabilities × Future Readiness
—Comprehensive Solutions to Clients' Human Resource Issues

**Establishment of Nisso Technical Center Aichi (Scheduled)**

In October 2025, we plan to open a new training facility in Aichi Prefecture, an industrial hub centered on automobiles.

At this facility, in addition to training that integrates technical education and skills training, we will also take on the challenge of developing human resources capable of utilizing smart technologies.

Aiming to enhance future readiness through the transfer of knowledge and skills and to strengthen on-site technical capabilities, we will provide true human resources development that goes beyond mere knowledge, thereby comprehensively supporting clients in addressing their human resource issues.

Business Overview

# Administrative Human Resources Services

We provide Administrative Human Resources Services in Kanagawa Prefecture, primarily in Yokohama City.

## Business Description

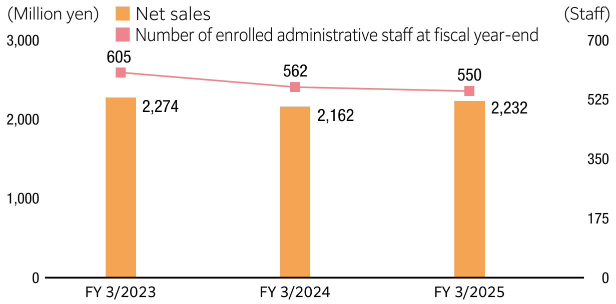
Administrative Human Resources Services provide two types of services: general office work dispatching, and Business Process Outsourcing (BPO).

In general office work dispatching, based on the "Worker Dispatching Act," we dispatch human resources for office work, reception roles, and other operations in line with the diverse needs of companies. In BPO, as an external company with expertise, we are entrusted with a part of the various corporate operations and business processes, supporting efficiency improvements and quality enhancement.

## Business Overview up to FY 3/2025

Net sales of this service in the consolidated fiscal year amounted to 2,232 million yen (up 3.3% year-on-year). Although recruitment activities were advanced mainly through public relations and customer-attraction efforts, the number of registrants was not secured, and the number of administrative dispatched staff at fiscal year-end was 550 (down 12 year-on-year).

**Trends in net sales and the number of enrolled administrative staff at fiscal year-end**




* Internal transactions eliminated

# Other Human Resources Services

We are building models in which senior employees and employees with disabilities can flourish.

## Business Description

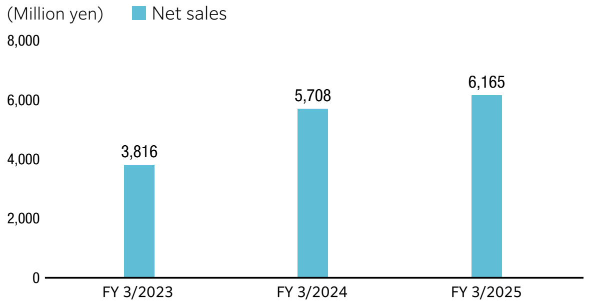
We provide services such as dispatching senior employees and outsourcing of employees with disabilities for light work.

## Business Overview up to FY 3/2025

Net sales of this service in FY 3/2025 amounted to 6,165 million yen (up 8.0% year-on-year). This service is seeing an increasing trend in both the number of Prime employees (senior employees) and employees with disabilities, with personnel needs steadily expanding alongside changes in the management environment.

In addition, in July 2022, NISSO CORPORATION acquired an additional equity interest in NIKON NISSO PRIME CORPORATION, making it a consolidated subsidiary.

**Trends in net sales**




* Internal transactions eliminated



# Senior Human Resources Services

"Creating a Society Where Everyone Can Flourish"
NIKON NISSO PRIME provides human resources services for the elderly.

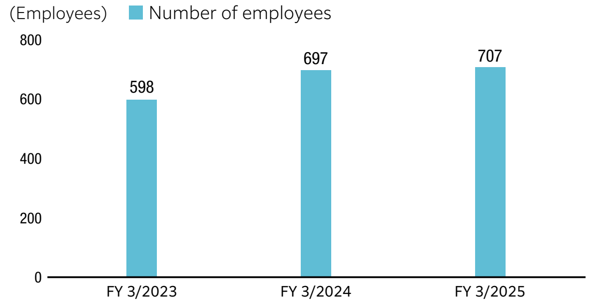
## Business Description

NIKON NISSO PRIME, which provides senior human resources services, was established on January 6, 2020, through a joint venture between NISSO CORPORATION and Nikon. It works on creating and securing employment opportunities for senior employees within the Group, as well as researching and developing mechanisms that allow seniors to continue working throughout Japanese society as a whole. With the mission of "Creating a society where people can continue working," we conduct business operations aimed at realizing a sustainable employment environment.

## Promoting Active Participation of Seniors

To build workplace models where seniors can flourish, we are working to create and secure employment opportunities that support continued work, as well as developing systems to achieve this. The number of Prime employees (senior employees) in the consolidated fiscal year was 707.

**Trends in the number of senior employees**




# Human Resources Services for People with Disabilities

"Creating a Happy Future for Employees with Disabilities"
Nisso Pure strives to create a comfortable working environment for persons with disabilities.

## Business Description

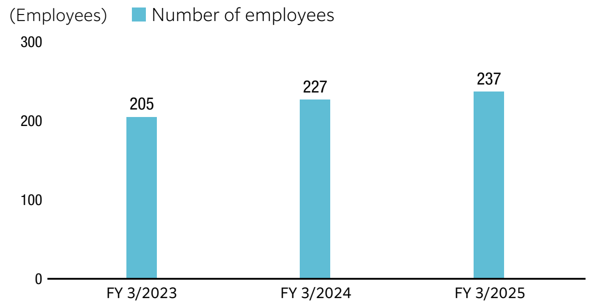
Nisso Pure was established in April 2007 as a special-purpose subsidiary of NISSO CORPORATION, with the aim of fulfilling corporate social responsibility through the employment of persons with disabilities. Currently, more than 200 employees with disabilities are enrolled, each making use of their abilities so that they can flourish. The expertise, cultivated at the company, surrounding the environment of persons with disabilities are being actively extended throughout the Group, with initiatives for employing persons with disabilities showing particular progression at NISSO CORPORATION bases. As a result of these initiatives, opportunities for persons with disabilities to flourish are growing steadily.

## Building an Environment Where Employees with Disabilities Can Flourish

To build a workplace model where people with disabilities can flourish, the company not only provides employment within the company but also promotes independent work-styles that make use of individual characteristics through initiatives such as undertaking light work from general companies. Furthermore, the company is actively working to realize a symbiotic society by strengthening collaboration with schools, support organizations, administrative bodies, and local communities.

As a result, the number of employees with disabilities in this consolidated fiscal year was 237.

**Trends in the number of employees with disabilities**



Business Overview

# Other Services (Nursing Care·Welfare Services )

With our "four promises" to customers, services, local communities, and peers, we provide "five services": facility nursing care, outpatient care, home-based care, home-visit nursing care/disability support services, and welfare equipment/home improvement.

## Business Description

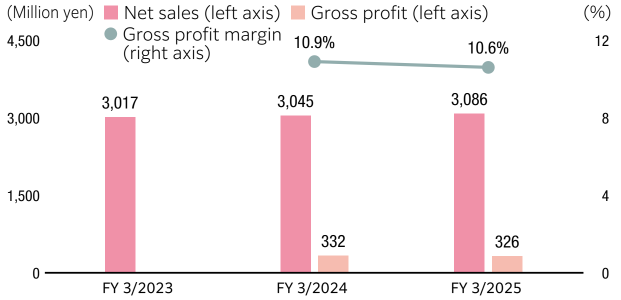
Nisso Nifty, which operates Nursing Care·Welfare Services, entered the nursing care business in April 2004 with the aim of "contributing to society through heartfelt nursing care rooted in the community." Nursing Care·Welfare Services are categorized into facility nursing care and home-based nursing care. In facility nursing care, we operate fee-based nursing homes in Yokohama, Kanagawa, providing high-quality nursing care services to the residents. In home-based nursing care, we provide nursing care services through nursing stations (Yokohama, Kanagawa, and Iwaki City, Fukushima) and outpatient care facilities (Iwaki City, Fukushima).

## Business Overview up to FY 3/2025

Net sales of this service in the consolidated fiscal year amounted to 3,086 million yen (up 1.3% year-on-year), while gross profit was 326 million yen (down 1.6% year-on-year).

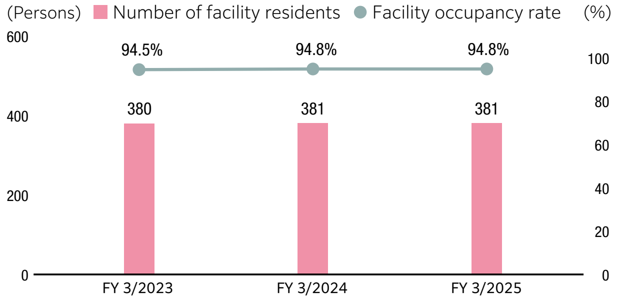
In the core field of facility nursing care, as a result of marketing activities, the number of facility residents was 381, remaining at the same level as the previous fiscal year. The facility occupancy rate also remained high at 94.8%, the same level as the previous fiscal year. On the other hand, increases in costs such as utilities required for facility operations had an impact, resulting in a slight decrease in gross profit.

### Trends in net sales, gross profit, and gross profit margin




* For FY 3/2023, only net sales disclosed; internal transactions eliminated.

### Trends in the number of facility residents and occupancy




## Introduction of Major Facilities

The "Sweetpea" nursing care facilities, supported by the aspiration for elderly residents and their families to "contribute to society through heartfelt nursing care rooted in the community," currently operate six facilities in Yokohama City.

* In addition to the facilities listed on the right, other fee-based nursing homes with nursing care include "Sweetpea Kanazawa Hakkei," "Sweetpea Mitsukyo," "Sweetpea Konandai mio," and "Sweetpea Honmoku Sankeien"

**Sweetpea Shin Yokohama** (Capacity: 80)

Established as the first Sweetpea facility, it is equipped with a comprehensive rehabilitation system. Experienced nursing care staff provide attentive care to residents, aiming to provide compassionate support.

**Sweetpea Higashi Totsuka** (Capacity: 94)

This facility aims for residents "to be at home." Located in a quiet neighborhood surrounded by cherry blossom trees, it aims to provide high-quality nursing care services in cooperation with medical care.



# TOPICS

## Development into New Services

**The Nisso Group has supported Japan's manufacturing industry through human resources services, accumulating extensive expertise in human resources development and on-site training. Guided by our founding philosophy of "Nurturing and Bringing Out the Best in People," we are developing initiatives that leverage these valuable assets both inside and outside the Group. Together with our clients and employees, we will continue to take on new challenges aimed at further growth and development.**

### Entrusted Education and Training Services (NISSO HR Development Service)

The Nisso Group provides entrusted employee training services for manufacturers.

This service addresses challenges such as shortages of instructors, insufficient practical training, and a lack of educational programs for inexperienced personnel. Leveraging our training facilities and extensive track record, the Nisso Group provides customized training on behalf of clients to help resolve these issues.

NISSO CORPORATION has also expanded its entrusted services by contracting a full range of lectures and training at "I-SPARK," operated by the Iwate Industrial Promotion Center (Kitakami City, Iwate).

Training in progress (left: client employee, right: NISSO HOLDINGS employee)

### Development of an E-learning System Incorporating Training Expertise

NISSO CORPORATION has developed online teaching materials that condense its accumulated expertise in on-site training.

We have launched "Start engineer," an e-learning system for new employees that enables manufacturing engineers in equipment technology and production technology to become job-ready in a short period of time.

This reliable training service, which allows learning from the basics, is provided online to enable study regardless of location. It also strengthens the Nisso Group's human resources development by allowing our staff to review the material repeatedly.

"Start engineer" is also sold externally, contributing to the development of people across the manufacturing industry as a whole.


E-learning system for new employee training: "Start engineer"

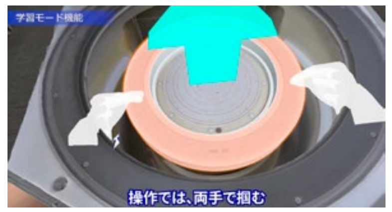
### Development of an Extended Reality (XR) Training System for Semiconductor Human Resources Development

NISSO CORPORATION has developed a training system utilizing mixed reality (MR) and virtual reality (VR) technologies, and has begun implementing it at Technical Centers nationwide.

With this system, participants can learn basic knowledge of semiconductor manufacturing equipment (etching equipment) and the procedures for chamber cleaning operations.

Another feature of this system is that it allows for the management of participants' results and comprehension checks within the system. This enables support tailored to each participant's level of understanding, while also allowing participants themselves to objectively assess their own comprehension.

By maximizing these features, we will further improve both the quality and quantity of the engineers we produce.




This content can be viewed on our YouTube channel.
**Introduction to the XR training system for semiconductor human resources development**
https://youtu.be/YnrOqVjAV6Q?si=XX5_-PKRmBBD5_d3
(in Japanese only)

**Message from the Officer in Charge of Finance**

# Maximizing Capital Efficiency and Achieving Sustainable Growth through an "Aggressive Financial Strategy"

**We prioritize investment in human capital, the source of our competitive advantage, while making proactive growth investments to pursue growth rates exceeding the industry average. At the same time, we also focus on improving operations in indirect divisions to further enhance capital efficiency.**

Yoichiro Tanaka
**Director & Executive Officer**

I was recently appointed as Director & Executive Officer, responsible for Corporate Planning, PR·IR, and Finance & Accounting.

As the officer in charge of finance, the financial indicator I place particular importance on is on operating profit. This is because sustainable growth cannot be realized without raising our operating profit margin, which represents our true earning power.

In FY 3/2025, while maintaining financial leverage at 1.9 times, we implemented strategic growth investments. This resulted in return on invested capital (ROIC) of 13.1%, surpassing our estimated weighted average cost of capital (WACC) of approximately 8% (CAPM basis). Alongside financial leverage, the equity ratio—a measure of financial soundness—stood at a solid 52.8%. While this is a level we can be proud of, going forward, we must use capital more efficiently and pursue an aggressive financial strategy. By raising return on equity (ROE) and ROIC, we aim to increase operating profit, thereby enhancing earnings per share (EPS) and driving share price growth.

Looking back, the previous Medium-term Management Plan fell short of our net sales and operating profit targets. Although this was due to multiple unforeseen external factors, such as the spread of COVID-19, factory shutdowns caused by abnormal weather, and issues with automobile certification fraud, we must reflect deeply on the fact that we were unable to respond adequately. Going forward, we will strengthen communication with our business partners to promptly detect changes in human resources supply and demand.

Even under difficult circumstances, when achieving sales and profit targets was difficult, we did not scale back our investments in human resources development. With several large-scale semiconductor factories scheduled to go into full operation in Japan in 2028, the Nisso Group has been making upfront investments to provide high value-added human resources. Under the new Medium-term Management Plan, starting FY 3/2026, we will continue investing in human resources. The competitive advantage of NISSO HOLDINGS lies in recruiting and developing high value-added human resources. While maintaining financial soundness with financial leverage kept below 2.5 times, we will also utilize interest-bearing debt to allocate capital to growth fields.

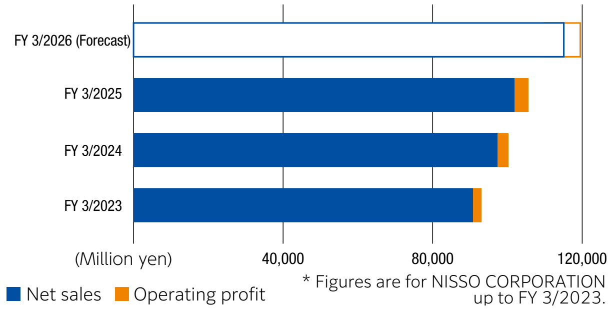
In particular, we are focusing on developing engineering human resources who command higher dispatching unit-costs. Currently, among the dispatched staff of NISSO CORPORATION, the Group's core company, the ratio of engineering human resources engaged in maintenance of manufacturing equipment stands at 12.6% (FY 3/2025). We plan to raise this to over 30% by FY 3/2031. Development will not be limited to physical facilities; we also intend to utilize XR (integration of the virtual and real worlds) equipment and DX, enabling practical and efficient training even in remote locations.

We support the reskilling efforts of operators who have been working at *MONOZUKURI* (manufacturing) bases through training so that they can play active roles as human resources supporting manufacturers even after factory automation (FA).

By developing high value-added human resources and promoting the transition from operators to engineers, we aim to achieve an operating profit margin of 5% or more in FY 3/2028. We will secure a ROIC exceeding WACC, targeting an average ROIC of 15% or more over three years, and an average ROE of 20% or more.

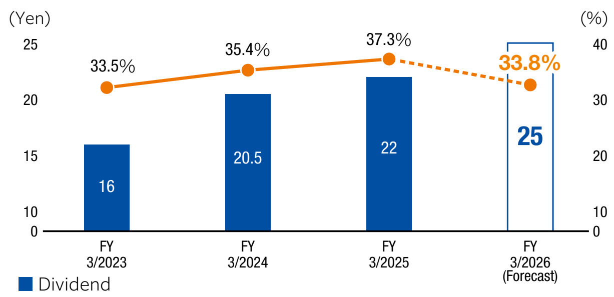
For shareholder returns, we have set a target dividend payout ratio of 30% or more. Within the Nisso Group, we assume a 70:30 ratio between growth investments and dividends. However, an issue has been presented in that, since dividends are currently determined based on the dividend payout ratio, dividend amounts fluctuate depending on net income. Going forward, we will also consider indicators such as dividend on equity (DOE) and engage in discussions and deliberations.

**Net sales and operating profit**




* Figures are for NISSO CORPORATION up to FY 3/2023.

**Dividend and dividend payout ratio**




* Figures are for NISSO CORPORATION up to FY 3/2023.

## Portfolio Strategy Supporting Diversity

Under the new Medium-term Management Plan, we have set our net sales growth rate (CAGR) at 12.3% or higher, exceeding the industry standard. This is not achievable by the organic growth of existing businesses alone. Therefore, we consider participation in consortiums including industry, government, and academia, capital and business alliances, investment in start-ups, and M&A for the creation of shared value (CSV) as sources of growth.

Our founding philosophy, "Nurturing and Bringing Out the Best in People," can also be described as a "business that connects people and work." For these types of businesses, targets for M&A and partnerships are not limited to manufacturing industry when they align themselves with the Nisso Group's vision. In April 2025, All Japan Guard, a security services company, joined the Group. Beyond the potential of the security sector, for example, human resources who have worked at manufacturing sites can be reassigned to security work as they age, enabling them to continue working longer. In June 2025, Man to Man Holdings joined the Group, and also provides recruitment for Japanese companies operating in Vietnam. Going forward, we aim to provide opportunities for global human resources to play active roles in overseas markets, including ASEAN.

While Japan's human resources population continues to decline, cases have been increasingly observed where individuals cannot find employment due to mismatches between their skills and experiences, and what companies seek. By providing diverse employment opportunities within the Group, we can create suitable employment for individuals who would not have been hired otherwise. The expertise of our human resources development methodology, which underpins the Nisso Group's competitiveness, is highly versatile and applicable beyond manufacturing. We believe that our training expertise can also be applied overseas.

## Building a Framework to Support Earning Human Resources

The growth strategy under the new Medium-term Management Plan starts with enhancing the value of human resources, increasing dispatching contracts for high value-added human resources, and extending the top line. In addition, we focus on strengthening indirect divisions, such as the Headquarters and employees at our bases, who support dispatched human resources.

We will foster the skills of various types of human resources, from the dispatched staff who enhance their skills through job assignments, to the versatile personnel who can work across a multitude of roles. By developing their strengths and providing training where needed, we will promote optimal placement, thereby improving productivity. At the same time, we will streamline operations to build a structure that allows us to focus on supporting dispatched human resources, who contribute to raising the top line.

Placing the happiness of our Group employees above all else, we will pursue the numerical targets we have set and fulfill our responsibilities.

Chapter 3

# Foundation for Value Creation

As a company trusted by stakeholders, we continuously enhance the soundness, efficiency, and transparency of our management.







# Sustainability of the Nisso Group

**To realize the Nisso Group's mission of "creating opportunities and hopes for people to work," sustainable business growth must go hand in hand with co-existence and co-prosperity with stakeholders. Based on the Sustainability Policy established in October 2021, we have formulated policies on human rights and labor, the environment, safety and health, and ethics, and are advancing initiatives aimed at enhancing corporate value and achieving a sustainable society.**

Sustainability Policy

## Basic View

In the "Nisso Group Charter of Corporate Behavior," which sets forth the code of conduct to be observed by officers and employees, we state our commitment not only to compliance with laws and regulations but also to upholding high ethical standards, prohibiting discrimination, respecting diversity, guaranteeing freedom of association, and prohibiting forced labor and child labor. To embody this spirit and serve as the daily standard of conduct, we have established the "Nisso Group Employee Code of Conduct."

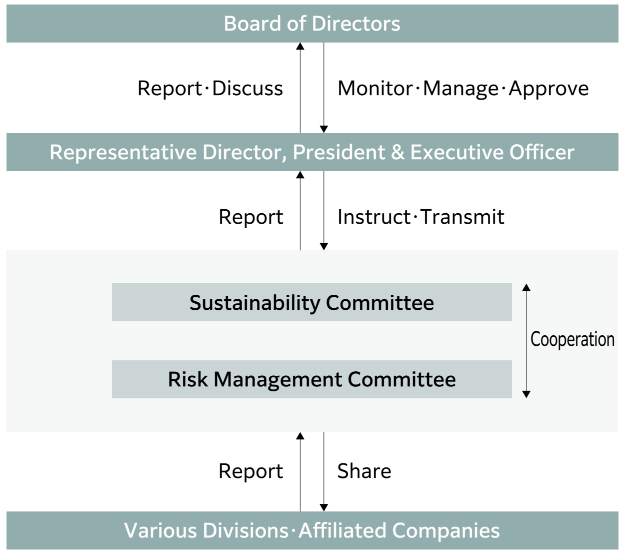
Furthermore, the Nisso Group recognizes that respecting human rights in our daily activities is fundamental to our business. We support international standards on human rights, including the principles on human rights and labor of the United Nations Global Compact, and established the "Policy on Human Rights and Labor" to promote management that respects people. To strengthen compliance awareness as a cornerstone of corporate management, we formulated the "Nisso Group Ethics Policy" in October 2023. We will continue to comply with the ten principles of the United Nations Global Compact—covering "human rights," "labor," the "environment," and "anti-corruption"—and proactively promote sustainability initiatives.

## Sustainability Promotion Framework

The Nisso Group conducts activities based on the sustainability framework of governance, strategy, risk management, and indicators and targets.

The "Sustainability Committee" and "Risk Management Committee" work in collaboration to promote sustainability activities integrated with our business.

**Sustainability Promotion Framework Chart**




## Initiatives Related to the RBA Code of Conduct

Many of NISSO HOLDINGS' clients are members of or aligned with the Responsible Business Alliance (RBA), which promotes CSR in global supply chains.

NISSO HOLDINGS supports and complies with the RBA Code of Conduct, aiming to be a company that can provide human resources dispatching and related services with confidence.

Specifically, in the Profit Division, which manages direct employees, we established a "CSR Council" chaired by the head of the Profit Division. The Council monitors and identifies issues based on management systems for labor, safety and health, environment, and ethics, formulates measures to address them, and submits resolutions to the "Board of Directors."

We have also established "CSR Procurement Guidelines" for Tier 1 suppliers. In addition to basic quality, cost, and delivery (QCD) requirements, these stipulate the CSR requirements demanded by the international community. We work to build a responsible supply chain by conducting compliance checks, hearings, and providing support for improvements.

**RBA Code of Conduct Framework**

## Materiality (Key Issues)

Based on our Sustainability Policy, we recognize that contributing to society and the environment through our business is equally important. We have identified materiality (key issues) to enhance corporate value by pursuing both business growth and social value.

| Materiality (Key Issues) | Implementation Issues | Key Indicators | Target | Status in FY 3/2025 | Related Pages |
|---|---|---|---|---|---|
| Key Issue 1<br>**Creation of a Comfortable Workplace**<br>As a "people" oriented company, the Nisso Group listens to employees, enhances engagement, and seeks to create a workplace environment where both "job satisfaction" and "ease of working" can be achieved. | Respect for Human Rights | Human rights education implementation rate | Conduct 100% annually | 91.3% | P. 54 |
| | Well-being initiatives | Employee engagement | Conduct satisfaction surveys and implement gradual improvements | - | P. 57 |
| | Occupational Safety and Health Initiatives | Occupational accidents | Establish a zero occupational accidents framework | 88 | P. 58 |
| Key Issue 2<br>**Responding to Social and Structural Changes**<br>While transforming into a company that can adapt to rapid social changes such as population decline and climate change, we practice a virtuous cycle of investing in, developing, and producing diverse human resources—the driving force of the Group. By enhancing the value of "people," we aim to address social issues and structural changes across industries. | Development of Human Resources | Ratio of engineering employees | Achieve 30% by FY 3/2031 | 12.6% | P. 27 |
| | Promotion of DE&I | Diversity ratio | Achieve 40% level by FY 3/2031 | 31.9% | P. 55 |
| | Climate Change Initiatives | GHG emission reduction rate | 30% by FY 3/2031<br>100% by FY 3/2051 | (0.3%) | P. 61 |
| Key Issue 3<br>**Strengthening of Governance** | Strengthening Corporate Governance | Ensuring effectiveness of the Board of Directors | Promote diversification of the Board of Directors, clarify the decision-making process, and establish an appropriate monitoring system that ensures accountability to stakeholders, thereby enhancing stakeholder engagement. | | P. 63 |
| | Establishing a Risk Management Structure | | | | P. 72 |
| | Thorough Compliance | | | | P. 73 |
| | Dialogue with Shareholders and Investors | | | | P. 81 |

### Materiality Identification Process

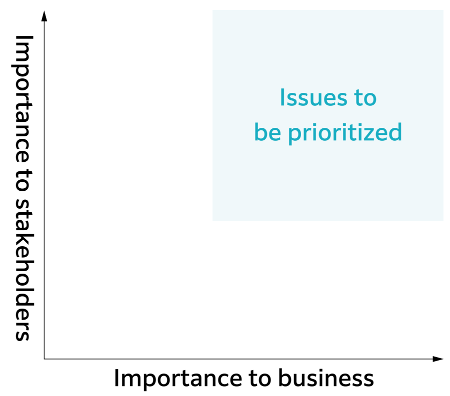
**STEP 1** Extraction of Materiality (Key Issues)
Based on the GRI (Global Reporting Initiative) Standards, the SDGs (Sustainable Development Goals), and the United Nations Global Compact, we have extracted social issues that are highly relevant to Nisso Group's business.

**STEP 2** Evaluation of Importance from the Perspective of NISSO HOLDINGS and Our Stakeholders
Based on Step 1, we selected social issues of high importance from both the stakeholder and business perspectives, and identified the issues to be prioritized.

**STEP 3** Confirmation by the Sustainability Council
The Sustainability Council exchanged opinions on the issues in Step 2 and selected the materiality (key issues).

**STEP 4** Discussion and Decision by Management
The materiality selected was determined through the exchange of opinions with management through the Board of Directors.

**Evaluation of Importance**




# Human Rights

**The Nisso Group is committed to respecting the human rights not only of the diverse human resources working within the Group but also of all stakeholders.**

## Basic View

The Nisso Group supports the "International Bill of Human Rights," the International Labour Organization (ILO) "Declaration on Fundamental Principles and Rights at Work," the United Nations "Guiding Principles on Business and Human Rights," and the "Children's Rights and Business Principles," which respect the rights of all children.

In October 2023, NISSO HOLDINGS signed the United Nations Global Compact (UNGC). We recognize diversity—including human rights, religion, gender, sexual orientation, age, nationality, and disability—respect all human rights, and strengthen our business foundation.

## Structure

In FY 3/2025, the "Sustainability Council," under the Corporate Value Enhancement Committee, deliberated on human rights issues and countermeasures. From June 2025, this structure was transferred to the "Sustainability Committee." Please refer to the Sustainability Promotion Framework Chart on P.52 for the organizational structure regarding human rights.

**P. 52** Sustainability Promotion Framework Chart

## Human Rights Due Diligence

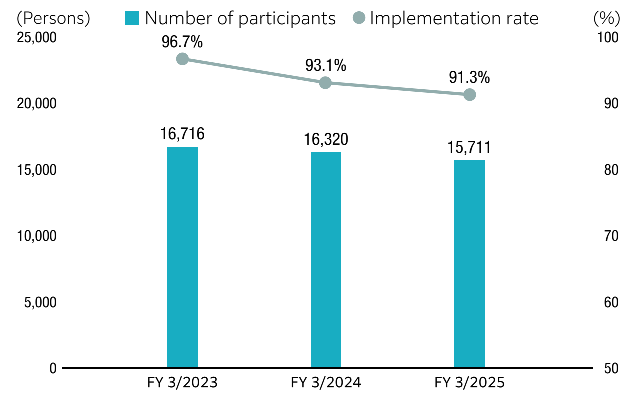
To fulfill our corporate responsibility to respect human rights, the Nisso Group bases our approach on the United Nations "Guiding Principles on Business and Human Rights" and has introduced a human rights due diligence process, aiming to establish a structure that respects all human rights related to the Group. In FY 3/2025, we examined key human rights issues within the Nisso Group and countermeasures to address them.

| Key Human Rights Issues | Stakeholders Most Affected | Countermeasures |
|---|---|---|
| (1) Excessive working hours, occupational accidents, and health management | Employees | In cooperation with clients, we monitor production plans and thoroughly manage operations to maintain appropriate workloads for employees. |
| (2) Occurrence of harassment and discriminatory treatment | Job applicants/employees | We have established rules prohibiting the use of criteria unrelated to competence in recruitment. In addition, we conduct regular training sessions at least once a year and continue awareness-raising activities on human rights to reduce adverse impacts. |
| (3) Unfair wage practices | Employees | Working with clients, we thoroughly check compliance with local laws and regulations from before dispatching until wage determination, ensuring fair wage practices. |
| (4) Forced labor, young workers, and child labor | Job applicants/employees | The Nisso Group has adopted a policy prohibiting forced labor and rigorously checks this at hiring. We do not recruit children under 15 years of age, and for young workers under 18, we ensure appropriate consideration in compliance with domestic laws. |

## Implementation of Human Rights Training

The Nisso Group aims to respect the human rights of all people and foster a non-discriminatory environment. We target a 100% implementation rate for human rights education for all employees, including on-site workers and contract employees.

**Human rights education implementation rate**




* Subject: NISSO CORPORATION

# Diversity, Equity & Inclusion (DE&I)

**The Nisso Group strives to create a workplace where all employees can work with dreams and purpose, and to build a place where diverse human resources can flourish.**

## Basic View

While the accelerating declining birthrate and aging population in Japan poses risks, the Nisso Group also recognizes this as a business opportunity linked to the need for recruiting and supporting the success of "people."

Based on the Nisso Group's "Internal Environment Improvement Policy," we aim for sustainable business growth by building an environment in which diverse human resources—including women, the elderly, foreign nationals, and people with disabilities—can thrive.

It is important to foster a corporate culture where diverse employees can autonomously choose workstyles suited to them.

We believe such a culture leads to a virtuous cycle that promotes engagement, secures outstanding human resources, and enhances productivity. We recognize that realizing this will contribute to further enhancing the Nisso Group's corporate value.

## Impact on Business
(Aiming to improve the diversity ratio)

In February 2025, the Nisso Group revised the indicators and targets under our "Internal Environment Improvement Policy." We updated the implementation issues to "Promotion of DE&I (Diversity, Equity and Inclusion)" and newly established the "diversity ratio" as a key indicator. The target is set at achieving a 40% level by FY 3/2031.

With the declining labor population and the rising proportion of the elderly in Japan, the Nisso Group's management environment is undergoing significant changes. As of the end of March 2025, the "diversity ratio" (women, senior employees, foreign nationals, and persons with disabilities combined) accounted for 31.9% of all employees. By increasing this ratio, the Nisso Group aims to strengthen organizational resilience and achieve sustainable business growth.

As of FY 3/2025 → Target for FY 3/2031

31.9% → **40.0%**

| | End of FY 3/2025 |
|---|---|
| Diversity ratio | 31.9 % |
| Total number of employees | 19,631 |
| Number of diverse employees | 6,260 |
| Ratio of female employees | 23.9 % |
| Number of female employees | 4,691 |
| Number of senior employees | 1,395 |
| Number of foreign employees | 307 |
| Number of employees with disabilities | 278 |

**Nisso Group Internal Environment Improvement Policy**

As the environment changes at an unprecedented rate, the Nisso Group believes that a workplace environment that respects the diverse values and individuality of human resources is important for the sustainable growth of society.

Based on our founding philosophy of "Nurturing and Bringing Out the Best in People", the Nisso Group is committed to protecting workplace safety, as well as physical and mental health, and practices the creation of workplaces where all employees can have dreams and a sense of fulfillment. In addition, the Group will respect the human rights of all people, including women, the elderly, foreign nationals, and people with disabilities, and work to build a healthy work environment free from discrimination.

### Expansion of Global Human Resources Recruitment

To address the challenge of securing human resources on a sustainable basis, the Nisso Group is working to further advance the success of global human resources. We are developing systems and environments where people feel they are "glad they came to Japan" and "want to work more in Japan," with the aim of reaching 3,000 enrolled global employees by the end of FY 3/2031. Maintaining and improving motivation is key to promoting global human resources success. Considering that skill acquisition is both challenging and a source of growth, we primarily assign global employees to engineering positions that require advanced skills.

Furthermore, we take into account the acquisition of skills and qualifications that will enable global employees to succeed upon returning to their home countries, actively utilizing the Nisso Group's training and educational facilities to support each individual's growth. We are also working to create further opportunities for success, including the option of employment in their country of origin.

## Ratio of Female Managers

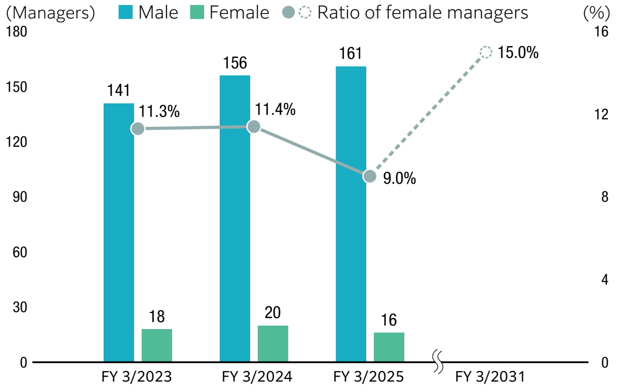
The Nisso Group is working to increase the "ratio of female managers" as part of promoting diversity in the workplace.

In February 2025, under the "Internal Environment Improvement Policy," we revised the target for the "ratio of female managers," setting a goal of achieving 15% by FY 3/2031.

As of the end of March 2025, the ratio was 9.0%, down 2.4 percentage points from the previous fiscal year, and the target has not yet been met.

The main reason was the increase in the total number of managers due to business expansion and the addition of Group companies.

**Trends in the number of managers and ratio of female managers**




## Promoting Women's Participation and Addressing the Gender Wage Gap

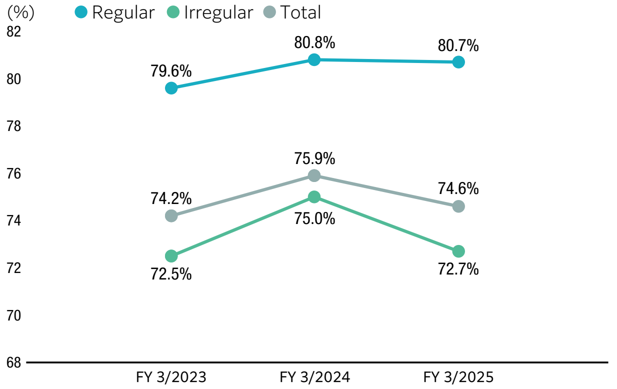
We recognize that creating a fair environment where women can succeed is essential to increasing the ratio of female managers.

In FY 3/2025, the wage difference between male and female workers for all employees was 74.6%, worsening by 1.3 percentage points compared to the previous year.

The Nisso Group will continue efforts to create a "comfortable workplace" where not only women but also diverse human resources can thrive.

The ratio of female employees covered under the wage difference between male and female workers calculation has remained generally flat, which we recognize as a challenge in building a fair workplace environment.

**Gender wage gap**



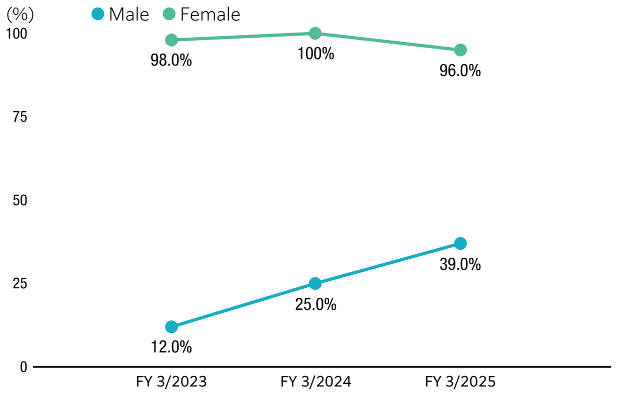

**Ratio of female employees covered under the gender wage gap**

| (%) | FY 3/2023 | FY 3/2024 | FY 3/2025 |
|---|---|---|---|
| | 24.4 | 24.3 | 24.3 |

## Childcare Leave Acquisition

In FY 3/2025, the childcare leave acquisition rate for male employees rose by 14 percentage points compared to the previous year, reaching 39.0%. We believe this reflects the effectiveness of initiatives aimed at creating a place where diverse human resources can flourish.

**Childcare leave acquisition rate**



# Well-being

**The Nisso Group regards employees as important capital and promotes well-being management with "development of people" and "creation of workplaces" as our pillars. In the "development of people," we aim to maximize employee value by realizing diverse work-styles. In the "creation of workplaces," we seek to provide an environment where employees, based on autonomous thinking, can work with fulfillment and motivation.**

## Employee's Well-being


Example of the interior view of the apartment for trainees

**Establishment of a Dedicated Apartment for Training Participants**
For dispatched staff who join or undergo training in regions far from their homes, NISSO CORPORATION provides one-room apartments. In April 2025, we built a dedicated apartment for training participants on the premises of the Nisso Technical Center Kumamoto. This provides a comfortable environment that allows participants to focus on learning and fully develop their knowledge and skills.

**Support by Supervisors**
The Nisso Group's supervisors carefully handle labor management of employees working at client companies. In addition to attendance management, they monitor and provide care for employees' physical and mental conditions through regular communication, and also support apartment life in unfamiliar locations.

Especially at the time of entry, careful support helps ease anxiety among dispatched staff and prevents early resignation. Through communication via interviews and apps, we support dispatched staff so they can work with confidence and fully demonstrate their abilities, while also providing career counseling.

## Toward the "Embedding" of Well-being

To foster a well-being-oriented corporate culture, we post dialogue videos with the President on our intranet under themes such as those below, as a way of directly communicating with Group employees.

**Dialogue Themes**
- What is "Well-being Management?"
- How to motivate employees
- What reforms to implement as an executive

## Participation in the Health and Productivity Management Alliance

Since June 2023, NISSO CORPORATION has participated in the "Health and Productivity Management® Alliance," which aims to revitalize Japanese companies and ensure the sustainability of health insurance through employee health, while promoting work engagement and work-life balance.

健康経営アライアンス

TOPIC

## Stock Incentives for the Employee Shareholding Association (Third-party Allotment through ESOP)

As part of welfare benefits, the Nisso Group has introduced stock incentives. The objectives are to enhance employees' awareness of participation in management, improve employee engagement, and assist in asset formation. Upon the introduction of this system, we promoted participation in the Employee Shareholding Association, and 633 employees newly joined.

**Results of Stock Incentives Granted in December 2024**

| New shareholding association members | Number of shares granted |
| --- | --- |
| 633 | 196,500 |

Total value granted
166,239,000 yen



# Occupational Safety and Health

**The Nisso Group is working to build a management system aimed at achieving zero occupational accidents. Through continuous practice and improvement, we strive to create a workplace environment where all employees can remain healthy in both mind and body, and work for the long term.**

## Basic View

We recognize ensuring the safety and health of workers in the workplace and creating a comfortable working environment as a key management issue. Guided by the "Nisso Group Occupational Safety and Health Policy," we clarify our systems, build management and activity mechanisms, and continuously practice and improve them to reduce management risks and expand employment opportunities.

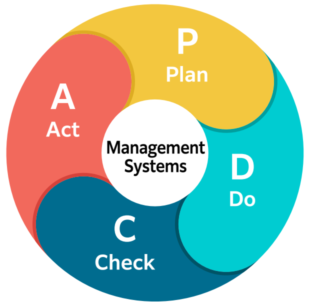
Occupational Safety and Health Policy

## Occupational Safety and Health Management

To manage safety and health within the company, the Nisso Group has established a company-wide Safety and Health Committee and workplace-specific Safety and Health Committees. Each committee meets once a month to deliberate and share information on preventing occupational accidents and health disorders.

To ensure the safety and health of all workers, we have introduced an Occupational Safety and Health Management System and formulated company-wide action plans aimed at achieving zero occupational accidents and traffic accidents. We promote the PDCA cycle for safety and health activities.

**NISSO HOLDINGS' Unique "Occupational Safety and Health Management System"**




- P: Preparation of safety and health activities plan; *Hiyari hatto* (near-miss reporting) selection
- D: Implementation of risk assessments
- C: Confirmation of progress of goal achievement status
- A: Addressing of issues; Reflection of plan

## Promotion of Occupational Health Management

To safeguard workers' health, we promote occupational health management based on the fundamentals of workplace environment management, work management, and health management.

### Health and Occupational Health Management Initiatives

- **Management of working hours to prevent long working hours**
  As a unique rule of NISSO HOLDINGS, we conduct interviews with physicians based on overtime work requirements to help prevent overwork.
- **Heatstroke prevention measures**
  With the goal of zero heatstroke incidents, from May to October 2024, we distributed salt candies and tablets, encouraged frequent hydration, and ensured rest breaks.
- **National Occupational Health Week**
  From October 1 to October 7, 2024, we implemented National Occupational Health Week to prevent health disorders. Efforts focused on health management, prevention of health disorders caused by chemical substances, and workplace environment improvements.

## Safety and Health Education

- **Hazard simulation education**
  We provide education with real-life experiences at our education and training facilities nationwide, equipped with hazard simulation devices.
- **KYT (Kiken Yochi Training, or Hazard Prediction Training)**
  We conduct KYT as a voluntary activity to enhance sensitivity to hazards and apply this to practical risk assessments.
- **Safety and health study groups**
  We hold study sessions aimed at learning methods of promoting safety and health activities and acquiring knowledge of relevant laws and regulations, thereby raising safety awareness among all employees involved in these initiatives.


Hazard simulation assuming entanglement accidents

## Occupational Safety Activities

In FY 3/2025, the number of "occupational accidents," a key indicator of these implementation issues, was 88, an increase of five from the previous year. By category, accidents involving entrapment and falls continued to occur frequently, as in prior years. The frequency rate of lost work time due to work-related accidents was 1.41, and the ratio of work-related accidents resulting in lost work time by 1,000 persons was 1.36. We will continue our efforts toward building a "zero occupational accidents framework."

### Examples Initiatives for Hazard Prevention

- **Risk assessment**

To prevent hazards in advance, we conduct assessments at client company worksites. At sites handling chemical substances, we implement even more thorough measures.

- **VR hazard simulation training**

We provide training that allows participants to experience manufacturing sites in a virtual space and understand the mechanisms of accidents through all five senses.

Management members also participate in VR hazard simulation training for manufacturing bases

## Measures for Preventing Health Disorders

Based on annual plans, we carry out activities to prevent health problems such as lower back pain and heatstroke, as well as mental health issues.

In particular, to prevent health disorders caused by chemical substances, we conduct risk assessments at applicable worksites and have established a system to appoint chemical substance managers and personal protective equipment usage management supervisors.

## Mental Health

The Nisso Group has established the "Mental Healthcare Policy" and is working to establish and improve a mental health care system as part of promoting mental well-being.

In addition to regular training (self-care and "line care," or employee care overseen by managers), we conduct an annual stress check. Employees with high stress levels are recommended to receive medical interviews, and we also work on improving the workplace environment based on organizational analysis. NISSO CORPORATION provides a dedicated app (apseeds portal) to facilitate easy and smooth communication with employees.

Employees can use it to easily communicate with supervisors about workplace issues, various forms of harassment, or even daily life matters.

### Nisso Group Mental Healthcare Policy

In order for a company to grow and operate soundly, it is the basis of all things that all employees can work safely and in good health, and the Nisso Group aims to support the realization of a richer social life. In order to achieve this, based on the Ministry of Health, Labour and Welfare's "Guidelines for Maintaining and Improving Workers' Mental Health", we recognize that mental health is an important issue for the happy lives and vibrant workplaces of all employees and their families. We will implement the following matters to address and improve mental healthcare so that we are able to maintain physical and mental health and work with vitality.

**(1) Provision of education, training, and information**
We will strive to raise awareness by providing education, training, and information on mental health knowledge, other health measures, and ways to prevent, reduce, and deal with stress.

**(2) Implementation of stress checks**
Stress checks will be carried out in accordance with laws and regulations to help employees become aware of stress. We will also recommend that employees perform self-checks as needed from the viewpoint of prevention.

**(3) Maintenance of a consultation structure**
We will maintain a structure that allows employees to feel more comfortable to seek assistance so that they can recover their health through interviews with industrial physicians, etc., when they feel physically and/or mentally unwell.

**(4) Improvement of working environments**
We will strive to prevent physical and mental fatigue by reducing working hours through business improvements and promoting the acquisition of planned annual paid leave.

**(5) Compliance with laws and regulations**
We will comply with laws and regulations concerning the handling of personal information when conducting mental healthcare.





# Stakeholder Engagement

**Based on the Charter of Corporate Behavior and the Employee Code of Conduct, the Nisso Group will develop sincere business activities, clarify our responsibilities to our stakeholders, deepen mutual understanding through two-way communication, and strive to build a sustainable relationship of trust with our stakeholders.**

| Stakeholders | Our Approach | Forms of Dialogue | Expectations |
|---|---|---|---|
| Job seekers | Based on our founding philosophy of "Nurturing and Bringing Out the Best in People," we respect diverse values and individuality of our employees, and actively create opportunities for them to flourish. | • Staff recruitment<br>• New graduate recruitment | Broader career options and career advancement opportunities |
| Employees | Based on the founding philosophy of "Nurturing and Bringing Out the Best in People," we respect diverse values and individuality of our employees, and promote the creation of a comfortable workplace. | • Various education and training systems<br>• Various consultation counters<br>• Intra-company newsletter, portal sites<br>• Qualification acquisition subsidy system<br>• Safety and Health Committee | Fostering job satisfaction<br>Career development and improved treatment |
| Clients | We build long-term relationships based on trust by working closely with our clients, responding to them sincerely and creatively, and providing high-quality services. | • Provision of information through NISSO HOLDINGS' corporate website<br>• Industry trends seminars<br>• Quality improvement activities<br>• Establishment of inquiry counters<br>• Safety and health activities | Addressing business challenges<br>Provision of services, including high value-added human resources |
| Shareholders · Investors | In order to earn the trust of our shareholders and investors, we strive to enhance corporate value through our business activities. In addition, we strive to disclose information in a fair, timely, and appropriate manner, put into practice transparent management, and place importance on constructive dialogue. | • General Meeting of Shareholders<br>• Briefings for individual investors<br>• Meetings with institutional investors<br>• Financial Results Briefings<br>• Information disclosures | Highly transparent information disclosures<br>Income gains and capital gains |
| Business Partners | We build good relationships based on trust and achieve co-existence and co-prosperity through fair and equitable transactions with our business partners in accordance with laws and regulations. | • Compliance with the multi-stakeholder policy<br>• Daily procurement activities<br>• Mutual cooperation in building compliance systems<br>• Survey of business partners | Appropriate collaboration<br>Fair distribution |
| Community · Society | As a member of the local community, we contribute to the revitalization and development of the economy by creating employment opportunities in the region, giving consideration to the environment, and participating in social contribution activities. | • Participation in local events<br>• Co-sponsorship of local sports<br>• Support for culture and the arts<br>• Environmental conservation activities | Contributions leading to the development of local communities and society |
| Government, NPO, etc. | In addressing social issues such as regional revitalization and declining labor population, we leverage the knowledge and diverse experiences of Group employees to contribute through "human relations." | • Participation in various consortiums<br>• Cooperation with NPOs | Information provision through business<br>Shared use of connections |

## Support and Collaborate with Sports, Culture, and Arts Organizations in Kanagawa Prefecture, the Birthplace of the Group

With a fundamental stance of supporting "people," the Nisso Group supports sports, culture, and arts organizations in Kanagawa Prefecture, where it was founded, thereby contributing to the development of local communities and society.

We believe that the attitude of each Nisso Group employee—never being satisfied with the status quo and always striving higher—parallels that of athletes who train hard and continually improve their skills.

**We support the following outstanding teams and organizations!**

*As of August 2025

KU 神奈川大学: Soccer team, Track and field club, Ekiden team

YOKOHAMA FC

YOKOHAMA FC seagulls

DeNA BAYSTARS

Yokohama City Fire Band 横浜市消防音楽隊

## Implementation of Community Clean-up Activities

In the Shin Yokohama area of Kanagawa Prefecture, where the Nisso Group's Headquarters is located, we regularly conduct joint clean-up activities with neighboring companies to actively contribute to the environmental conservation activities of local communities and clients.

In FY 3/2025, a total of 67 employees participated in the months of May, October, December, and March. In particular, in the March 2025 clean-up, 30 people, including from NISSO HOLDINGS, participated, with six members from three sports and cultural organizations we sponsor, among them Yokohama FC.

Scene from clean-up activities

# Initiatives for Climate Change and the Environment

**We are addressing the urgent global issue of climate change and strengthening our corporate resilience, with the aim of creating a company where all employees can continue working with peace of mind.**

## Basic View

Today, the global environment faces issues that must be addressed in advance to sustain economic activity, including rising ocean temperatures and sea levels, droughts, increased climate-related disasters, and loss of biodiversity.

The Nisso Group recognizes climate change response as a key management issue essential for business continuity. To reduce GHG emissions, a cause of global warming, we are transforming our business operations toward greater energy efficiency by introducing renewable energy and shifting to hybrid vehicles.

Furthermore, by fostering environmental awareness among employees and encouraging active participation in energy conservation and recycling in daily operations, we aim to build a resilient corporate group capable of adapting to social change.

Environmental Policy

## Structure

The "Sustainability Committee," chaired by a Director of NISSO HOLDINGS, formulates countermeasures for identifying and addressing environmental and climate change issues, which are then monitored, managed, and approved by the "Board of Directors." Risks and opportunities related to the environment and climate change are shared with the "Risk Management Council," where collaborative discussions are held.

P. 52 Sustainability Promotion Framework Chart

## Disclosure Based on TCFD Recommendations

Recognizing that rising temperatures due to climate change significantly impact business, the Nisso Group is enhancing both the quality and quantity of information disclosure based on the TCFD framework of "Governance," "Strategy," "Risk Management," and "Indicators and Targets."

Toward early transition to a decarbonized society, under the scenario of limiting temperature rise to 2°C in the latter half of the 21st century, we have identified the following risks and opportunities in connection with achieving our materiality, "responding to social and structural changes."

Furthermore, to enhance our climate-related information disclosures, NISSO HOLDINGS expressed support for the Task Force on Climate-related Financial Disclosures (TCFD) in October 2023.

Response to Climate Change (TCFD)

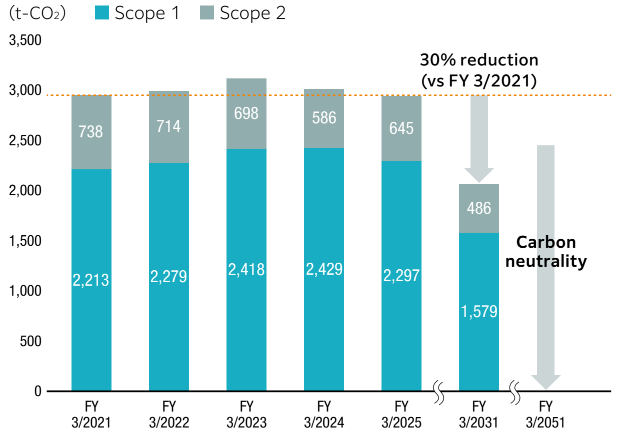
| | | Details of Risks and Opportunities | Financial Impact | Timeline of occurrence | Countermeasures | Progress |
|---|---|---|---|---|---|---|
| Risks | Transition risks | • **Occurrence of reputation risks**<br>• **Introduction of carbon tax**<br>Delays in responding to climate change could lower social credibility, while the introduction of new tax systems, such as carbon taxes, may impact performance. | S | Medium-term | • Improve the efficiency in the use of company-owned vehicles<br>• Switch to hybrid and EV vehicles<br>• Switch to energy-efficient equipment<br>• Promote introduction of renewable energy | In progress (including some scheduled items) |
| | Physical risks | • **Suspension of operations due to flooding and other events**<br>• **Health impacts caused by heatwaves and droughts**<br>Extreme weather events such as major typhoons and storms, or extreme heatwaves and droughts, may cause work stoppages and affect performance. | M | To long-term | • Strengthen safety and health management systems<br>• Collaborate with clients to improve workplace environments<br>• Negotiate compensation for operation stoppages | In progress |
| Opportunities | | • **Enhanced brand strength in the recruitment market**<br>By enhancing brand strength through proactive climate change measures required by society, we can attract diverse human resources and not only reduce risks but also create new business opportunities. | L | Medium- to long-term | • Build business operations capable of responding to social change<br>• Disclose and implement GHG emissions reduction targets toward carbon neutrality and strengthen monitoring systems | In progress (including some scheduled items) |



## Strategies for Achieving GHG Reduction Targets

The Nisso Group is working to reduce GHG emissions in order to achieve our reduction target for FY 3/2031 and realize carbon neutrality by FY 3/2051. In FY 3/2025, GHG emissions at NISSO CORPORATION, the Nisso Group's core company, totaled 2,943 t-$CO_2$, a 2.4% decrease compared to the same period of the previous year. Due to increased electricity consumption (Scope 2) from the establishment of a new Technical Center, the reduction in GHG emissions was limited to a slight decrease. Toward achieving the target, in FY 3/2026, we switched contracts at our Headquarters—responsible for about 30% of total electricity consumption—to electricity with 100% renewable energy. We will continue initiatives aimed at reducing GHG emissions.

**GHG emissions trends and targets**
(Subject: NISSO CORPORATION)




**Breakdown of GHG Emissions** (Subject: NISSO CORPORATION)

| Classification | FY 3/2021 | FY 3/2022 | FY 3/2023 | FY 3/2024 | FY 3/2025 |
|---|---|---|---|---|---|
| Scope 1 + 2 total (t-$CO_2$) | 2,951 | 2,993 | 3,116 | 3,015 | **2,943** |
| **Scope 1 (Emissions calculated from fuel usage of company-owned vehicles)** | | | | | |
| Scope 1 emissions (t-$CO_2$) | 2,213 | 2,279 | 2,418 | 2,429 | **2,297** |
| Gasoline consumption (kl) | 730 | 763 | 798 | 820 | **796** |
| Diesel fuel consumption (kl) | 200 | 196 | 219 | 204 | **181** |
| **Scope 2 (Emissions calculated from electricity consumption in offices, etc.)** | | | | | |
| Market standards Scope 2 emissions (t-$CO_2$) | 738 | 714 | 698 | 586 | **645** |
| Location-based Scope 2 emissions (t-$CO_2$) | 686 | 677 | 683 | 670 | **690** |
| Electricity consumption (kWh) | 1,541,233 | 1,563,465 | 1,573,752 | 1,530,655 | **1,631,696** |
| Headquarters electricity consumption (kWh) | 602,082 | 614,877 | 603,536 | 457,715 | **424,228** |
| (Headquarters usage ratio, %) | (39.0%) | (39.3%) | (38.4%) | (29.9%) | **(26.0%)** |
| Scope 1 + 2 emission intensity (t-$CO_2$/million yen sales) | 0.043 | 0.039 | 0.034 | 0.031 | **0.029** |

*$CO_2$ emissions are calculated using "Sustana" (calculation formulas and emission factor database validated by SGS Japan), a cloud-based $CO_2$ emissions calculation and reduction support service provided by Sumitomo Mitsui Banking Corporation.

## Environmental Initiatives

Through a series of human resources service activities, NISSO CORPORATION works on global environmental conservation and pollution prevention, aiming for harmony between business activities and the global environment. NISSO CORPORATION is also committed to continuous improvements based on its Environmental Policy.

- **Acquisition of ISO 14001**

NISSO CORPORATION has obtained ISO 14001 certification for its Headquarters management operations in Manufacturing-related Human Resources Services. Under the ISO 14001 environmental management system, the President serves as top management, formulates action plans, and directs activities based on the Environmental Policy. These activities are carried out through a PDCA cycle, and an annual management review confirms the appropriateness, validity, and effectiveness of the environmental management system, enabling continuous improvement.

Obtained at HQ only

- **Collection and donation of plastic bottle caps**

To promote $CO_2$ reduction and recycling, we collect plastic bottle caps and donate them to the NPO Eco-cap Promotion Association. In FY 3/2025, these donations contributed to reducing approximately 0.4 t-$CO_2$ of greenhouse gas emissions. To date, a cumulative total of 802,491 plastic bottle caps have been donated, contributing to a reduction of 5.71 t-$CO_2$ of greenhouse gas emissions.

# Corporate Governance

**NISSO HOLDINGS is "strengthening the monitoring and supervisory functions of the Board of Directors" and "further accelerating management decision-making and business execution." By appropriately auditing and supervising the execution of duties of Directors, we enhance management oversight functions. Based on this approach, we have established a General Meeting of Shareholders, a Board of Directors, an Audit & Supervisory Committee, and Accounting Auditors, as well as an internal auditor that monitors operations on a daily basis. Through mutual coordination among these bodies, we believe we can ensure greater soundness, efficiency, and transparency in management.**

## Basic View

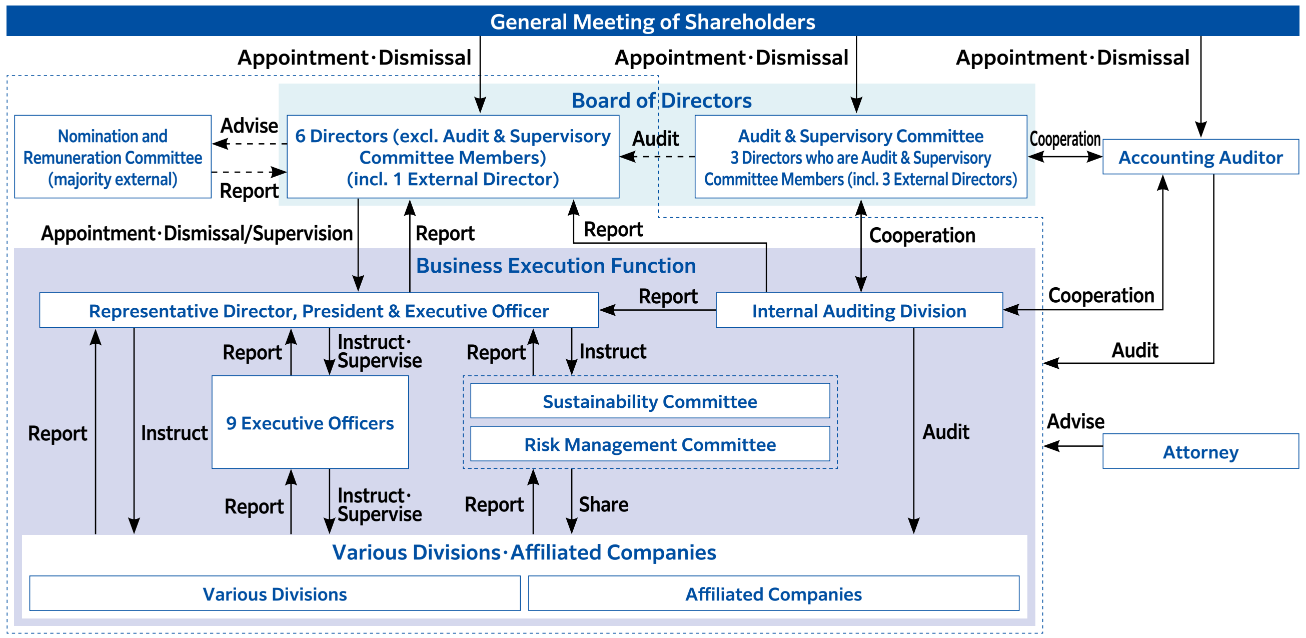
Based on our founding philosophy, "Nurturing and Bringing Out the Best in People," the Nisso Group promotes respect for human rights and the building of compassionate human relationships. Aiming to create and establish Nisso Group's unique technologies and generate new corporate value that contributes to society, we practice strict compliance with laws and regulations and accurate information disclosures, ensuring management transparency and the continuous enhancement of corporate value. We recognize the importance of corporate governance and pursue compliance-focused management. We also respect shareholder rights and strive to be a company trusted by society.

## Response to the Corporate Governance Code

We conduct our activities in accordance with the principles of the Corporate Governance Code, revised in June 2021. For details, please refer to our Corporate Governance Report.

Corporate Governance

### Overview of Corporate Governance Structure




## Number of Directors and Resolution Requirements for Election of Directors

The Articles of Incorporation stipulate that the number of Directors other than Directors who are Audit & Supervisory Committee Members shall be no more than 10, and that the number of Directors who are Audit & Supervisory Committee Members shall be no more than 4. In addition, the Articles of Incorporation of NISSO HOLDINGS stipulate that resolutions for the election of Directors shall be made by a majority of the voting rights of shareholders who hold 1/3 or more of the voting rights of shareholders who are entitled to exercise their voting rights, and that they shall not be based on cumulative voting.

## FY 3/2025 Status of Activities

### Board of Directors

As the decision-making and supervisory body for important management matters, the Board of Directors deliberates on the validity, efficiency, and fairness of management, and resolves matters prescribed by laws and regulations as well as other important business matters.

● Internal ● External

| | |
|---|---|
| Composition |  |
| Number of meetings held | 19 |

#### Key Resolutions

- Annual management plan
- Business reports, financial statements, and annexed detailed statements
- Convocation of General Meeting of Shareholders
- Important regulation revisions
- Important appointments and remuneration for Directors, etc., based on Nomination and Remuneration Committee deliberations
- Investments in other companies, etc.

#### Key Reporting Matters

- Non-consolidated and consolidated results
- Management status of subsidiaries, etc.
- Evaluation of effectiveness of the Board of Directors
- Results of internal audits, etc.

### Corporate Value Enhancement Committee

The Corporate Value Enhancement Committee had the following councils under its umbrella: the Sustainability Council, Internal Control·Compliance Council, Financial Strategy Council, DX Council, Well-being Council, and Risk Management Council. It deliberated on resolving the Group-wide medium- to long-term management issues with the aim of enhancing the Group's corporate value. Results of deliberations were reported and submitted to the Board of Directors.

From June 2025 onward, the framework of the "Corporate Value Enhancement Committee" has been transferred to the "Sustainability Committee" and the "Risk Management Committee."

### Nomination and Remuneration Committee

The purpose of the Nomination and Remuneration Committee is to enhance transparency of personnel affairs and remuneration, etc., of Directors (excluding Directors who are Audit & Supervisory Committee Members) and Executive Officers.

It makes recommendations to the Board of Directors regarding the appointments of the Representative Director, Directors, Executive Officers, and Directors of subsidiaries, as well as successor planning, and the structure and levels of remuneration for Directors and Executive Officers based on the evaluation of the company's business performance, etc.

● Internal ● External

| | |
|---|---|
| Composition |  |
| Number of meetings held | 10 |

### Audit & Supervisory Committee

The Audit & Supervisory Committee aims to enhance the Nisso Group's medium- to long-term corporate value and deliberates on resolving Group-wide medium- to long-term management issues. The results of these deliberations are submitted and reported to the Board of Directors as needed.

Under its umbrella are the Sustainability Council, Internal Control·Compliance Council, Financial Strategy Council, DX Council, Well-being Council, and Risk Management Council.

● Internal ● External

| | |
|---|---|
| Composition |  |
| Number of meetings held | 14 |

#### Key Resolutions

- Audit policy
- Audit plan
- Audit & Supervisory Committee regulations
- Audit & Supervisory Committee Audit standards
- Implementation standards for Audit & Supervisory Committee audits of internal control systems
- Consent regarding remuneration of Accounting Auditor, etc.

#### Key Deliberations

- Selection of Chairperson of the Audit & Supervisory Committee

#### Key Reporting Matters

- Audit activities (monthly), etc.

#### Key Confirmations

- Audit and review plans of the Accounting Auditor
- Audit and review reports of the Accounting Auditor
- Interim audit checklists, etc.

# List of Officers

Internal

## Ryuichi Shimizu

Representative Director, President & Executive Officer

Born 1961
Board of Directors Chairperson
Attendance at Board of Directors Meetings: 18/19

| | |
|---|---|
| Jul. 1988 | Joined NISSO CORPORATION |
| Sep. 1998 | Senior Director |
| Apr. 2004 | President, COO & Representative Director |
| Apr. 2021 | Representative Director, President & CEO |
| Jun. 2021 | Chairman, Japan Business Process Outsourcing & Staffing Association (present) |
| Jun. 2022 | Vice Chairman, Japan Association of Human Resource Services Industry (present) |
| Oct. 2023 | NISSO CORPORATION, Representative Director & President<br>Representative Director, President & CEO of the Company |
| Jun. 2025 | Representative Director, President & Executive Officer of the Company (present) |

Internal

## Kenji Fujino

Director & Executive Officer

Born 1973
Attendance at Board of Directors Meetings: 19/19

| | |
|---|---|
| Jun. 1994 | Joined NISSO CORPORATION |
| Apr. 2015 | Recruitment Division Executive Officer |
| Jan. 2023 | Senior Managing Executive Officer & COO |
| Oct. 2023 | Senior Managing Director |
| Oct. 2023 | Senior Managing Director & COO of the Company |
| Dec. 2024 | TSUNAGU GROUP HOLDINGS Inc., External Director (present) |
| Jun. 2025 | Director & Executive Officer of the Company (present)<br>NISSO CORPORATION, Representative Director & President (present) |

Internal | Newly Appointed

## Yoichiro Tanaka

Director & Executive Officer

Born 1978
Attendance at Board of Directors Meetings: -

| | |
|---|---|
| Apr. 2001 | Joined NISSO CORPORATION |
| Apr. 2021 | Corporate Planning Division Head |
| Apr. 2023 | Corporate Planning Department Head & Corporate Planning Division Head |
| Oct. 2023 | Group Planning Department, Group Planning Division Head of the Company |
| Apr. 2024 | NISSO CORPORATION, Executive Officer, Corporate Planning Department Head & Corporate Planning Division Head |
| Apr. 2025 | Executive Officer & Corporate Planning Department Head<br>Corporate Planning Division Head of the Company |
| Jun. 2025 | Director, Executive Officer & Corporate Planning Division Head of the Company (present)<br>NISSO CORPORATION, Director, Executive Officer & Corporate Planning Department Head (present) |

Internal | Newly Appointed

## Kenichi Nomura

Director & Executive Officer

Born 1969
Risk Management Committee Chairperson
Attendance at Board of Directors Meetings: -

| | |
|---|---|
| Nov. 1994 | Joined NISSO CORPORATION |
| Apr. 2016 | External Relations Division Head |
| Apr. 2017 | Relations Management Division Executive Officer |
| Apr. 2019 | PR·IR Department Senior Executive Officer |
| Apr. 2020 | Corporate Planning Department Senior Executive Officer |
| Apr. 2021 | President's Office Executive Officer |
| Apr. 2023 | Executive Officer |
| Jun. 2025 | Director & Executive Officer of the Company (present)<br>Nisso Nifty Co., Ltd., Director (present) |

Internal | Newly Appointed

## Takashi Endo

Director & Executive Officer

Born 1970
Sustainability Committee Chairperson
Attendance at Board of Directors Meetings: -

| | |
|---|---|
| Dec. 2000 | Joined NISSO CORPORATION |
| Apr. 2016 | Business Department Executive Officer |
| Apr. 2018 | Administration Department Executive Officer |
| Apr. 2019 | Human Resources Development Department Senior Executive Officer |
| Apr. 2021 | Senior Executive Officer<br>Nisso Pure Co., Ltd., Representative Director & President (present) |
| Apr. 2023 | Executive Officer<br>NIKON NISSO PRIME CORPORATION, Director (present) |
| Jun. 2025 | Director & Executive Officer of the Company (present) |

External

## Junichi Fukui

External Director

Born 1953
Nomination and Remuneration Committee Chairperson
Attendance at Board of Directors Meetings: 19/19

| | |
|---|---|
| Feb. 1999 | Nippon Real Estate Bank, Ltd. (current: Aozora Bank, Ltd.), Public Relations Division General Manager |
| Oct. 2005 | STAFF SERVICE HOLDINGS CO., LTD., Director |
| Oct. 2014 | KYODO NEWS, Corporate Planning Office Advisor |
| Jun. 2015 | K.K. Kyodo News, Business Director |
| Jun. 2018 | CRESCO LTD., Outside Director (present) |
| Aug. 2022 | NISSO CORPORATION, Corporate Advisor |
| Oct. 2023 | External Director of the Company (present) |
| Mar. 2025 | Harada Sekizenkai, Councilor (present) |

External

## Yukiteru Hamada

External Director (Full-time Audit & Supervisory Committee Member)

Born 1959
Audit & Supervisory Committee, Chairperson
Attendance at Board of Directors Meetings: 19/19
Attendance at Audit & Supervisory Committee Meetings: 14/14

| | |
|---|---|
| Apr. 1982 | Joined The Mitsubishi Bank, Ltd. (current: MUFG Bank, Ltd.) |
| Nov. 2019 | Chitose Facilities Co., Ltd., Managing Director |
| Jan. 2022 | Chitose Corporation, Corporate Advisor |
| Jul. 2022 | NISSO CORPORATION, Corporate Advisor |
| Oct. 2023 | External Director (Audit & Supervisory Committee Member) of the Company<br>NISSO CORPORATION, Audit & Supervisory Board Member |
| Jun. 2024 | External Director (Full-time Audit & Supervisory Committee Member) of the Company (present) |
| Jun. 2025 | Nisso Nifty Co., Ltd., Audit & Supervisory Board Member (present) |

External

## Miki Ohno

External Director (Audit & Supervisory Committee Member)

Born 1971
Attendance at Board of Directors Meetings: 19/19
Attendance at Audit & Supervisory Committee Meetings: 14/14

| | |
|---|---|
| Apr. 1994 | Joined Overseas Economic Cooperation Fund (current: Japan International Cooperation Agency [JICA]) |
| Oct. 2005 | Registered as Attorney-at-Law<br>Joined Bashamichi Law Office |
| Oct. 2019 | Established Crane Law Offices, Attorney-at-Law (present) |
| Jun. 2020 | NISSO CORPORATION, External Director |
| Oct. 2023 | External Director (Audit & Supervisory Committee Member) of the Company (present) |

External

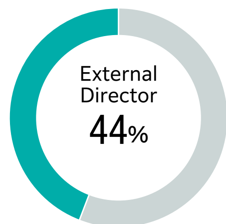
## Hideo Sakano

External Director (Audit & Supervisory Committee Member)

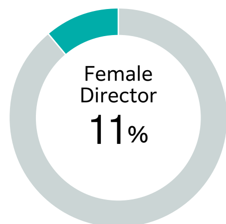
Born 1972
Attendance at Board of Directors Meetings: 19/19
Attendance at Audit & Supervisory Committee Meetings: 14/14

| | |
|---|---|
| Oct. 1995 | Joined Showa Ota & Co. (current: Ernst & Young ShinNihon LLC) |
| Apr. 1999 | Registered as Certified Public Accountant |
| Mar. 2005 | Established Sakano CPA Office, Representative Director (present) |
| Aug. 2005 | Registered as Certified Tax Accountant |
| Feb. 2006 | Appointed Employee Partner, TAIYU AUDIT (current: TAIYU AUDIT LLC) |
| Sep. 2011 | Appointed Representative Partner, TAIYU GENERAL AUDIT (current: TAIYU AUDIT LLC), (present) |
| Jun. 2020 | NISSO CORPORATION, External Audit & Supervisory Board Member |
| Oct. 2023 | External Director (Audit & Supervisory Committee Member) of the Company (present) |

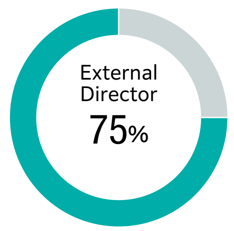
**External Director Ratio**



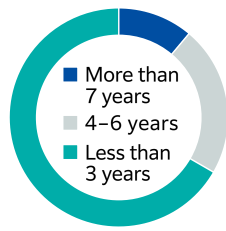

**Female Director Ratio**




**Ratio of External Directors on the Nomination and Remuneration Committee**




**Years of Service as Director**




* Including tenure at NISSO CORPORATION

## Skills That the Board of Directors Should Possess

In FY 3/2025, we reviewed the skill items required of Directors based on medium- to long-term directions and business strategies, such as human resources development, diversification of the business portfolio, and DX strategies.
At present, we consider the skills that should be possessed by the Nisso Group's Board of Directors to be as follows.

| Skill | Reason for Selection |
|---|---|
| Management | Even in a rapidly changing business environment, it is necessary to have the skills to present policies and plans for the sustainable growth of the Nisso Group and the enhancement of corporate value over the medium- to long-term. |
| Markets·Business | In addition to being familiar with the human resources services business, including human resources development and education, it is also necessary to have skills to gain insight into market trends and needs in other business areas. |
| Finance·Accounting | It is necessary to have the skills to make decisions on "offensive" and "defensive" investments and fund-raising based on the profitability of the Nisso Group. |
| Organization·Human Resources | In order to achieve sustainable growth of the Group and the enhancement of corporate value over the medium- to long-term, it is necessary to have the skills to formulate and manage organizational and human resources strategies that enable diverse human resources to maximize their individuality and abilities. |
| Risk Management | Rather than simply reducing risks, it is necessary to have the skills to understand risks and to determine whether or not to appropriately retain risks when necessary for the sustainable growth of the Nisso Group and the enhancement of corporate value over the medium- to long-term. |
| Society | In order to continue medium- to long-term sustainable growth and development, it is important to co-exist and co-prosper with stake-holders, so it is necessary to have the skill to understand different cultures and diverse values, and to plan and implement initiatives to fulfill social responsibilities. |
| Internal Control·Governance | It is necessary to have the skills to legally and appropriately construct and promote the business processes of the Nisso Group and to manage sound corporate governance. |

### Skills Matrix

| | Reason for Selection | Management | Markets·Business | Finance·Accounting | Organization·Human Resources | Risk Management | Society | Internal Control·Governance |
|---|---|---|---|---|---|---|---|---|
| Internal<br>Ryuichi Shimizu | Ryuichi Shimizu has been involved in making key decisions for the development of the General Human Resources Services Business, and has an abundance of business experience, achieve-ments, and insight as a management executive. | ● | ● | | ● | ● | | |
| Internal<br>Kenji Fujino | Kenji Fujino has a wealth of experience, achievements, and knowledge in the General Human Resources Services Business. | ● | ● | | ● | ● | | |
| Internal<br>Yoichiro Tanaka | Yoichiro Tanaka has extensive experience in the business administration, human resources, and corporate planning divisions. | ● | ● | | ● | | | ● |
| Internal<br>Kenichi Nomura | Kenichi Nomura has been involved in the sales, public relations, corporate planning divisions, and has experience as the Head of the President's Office, assisting the Representative Director & President, and as a person responsible for special missions. | ● | ● | | | ● | | ● |
| Internal<br>Takashi Endo | Takashi Endo has a wealth of experience in the business, administration, and human resources development divisions/departments, as well as experience in corporate management, such as serving as the Representative Director & President of the special-purpose subsidiary. | ● | ● | | ● | | ● | |
| External<br>Junichi Fukui | Junichi Fukui has insight and experience in corporate management, as well as extensive experience and achievements in areas such as corporate planning and public relations. | ● | ● | ● | ● | | | |
| External<br>Audit & Supervisory Committee Member<br>Yukiteru Hamada | Yukiteru Hamada has extensive insight and experience as a Director at financial institu-tions and other companies. | ● | | ● | | ● | | ● |
| External<br>Audit & Supervisory Committee Member<br>Miki Ohno | Miki Ohno has profound insight and experi-ence as an attorney and has fulfilled an appropriate supervisory role over business execution to date. | | | | | ● | ● | ● |
| External<br>Audit & Supervisory Committee Member<br>Hideo Sakano | Hideo Sakano has an abundance of insight and experience as a certified public accoun-tant and tax accountant. | | | ● | | | | ● |

* The above list does not represent all of the knowledge and experience possessed by the Directors.





# Strengthening the Foundation of Value Creation

**In June 2025, the Nisso Group partially changed the structure of the Board of Directors and related committees to enable rapid decision-making, execution of strategic and flexible M&A, creation of new business opportunities that will become the next core, appropriate capital policies, and swift optimization of management resources.**

## Transforming the Board of Directors

As of the Ordinary General Meeting of Shareholders held on June 25, 2025, the Nisso Group's Board of Directors became a nine-member structure, consisting of five Internal Directors and four Independent External Directors. The three newly appointed Directors possess practical judgment cultivated through their experience in the human resources business, as well as flexible adaptability to rapidly changing external environments. In addition, all five Internal Directors serve concurrently as Executive Officers, creating a structure that enables flat and open discussions.

## Transforming the Corporate Governance Structure

To enhance the effectiveness of our governance system, the Nisso Group abolished the "Corporate Value Enhancement Committee" and established two committees, the "Sustainability Committee" and the "Risk Management Committee," in June 2025.

These organizational changes have strengthened the monitoring function of Group-wide risks and issues, including the prevention of misconduct, multi-faceted reinforcement of corporate constitution, and realization of sustainable business. Furthermore, Directors of the Nisso Group serve as the chairpersons of the two committees, conducting discussions that are more closely linked with business. The matters discussed in the committees are to be submitted to the Board of Directors at least once every quarter.

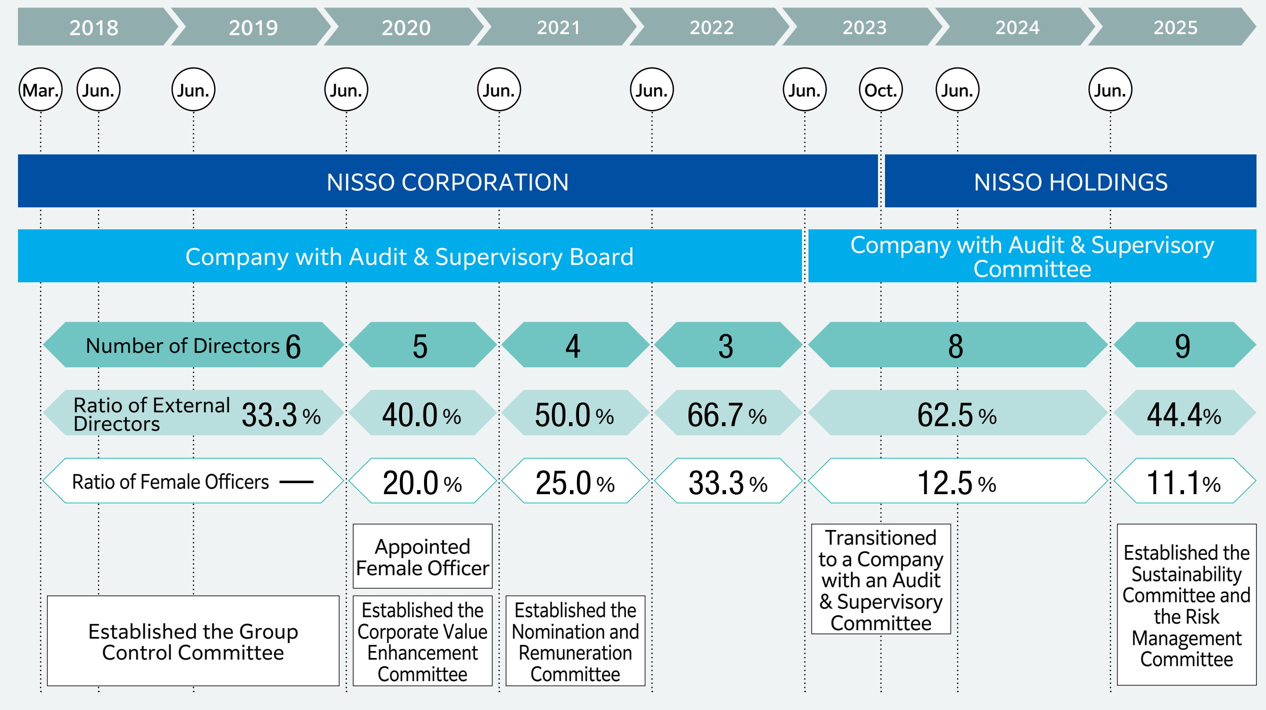
**Sustainability Committee**

Discusses sustainability-related issues, including social responsibility, and implements improvement activities as well as internal education and awareness-raising.

**Risk Management Committee**

Deliberates on significant management risks, compliance, and internal control issues, as well as directions for their resolution.

### Changes in Corporate Governance



Roundtable Discussion with Newly Appointed Directors

# Transforming a Proper Sense of Urgency into Strength

# The Challenge of Achieving Transformation and Sustainable Growth

**Three individuals who experienced the frontlines of sales offices and have been engaged in implementing management strategies at Headquarters have been newly appointed as Directors & Executive Officers. Amid facing social issues such as an uncertain external environment, changes in industrial structure, and the worsening labor shortage, how can the sense of urgency cultivated in the field be elevated into the Group's sustainable growth? They shared their perspectives in this discussion.**

Officer in Charge of Finance

**Yoichiro Tanaka**
Director & Executive Officer

Responsibility: Corporate Planning Division (concurrently serving as Division Head), PR·IR Division, Finance & Accounting Division

Joined NISSO CORPORATION in 2001. After working at regional offices, became the Corporate Planning Division Head in 2021 and the Group Planning Division Head of the Group Planning Department in 2023. Appointed as Executive Officer & Corporate Planning Department Head of NISSO CORPORATION in 2024. Concurrently serving as Director, Executive Officer & Corporate Planning Department Head of NISSO CORPORATION in 2025.

Chairperson of the Sustainability Committee

**Takashi Endo**
Director & Executive Officer

Responsibility: Chairperson of the Sustainability Committee, President of Nisso Pure Co., Ltd., Director at NIKON NISSO PRIME CORPORATION

Joined NISSO CORPORATION in 2000. After serving as the Koshinetsu Business Office Manager & Shinetsu Sales Office Manager, gained experience in the Business Department, Administration Department, and Human Resources Development Department as an Executive Officer of NISSO CORPORATION from 2016. Concurrently serving as Representative Director & President of Nisso Pure since 2021.

Chairperson of the Risk Management Committee

**Kenichi Nomura**
Director & Executive Officer

Responsibility: Global Promotion, Chairperson of the Risk Management Committee, Chief Information Handling Officer, Director at Nisso Nifty

Joined NISSO CORPORATION in 1994. After serving as the Chubu Business Office Manager, gained experience in the Sales Division, International Business Division, PR·IR, and Corporate Planning areas at Headquarters. Appointed as Executive Officer of NISSO CORPORATION in 2017.

**Nomura** Since the listing of NISSO CORPORATION's shares, I have been engaged in PR and IR. The business scale of NISSO HOLDINGS has expanded, and we even have a presence similar to that of a long-established company. However, today is no longer an era in which business scale or having major manufacturers as clients provides assurance.

**Endo** I serve as a Director of NIKON NISSO PRIME and as President of Nisso Pure, a special-purpose subsidiary of NISSO CORPORATION. The keyword for NISSO HOLDINGS to achieve sustainable growth is "active participation of diverse human resources." It is essential to provide opportunities for women, global human resources, persons with disabilities, and seniors to thrive.

**Tanaka** I agree. In an era that demands transformation, if everyone acts with the same mindset, responses will be delayed. Diversity is required in human resources.

**Endo** From the perspective of an officer of a subsidiary, when I look at the Nisso Group, I get the impression that because of our confidence and attachment to existing businesses, the Group as a whole has not been able to take the first step toward transformation. How to allocate resources in promoting transformation is an indispensable perspective in growth strategies.

**Nomura** The Nisso Group's business model is to provide human resources services in line with the challenges of our business partners and their needs. Just as the automobile industry now demands IT human resources, the qualities that companies require in human resources will change significantly going forward. The question is how boldly we can change in response to shifting market needs. I feel that sustainable growth over the next 10 years will be difficult if we merely maintain the status quo. Now is the final moment for management to resolve to decide on transformation as an industry game-changer.

## An Urgent Need to Take the First Step Toward Transformation to Adapt to the Era of Uncertainty

**Tanaka** I am acutely aware of the high level of uncertainty. Even after the COVID-19 pandemic, we have witnessed unpredictable developments such as rapid climate change, natural disasters, and shifts in national policies and international affairs.

**Endo** In FY 3/2025, despite the absence of major economic fluctuations such as the collapse of the IT bubble or the Lehman Brothers collapse, the number of enrolled staff in the Manufacturing·Production Human Resources Services declined. This is an unprecedented phenomenon, and I strongly feel that the wave of labor force population decline has finally arrived.

**Nomura** I do not believe that our generation alone can complete the transformation. To create an environment in which the opinions of the next generation are reflected in management, we will be required to play roles as speakers who communicate management conditions and sense of urgency, and at times as bridges connecting generations.

**Endo** Each Director has their own specific duties and positions, but overall, they also serve as lubricants for organizational growth. In addition to official and regular meetings, I would also like to actively use IT tools to enhance communication.

## Promoting the Utilization of Diverse Human Resources Aimed at Improving Profitability

**Nomura** While we are enhancing the earning power of NISSO HOLDINGS through the recruitment and development of high value-added human resources, we recognize that low profitability is an urgent issue. The companies that have recently joined the Group through M&A have a high affinity with existing businesses. By promptly sharing issues and priorities, we will transform the overall structure and lead to improved profitability for the entire Group.

**Tanaka** Due in part to our vertically integrated business philosophy and having built our businesses in-house, there have been issues in terms of speed. Going forward, I feel it will be difficult to derive perfect solutions on our own. By collaborating with companies with free-thinking approaches, such as start-ups, and by utilizing IT and AI tools, we will accelerate the pace of transformation by adopting diverse approaches.

**Endo** I think there has been a corporate culture of uneasiness about outsourcing and borrowing external expertise. However, that has prevented us from concentrating on areas where we should truly focus. Going forward, it will be important to increase high value-added human resources through education and training to enhance our earning power.

**Tanaka** The higher the value-added of human resources, the more their employment stability is protected from being swayed by economic fluctuations. Our mission is to increase the number of human resources that companies demand.

**Endo** On the other hand, there are people for whom stable employment is difficult due to various circumstances such as disability, age, or family situation. We consider it the role of the Nisso Group to provide a diverse range of jobs as a platform, improve matching accuracy, and expand opportunities for people to flourish. We believe that the keyword for the Nisso Group to achieve sustainable growth is "active participation of diverse human resources."

### Non-financial Strategy Focused on Human Capital Management Becoming a Hub for Recruitment and Development Through Job Category Transfers

**Endo** The non-financial strategy is also structured around human capital initiatives from a sustainability perspective. Taking promotion of women's participation and advancement as an example, while the majority of employees at NISSO CORPORATION are male, most facility managers at Nisso Nifty's nursing care facilities and staff who provide guidance to persons with disabilities at Nisso Pure, a special-purpose subsidiary of NISSO CORPORATION, are female. By addressing these characteristics of each Group company as a whole, we will raise the ratio of female managers from 9% in FY 3/2025 to over 15% by 2030.
We are also promoting environmental initiatives. Like the Japanese government, NISSO HOLDINGS aims to achieve carbon neutrality by 2050. By utilizing remote meetings and employee interviews, we will reduce fuel consumption associated with travel, and by improving productivity and curbing overtime, we will reduce electricity consumption at business offices. While anticipating business growth, we are introducing hybrid and electric vehicles (EVs) and working to reduce greenhouse gas (GHG) emissions.
**Tanaka** Our major client manufacturers are highly conscious of climate change and heatstroke countermeasures, and we also need to work together in times of disaster response. Establishing a comfortable working environment is essential for employees to demonstrate their capabilities.
**Nomura** As the essence of human capital management, we are expected to demonstrate examples where people can maintain a rich standard of living even if they are not regular employees of major companies. Going forward, by enabling flexible transfers between industries and job categories as dispatched staff, there will be more opportunities to increase both quality of life and compensation. The Nisso Group is at the focal point of this.

**Tanaka** That's right. We are advancing personnel system reforms to change the mechanisms for transfers and evaluations so that they can be institutionally supported. It is important to refine dispatched staff as human resources, but indirect staff who support them are also important human resources. Although indirect staff are a minority within NISSO HOLDINGS, without their solid support for revenue-generating human resources, our business cannot function. We will also enhance the added value of indirect staff who support revenue-generating human resources.
**Endo** We are also promoting the recruitment and development of global human resources. We do not simply consider people coming to Japan to work from ASEAN countries as labor, but strive to develop them with an exit strategy in mind that considers overseas market expansion, so that they can also thrive when they eventually return to their home countries.
At NIKON NISSO PRIME, senior human resources, including former manufacturer employees, are utilizing intangible assets such as knowledge and experience to thrive in new stages. In this way, by leveraging the strengths of each Group company, we will promote diversity management that respects diversity, aiming to balance social value and economic value.

**Nomura** Seven years have passed since the listing of NISSO CORPORATION, and we have entered a period when tension are starting to ease. We will approach management with a sense of urgency to identify business risks and ensure employment security.
**Tanaka** I believe that the role of management is to always maintain a proper sense of urgency, devise and implement solutions, and create an environment in which working members can maximize their abilities. While also making full use of marketing to gather information, we will take measures. We will create a state in which all stakeholders are happy. To that end, we will manage risks and link them to growth opportunities.





# Risk Management

**We have established the "Risk Management Regulations" regarding risks that affect business, and we have set up the "Risk Management Committee" to develop a system that enables appropriate responses to such risks.**

P. 52 Sustainability Promotion Framework Chart

## Basic View

The Nisso Group defines all internal and external events that may hinder the achievement of the business objectives of each Group company—with respect to the management strategy, social credibility, trust relationships with clients, personal information of applicable parties, intellectual property, facilities, and other assets—as risks. Accurate identification and appropriate management of risks are key management issues that lead to the sustainable maintenance and enhancement of corporate value. Based on this recognition, we will thoroughly implement company-wide risk management.

## Risk Assessment Initiatives

In FY 3/2025, the "Risk Management Council" under the Corporate Value Enhancement Committee deliberated on the items listed to the right in accordance with the "Risk Management Regulations," and shared them with each division and affiliated companies through resolutions reached by the Board of Directors. This framework was transferred to the "Risk Management Committee" in June 2025.

- Identify, analyze, and evaluate the impact of risks, and create and update "risk maps"
- In the event of an emergency, take the necessary actions to control the situation appropriately
- If the content needs to be disclosed internally or externally, disclose it promptly

### Particularly Significant Risks and Key Countermeasures

| | Probability of occurrence*1 | Degree of impact*2 | Main Countermeasures |
|---|---|---|---|
| Difficulty in securing personnel and cost increases due to rising wage levels | High | High | Securing diverse employment opportunities and realizing diverse work-styles; implementing unit-cost negotiations |
| Insufficient development of working environments due to an increase in foreign workers | High | High | Developing working environments where employees can continue to work |
| Maintaining employee employment following the termination or downsizing of contracts with major clients | Low | High | Reskilling to increase the probability of employment outside the current workplace, and expanding to new clients |
| Reputation risk | Low | High | Continuously maintaining manuals, thoroughly implementing training, and continuously monitoring information |

*1 High: Occurs at least once a year; Medium: Occurs once every few years; Low: Occurs infrequently
*2 High: Significantly affects consolidated business results (30% decrease in consolidated operating profit or 10% decrease in consolidated net sales); Medium: Affects achievement of management plans; Low: Has only a minor impact on management

## Approach to Information Security

We consider ensuring data safety and reliability, and the prevention of unauthorized access to and leakage of information to be indispensable, and have formulated the "Information Security Policy," which all employees comply with and thoroughly implement. The Policy stipulates the development of an information security management system and internal regulations, as well as a focus on managing external contractors and strengthening the audit system.

## Initiatives to Protect Personal Information

We consider it an important responsibility to appropriately manage the personal information of all stakeholders. The personal information obtained through corporate activities is diverse. Under our Personal Information Protection Policy, we appropriately and strictly manage and operate personal information.

# Compliance

**Based on the "Nisso Group Ethics Policy" and the "Compliance Regulations," we sincerely comply with laws and regulations, internal rules, and the Employee Code of Conduct, aiming to realize fair and highly transparent management.**

**P. 52** Sustainability Promotion Framework Chart

## Basic View

We have established the "Nisso Group Charter of Corporate Behavior," which presents the fundamental principles of conducting fair and sincere business activities, and the "Nisso Group Employee Code of Conduct," which provides specific action guidelines. We distribute a pocket leaflet "*NISSO Michishirube*" (literal meaning: NISSO Guidelines), which contains the aforementioned Charter and Code to officers and employees of the Nisso Group in order to ensure that they are fully aware of legal compliance and ethical behavior.

Furthermore, the "Risk Management Committee," chaired by one of our Directors, discusses the promotion of corporate ethics and compliance, as well as the development of systems for the prevention and detection of misconduct, and the "Board of Directors" supervises, manages, and approves these initiatives.

Nisso Group Ethics Policy

## Establishment of a Point of Contact Based on the Internal Reporting System

We have established the "Nisso Group Internal Reporting Counter," which enables anonymous reporting of any corrupt practices, including bribery. At the same time, we prohibit any disadvantageous treatment of informants and have established a system to conduct investigations, implement corrective actions, and take measures to prevent recurrence in the event of such reports. In FY 3/2025, there were 10 consultations and reports submitted to the "Nisso Group Internal Reporting Counter," (disclosed in accordance with the Whistleblower Protection Act Guidelines). Each consultation and report was investigated and verified while thoroughly ensuring whistleblower protection, and necessary measures were implemented. Responses to all reports and consultations have been completed.

## Internal Audits

Internal audits at NISSO HOLDINGS are conducted by the Internal Auditing Division, an organization under the direct control of the Representative Director, comprising one Division Head and three staff members. Audits are conducted in accordance with the annual plan, covering the Headquarters, subsidiaries, and sub-subsidiaries. Results are reported to the Representative Director and the Audit & Supervisory Committee, as well as to the Board of Directors. In addition, instructions for improvements based on the results of the audits are issued to the department/division that has received the audits, and the status of improvements are reported by them and confirmed by the Internal Auditing Division without delay. Follow-up audits and special audits are conducted as deemed necessary. In addition, the Internal Auditing Division exchanges information with the Audit & Supervisory Committee and the Accounting Auditor as required to strengthen mutual coordination.

## Compliance Education

In order to ensure thorough compliance, we provide compliance training for all officers and employees in accordance with our Ethics Policy. In FY 3/2025, a total of 15,711 officers and employees of NISSO CORPORATION participated in compliance-related training.

## Anti-corruption

In accordance with the Employee Code of Conduct and the Ethics Policy, we prohibit inappropriate gratuities and gifts, illegal or improper political donations, and the exchange of benefits contrary to social norms. We prohibit all forms of corruption and strive to prevent them.





**Roundtable Discussion with External Directors**

# Addressing Issues Head-on and Supporting Business Transformation through Open and Thorough Deliberation

**The human resources industry faces a wide range of social issues, such as the decline in the labor force due to the declining birthrate and aging population, and mismatches in the supply and demand of human resources. How can we sustainably enhance corporate value under increasingly severe external conditions? External Directors, representing the shareholders, engaged in discussion.**

### Junichi Fukui

External Director

Gained experience in public relations and as secretary at Nippon Fudosan Bank, Ltd. (current: Aozora Bank, Ltd.), and was responsible for sales to approximately 300 companies listed on the Tokyo Stock Exchange Prime Market. After retirement, served as an officer at human resources dispatching and news agencies, leveraging extensive experience in public relations.

### Yukiteru Hamada

External Director (Full-time Audit & Supervisory Committee Member)

Engaged in branch management and planning/market operations at The Mitsubishi Bank, Ltd. (current: MUFG Bank, Ltd.). Subsequently served as an officer at operating companies, possessing expertise in corporate management and risk management.

### Miki Ohno

External Director (Audit & Supervisory Committee Member)

After working at a public financial institution, registered as an attorney-at-law. Handles mainly civil cases and is also involved in corporate harassment responses and third-party investigations.

### Hideo Sakano

External Director (Audit & Supervisory Committee Member)

Has extensive experience in statutory audits and IPO support as a certified public accountant and tax accountant. Possesses broad expertise, including in the formulation of internal management systems.

# Roundtable Discussion with External Directors

**Ohno** NISSO HOLDINGS is gaining the trust of our business partners through initiatives in developing high value-added human resources under our founding philosophy of "Nurturing and Bringing Out the Best in People." I feel that the past perception of dispatch employment as merely an employment adjustment buffer has changed. Developing value-added human resources contributes to addressing social issues such as labor shortages and job satisfaction, while also leading to sustainable growth.

**Fukui** I also feel the strong trust placed in us by our business partners, including major automobile manufacturers. Developing high value-added human resources through our own education and training facilities, and the establishment of an industry association (current: Japan Business Process Outsourcing and Staffing Association) by our founder, Tadao Shimizu, which promoted compliance in manufacturing dispatching and sound development of the industry, forms the backbone of the trust NISSO HOLDINGS receive from clients, working people, government authorities, and peers in the industry. Currently, our President, Ryuichi Shimizu, serves as Chairman of this association and is highly regarded among industry peers.

## Recognition of Investment in High Value-added Human Resources Development

**Ohno** Although the previous Medium-term Management Plan up to FY 3/2025 fell short of net sales and operating profit targets, the fact that investment in human resources development was not reduced deserves recognition. Through unit-cost negotiations with our business partners, we secured an increase in revenue compared to the previous year.

**Sakano** It is true that we were affected by external factors such as the COVID-19 pandemic and certification fraud by automobile manufacturers. However, it is not appropriate to use these as excuses. The direction clarified in the previous Medium-term Management Plan, such as increasing engineers, developing semiconductor human resources, recruiting global human resources, and improving recruitment accuracy, should be considered as issues to be incorporated into the new Medium-term Management Plan as part of a step-up period.

**Hamada** In the previous Medium-term Management Plan, we executed M&A, including making Vector Shinwa a subsidiary. Each division worked together to conduct due diligence, and post-merger integration (PMI) was planned and implemented. The knowledge gained through information gathering during the consideration stage and dialogues after implementation is considered to have led to the subsequent acquisitions of All Japan Guard and Man to Man Holdings in 2025.

**Fukui** Unfortunately, the previous Medium-term Management Plan ended in underachievement, and there were issues with low profitability. Under such circumstances, the addition of a company with a high operating profit margin to the Group has helped tighten the performance of the Group companies as a whole. M&A has proven to be more effective than expected.

**Sakano** From the perspective of investors, the profitability and growth speed of NISSO HOLDINGS may appear slow. There is also room to improve operational efficiency through DX. Highlighting that NISSO HOLDINGS' careful recruitment and development raise retention rates and lead to long-term improvement in profit margins would also be effective.

## Path to Net Sales of 150 Billion Yen and Operating Profit of 7.5 Billion Yen

**Hamada** From FY 3/2026, a new three-year Medium-term Management Plan has commenced. While some companies refrained from disclosing earnings forecasts due to uncertainties such as tariff policies under the Trump administration in the U.S., NISSO HOLDINGS disclosed forecasts and has not changed the target values of the Plan. The disclosure of targets and the willingness to take on challenges, even amid concerns about the impact of multiple social and economic events, reflect our earnest corporate culture.

**Ohno** Whether or not to include numerical targets in the new Medium-term Management Plan was also discussed at Board of Directors meetings. Although uncertainties exist, the purpose of the Plan is to close the gap between the medium-term vision and the current situation. In the new Plan, we set a target of net sales of 150 billion yen and operating profit of 7.5 billion yen for FY 3/2028, disclosing it with a certain range of fluctuation.

**Hamada** To achieve the targets of the Medium-term Management Plan, the Corporate Value Enhancement Committee and the Financial Strategy Council spent a year discussing how to consider NISSO HOLDINGS' available funds, future cash flows, financing capacity, and asset profitability in executing investment strategies. As a response, we strengthened the Group's fund management system, increased commitment lines (upper limits of discretionary financing) with partner banks, and established a more flexible system.

**Fukui** During the previous Medium-term Management Plan, the Executive Officers provided convincing explanations at Board of Directors meetings regarding the reasons for sluggish performance. The issues and countermeasures were clear, leaving no concern about the future. The new Medium-term Management Plan can be described as having well-grounded targets, built up on the basis of analysis of the previous Plan's results.

**Sakano** Since the transition to a pure holding company structure in October 2023, the operation of the Board of Directors meetings has clarified the roles of management and business execution. I sense a clear intention to bring greater objectivity to management.

**Fukui** Since the announcement of the new Medium-term Management Plan, President Shimizu has frequently referred to the target of an "operating profit margin of 5%" within the Company, and I can sense the heightened enthusiasm toward achieving the goal.
With the establishment of NISSO HOLDINGS Co., Ltd. in October 2023, we appointed Executive Officer-level personnel with proven experience in the DX divisions of major companies. Together with management, they are steadily building a digital foundation while sharing challenges. We look forward to their future contributions to improving the operating profit margin through measures such as the unification of management data and the streamlining of business processes.

## Thorough Deliberation on Skills Required for Management and Next-generation Human Resources

**Sakano** NISSO HOLDINGS organized what functions are required in our management structure and what human resources are available internally, thereby recognizing the current challenges.

**Ohno** At the Nomination and Remuneration Committee, we devoted time to discussions on the skills required of NISSO HOLDINGS' management. In addition to our strength in human resources development, from the perspective of promoting business portfolio diversification and DX strategy, NISSO HOLDINGS identified the skills that Directors should currently possess and discussed the areas of insufficiency and additional elements that should be incorporated.

**Sakano** Developing human resources capable of serving as next-generation CxOs is a priority issue. Due to the reduced hiring after the collapse of the Lehman Brothers and the Great East Japan Earthquake, the cohort of employees in their 40s who would form the core of the next generation of human resources is thin. One approach would be to position the management human resources from companies acquired through M&A as part of the core of the Holdings. Conversely, it would also be good to have younger employees of the Holdings gain experience as management at Group companies, as this serves as a means of development.

**Ohno** Succession planning was also discussed at the Nomination and Remuneration Committee as an important issue, but it has not yet been systematized. We recognize that it is an issue that should be considered in earnest in the near future. Within the management team, the Senior Managing Director & COO, Director & Executive Officer Fujino assumed the position of President of NISSO CORPORATION, an operating company, during this fiscal year. Accordingly, we have temporarily discontinued the CxO system. Clearly defining the responsibilities of each Director and reintroducing the CxO system is a matter for future consideration.

## Setting Numerical Targets for Enhancing Social Value

**Sakano** Enhancing corporate value through social value creation is also an important issue. I served on the Corporate Value Enhancement Committee and the Sustainability Council. We started discussions by asking in what fields NISSO HOLDINGS could contribute to solving social issues, and opinions converged on human resources. As our vision, we set numerical targets for the ratio of engineering employees, the ratio of female managers, and the diversity ratio. It is now up to the executive team to execute them with a sense of urgency.

**Hamada** We must also discuss the framework for accepting global human resources. We have concluded agreements with higher education institutions in Vietnam for Japanese language education and the promotion of employment in Japan, thereby securing the first stage of the pipeline. The key going forward will be how to ensure their retention in actual manufacturing sites and how to establish the acceptance framework.

**Sakano** M&A transactions are likely to increase in the future. When a non-listed company joins the Group, internal controls equivalent to those of a listed company are required. Governance support by the Holdings will also be necessary. Even after an acquisition is completed, strengthening the framework to manage synergies and the progress of PMI with the same level of rigor as before the acquisition will be a challenge.

**Ohno** In recent years, there has been a growing demand for strengthening compliance. Matters to be observed range widely from laws and internal regulations to contracts. The difficulty in understanding all of them, or the concentration of tasks on a few who can, can lead to compliance violations. It is important to repeatedly and simply communicate compliance requirements within business processes and to prevent operations from becoming dependent on specific individuals. If internal regulations do not reflect actual conditions, revising them is one possible option.

## Playing a Leading Role in Industry Reorganization

**Fukui** As the labor force declines due to the declining birthrate and aging population, companies that cannot stably supply the outstanding human resources demanded by clients will eventually be eliminated. As one of the industry leaders, NISSO HOLDINGS enjoys strong trust from peers, and I believe we will be expected to play a reliable role in industry reorganization.
If we can resolve mismatches in human resources in local communities and provide work opportunities for those seeking jobs, we can contribute to regional revitalization. I also hope that the Board of Directors can engage in discussions that take on various themes surrounding human resources.

**Hamada** I also share the view that industry reorganization is highly likely. In the course of executing M&A, management of operating companies within the Group and business reorganization will also be issues. The role of NISSO HOLDINGS in society is significant, and we will continue to carry out management oversight with a strong sense of mission.

**Ohno** With the decline in the working population becoming a social issue, the active participation of women, global human resources, and persons with disabilities is becoming increasingly important. I would like to provide advice toward the creation of workplaces where the employees of NISSO HOLDINGS with diverse backgrounds can work vibrantly and with peace of mind.

**Sakano** The initiatives of NISSO HOLDINGS to eliminate mismatches in employment, develop high value-added human resources, and utilize the elderly, women, persons with disabilities, and global human resources not only lead to improved profitability and sustainable growth but can also serve as solutions to challenges faced by Japan's labor market. I feel both the expectations and responsibility for NISSO HOLDINGS to contribute to society, and I will continue to support and oversee these initiatives.



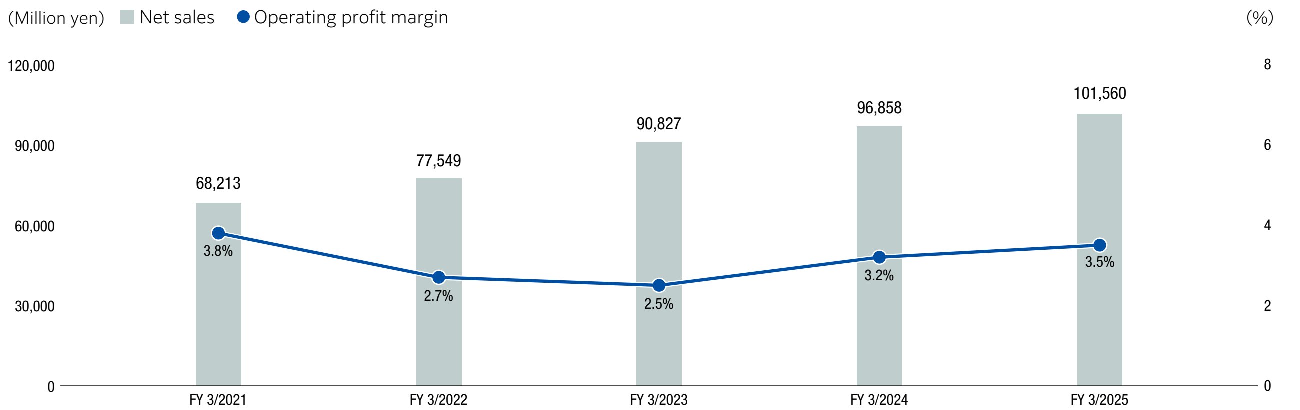


# Key Financial Data

| | (Unit) | FY 3/2021 | FY 3/2022 | FY 3/2023 | FY 3/2024 | FY 3/2025 |
|---|---|---|---|---|---|---|
| **Net sales** | (Million yen) | 68,213 | 77,549 | 90,827 | 96,858 | 101,560 |
| **Gross profit** | (Million yen) | 11,787 | 12,950 | 14,554 | 16,014 | 17,441 |
| **SG&A expenses** | (Million yen) | 9,188 | 10,863 | 12,286 | 12,956 | 13,886 |
| **Operating profit** | (Million yen) | 2,599 | 2,087 | 2,268 | 3,058 | 3,555 |
| **Ordinary profit** | (Million yen) | 2,949 | 2,369 | 2,349 | 3,056 | 3,563 |
| **Profit attributable to owners of parent** | (Million yen) | 1,592 | 1,696 | 1,622 | 1,952 | 1,935 |
| **Earnings per share (EPS)** | (Yen) | 47.08 | 49.94 | 47.71 | 57.85 | 58.92 |
| **Total assets** | (Million yen) | 21,631 | 27,462 | 30,092 | 31,354 | 31,276 |
| **Cash flows from operating activities** | (Million yen) | 1,672 | 2,273 | 2,285 | 3,230 | 1,681 |
| **Cash flows from investing activities** | (Million yen) | (496) | (1,538) | (146) | (1,289) | (2,076) |
| **Cash flows from financing activities** | (Million yen) | (1,668) | 2,164 | (1,112) | (2,100) | (1,060) |
| **Free cash flow** | (Million yen) | 1,176 | 735 | 2,139 | 1,941 | (394) |
| **Operating profit margin** | (%) | 3.8 | 2.7 | 2.5 | 3.2 | 3.5 |
| **Return on invested capital (ROIC)** | (%) | 13.2 | 9.2 | 8.8 | 11.6 | 13.1 |
| **Return on equity (ROE)** | (%) | 12.9 | 12.9 | 11.5 | 13.2 | 12.3 |
| **Equity ratio (Shareholders' equity ratio)** | (%) | 59.0 | 49.4 | 48.4 | 48.0 | 52.8 |
| **Book value per share (BPS, or Net assets per share)** | (Yen) | 375.90 | 399.01 | 435.20 | 467.99 | 509.04 |
| **Financial leverage** | (Times) | 1.7 | 2.0 | 2.1 | 2.1 | 1.9 |
| **Dividends per share** | (Yen) | 20.10 | 18.00 | 16.00 | 20.50 | 22.00 |
| **Dividend payout ratio** | (%) | 42.7 | 36.0 | 33.5 | 35.4 | 37.3 |

* Figures are for NISSO CORPORATION up to FY 3/2023, and for NISSO HOLDINGS from FY 3/2024 onward.

### Trends in net sales and operating profit margin



# Key Non-Financial Data

| | | (Unit) | Scope | FY 3/2021 | FY 3/2022 | FY 3/2023 | FY 3/2024 | FY 3/2025 |
|---|---|---|---|---|---|---|---|---|
| **Human resources development** | | | | | | | | |
| Ratio of engineers | | (%) | Consolidated* | - | - | 9.4 | 9.5 | 12.6 |
| Total number of participants in training | Business division | (Persons) | Consolidated* | - | - | - | 21,039 | 22,662 |
| | Business division | (Persons) | NISSO CORPORATION | - | 18,441 | 20,081 | 17,983 | 16,656 |
| | Indirect division | (Persons) | Consolidated* | - | - | - | 2,585 | 1,587 |
| | Indirect division | (Persons) | NISSO CORPORATION | - | 491 | 1,052 | 2,339 | 1,430 |
| Total training hours | Business division | (Hours) | NISSO CORPORATION | - | 122,079 | 177,500 | 158,251 | 170,603 |
| | Indirect division | (Hours) | NISSO CORPORATION | - | 6,108 | 11,325 | 16,557 | 13,191 |
| Training hours per employee | Business division | (Hours) | NISSO CORPORATION | - | 6.62 | 8.83 | 8.80 | 10.24 |
| | Indirect division | (Hours) | NISSO CORPORATION | - | 12.44 | 10.76 | 7.07 | 9.22 |
| **DE&I** | | | | | | | | |
| Diversity ratio | | (%) | Consolidated* | - | - | - | - | 31.9 |
| Number of employees | Male | (Persons) | Consolidated* | - | - | - | - | 14,940 |
| | Female | (Persons) | Consolidated* | - | - | - | - | 4,691 |
| Number of senior employees | | (Persons) | Consolidated* | - | - | - | - | 1,395 |
| Number of foreign employees | | (Persons) | Consolidated* | - | - | - | - | 307 |
| Number of employees with disabilities | | (Persons) | Consolidated* | - | - | - | - | 278 |
| Ratio of female managers | | (%) | Consolidated* | - | - | 11.3 | 11.4 | 9.0 |
| Gender wage gap | Regular | (%) | Consolidated* | - | - | 79.6 | 80.8 | 80.7 |
| | Irregular | (%) | Consolidated* | - | - | 72.5 | 75.0 | 72.7 |
| | Total | (%) | Consolidated* | - | - | 74.2 | 75.9 | 74.6 |
| Childcare leave acquisition rate | Male | (%) | Consolidated* | - | - | 12.0 | 25.0 | 39.0 |
| | Female | (%) | Consolidated* | - | - | 98.0 | 100.0 | 96.0 |
| **Human rights** | | | | | | | | |
| Human rights education implementation rate | | (%) | NISSO CORPORATION | - | - | 96.7 | 93.1 | 91.3 |
| **Occupational safety and health** | | | | | | | | |
| Number of occupational accidents | | (Cases) | NISSO CORPORATION | - | - | 78 | 83 | 88 |
| **Environment** | | | | | | | | |
| GHG emissions (Scope 1 + Scope 2) | | t-$CO_2$ | NISSO CORPORATION | 2,951 | 2,993 | 3,116 | 3,015 | 2,943 |
| Scope 1 | | t-$CO_2$ | NISSO CORPORATION | 2,213 | 2,279 | 2,418 | 2,429 | 2,297 |
| Scope 2 (market-based) | | t-$CO_2$ | NISSO CORPORATION | 738 | 714 | 698 | 586 | 645 |

* "Consolidated" is calculated as the total of NISSO HOLDINGS Co., Ltd., NISSO CORPORATION, Vector Shinwa Co., Ltd., EYE'S Co., Ltd., Nisso Brain Co., Ltd., NIKON NISSO PRIME CORPORATION, Nisso Pure Co., Ltd., and Nisso Nifty Co., Ltd.



# External Evaluation and Certifications / Endorsement Initiatives

## Inclusion in Indices

NISSO HOLDINGS

### FTSE Blossom Japan Index

Selected as a constituent of the FTSE Blossom Japan Index, a leading global ESG (environmental, social, and governance) investment index developed by FTSE Russell.

NISSO HOLDINGS

### FTSE Blossom Japan Sector Relative Index

Selected as a constituent of the FTSE Blossom Japan Sector Relative Index, a leading global ESG (environmental, social, and governance) investment index developed by FTSE Russell.

## International Evaluations and Initiatives

NISSO HOLDINGS

### CDP

An environmental information disclosure system covering three fields: climate change, forests, and water security. In 2024, NISSO HOLDINGS responded to the climate change questionnaire and received a B- rating.

NISSO HOLDINGS

### United Nations Global Compact

In 2023, NISSO HOLDINGS signed the United Nations Global Compact, a global initiative to achieve sustainable growth in the international community.

## Evaluations and Certifications in Japan

NISSO CORPORATION

### Superior Manufacturing Contractor

A certification system for manufacturing contractors that conduct superior and appropriate business operations with good structures in place. NISSO CORPORATION received initial certification as a Superior Manufacturing Contractor in 2011.

NISSO CORPORATION

### Excellent Dispatching Business Operator

A certification system for dispatching business operators that provide services, ensuring confidence for both dispatched staff and dispatch destinations. NISSO CORPORATION was certified in 2015 as an Excellent Dispatching Business Operator and has since renewed this certification three times.

NIKON NISSO PRIME

### Excellent Dispatching Business Operator

A certification system for dispatching business operators that provide services, ensuring confidence for both dispatched staff and dispatch destinations. NIKON NISSO PRIME was certified in 2023 as an Excellent Dispatching Business Operator.

Nisso Pure

### Yokohama Community Contribution Company—10th Year Recognition

A system that recognizes companies engaged in community contribution activities through their core business and other initiatives. Nisso Pure has been certified since 2008, was awarded the 10th Year Recognition in 2019, and continues to maintain this status.

NISSO CORPORATION

### ISO 14001

ISO 14001 is an international standard for environmental management systems, requiring continuous improvement of environmental management levels. NISSO CORPORATION obtained ISO certification in 2005 for its Headquarters management operations.

Obtained at HQ only

NISSO HOLDINGS

### Nikko Investor Relations Comprehensive Ranking of All Listed Companies' Websites—Outstanding Website

An award that recognizes companies for enhancing information disclosure on their websites and raising awareness toward corporate information disclosure. In 2024, NISSO HOLDINGS was selected as an outstanding website in the comprehensive ranking category.

# Dialogue with Shareholders and Investors

**To deepen understanding of the Nisso Group, we actively provide opportunities for dialogue with shareholders and investors. At these meetings, discussions cover topics such as our business model, management strategies, Medium-term Management Plan, shareholder returns, and capital policies.**

## Status of Dialogue with Shareholders and Investors

To deepen understanding of NISSO HOLDINGS' management strategies, business activities, and progress, we hold financial results briefings and disclose financial results briefing materials and main Q&A (questions and answers). In addition, we actively provide information through the publication of reports such as shareholder correspondence and participation in IR events.

For individual shareholders, we hold company briefings and strive to present our business content clearly through various website content.

Results for FY 3/2025

| | |
|---|---|
| **Individual interviews with institutional investors** (including small meetings) | **90** |
| **Financial results briefings** | **4** |
| **Company briefings for individual investors** | **4** |
| **Overseas IR** | **0** |

## Implementation of Company Briefings for Individual Investors

We hold regular company briefings for individual investors.

(Results for FY 3/2025)

- Online seminar hosted by logmi Finance (Nov.)
- Online seminars hosted by Daiwa Investor Relations (Dec., Mar.)
- Online seminar hosted by Rakuten Securities (Feb.)

**Main opinions**

- Saw growth potential in high value-added human resources dispatching.
- Concerned about low operating profit margin and dividends.
- Expects management to also pay close attention to share price trends.

## Aiming to Ensure Transparency in Dialogue with Investors

To ensure timely information disclosure and enhance accessibility, the Nisso Group has established a dedicated website for shareholders and investors. This includes quarterly financial results videos/materials, main Q&A (questions and answers), and Sustainability Reports. We strive to enhance information disclosure and make the site both easy to understand and user-friendly.

Investor Relations

## Shareholder Privacy Policy

The Nisso Group will handle and protect the personal information of shareholders in accordance with the Act on the Protection of Personal Information, the Companies Act, and other relevant laws and regulations, as well as our Privacy Policy.

Shareholder Privacy Policy

## Implementation of Technical Center Tours

To deepen understanding of "human resources development," we organized tours of the Nisso Technical Center Kumamoto, for investors and analysts. The first tour, held in September 2023, invited a total of 14 domestic institutional investor asset managers to visit the facility and participate in a Q&A session.

The second tour, held in May 2024, invited a total of 30 securities company representatives for a briefing, facility tour, and Q&A session.

We also plan to hold tours at other Technical Centers going forward.

Through these tours, we received the following opinions*.

- The educational content necessary for semiconductors is well designed.
- By installing cleanrooms and setting ceiling heights to match actual factories, the training allows real workplace experiences.
- Conducting "hazard simulation training" at the start of the program raises workers' awareness of safety.

* Partial list of opinions provided.





# Corporate Outline / Stock Information

## Corporate Outline As of June 30, 2025

**Company Name**
NISSO HOLDINGS Co., Ltd.

**Representative**
Ryuichi Shimizu
Representative Director, President & Executive Officer

**Date of Establishment**
October 2, 2023

**Capital**
2,016 million yen (As of March 31, 2024)

**Headquarters**
1-4-1 Shin Yokohama, Kohoku-ku, Yokohama, Kanagawa

**Consolidated Number of Employees**
2,384 (As of March 31, 2025)

**Consolidated Subsidiaries**
7 companies (As of March 31, 2025)

**Number of Group Bases**
95 bases (As of March 31, 2025)

**Homepage**
https://www.nisso-hd.com/en/

## Stock Information As of March 31, 2025

**Securities Code**
9332

**Stock Exchange Listing**
Tokyo Stock Exchange Prime Market

**Fiscal Year-end**
March 31

**Ordinary General Meeting of Shareholders**
Within three months after the end of each business year

**Record Date**
Shareholder confirmation record date:
March 31 of each year
Record dates for dividend of surplus:
September 30 and March 31 of each year

**Number of Shares Per Share Unit**
100 shares

**Total Number of Authorized Shares**
102,400,000 shares

**Total Number of Outstanding Shares**
34,024,720 shares

**Number of Shareholders**
6,850 persons

Status of Major Shareholders

| Shareholder name | number of shares held | Shareholding ratio (%) |
|---|---|---|
| NS Holdings Co., Ltd. | 13,915,400 | 42.17 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 3,291,300 | 9.98 |
| Custody Bank of Japan, Ltd. (Trust Account) | 1,679,400 | 5.09 |
| Tadao Shimizu | 1,019,600 | 3.09 |
| NISSO HOLDINGS Employee Shareholding Association | 586,700 | 1.78 |
| Chikako Shimizu | 487,000 | 1.48 |
| Sincere Co., Ltd. | 487,000 | 1.48 |
| NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB) | 374,000 | 1.13 |
| STATE STREET BANK AND TRUST COMPANY 505103 | 319,500 | 0.97 |
| NORTHERN TRUST CO. (AVFC) RE NON TREATY CLIENTS ACCOUNT | 256,250 | 0.78 |

Shareholding Ratio by Shareholder Type

| | |
|---|---|
| Financial institutions | 14.89% |
| Financial securities traders | 0.45% |
| Other corporations | 42.75% |
| Foreign corporations, etc. | 9.10% |
| Individuals and others | 32.82% |

(For inquiries)
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E-mail: ir@nisso-ir.com
URL: https://www.nisso-hd.com/en/