



January 18, 2022

Company Name: N I S S O C O R P O R A T I O N
Representative: Ryuichi Shimizu,
Representative Director, President & CEO
(Securities Code: 6569, TSE First Section)
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Notice of Capital and Business Alliance with
TSUNAGU GROUP HOLDINGS Inc.

(Conversion of TSUNAGU's Subsidiary as a Joint Venture Company)

NISSO CORPORATION (hereinafter, the "Company" or "NISSO") hereby announces that it has resolved to conclude an agreement for a third-party allotment of shares to TSUNAGU HC SUPPORT Inc. (President: Koji Ishibashi, Chiyoda-ku, Tokyo, hereinafter, the "Target Company"), a consolidated subsidiary of TSUNAGU GROUP HOLDINGS Inc. (President: Mitsuhiro Yoneda, Chiyoda-ku, Tokyo, hereinafter, the "TSUNAGU GROUP"), and the establishment of the Target Company as a joint venture company, at the Board of Directors' Meeting held today.

1. Reason for Joint Venture

NISSO and the TSUNAGU GROUP (hereinafter, "both parties") have decided to convert the Target Company into a joint venture company in order to further revitalize the human resources market and to provide new value by integrating the businesses and expertise possessed by both parties.

The Target Company will sequentially provide a variety of sustainable and cyclical services in the human resources area, by taking advantage of NISSO's contracting, dispatching, and placement businesses, as well as the expertise and knowledge of human resources development and management that is responsible for those businesses, the TSUNAGU GROUP's human resources recruitment expertise, dispatching and short-term placement businesses, as well as the operational expertise and achievements of dispatching centers, and systems developed in-house to support them.

In the future, by combining such knowledge, the plan will be to commercialize a training business for on-site staff, and to develop services that will convert human resources into human capital. The intention is to respond to the needs of companies for the visualization of human capital investment, which is now becoming the mainstream.

Through these services, NISSO and the TSUNAGU GROUP will maximize the values of both parties, such as improving the skills of workers and improving the level of services provided to clients, and strive to realize a human-centered society that balances economic development and the resolution of social issues. As a result, both parties aim to achieve sales of approximately 2 billion yen in 5 years.

2. New Company Name

In conjunction with the conversion of the Target Company into a joint venture company, the company name of the Target Company will be changed to "LeafNxt Co., Ltd.". Just like the veins of leaves are connected and nutrients are delivered to the tips of leaves, by connecting people to people, people to companies, and multiplying the powers of "N" from NISSO and "T" from the TSUNAGU GROUP, it is the hope of both companies that staff will be able to work with enthusiasm, and as a result, contribute to the revitalization of society.

(Reference) LeafNxt Logo



3. Business Description of Joint Venture Company (hereinafter, the "JVC")

Following the establishment of the joint venture, the following businesses are scheduled to be provided:

(1) Human resources dispatching business

This will be a human resources dispatching service centered on light work areas utilizing the client assets (20,000+ companies) of both parties. By taking advantage of the TSUNAGU GROUP's ability to attract clients/customers, the JVC plans to develop dispatching services, including core human resources, to gain a market share of the same premises and surrounding business sites, and to promote business expansion. The JVC plans to absorb and split the dispatching business within the TSUNAGU GROUP HC (Human Capital) Inc., a consolidated subsidiary of the TSUNAGU GROUP, and start the business.

(2) Development-type qualified personnel dispatching business

It is planned for the JVC to provide a development-type human resources dispatching service for work that requires qualifications. It is planned for the JVC to create a scheme to develop and secure qualified personnel by implementing qualification acquisition support for unqualified personnel by utilizing the human resources development expertise possessed by NISSO. For the time being, it is planned for the JVC to provide qualification acquisition support specialized for forklifts, which are in increasing demand as the EC market expands.

(3) Recruitment platform business

By utilizing the system used in the dispatching center operated by the TSUNAGU GROUP, the JVC will provide a platform service that connects alliance companies and companies with a shortage of human resources. It is planned for the JVC to contribute to solving labor market issues by procuring human resources from alliance companies and introducing them to companies that lack manpower, as well as increasing the number of workplace options for workers by making the best use of their careers.

(4) Media direction business

The JVC will be engaged in a recruitment consulting business centered on the manufacturing contracting industry. In addition to the DB (database) and expertise related to media ad placement possessed by the TSUNAGU GROUP, the JVC plans to utilize the recruitment achievements of NISSO to provide consultation on not only ad placements to media companies, but also the entire recruitment process such as matters regarding websites and direct recruitment.

4. Overview of Joint Venture Company to be Established

(1) Company name	TSUNAGU HC SUPPORT Inc. ※Company name scheduled to be changed to LeafNxt Co., Ltd. by March 1, 2022
(2) Location	3-1-16 Kandamisaki-cho, Chiyoda-ku, Tokyo
(3) Representative	Representative Director Koji Ishibashi
(4) Business description	Human resources dispatching business, development-type qualified personnel dispatching business, recruitment platform business, media direction business, etc.
(5) Capital	124 Million JPY
(6) Date of establishment	August 3, 2021
(7) Scheduled date of joint venture	March 1, 2022
(8) Fiscal year-end	September 30
(9) Net assets	39 Million JPY (As of the end of September, 2021)
(10) Total assets	40 Million JPY (As of the end of September, 2021)
(11) Investment ratio	TSUNAGU GROUP HOLDINGS Inc. : 51.3% NISSO CORPORATION : 48.7%

5. Content of Capital Alliance

TSUNAGU HC SUPPORT Inc. will issue common shares to the Company through a third-party allotment of shares, which the Company will underwrite.

(1) No. of shares held before change	0 shares (No. of voting rights: 0) (Percentage of voting rights held: 0.0%)
(2) No. of shares to be acquired	3,800 shares (No. of voting rights: 3,800) (Percentage of voting rights held: 48.7%)
(3) Acquisition value	209 Million yen
(4) No. of shares to be held after change	3,800 shares

6. Overview of Joint Venture Partner

(1) Company name	TSUNAGU GROUP HOLDINGS Inc.		
(2) Location	3-1-16 Kandamisaki-cho, Chiyoda-ku, Tokyo		
(3) Representative	President & Representative Director Mitsuhiro Yoneda		
(4) Business description	Group management strategy formulation, business management and related operations		
(5) Capital	688,652 Thousand JPY		
(6) Date of establishment	February 28, 2007		
(7) Shareholding Ratio (As of Sept. 30, 2021)	Mitsuhiro Yoneda		16.98%
	Yoneda Jimusho Co., Ltd.		10.10%
	TSUNAGU GROUP HOLDINGS Employee Shareholding Association		7.10%
	The Master Trust Bank of Japan, Ltd. (Trust Account)		3.99%
	Recruit Co., Ltd.		2.20%
	Masahiro Ohkubo		2.00%
	Rakuten Securities, Inc.		1.98%
	Takaharu Yano		1.85%
	Kiyoshi Kume		1.76%
JIA&IE Value Realize Investment Limited Partnership		1.51%	
(8) Relationship between listed company and company concerned	Capital ties	Not applicable.	
	Personal relations	Not applicable.	
	Business relations	Not applicable.	
	Applicable status to related parties	Not applicable.	
(9) The results of operations and financial position of the company concerned over the last 3 years	(Unit: Million yen)		
Fiscal year-end	FY 9/2019	FY 9/2020	FY 9/2021
Net assets	1,329	721	842
Total assets	6,080	5,302	4,619
Net assets per share (Yen)	180.81	97.60	98.83
Net sales	10,617	12,098	11,025
Operating profit	220	(610)	(105)
Ordinary profit	210	(550)	(98)
Profit attributable to owners of parent	23	(571)	(212)
Net income per share (Yen)	3.25	(78.58)	(26.53)

7. Schedule

(1) Date of conclusion of joint venture agreement	January 18, 2022
(2) Start date of joint venture business	March 1, 2022 (Scheduled)

8. Future Prospects

Although the impact of this transaction on the consolidated financial results of the Company for FY 3/2022 will be minor, the Company believes that it will contribute to the improvement of business performance in the long-term.

In the future, if an event that significantly affects the consolidated financial results, etc., of the Company occurs, it will be promptly announced.