



*Nurturing and Bringing Out  
the Best in People*

**日総工産株式会社**  
**NISSO CORPORATION**

TSE 1 Code: 6569

First Nine Months of FY 3/2022

# Financial Results Briefing Materials

February 10, 2022

## FY 3/2022 3Q Results

- Enrolled staff increased by 1,569 from the end of the previous FY
- Revenue increased and profits decreased year-on-year
- In the automobiles-related industry, although production recovered after November, it did not reach recovery production due to the effects of shortages of semiconductor and parts supplies
- Engineer net sales increased steadily due to the increase in the number of enrolled engineers

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## First Nine Months of FY 3/2022 (3Q) Financial Results Summary

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# FY 3/2022 3Q Consolidated Financial Results Highlights

(Unit: Million yen)

## Points

- Revenue increased due to increases in enrollment and unit-costs.
- In the automobiles-related industry, operations decreased due to the effects of shortages of semiconductor and parts supplies, and gross profit margin declined.
- Needs for external human resources were high, and NISSO continued to invest in recruitment, which led to an increase in SG&A expenses.
- Operating profit decreased due to a decline in gross profit margin and an increase in SG&A expenses.
- Revenue and profits increased in Other Businesses.

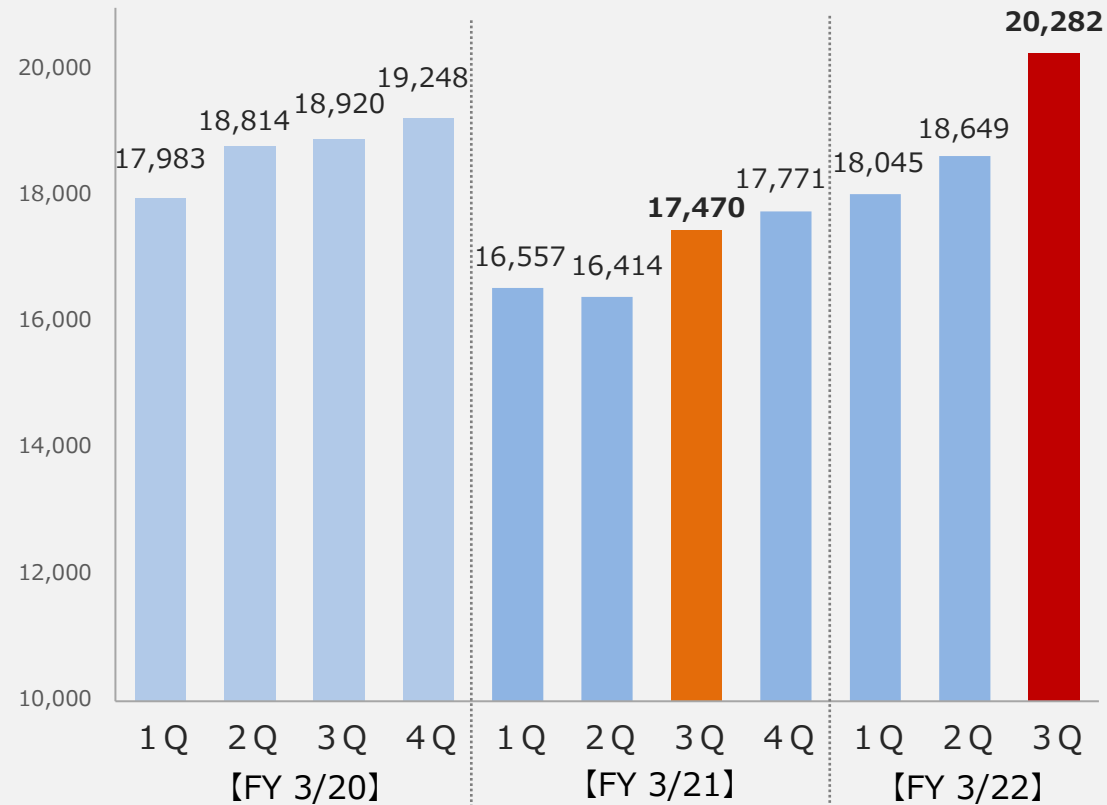
|  | FY 3/21 3Q    |            | FY 3/22 3Q    |            | Year-on-Year        |          |
|--|---------------|------------|---------------|------------|---------------------|----------|
|  | Results       | % of Total | Results       | % of Total | Increase (Decrease) | % Change |
| <b>Net sales</b>                               | <b>50,442</b> | 100.0%     | <b>56,977</b> | 100.0%     | <b>6,534</b>        | 13.0%    |
| <b>Gross profit</b>                            | <b>8,433</b>  | 16.7%      | <b>9,493</b>  | 16.7%      | <b>1,060</b>        | 12.6%    |
| <b>SG&amp;A expenses</b>                       | <b>6,754</b>  | 13.4%      | <b>8,086</b>  | 14.2%      | <b>1,332</b>        | 19.7%    |
| <b>Operating profit</b>                        | <b>1,678</b>  | 3.3%       | <b>1,406</b>  | 2.5%       | <b>(271)</b>        | (16.2%)  |
| <b>Ordinary profit</b>                         | <b>2,005</b>  | 4.0%       | <b>1,595</b>  | 2.8%       | <b>(409)</b>        | (20.4%)  |
| <b>Profit attributable to owners of parent</b> | <b>1,284</b>  | 2.5%       | <b>1,036</b>  | 1.8%       | <b>(247)</b>        | (19.3%)  |

# FY 3/2022 Quarterly Consolidated Financial Results



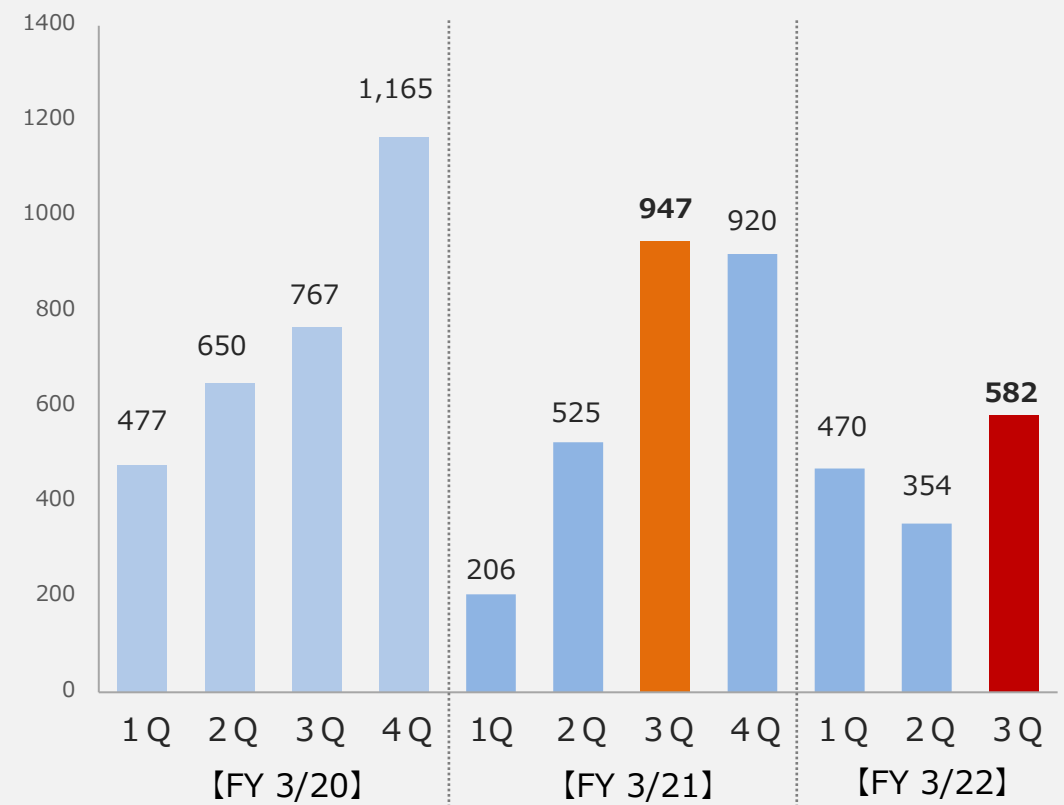
(Unit: Million yen)

## Net sales



(Unit: Million yen)

## Operating profit



# FY 3/2022 3Q Non-consolidated Financial Results Highlights

## Net sales

Net sales increased by 14.0%, partly due to increases in enrollment and unit-costs.

## Expenses · Profits

- SG&A expenses increased due to proactive investment in recruitment.
- In the automobiles-related industry, the impact of the decrease in operations (number of working days, overtime hours, holiday work, etc.) due to the effects of shortages of semiconductor

## Subsidy Income

- FY 3/2021 3Q: 287 Million yen
- FY 3/2022 3Q: 84 Million yen

(Unit: Million yen)

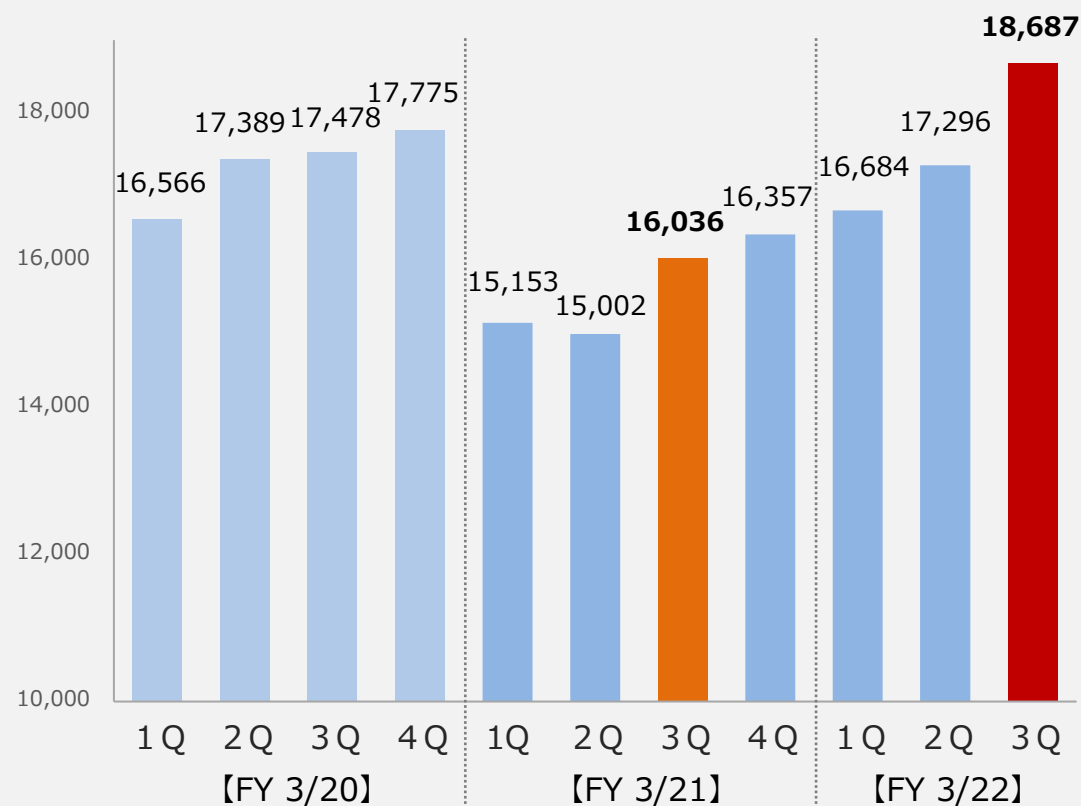
|                  | FY 3/21 3Q    |            | FY 3/22 3Q    |            | Year-on-Year        |          |
|------------------|---------------|------------|---------------|------------|---------------------|----------|
|                  | Results       | % of Total | Results       | % of Total | Increase (Decrease) | % Change |
| Net sales        | <b>46,191</b> | 100.0%     | <b>52,668</b> | 100.0%     | <b>6,476</b>        | 14.0%    |
| Gross profit     | <b>8,028</b>  | 17.4%      | <b>9,048</b>  | 17.2%      | <b>1,019</b>        | 12.7%    |
| SG&A expenses    | <b>6,309</b>  | 13.7%      | <b>7,618</b>  | 14.5%      | <b>1,309</b>        | 20.7%    |
| Operating profit | <b>1,718</b>  | 3.7%       | <b>1,429</b>  | 2.7%       | <b>(289)</b>        | (16.8%)  |
| Ordinary profit  | <b>1,962</b>  | 4.2%       | <b>1,528</b>  | 2.9%       | <b>(434)</b>        | (22.1%)  |
| Profit           | <b>1,263</b>  | 2.7%       | <b>989</b>    | 1.9%       | <b>(274)</b>        | (21.7%)  |

# FY 3/2022 Quarterly Non-consolidated Financial Results



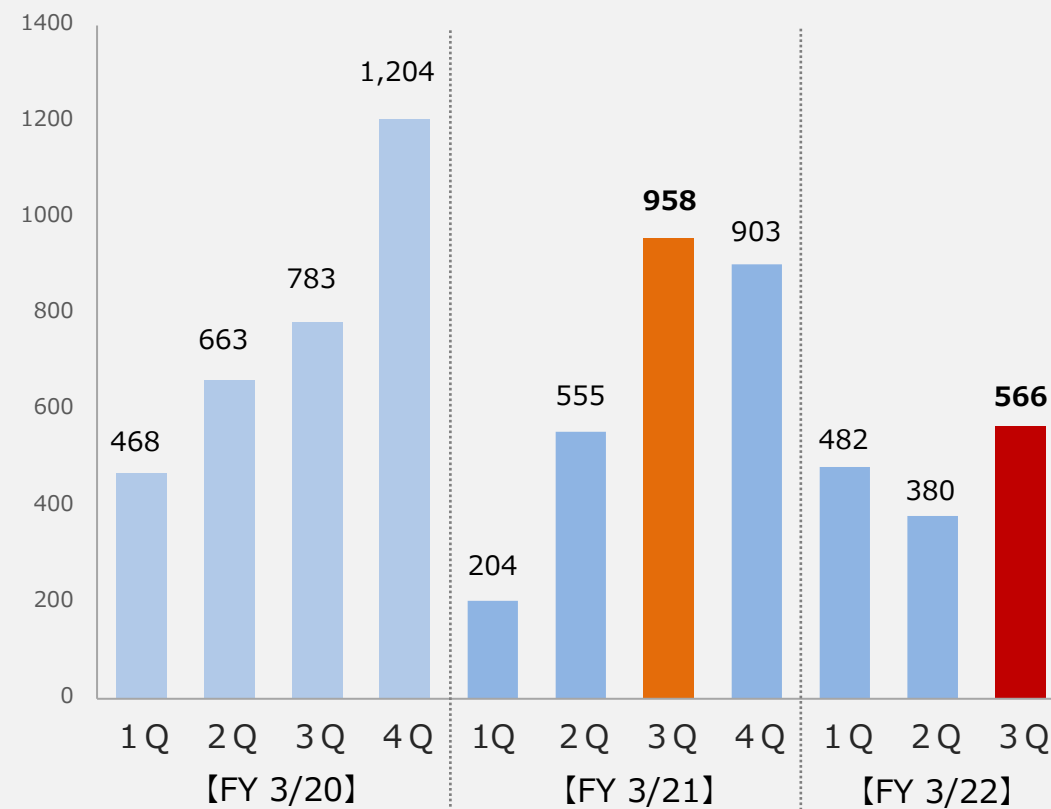
(Unit: Million yen)

## Net sales



(Unit: Million yen)

## Operating profit







**2**

## First Nine Months of FY 3/2022 (3Q) Overview of Activities

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# FY 3/2022 3Q Financial Results Summary



## Consolidated Financial Results

**Net Sales**                    **56,977 Million yen** ( 6,534 Million yen / 13.0% YoY)  
**Operating Profit**   **1,406 Million yen** ( -271 Million yen / -16.2% YoY)

### ● Net Sales by Industry (YoY)

Automobiles            ...   **+16.5%**  
Electronic devices ...   **+18.6%**

- In the automobiles-related industry, net sales increased by 16.5% YoY. Although recovery production was delayed due to the effects of shortages of semiconductor and parts supplies, production recovered after November.
- In the electronic devices-related industry, net sales increased by 18.6% YoY. Semiconductors continued to be strong, while production of in-vehicle products increased.

### ● 3Q-end Number of Enrolled Staff

14,715 staff  
(+1,569 staff from FY 3/21-end )

- The number of enrolled staff increased by 1,569 compared to FY 3/21-end. The number of staff in the automobiles-related industry increased for recovery production. Human resources needs in the electronic devices-related industry also continued to be strong.

### ● Net Sales per Capita/Monthly

412 Thousand yen  
(+24 Thousand yen YoY)

- Net sales per capita increased by 24 thousand yen YoY, partly due to the increase in billing unit-costs.
- In the automobiles-related industry, the effects of a decrease in operations (number of working days, overtime hours, holiday work, etc.) due to shortages of semiconductor and parts supplies continued, and growth slowed.

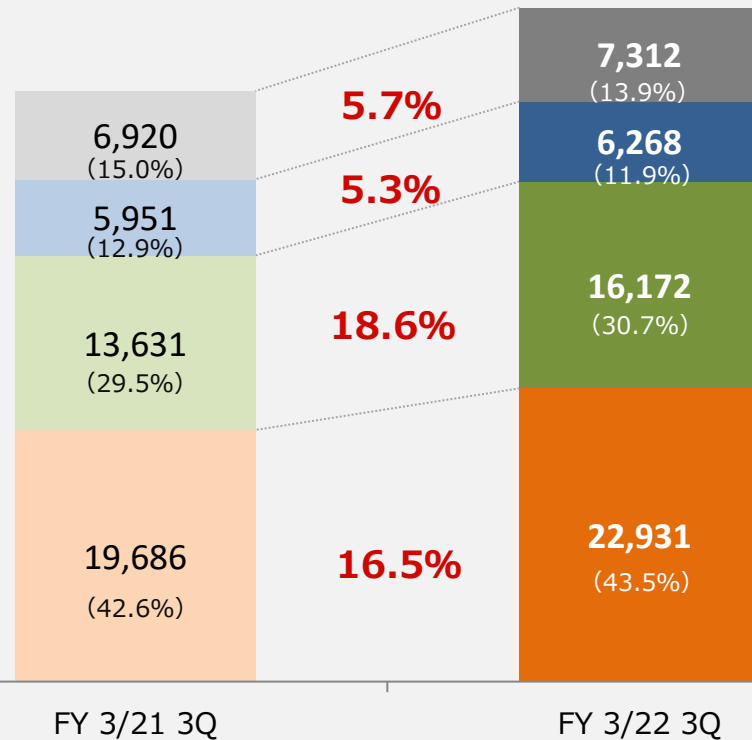
# FY 3/2022 3Q Net Sales by Industry (NISSO, Non-consolidated)



(Unit: Million yen)

## Net Sales Composition Ratios

Other Precision·Elec. Machinery Elec. Devices Automobiles



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

### 【Precision · Electrical Machinery】

Net sales increased by 5.3% YoY. Although it has been recovering moderately, it has not reached the level of FY 3/2020.

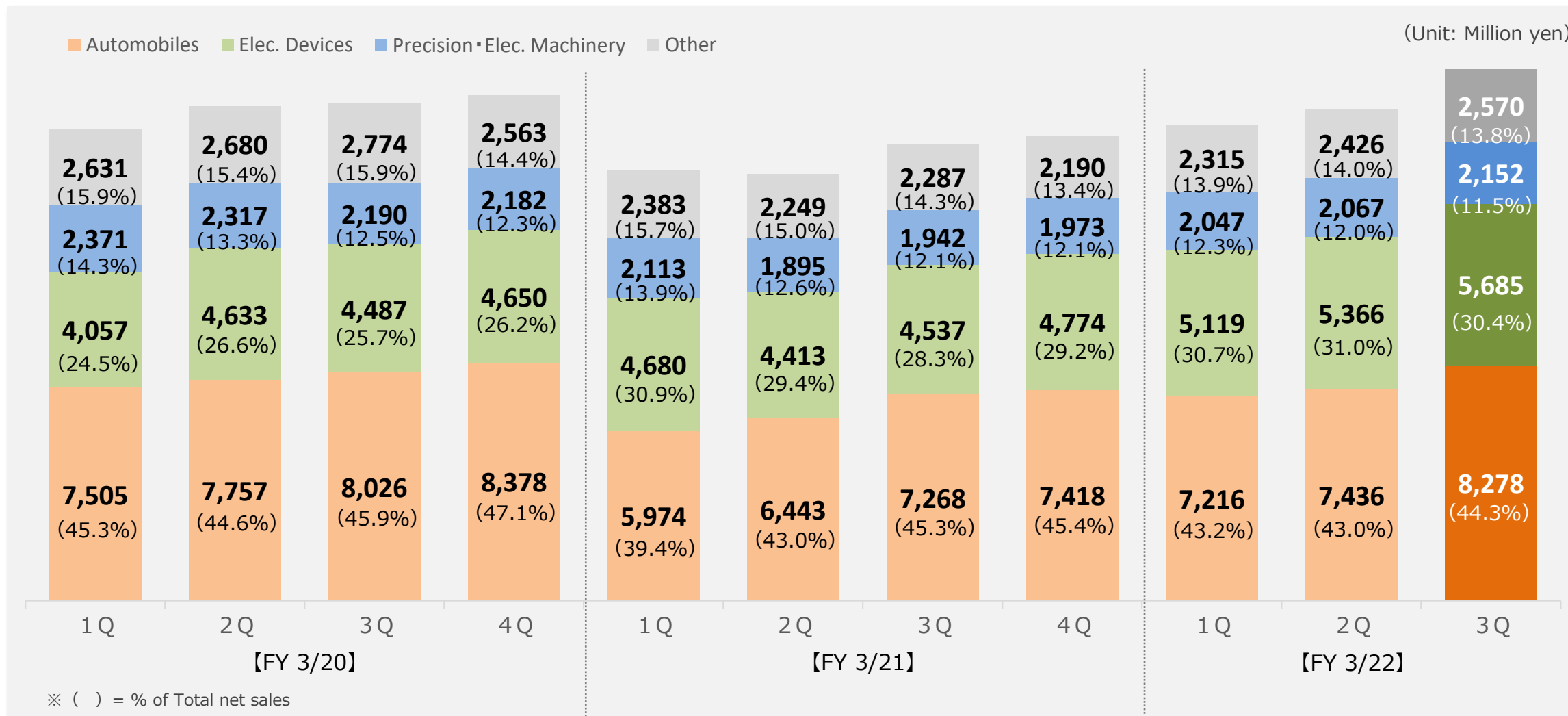
### 【Electronic Devices】

Net sales increased by 18.6% YoY. In addition to the solid growth of semiconductors, in-vehicle-related production increased, and net sales in 3Q reached a record high since NISSO's listing.

### 【Automobiles】

Net sales increased by 16.5% YoY. Net sales increased due to an increase in the number of staff for recovery production, although there was an impact of a decrease in operations (number of working days, overtime hours, holiday work, etc.) as a result of shortages of semiconductor and parts supplies, mainly for auto-body manufacturers.

# FY 3/2022 Quarterly Net Sales by Industry (NISSO, Non-consolidated)



# Net Sales per Capita (NISSO, Non-consolidated)



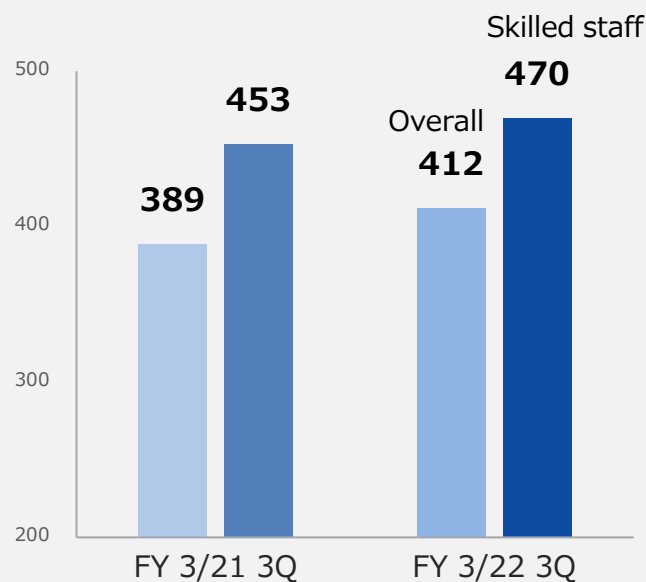
- FY 3/2022 3Q YTD <Overall net sales per capita> 412 Thousand yen (+24 Thousand yen YoY)  
<Skilled staff net sales per capita> 470 Thousand yen (+17 Thousand yen YoY)
- Overall and skilled staff net sales per capita increased YoY. Although billing unit-costs rose and increased, the effect of the decrease in operations due to shortages of semiconductor and parts supplies in the automobiles-related industry continued.

(Unit: Thousand yen)

(Unit: Thousand yen)

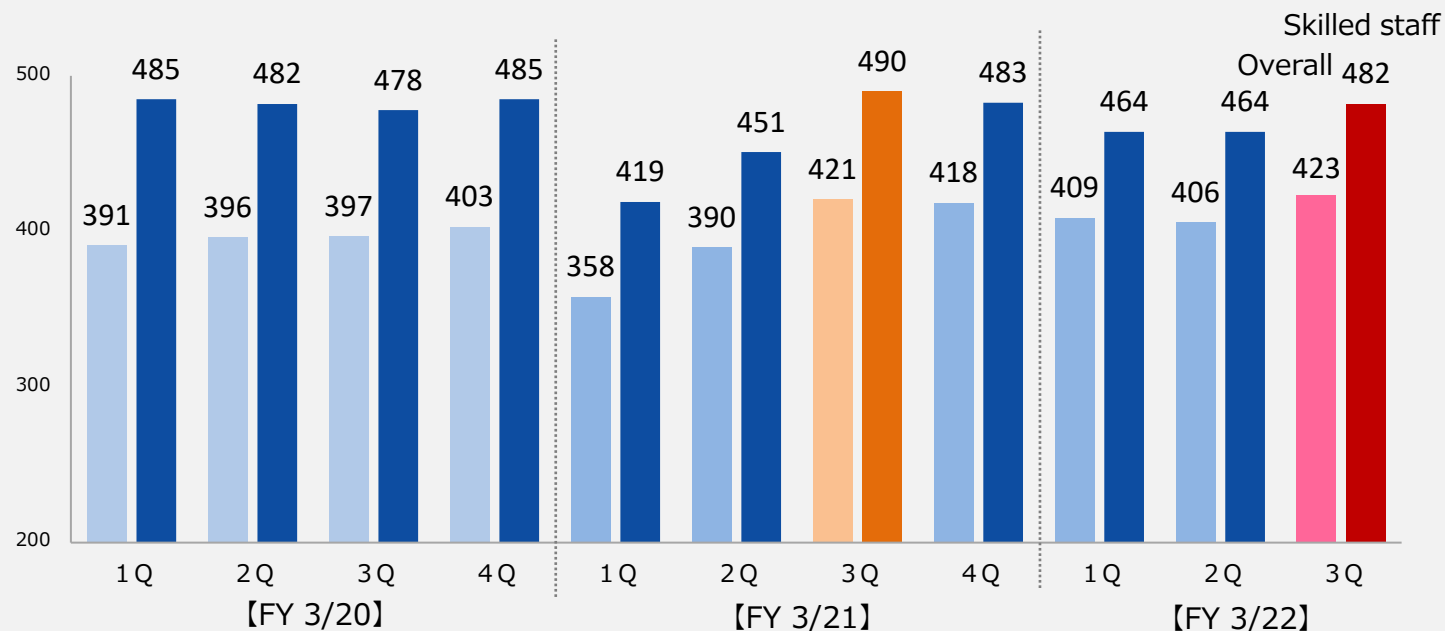
## Net Sales per Capita

(Monthly Average Conversion)



## Net Sales per Capita

(Quarterly)



# Number of Enrolled Staff (NISSO, Non-consolidated)



(Unit: # of Staff)

## Compared w. Previous FY-end

+1,569 staff (+11.9%)

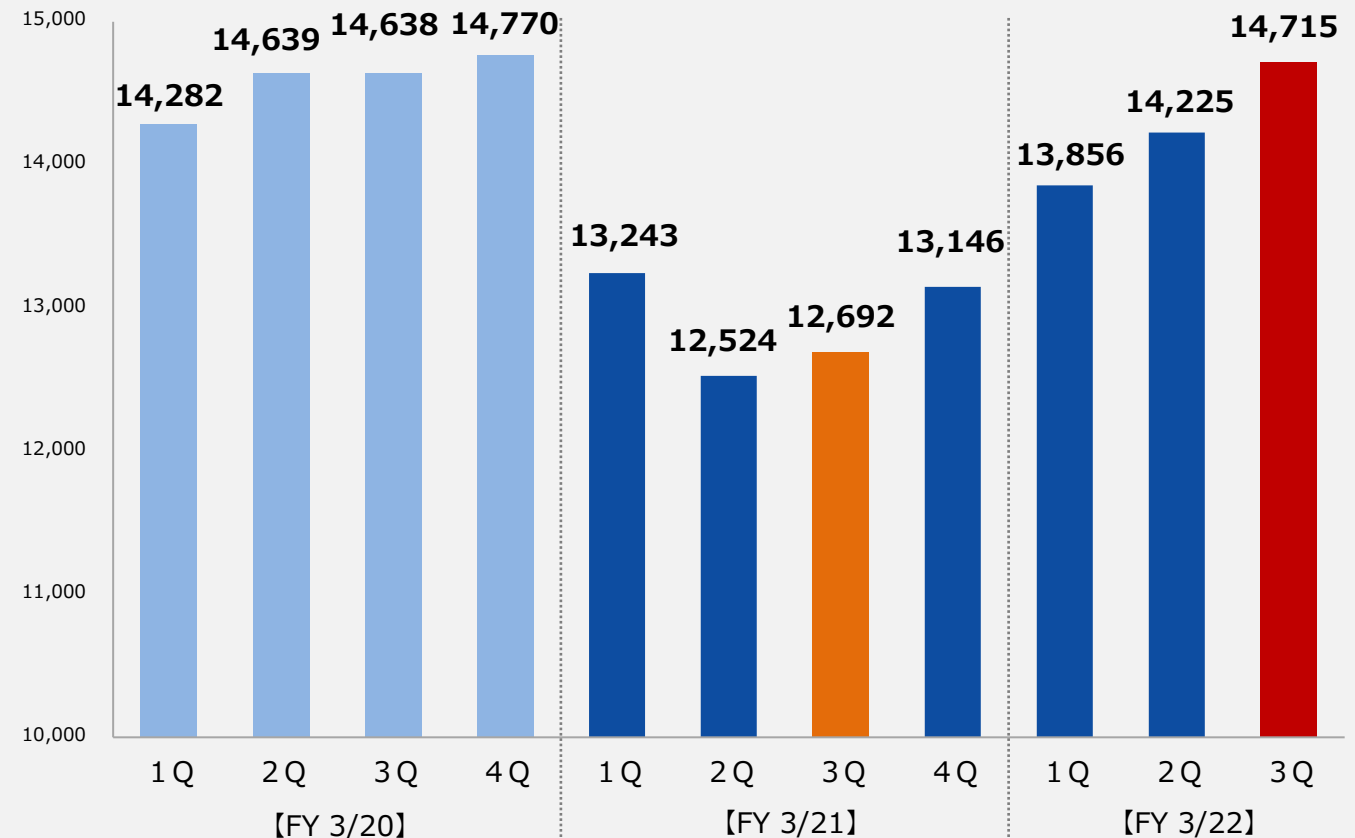
### Point①

Human resources needs continue to be strong. In addition, the number of enrolled staff increased steadily due to the suppression of staff resigning from NISSO.

### Point②

In addition to the increase in staff due to recovery production in the automobiles-related industry and strong semiconductor demand, human resources needs also expanded in other industries.

## Number of Enrolled Staff at Quarter-end



# Number of Skilled Staff · Engineers (NISSO, Non-consolidated)

## Point①

- Engineers: 982 (+81 vs. 2Q)
- Skilled staff: 5,244 (+121 vs. 2Q)

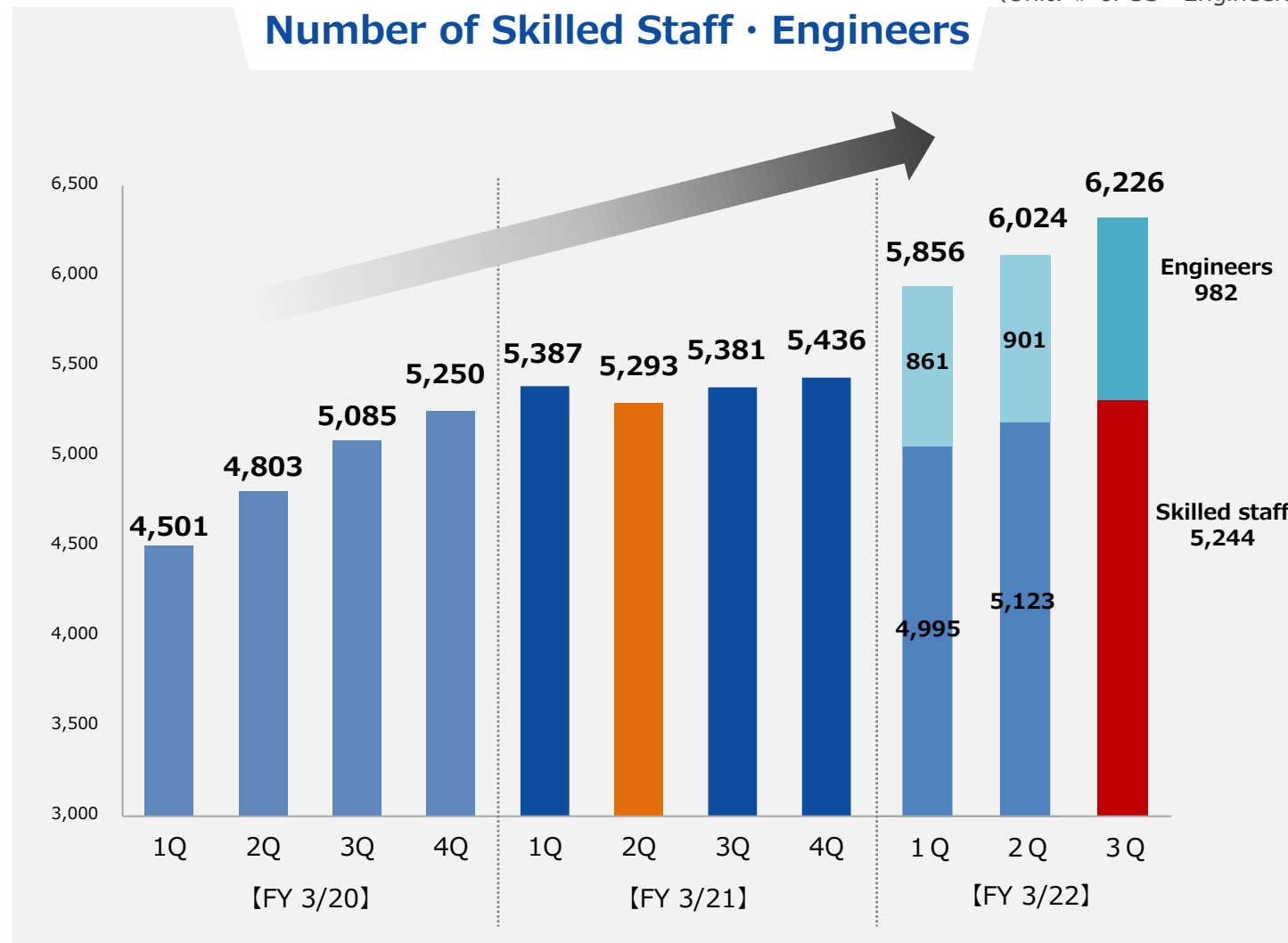
## Point②

The number of engineers increased steadily, partly due to the promotion of career changes from skilled staff to engineers.

## Point③

In addition to the account automobiles manufacturer and its group company, skilled staff/engineers increased at semiconductor-related manufacturers.

(Unit: # of SS · Engineers)



# Account Companies (NISSO, Non-consolidated)



## Point①

Net sales of Account Company Groups in 3Q increased by 15.5% YoY.  
Cumulative 3Q net sales increased by 12.3% YoY.

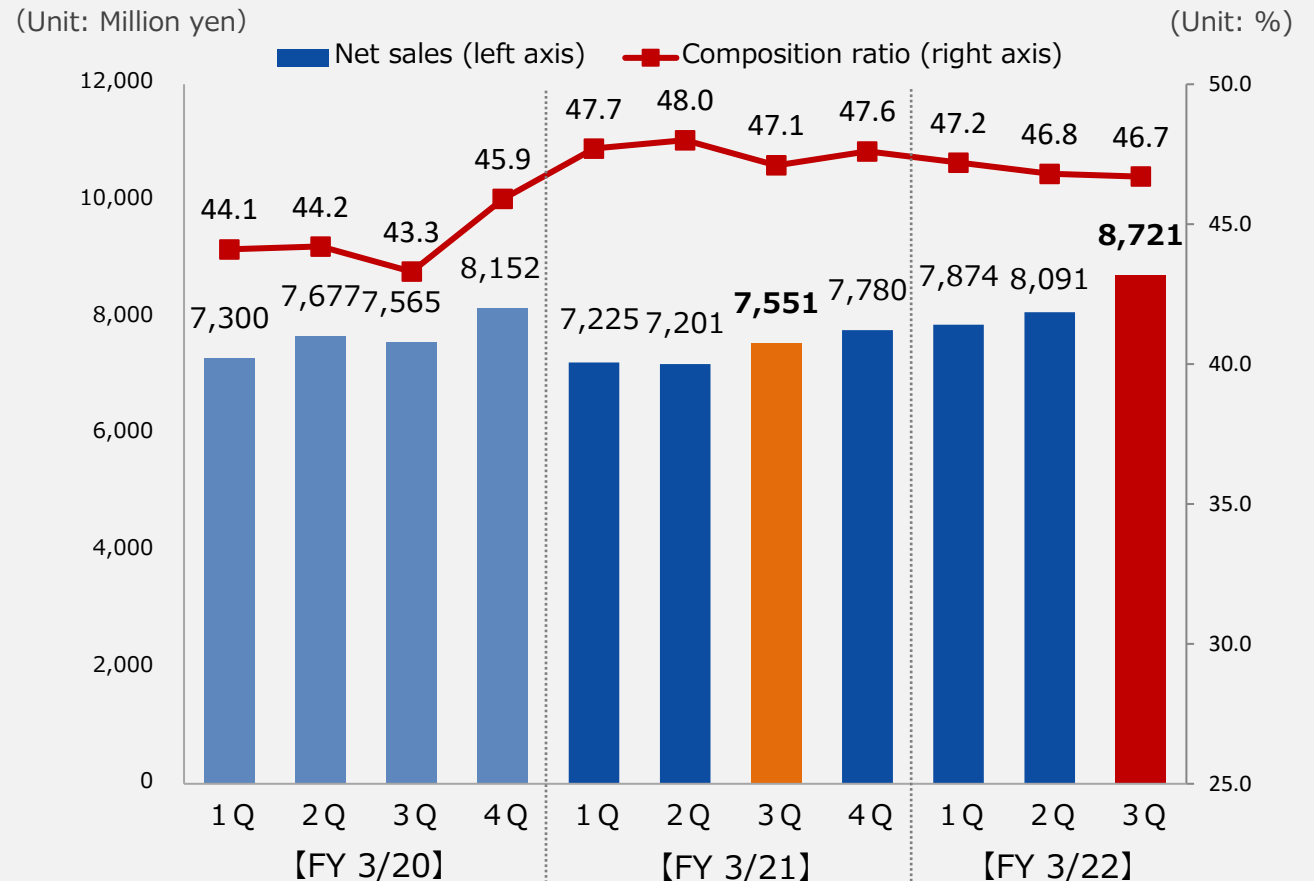
## Point②

Net sales in 3Q reached a record high since NISSO's listing. Production recovered since November in the automobiles-related corporate group. In addition, net sales increased due to an increase in enrollment as a result of an increase in the number of staff for recovery production.

## Point③

The ratio of net sales of Account Companies remained flat, partly due to shortages of semiconductor and parts supplies in the automobiles-related industry.

## Account Company Groups Net Sales





# Turnover Rates (NISSO, Non-consolidated)

(Unit: %)

## FY 3/2022 3Q Results

Overall turnover rate

**3.7%**

(Improvement of 0.5 pts vs. FY 3/2021)

Skilled staff · Engineers turnover rate

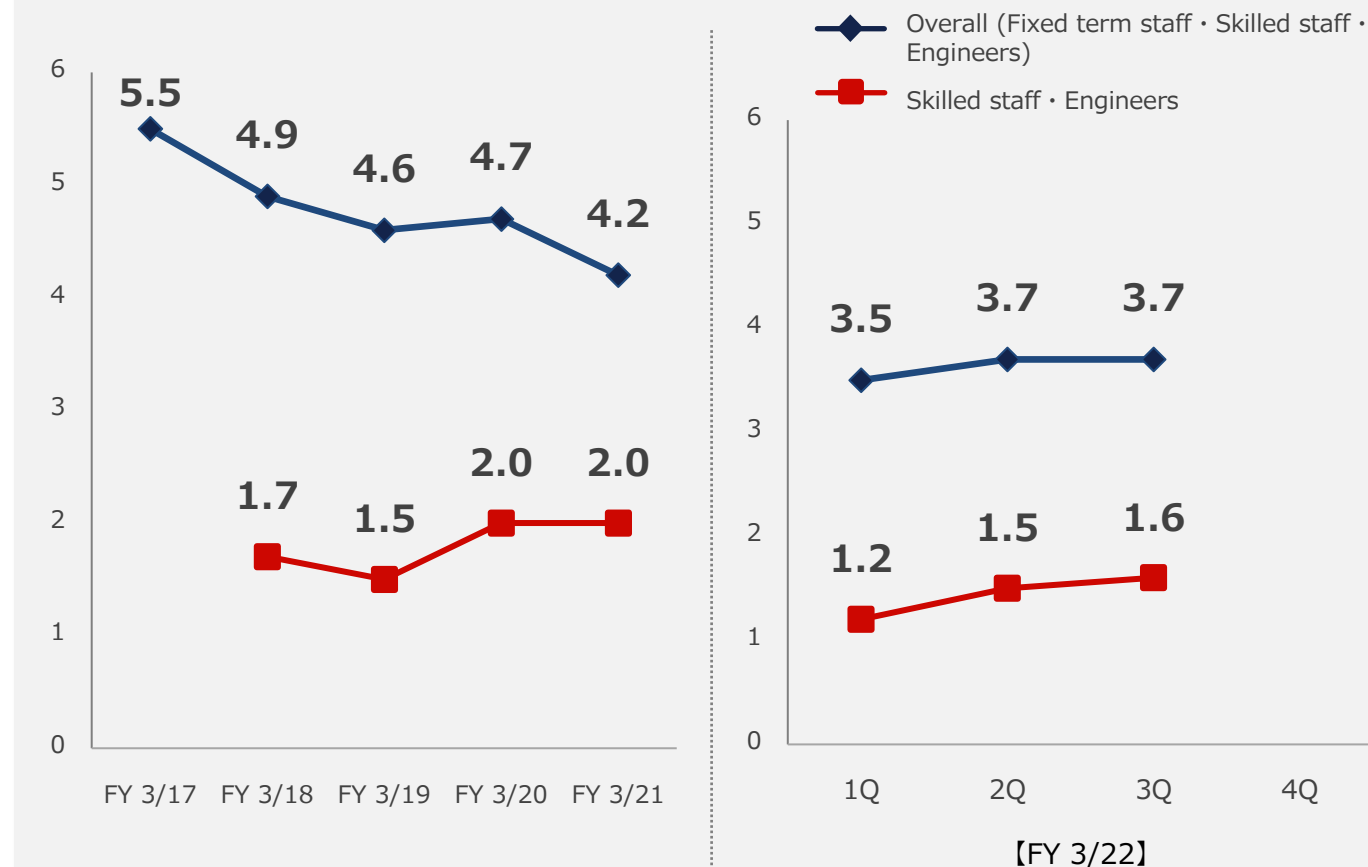
**1.6%**

(Improvement of 0.4 pts vs. FY 3/2021)

## Point

The overall turnover rate remained below 4%. The turnover rate of skilled staff and engineers was also maintained at less than 2%. Maintaining the turnover rates contributed to an increase in the number of enrolled staff.

## Trend of Turnover Rates



# Educational Achievements (NISSO, Non-consolidated)



## Point①

Total educational achievements of the main courses nearly doubled YoY.

## Point②

- The number of participants who received engineer education increased by 122 YoY.
- The number of participants who received basic equipment maintenance education increased by 49 YoY.

- FY 3/2022 3Q Main course-specific educational achievements (total # of participants)

(Unit: # of participants)

| Training course name                  | 3 Q<br>(Oct - Dec) | Contents  | FY 3/21 3Q   |
|---------------------------------------|--------------------|---|--------------|
| Skilled staff education               | 327                | Standard skilled staff education  | 258          |
| Basic equipment maintenance education | 100                | Basic equipment maintenance education   | 51           |
| Engineer education                    | 158                | Manufacturing equipment maintenance · manufacturing equipment technology<br>Mechanical design · production technology<br>SEAJ education (safety education specializing in semiconductors) | 36           |
| Manufacturing education               | 1,419              | MONOZUKURI (manufacturing) education, pre-assignment training for manufacturing staff, mobile education   | 666          |
| <b>Total</b>                          | <b>2,004</b>       |   | <b>1,011</b> |



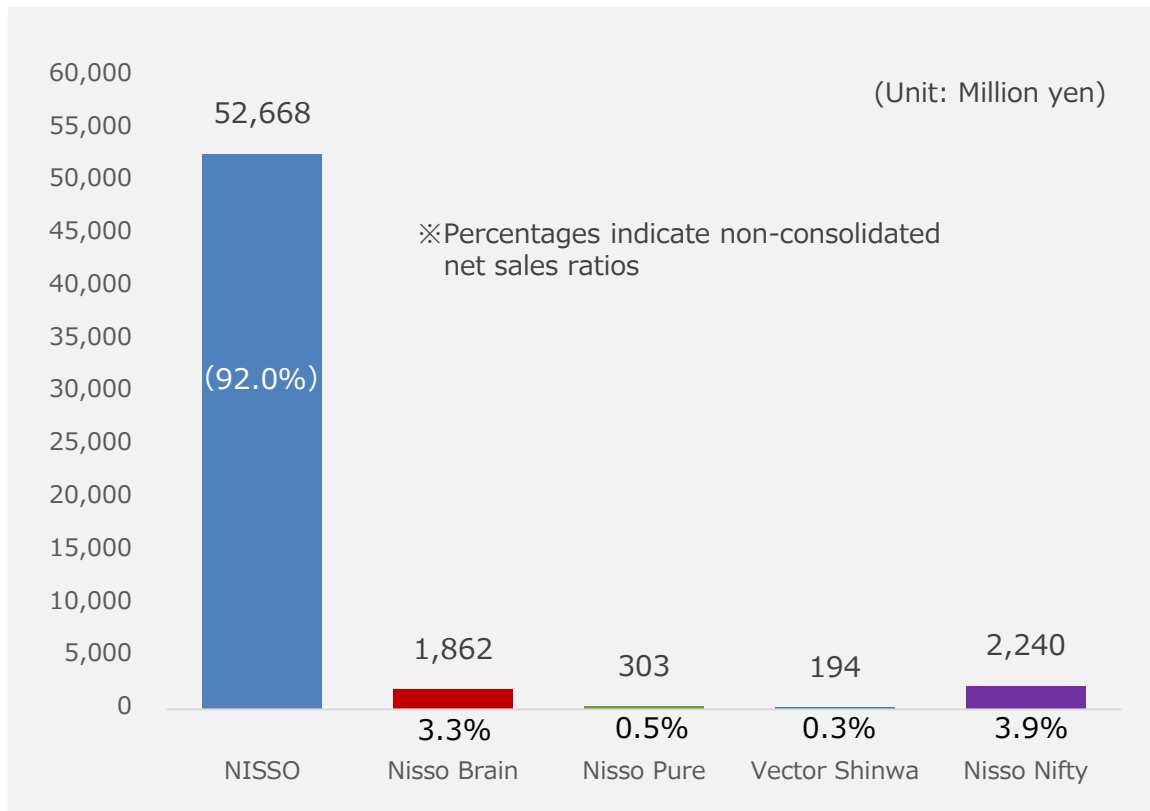
**3**

**Financial Results by Target Segment**  
(First Nine Months of FY 3/2022 (3Q))

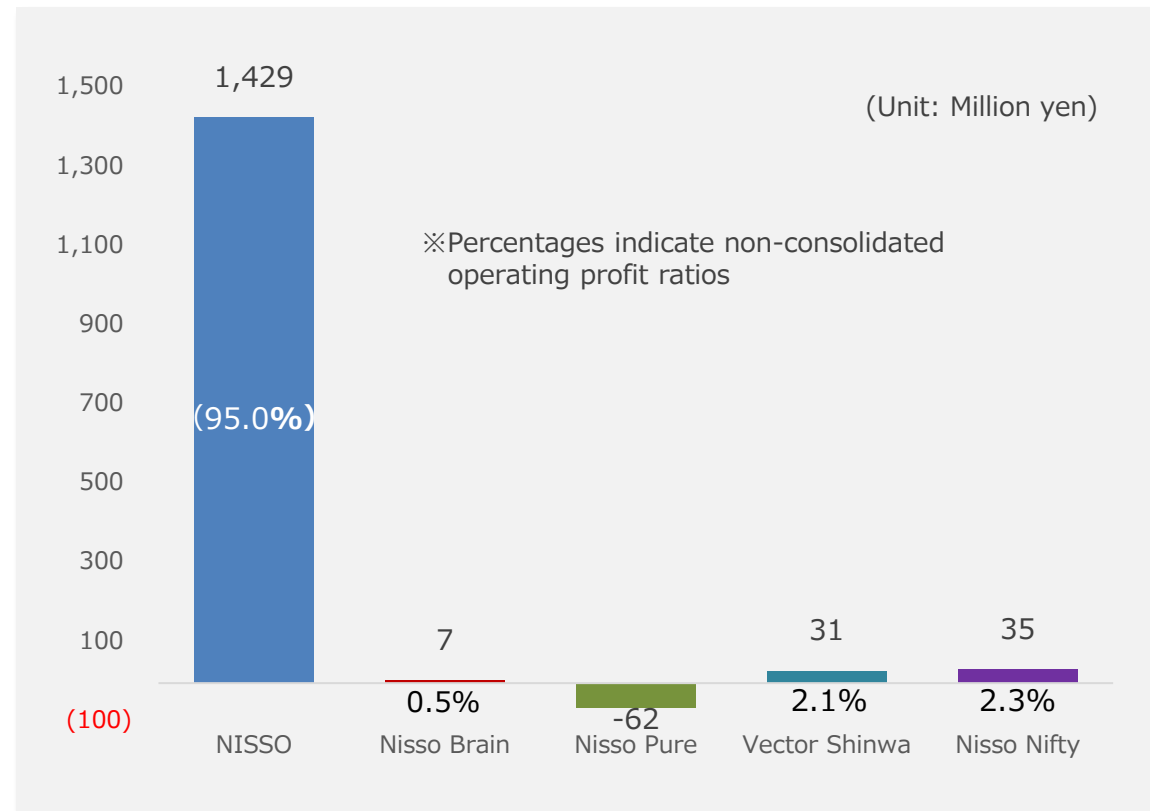
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# Net Sales · Operating Profit Ratio by Company

FY 3/2022 3Q  
Net Sales by Company



FY 3/2022 3Q  
Operating Profit by Company



92% or more of net sales and operating profit are composed of NISSO's non-consolidated business results

# Existing Areas

## Existing Net Sales

Net sales in 3Q alone increased by 8.9% compared to 2Q, partly due to an increase in the number of enrolled staff.

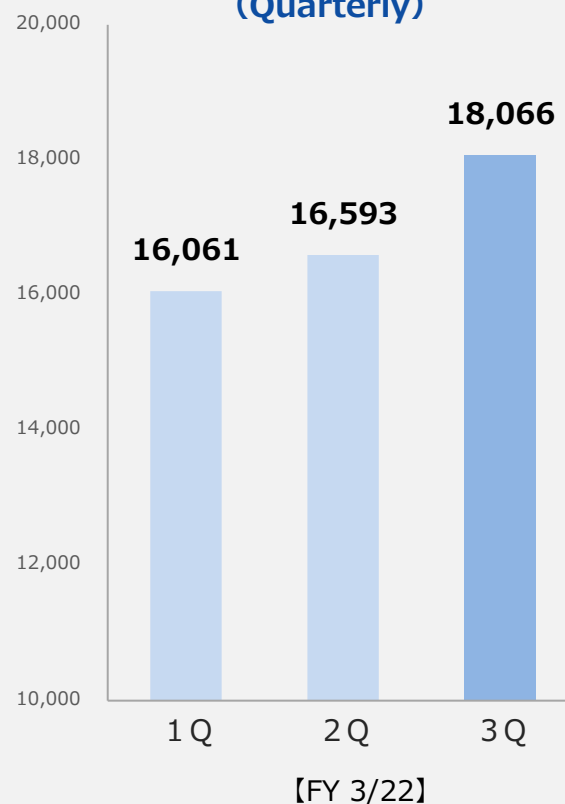
## Existing Enrolled Staff

In addition to the increase in the number of staff due to recovery production in the automobiles-related industry, the number of enrolled staff increased by 530 compared to 2Q as a result of the acquisition of Vector Shinwa as a subsidiary. The breakdown was +409 for NISSO, +35 for Nisso Brain, and +86 for the newly added Vector Shinwa.

(Unit: Million yen)

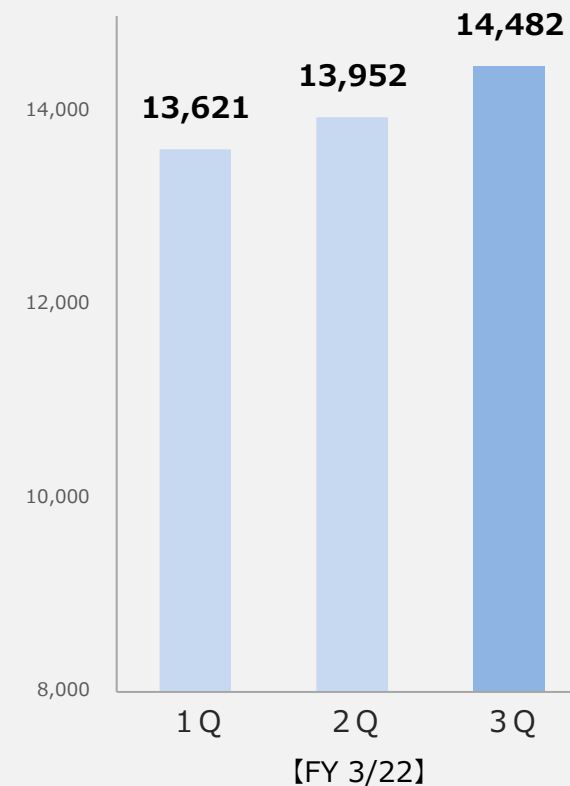
### Existing Net Sales

(Quarterly)



(Unit: # of Staff)

### Number of Existing Enrolled Staff at Quarter-end



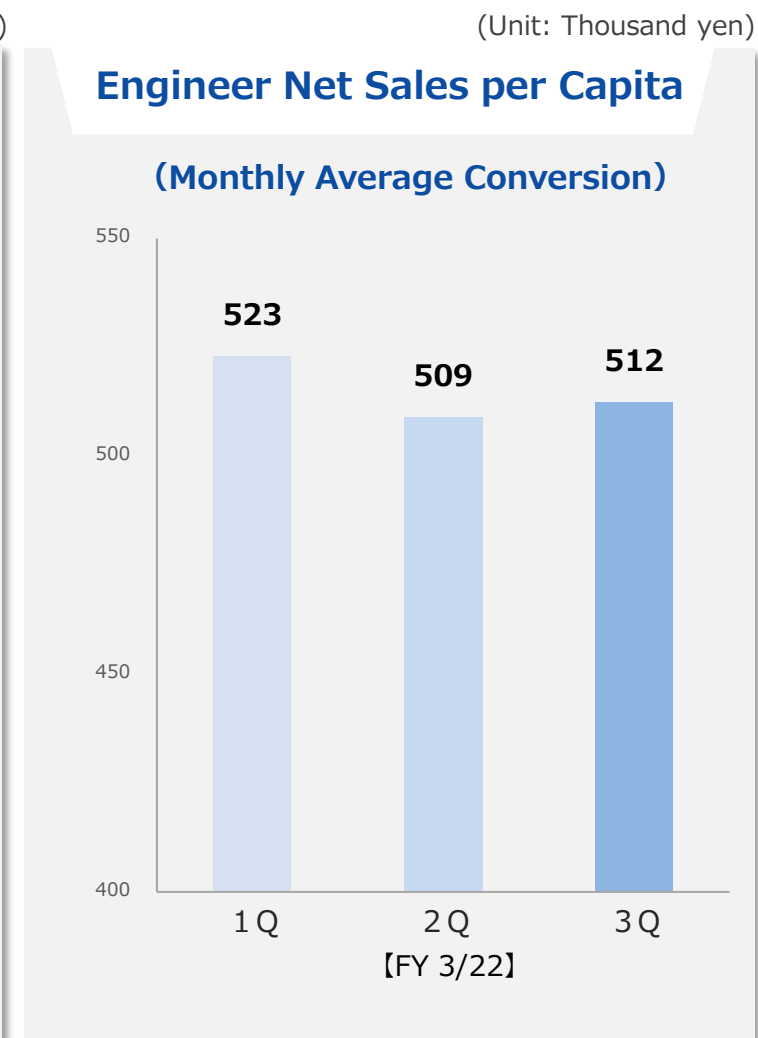
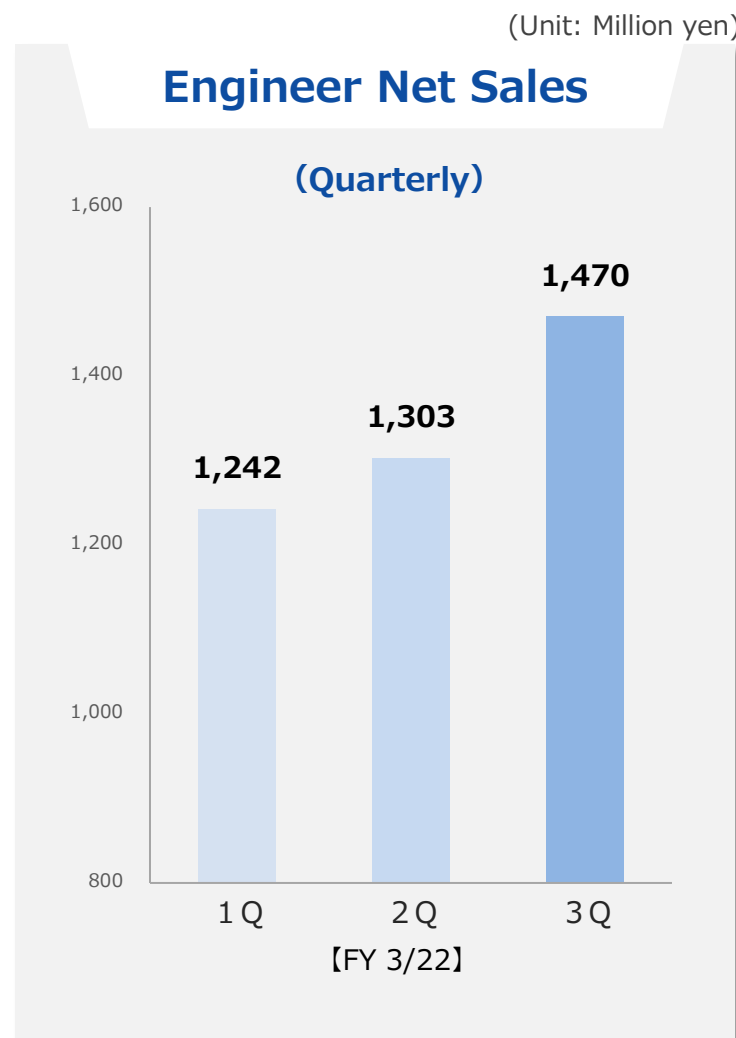
# Engineering Area (Financial Results)

## Net sales

- Net sales in 3Q increased by 166 million yen (12.8%) compared to 2Q.
- Compared to the target for the current FY, the progress rate was at 97.9%, which was the highest in the net sales targets by target segments.

## Net sales per capita

The net sales per capita of engineers was 512 thousand yen/month, which exceeded that of skilled staff which was 470 thousand/month.



# Engineering Area: Number of Enrolled Engineers



## Enrolled Engineers at Quarter-end

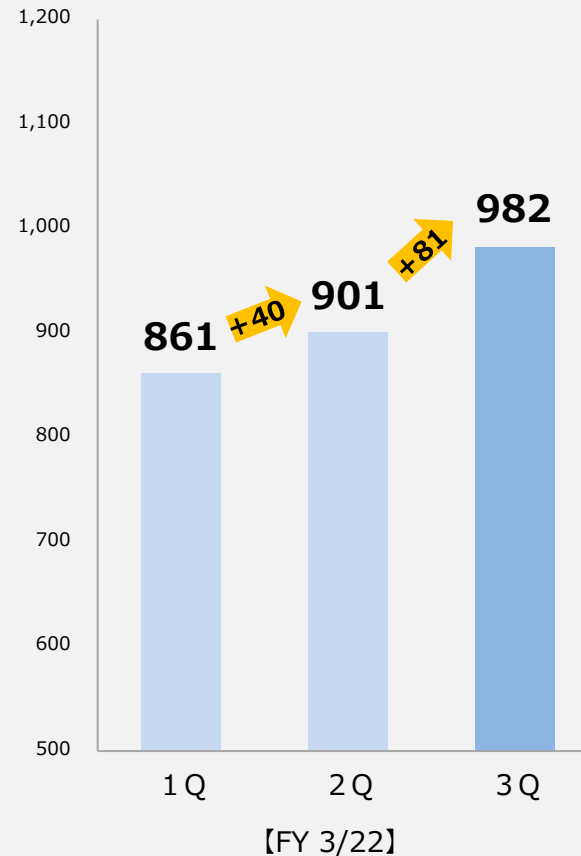
- The number of enrolled engineers increased by 81 from the end of 2Q.
- The number of newly enrolled engineers on a quarterly basis more than doubled compared to 2Q.

## Engineer Industry Classification

Among engineer enrollment by industry, NISSO continues to focus on equipment technology centered on semiconductor devices.

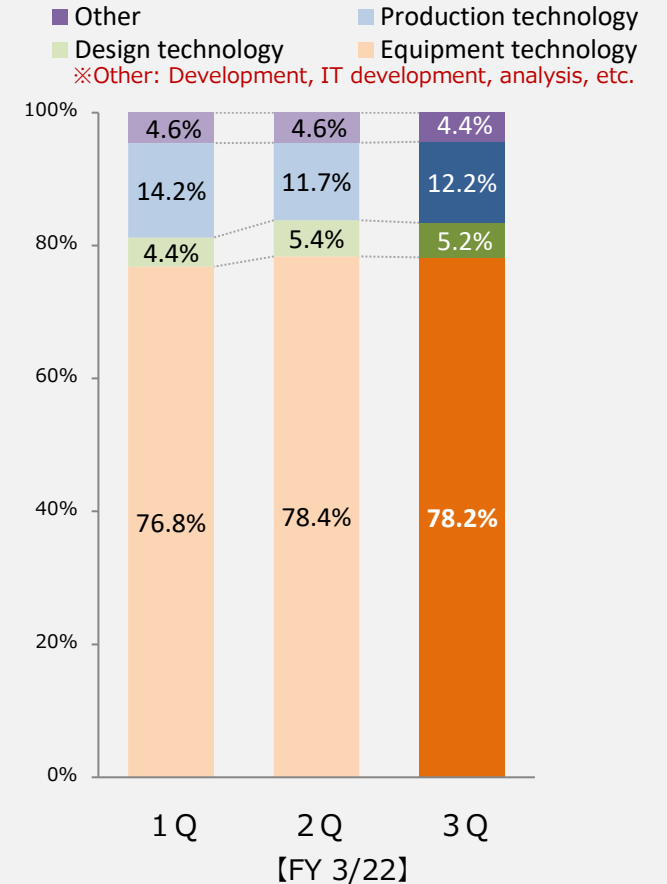
(Unit: # of Engineers)

### Number of Enrolled Engineers at Quarter-end



(Unit: %)

### Composition Ratio of Engineer Enrollment by Industry



# Turnover Rates (Existing · Engineering Areas)

## FY 3/2022 3Q Results

Existing area (non-consolidated) turnover rate

**3.9%**

(Increase of 0.1 pts vs. FY 3/2022 2Q)

Engineering area (non-consolidated) turnover rate

**1.9%**

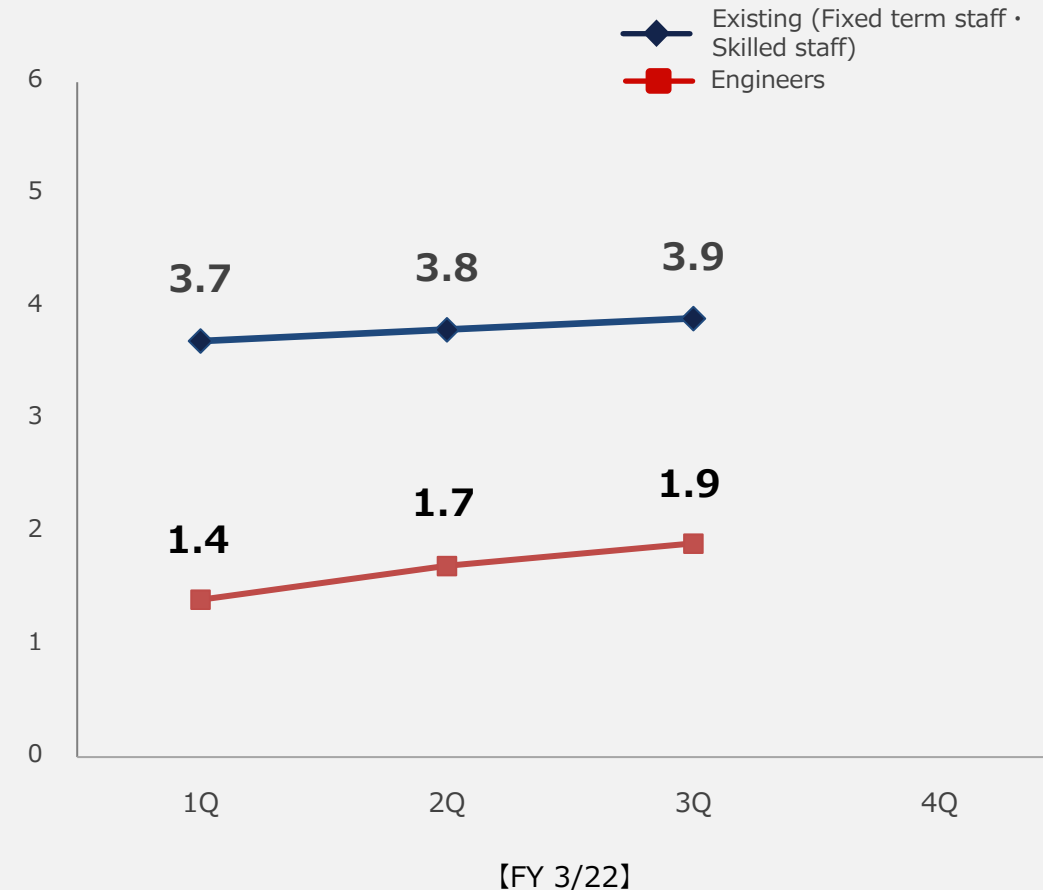
(Increase of 0.2 pts vs. FY 3/2022 2Q)

## Point

The existing turnover rate remained below 4%.  
The turnover rate of engineers remained at less than 2%, increasing by 0.2 pts compared to 2Q, partly due to the increase in the number of enrolled engineers.

(Unit: %)

## Trend of Turnover Rates



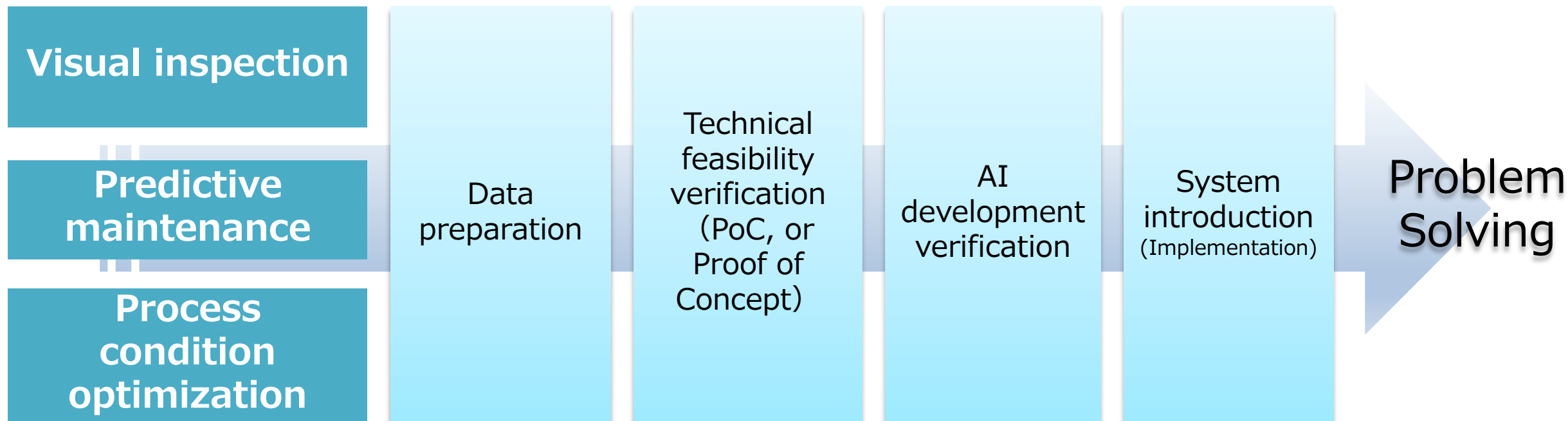


# Progress of AI Solution Services

Provision of more concrete AI Solution Services with the aim of solving problems faced by manufacturers.

## Utilization of AI to solve specific problems

NISSO will provide more specific AI Solution Services with the aim of solving problems such as operational efficiency and labor-saving in performing visual inspection, predictive maintenance, and process condition optimization, which are particularly high needs among issues faced by manufacturers.



# Capital and Business Alliance with TSUNAGU GROUP HOLDINGS Inc.

NISSO has concluded an agreement to underwrite a third-party allotment of shares to TSUNAGU HC SUPPORT Inc. [New company name: LeafNxt Co., Ltd.], a consolidated subsidiary of TSUNAGU GROUP HOLDINGS Inc. (President: Mitsuhiro Yoneda, Chiyoda-ku, Tokyo) and to establish the new company as a joint venture company.

In order to further revitalize the human resources market, NISSO aims to provide new value by integrating the businesses and expertise of both companies through the joint venture, and will strive to realize a human-centered society that balances economic development and the resolution of social issues.

## Business Description of the Joint Venture Company

- Recruitment platform business that connects alliance companies and companies with a shortage of human resources
- Recruitment consulting business (media direction business) centered on the manufacturing contracting industry
- Development-type qualified personnel dispatching business with qualification acquisition support
- Dispatching business centered on light work areas

※For details, please refer to the "Notice of Capital and Business Alliance with TSUNAGU GROUP HOLDINGS Inc. (Conversion of TSUNAGU's Subsidiary as a Joint Venture Company)" announced on January 18, 2022.

## 【Overview of Joint Venture Company to be Established】

|                                     |  |
|-------------------------------------|--|
| (1) Company name                    | TSUNAGU HC SUPPORT Inc.<br>※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) Investment ratio                | TSUNAGU GROUP HOLDINGS Inc. : 51.3%<br>NISSO CORPORATION : 48.7%   |

# Other Businesses Business Revenue

## Point

- The occupancy rate of all nursing care facilities has been maintained at 90% or higher.
- Efficient operations have continued, and revenue and profits have increased.
- Operating profit increased from 20 million yen in 2Q to 35 million yen.

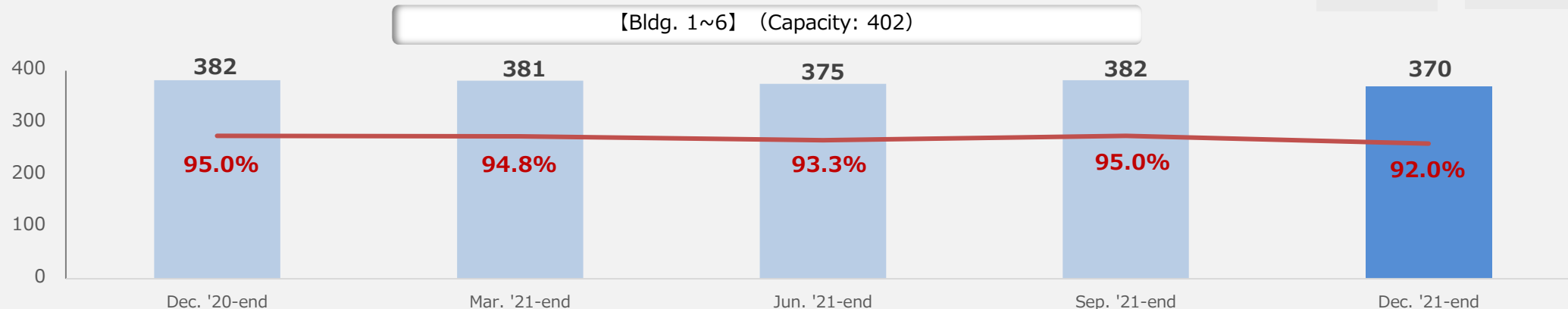
## ● Results of Other Businesses

(Unit: Million yen)

|                         | FY 3/21 3Q |            | FY 3/22 3Q |            | Year-on-Year        |          |
|-------------------------|------------|------------|------------|------------|---------------------|----------|
|                         | Results    | % of Total | Results    | % of Total | Increase (Decrease) | % Change |
| Net sales               | 2,220      | 100.0%     | 2,240      | 100.0%     | 19                  | 0.9%     |
| Expenses                | 2,242      | 101.0%     | 2,204      | 98.4%      | (37)                | (1.7%)   |
| Operating profit (loss) | (21)       | (1.0%)     | 35         | 1.6%       | 57                  | —        |

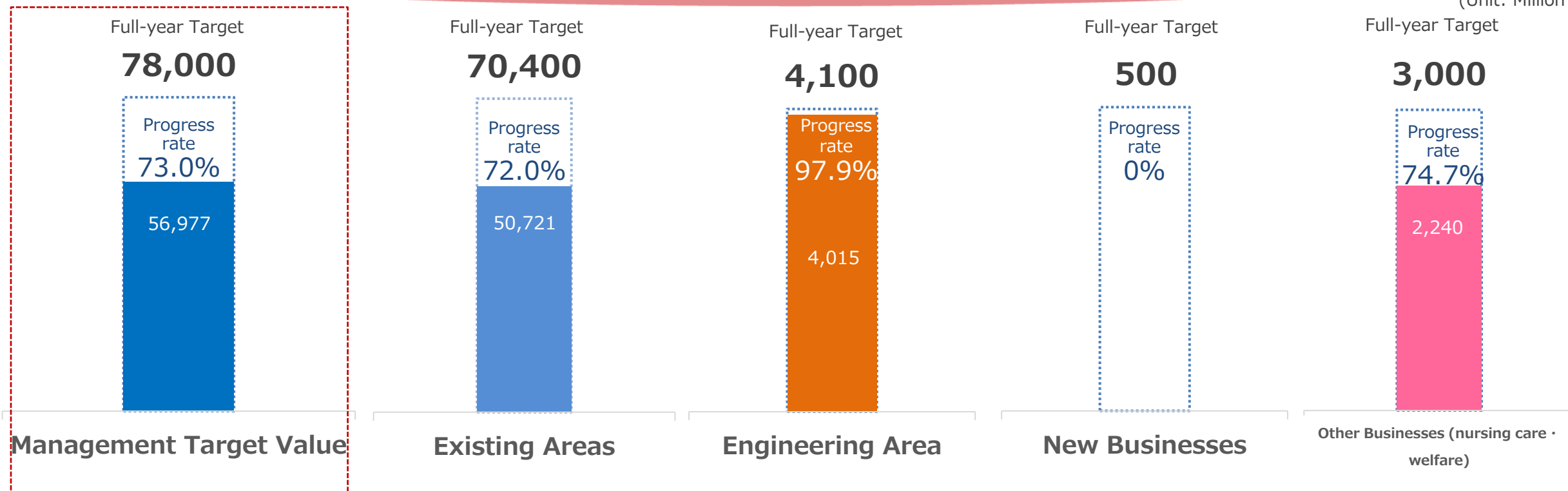
(Unit: # of residents)

## Number of facility residents



# Summary (Progress of Net Sales Targets by Target Segment)

(Unit: Million yen)



|                  | FY 3/22 Management Target Value (Consolidated) |               |               | FY 3/22 Existing Areas |               |               | FY 3/22 Engineering Area |              |               | FY 3/22 New Businesses |            |               | FY 3/22 Other Businesses |              |               |
|------------------|--|---------------|---------------|------------------------|---------------|---------------|--------------------------|--------------|---------------|------------------------|------------|---------------|--------------------------|--------------|---------------|
|                  | Full-year Target                               | 3Q Results    | Progress rate | Full-year Target       | 3Q Results    | Progress rate | Full-year Target         | 3Q Results   | Progress rate | Full-year Target       | 3Q Results | Progress rate | Full-year Target         | 3Q Results   | Progress rate |
| <b>Net sales</b> | <b>78,000</b>                                  | <b>56,977</b> | 73.0%         | <b>70,400</b>          | <b>50,721</b> | 72.0%         | <b>4,100</b>             | <b>4,015</b> | 97.9%         | <b>500</b>             | <b>0</b>   | 0%            | <b>3,000</b>             | <b>2,240</b> | 74.7%         |

# Introduction of Shareholder Benefits Program

## Establishment of shareholder benefits program "NISSO Premium Benefits Club"

With the aim of further enhancing the attractiveness of investing in NISSO's shares and increasing the number of shareholders who can hold our shares over the medium to long term, we have established the "NISSO Premium Benefits Club" shareholder benefits program. The first shareholder benefits points are scheduled to be presented in May 2022.

## Overview of the Shareholder Benefits Program

- Shareholders who hold more than 3 share units (300 shares) listed or recorded in NISSO's register of shareholders as of the end of March every year will receive benefits points in May (scheduled) every year according to the number of shares held.
- The "NISSO Premium Benefits Club", a special website limited to shareholders, will allow shareholders to exchange benefits points for more than 4,000 types of products, such as food and electrical appliances.

※For details, please refer to the "Notice of Introduction of Shareholder Benefits Program" announced on December 16, 2021.

### < Shareholder Benefits Points Table (1 point ≒ 1 yen) >

| Number of Shares Held | Points to be Granted | Presentation Period              |
|-----------------------|----------------------|----------------------------------|
| 300~499 shares        | 3,000 points         | May of every year<br>(Scheduled) |
| 500~699 shares        | 6,000 points         |                                  |
| 700~899 shares        | 10,000 points        |                                  |
| 900~999 shares        | 15,000 points        |                                  |
| 1,000~1,999 shares    | 20,000 points        |                                  |
| 2,000+ shares         | 50,000 points        |                                  |



**4**

## **Future Prospects (FY 3/2022)**

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# FY 3/2022 Full-year Consolidated Forecasts



According to the Full-year Consolidated Forecasts, although the number of enrolled staff increased at a pace that exceeds the initial plan for the FY, NISSO expects a decrease in profits, partly due to a decrease in operations as a result of shortages of semiconductor and parts supplies in the automobiles-related industry.

## ■ FY 3/2022 Full-year Consolidated Forecast (April 1, 2021 ~ March 31, 2022)

(Unit: Million yen)

|   | FY 3/21 Results |            | FY 3/22 Forecast |            | Year-on-Year        |          |
|---|-----------------|------------|------------------|------------|---------------------|----------|
|   | Results         | % of Total | Forecast         | % of Total | Increase (Decrease) | % Change |
| Net sales                               | <b>68,213</b>   | 100.0%     | <b>78,000</b>    | 100.0%     | <b>9,786</b>        | 14.3%    |
| Operating profit                        | <b>2,599</b>    | 3.8%       | <b>2,400</b>     | 3.1%       | <b>(199)</b>        | (7.7%)   |
| Ordinary profit                         | <b>2,949</b>    | 4.3%       | <b>2,600</b>     | 3.3%       | <b>(349)</b>        | (11.9%)  |
| Profit attributable to owners of parent | <b>1,592</b>    | 2.3%       | <b>1,750</b>     | 2.2%       | <b>157</b>          | 9.9%     |



## **5** Shareholder Return Policy

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# Shareholder Return Policy

## Basic Policy

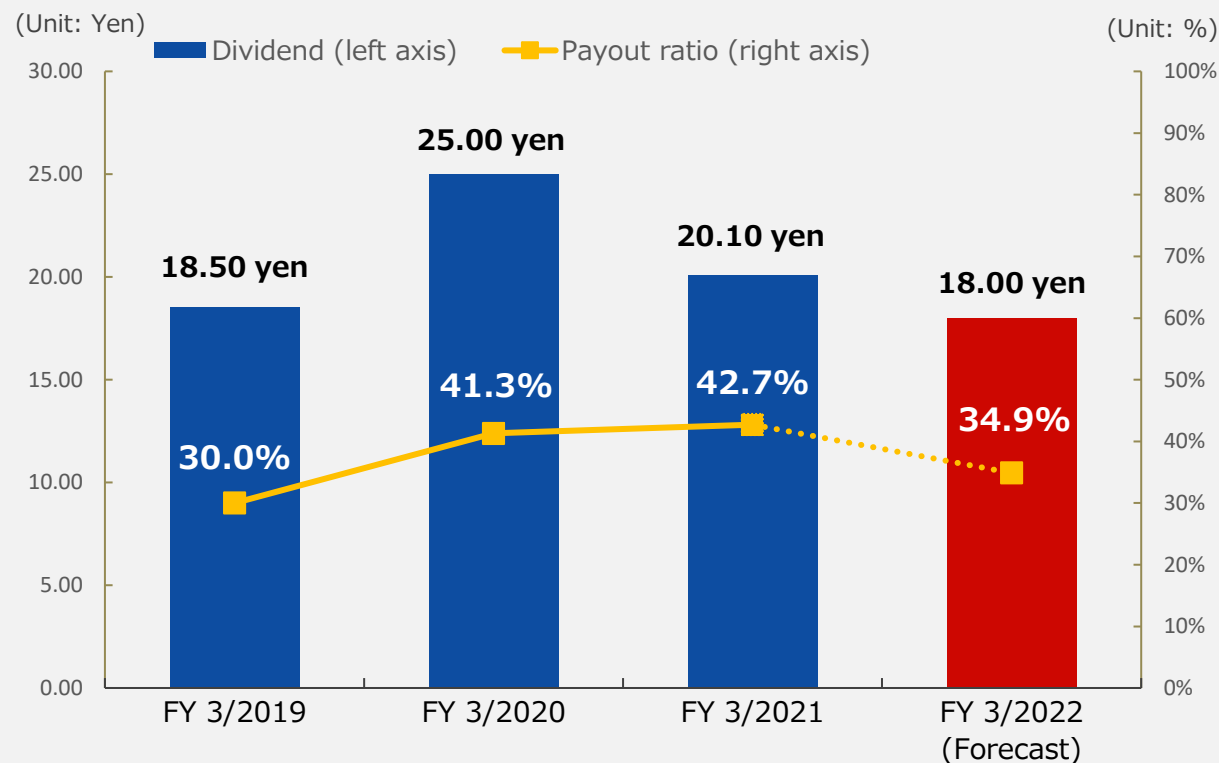
NISSO considers the redistribution of profits to shareholders and the enhancement of corporate value as key management issues. In addition, by setting the consolidated dividend payout ratio of 30% as a general standard, NISSO's basic policy is to continue to steadily redistribute profits to all of our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

In the future, NISSO will aim to achieve a consolidated dividend payout ratio of over 30%, taking into account the balance with investments.

## FY 3/2022 Dividend Forecast

NISSO forecasts a dividends per share of 18.00 yen. This will result in a dividend payout ratio of 34.9%.

## Dividend and Payout Ratio



※NISSO's common stock was split at a ratio of 2 shares for 1 share on May 1, 2019, and the FY 3/2019 dividend payout shown above is the dividend payout amount after the stock split.



# 6

## Supplementary Materials

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# Consolidated Balance Sheet

(Unit: Million yen, %)

|   | Mar. 2021-end |             | Dec. 2021-end |             | Increase<br>(Decrease) |
|---|---------------|-------------|---------------|-------------|------------------------|
|   | Amount        | % of Total  | Amount        | % of Total  |                        |
| <b>Current assets</b>                   | <b>14,813</b> | <b>68.5</b> | <b>15,348</b> | <b>65.6</b> | <b>534</b>             |
| Cash and deposits                       | 5,873         | 27.2        | 5,651         | 24.1        | (222)                  |
| Notes and accounts receivable - trade   | 8,094         | 37.4        | 8,784         | 37.5        | 689                    |
| <b>Non-current assets</b>               | <b>6,817</b>  | <b>31.5</b> | <b>8,053</b>  | <b>34.4</b> | <b>1,235</b>           |
| Property, plant and equipment           | 4,654         | 21.5        | 4,643         | 19.8        | (11)                   |
| Intangible assets                       | 305           | 1.4         | 1,724         | 7.4         | 1,419                  |
| Investments and other assets            | 1,857         | 8.6         | 1,685         | 7.2         | (171)                  |
| <b>Total assets</b>                     | <b>21,631</b> | <b>100</b>  | <b>23,401</b> | <b>100</b>  | <b>1,769</b>           |
| <b>Current liabilities</b>              | <b>8,178</b>  | <b>37.8</b> | <b>9,446</b>  | <b>40.4</b> | <b>1,268</b>           |
| Accrued expenses                        | 4,541         | 21.0        | 5,566         | 23.8        | 1,024                  |
| Income taxes payable                    | 494           | 2.3         | 33            | 0.1         | (461)                  |
| Provision for bonuses                   | 950           | 4.4         | 552           | 2.4         | (398)                  |
| <b>Non-current liabilities</b>          | <b>689</b>    | <b>3.2</b>  | <b>1,064</b>  | <b>4.5</b>  | <b>374</b>             |
| Net defined benefit liability           | 345           | 1.6         | 476           | 2.0         | 131                    |
| <b>Total liabilities</b>                | <b>8,868</b>  | <b>41.0</b> | <b>10,510</b> | <b>44.9</b> | <b>1,642</b>           |
| <b>Shareholders' equity</b>             | <b>12,744</b> | <b>58.9</b> | <b>12,879</b> | <b>55.0</b> | <b>135</b>             |
| <b>Total net assets</b>                 | <b>12,763</b> | <b>59.0</b> | <b>12,890</b> | <b>55.1</b> | <b>127</b>             |
| <b>Total liabilities and net assets</b> | <b>21,631</b> | <b>100</b>  | <b>23,401</b> | <b>100</b>  | <b>1,769</b>           |

## Point

### ① Increase in the number of staff in operation

Due to the increase in the number of staff in operation, "notes and accounts receivable (trade)" and "accrued expenses" under current assets increased.

### ② Business combinations, etc.

As a result of the establishment of a new subsidiary through the acquisition of shares, "cash and deposits" under current assets decreased, and "intangible assets" increased.

### ③ Tax

As a result of the interim tax payment, "income taxes payable" under current liabilities decreased.

### ④ Overall

As a result of the above, total assets increased by 8.2%, total liabilities increased by 18.5%, net assets increased by 0.1%, and equity ratio decreased by 3.9% to 55.1% compared to the end of the previous fiscal year.



*Nurturing and Bringing Out  
the Best in People*

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

**For future IR-related inquiries**

Investor Relations Office, NISSO CORPORATION

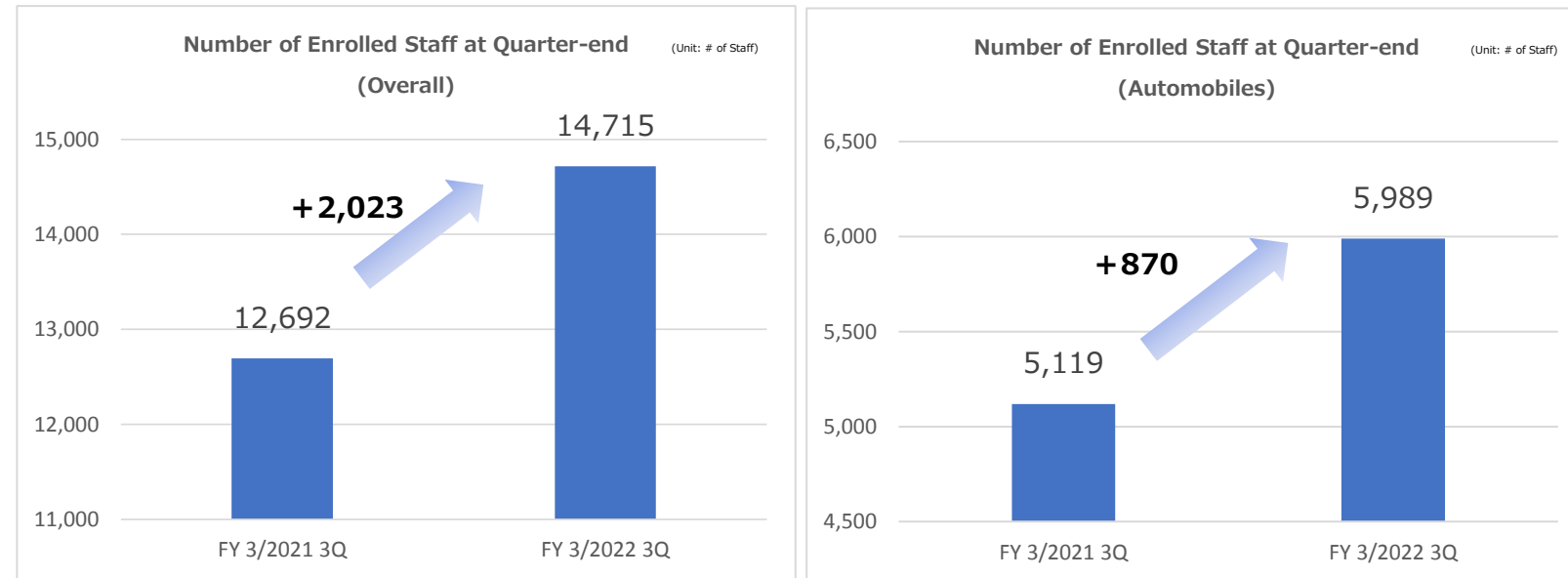
TEL 045-777-7630

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URL <https://www.nisso.co.jp/>

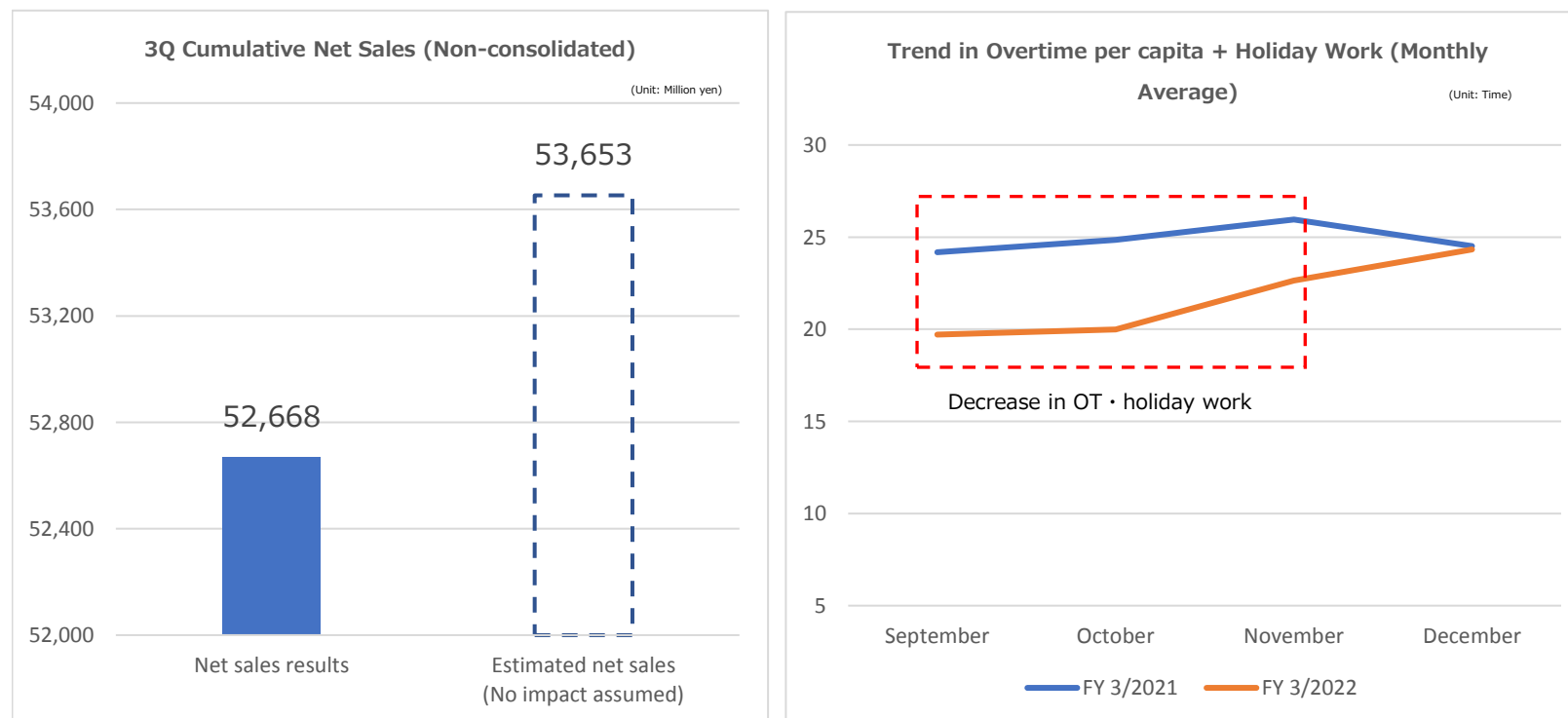
## FY 3/2022 3Q (Non-consolidated) Factors behind the increase in revenue and decrease in profits (Supplement)

### 【Increase in the number of enrolled staff】



Compared to the corresponding period of the previous fiscal year, the number of enrolled staff overall increased by 2,023, and net sales increased due to increases in enrollment and unit costs. Of these, the number of staff in the automobiles-related industry increased by 870, accounting for 43% of the overall increase.

### 【Automobiles-related industry: decrease in operations due to shortages of semiconductor and parts supplies】



Since September, the number of working days, overtime and holiday work per capita (monthly average) has decreased compared to the corresponding period of the previous fiscal year due to shortages of semiconductor and parts supplies in the automobiles-related industry. Assuming that net sales per capita in the particularly affected months were at the same level YoY, it is estimated that net sales increased by about 1 billion yen and profits by about 400~450 million yen.

### 【Increase in SG&A expenses】

(Unit: Million yen)

|                              | FY 3/2021 3Q | FY 3/2022 3Q | Increase (Decrease) |
|------------------------------|--------------|--------------|---------------------|
| Recruitment-related expenses | 405          | 1,277        | 871                 |
| Dormitory-related expenses   | 708          | 801          | 93                  |

Recruitment-related expenses were lower than normal due to the effects of COVID-19 in the previous fiscal year, and in addition, investment in recruitment was expanded in the current fiscal year. Also, dormitory-related expenses increased due to an increase in the number of enrolled staff.

### 【Summary】

- The number of enrolled staff increased more than originally planned
- In the automobiles-related industry, operations decreased due to the effects of shortages of semiconductor and parts supplies, and the gross profit margin declined
- SG&A expenses increased due to increased investment in recruitment
- Dormitory-related expenses increased due to increased staff
- Human resources needs remain high
- Continued increase in staff for recovery production in the automobiles-related industry
- Demand for semiconductors was strong, and the number of staff continued to increase

### 【Forecasts for the next fiscal year】

- The number of enrolled staff will start higher than expected in the Medium-term Management Plan
- In the first half of the fiscal year, in addition to normal operations in the automobiles-related industry, NISSO expects high operations with the addition of recovery production
- Net sales and gross profit will recover as net sales per capita start to recover
- Operations in the automobiles-related industry are expected to be high throughout the full-year, as operations in the second half will be higher than in the first half



**Possible to recover investments of this fiscal year and next fiscal year**