



*Nurturing and Bringing Out  
the Best in People*

**日総工産株式会社**  
**NISSO CORPORATION**

TSE PRM Code: 6569

FY 3/2022

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# Financial Results Briefing Materials

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May 13, 2022

## **FY 3/2022 Results**

- The number of enrolled staff increased by 1,799 from the end of the previous FY
- Revenue increased year-on-year due to increases in enrollment and billing unit-costs
- Profits decreased year-on-year due to a decrease in operations as a result of semiconductor and parts shortages in the automobiles industry
- Net sales target in engineering area were achieved

## **FY 3/2023 Consolidated Earnings Forecast**

- The effects of semiconductor and parts shortages are expected to continue to some extent
- Demand for human resources is strong, and revenue and profits are expected to increase

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**1**

**FY 3/2022**

# **Financial Results Summary**

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# FY 3/2022 Consolidated Financial Results Highlights



(Unit: Million yen)

## Points

- Revenue increased due to increases in enrollment and billing unit-costs.
- In the automobiles-related industry, the effects of semiconductor and parts shortages continued, operations decreased, and gross profit margin declined.
- Needs for external human resources remains high. As a result, investment in recruitment continued and SG&A expenses increased.
- Revenue decreased and profits increased in Other Businesses.

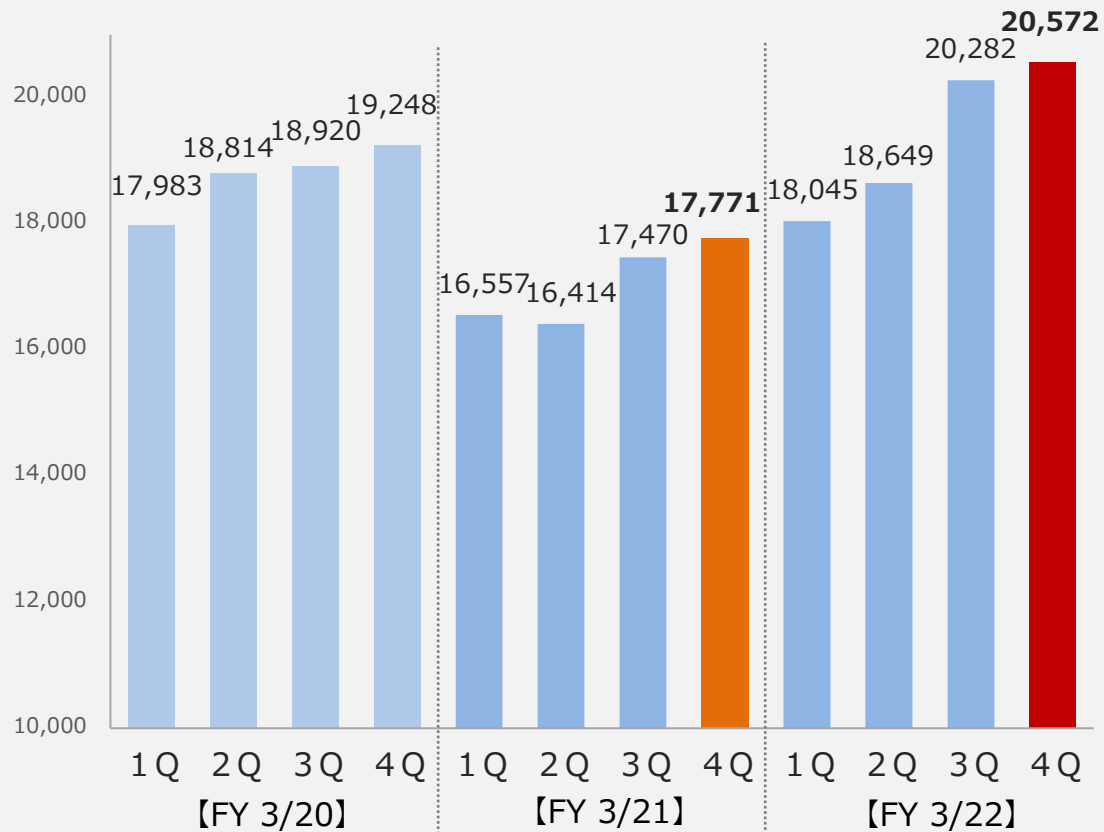
	FY 3/21		FY 3/22		Year-on-Year	
	Results	% of Total	Results	% of Total	Increase (Decrease)	% Change
<b>Net sales</b>	<b>68,213</b>	100.0%	<b>77,549</b>	100.0%	<b>9,335</b>	13.7%
<b>Gross profit</b>	<b>11,787</b>	17.3%	<b>12,950</b>	16.7%	<b>1,163</b>	9.9%
<b>SG&amp;A expenses</b>	<b>9,188</b>	13.5%	<b>10,863</b>	14.0%	<b>1,675</b>	18.2%
<b>Operating profit</b>	<b>2,599</b>	3.8%	<b>2,087</b>	2.7%	<b>(512)</b>	(19.7%)
<b>Ordinary profit</b>	<b>2,949</b>	4.3%	<b>2,369</b>	3.1%	<b>(580)</b>	(19.7%)
<b>Profit attributable to owners of parent</b>	<b>1,592</b>	2.3%	<b>1,696</b>	2.2%	<b>103</b>	6.5%

# FY 3/2022 Quarterly Consolidated Financial Results



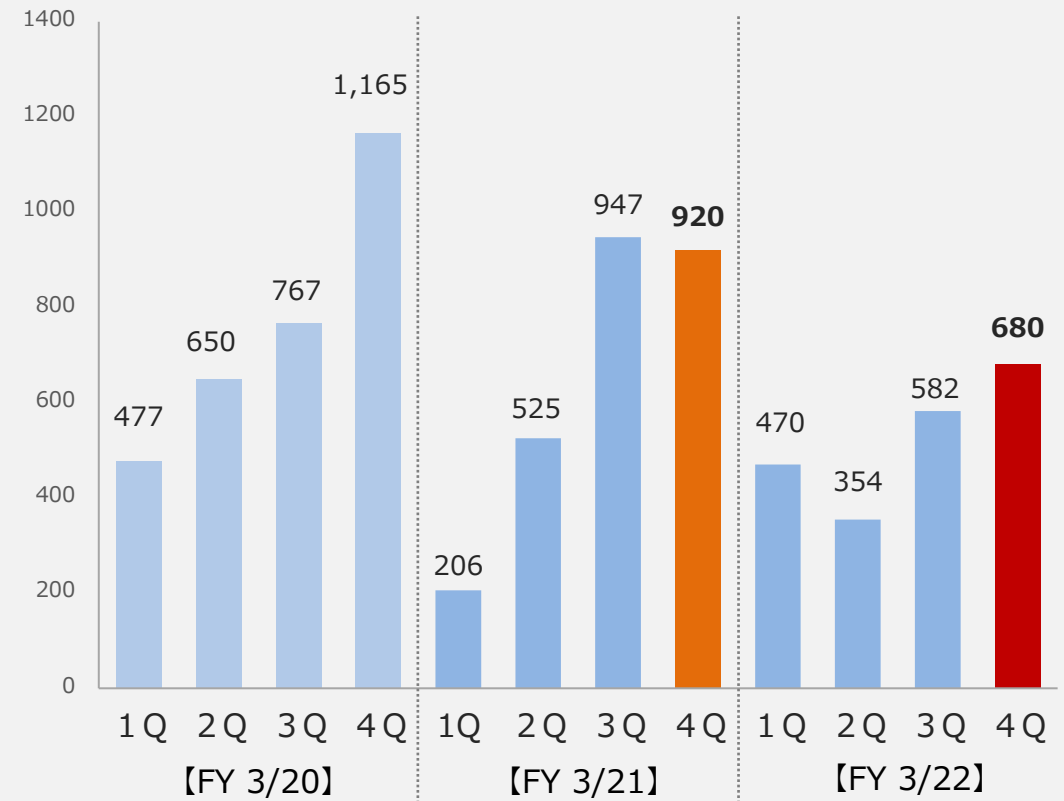
(Unit: Million yen)

## Net sales



(Unit: Million yen)

## Operating profit



# FY 3/2022 Non-consolidated Financial Results Highlights



## Net sales

Net sales increased by 14.6% due to increases in enrollment and billing unit-costs.

## Expenses · Profits

- In addition to the spread of COVID-19 and semiconductor and parts shortages in the automobiles-related industry, the impact of the decrease in operations (number of working days, overtime hours, holiday work, etc.) continued due to earthquakes, etc., net sales decreased by approximately 2.7 billion yen and operating profit decreased by approximately 1.3 billion yen.
- Needs for human resources were high, mainly in the automobiles and electronic devices industry, investment in recruitment continues, and SG&A expenses increased.

## Subsidy Income

- FY 3/2021: 290 Million yen
- FY 3/2022: 176 Million yen

(Unit: Million yen)

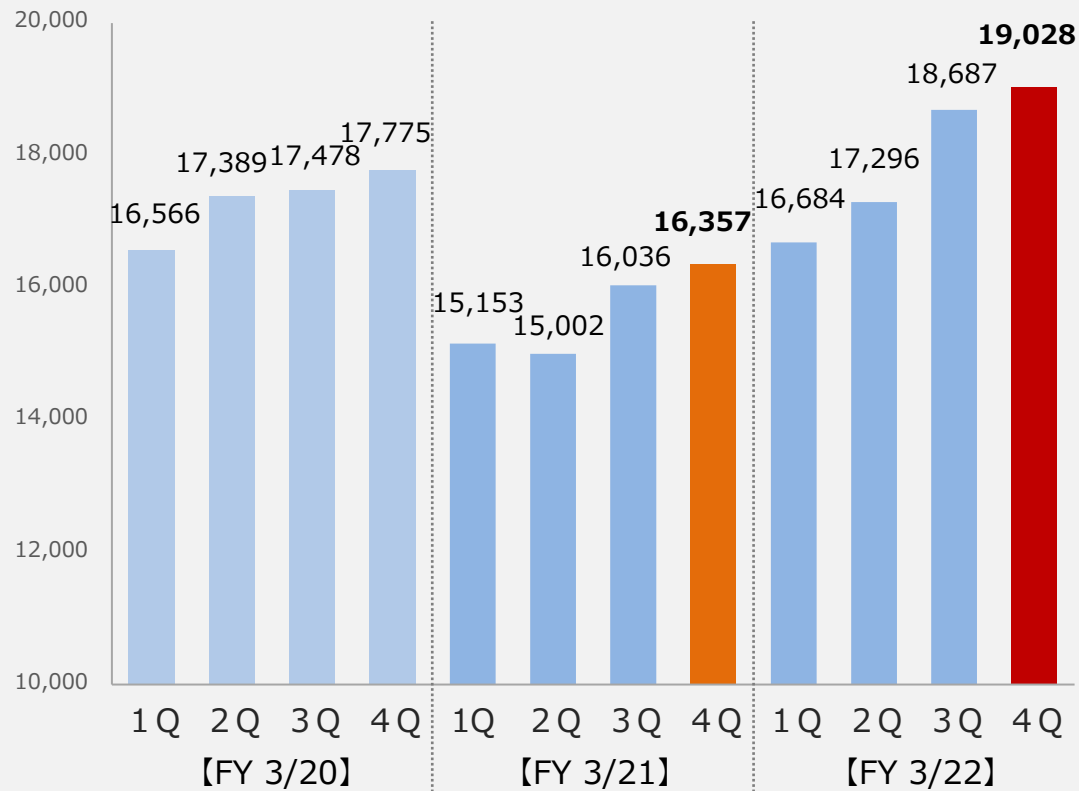
	FY 3/21		FY 3/22		Year-on-Year	
	Results	% of Total	Results	% of Total	Increase (Decrease)	% Change
<b>Net sales</b>	<b>62,549</b>	100.0%	<b>71,697</b>	100.0%	<b>9,147</b>	14.6%
<b>Gross profit</b>	<b>11,226</b>	17.9%	<b>12,336</b>	17.2%	<b>1,110</b>	9.9%
<b>SG&amp;A expenses</b>	<b>8,603</b>	13.8%	<b>10,222</b>	14.3%	<b>1,618</b>	18.8%
<b>Operating profit</b>	<b>2,622</b>	4.2%	<b>2,113</b>	2.9%	<b>(508)</b>	(19.4%)
<b>Ordinary profit</b>	<b>2,863</b>	4.6%	<b>2,293</b>	3.2%	<b>(569)</b>	(19.9%)
<b>Profit</b>	<b>1,530</b>	2.4%	<b>1,610</b>	2.2%	<b>80</b>	5.3%

# FY 3/2022 Quarterly Non-consolidated Financial Results



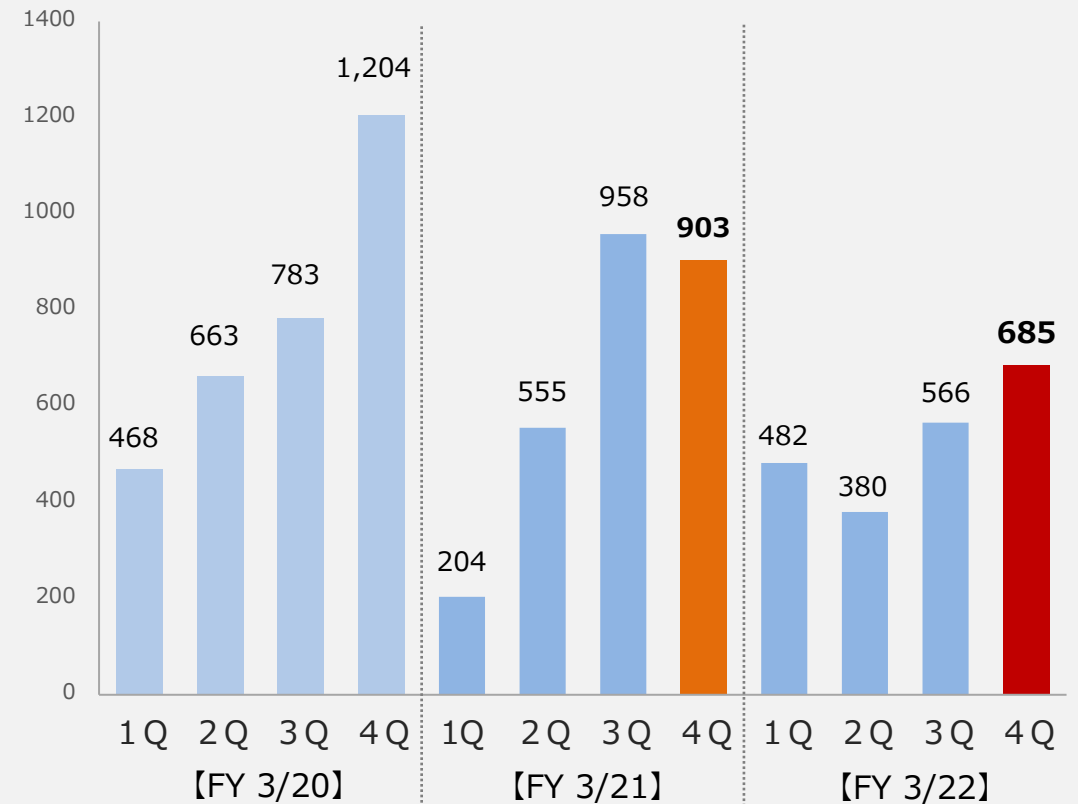
(Unit: Million yen)

## Net sales



(Unit: Million yen)

## Operating profit







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FY 3/2022

## Overview of Activities

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# FY 3/2022 Financial Results Summary



## Consolidated Financial Results

<b>Net Sales</b>	<b>77,549 Million yen</b>	( 9,335 Million yen / 13.7 % YoY )
<b>Operating Profit</b>	<b>2,087 Million yen</b>	( -512 Million yen / - 19.7 % YoY )

### ● Net Sales by Industry (YoY)

Automobiles	... <b>+16.7%</b>
Electronic devices	... <b>+19.2%</b>

- In the automobiles-related industry, net sales increased by 16.7%. Net sales increased due to an increase in enrollment and billing unit-costs, and the effects of shortages of semiconductor and parts supplies continued.
- In the electronic devices-related industry, net sales increased by 19.2% YoY. Demand for semiconductors continued to be strong.

### ● FY-end Number of Enrolled Staff

14,945 staff  
(+1,799 staff from FY 3/21-end )

- The number of enrolled staff increased by 1,799 compared to FY 3/21-end. In addition to the continued increase in the number of staff in the automobiles-related industry, the number of enrolled staff in the robust electronic devices-related industry also increased.

### ● Net Sales per Capita/Monthly

415 Thousand yen  
(+19 Thousand yen YoY)

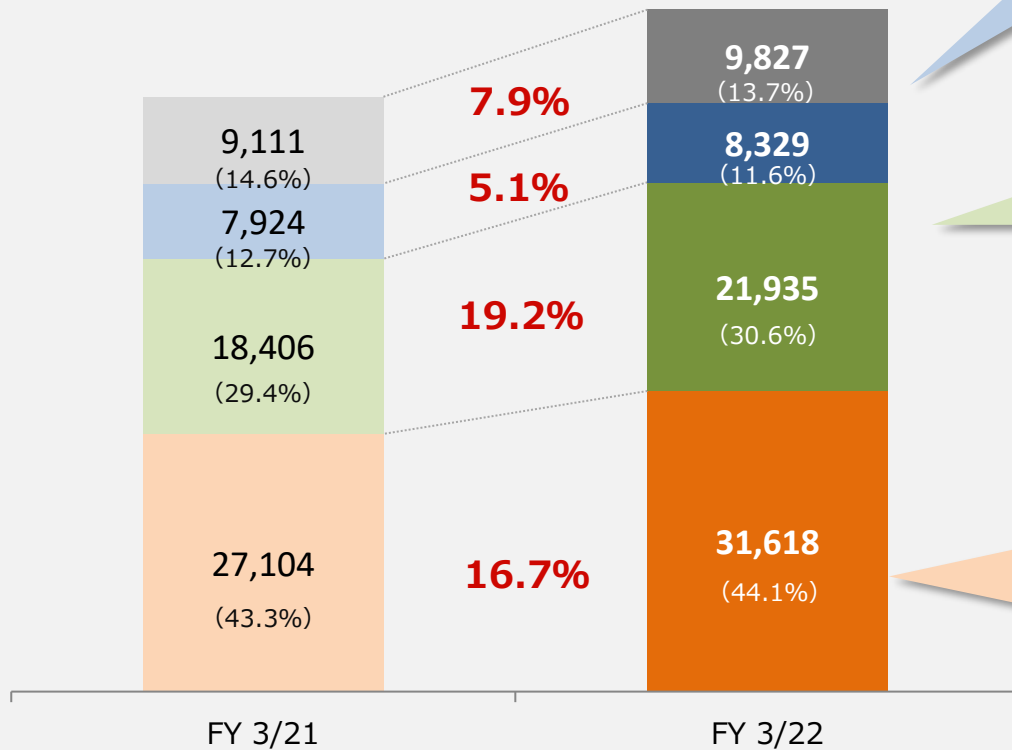
- Net sales per capita in the automobiles-related industry increased by 19 thousand yen YoY due to the continued effects of the decrease in operations (number of working days, overtime hours, holiday work, etc.) as a result of earthquakes, etc., in addition to semiconductor and parts shortages and the spread of COVID-19, as well as increases in billing unit-costs.

# FY 3/2022 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 5.1% YoY, although demand remained unchanged. Net sales did not reach the level of FY 3/20.

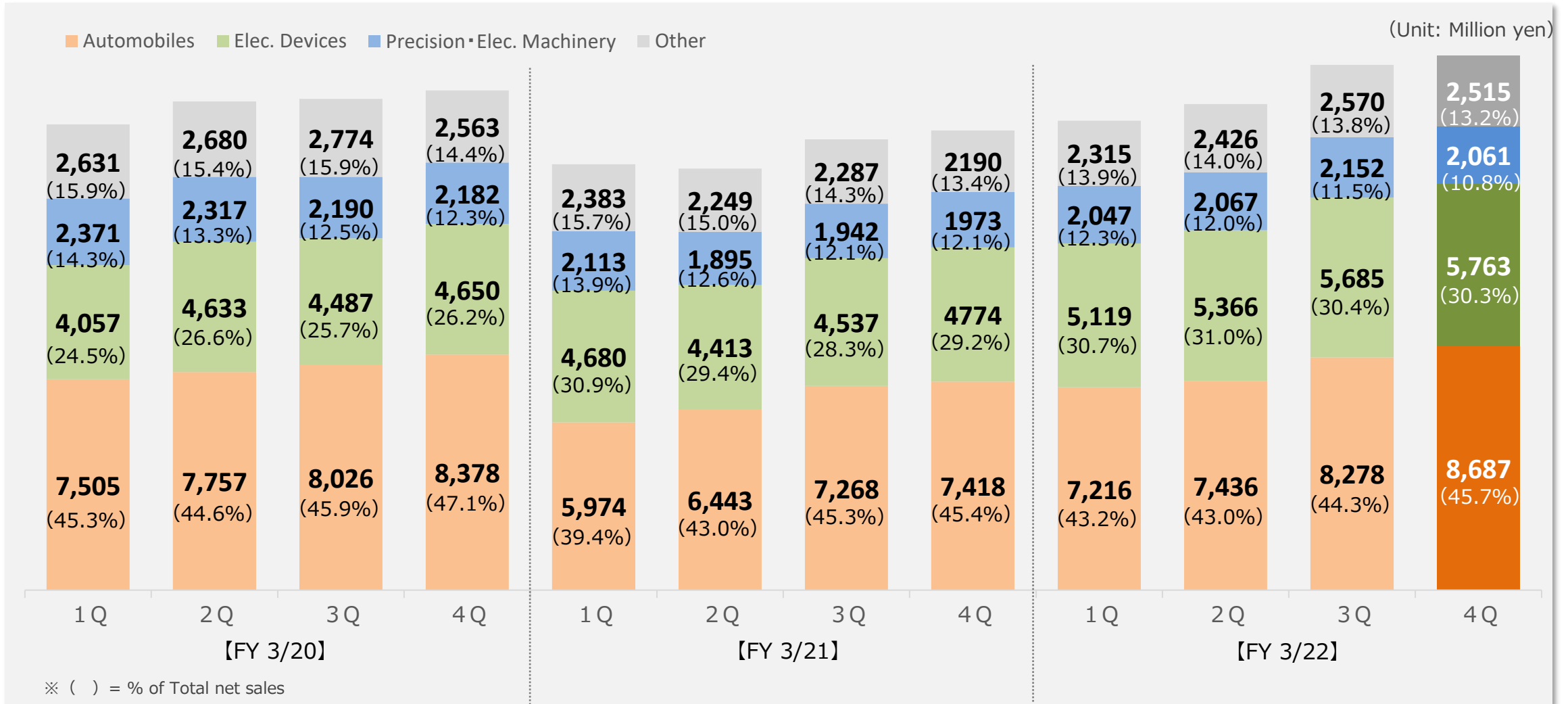
### 【Electronic Devices】

Net sales increased by 19.2% YoY. Enrollment increased due to strong demand for semiconductors. In addition, billing unit-costs increased due to an increase in the number of enrolled engineers, and net sales reached a record high since NISSO's listing.

### 【Automobiles】

Net sales increased by 16.7% YoY. Although operations (number of working days, overtime hours, holiday work, etc.) decreased due to the impact of the Fukushima Earthquake, etc., in addition to semiconductor and parts shortages and the spread of COVID-19, mainly at auto-body manufacturers, net sales increased due to increases in enrollment and billing unit-costs.

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



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



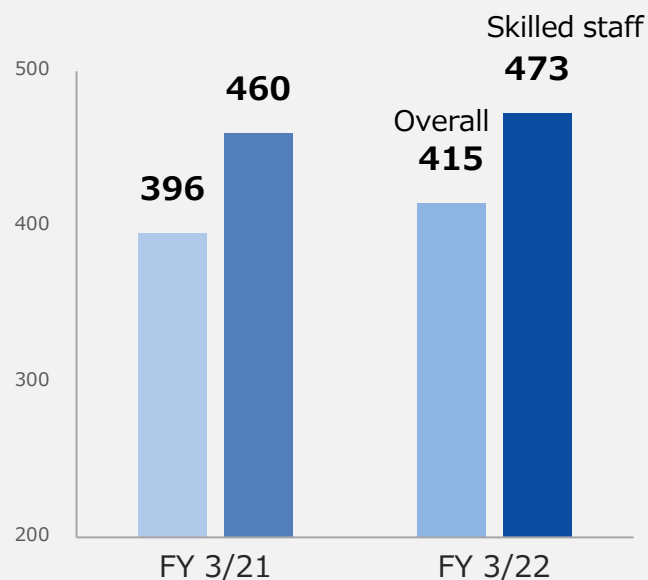
- FY 3/2022 Totals <Overall net sales per capita> 415 Thousand yen (+19 Thousand yen YoY)  
<Skilled staff net sales per capita> 473 Thousand yen (+13 Thousand yen YoY)
- Overall and skilled staff net sales per capita increased YoY partly due to an increase in billing unit-costs, and as a result of the effects of semiconductor and parts shortages in the automobiles-related industry and the spread of COVID-19, as well as decreased operations due to the Fukushima Earthquake, etc.

(Unit: Thousand yen)

(Unit: Thousand yen)

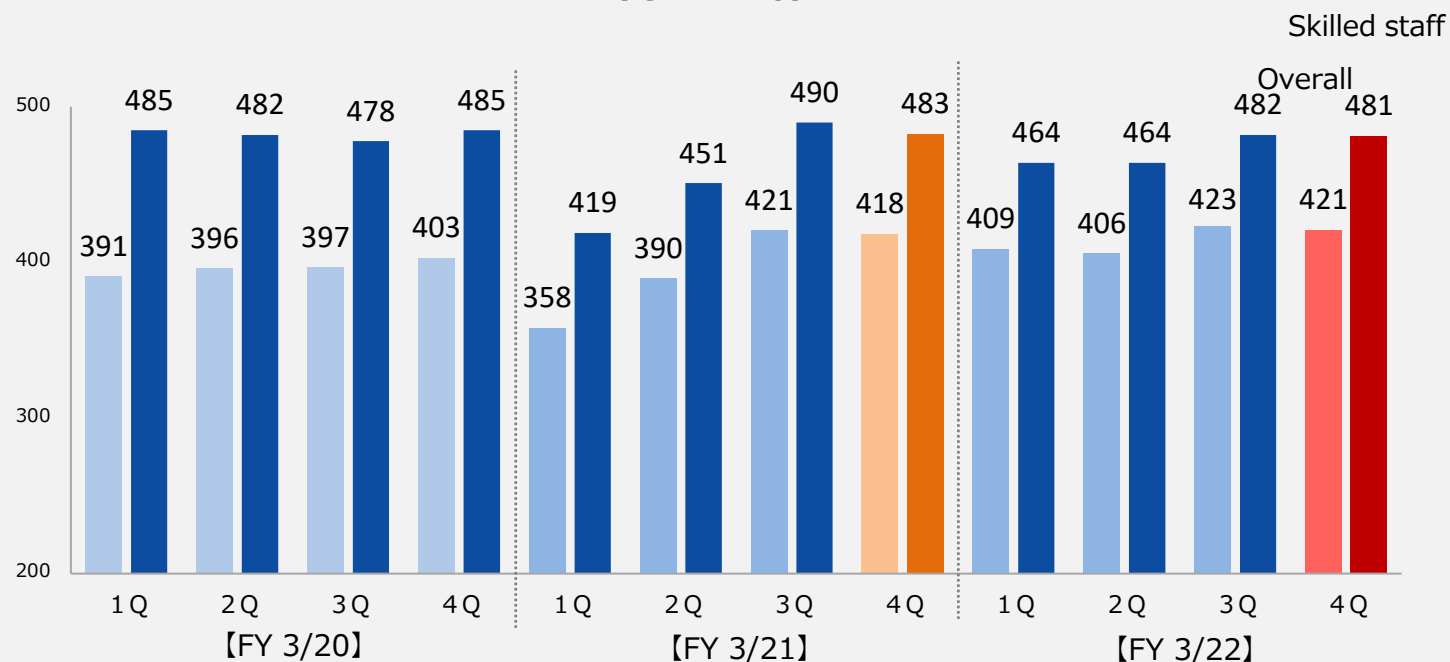
## Net Sales per Capita

(Monthly Average Conversion)



## Net Sales per Capita

(Quarterly)



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



(Unit: # of Staff)

## Compared w. Previous FY-end

+1,799 staff (+13.7%)

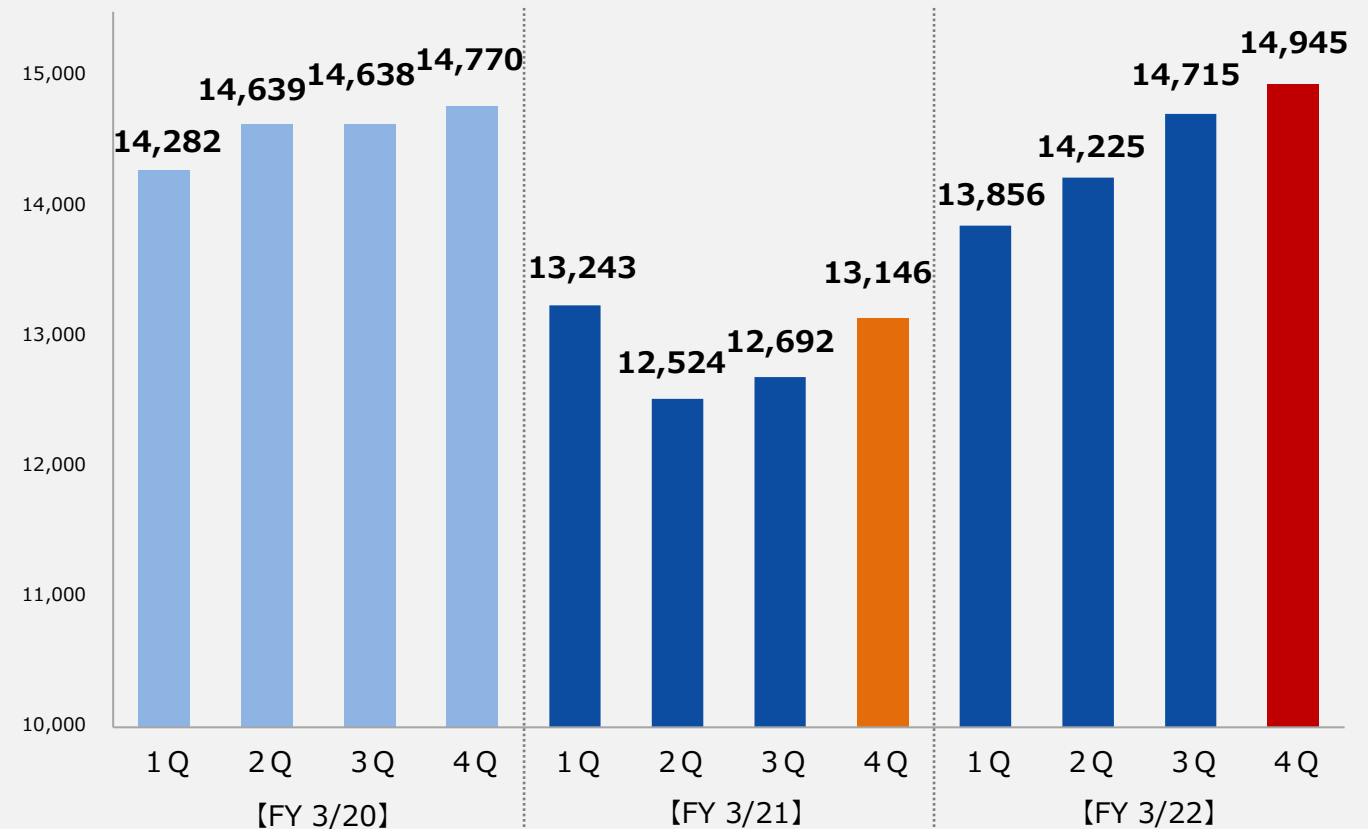
### Point①

The number of enrolled staff increased, mainly in the automobiles and electronic devices industries, due to recovery production in the automobiles-related industry, an increase in the number of staff as a result of strong demand for semiconductors, and the suppression of staff resigning from NISSO.

### Point②

Manufacturing-related human resources needs remain high.

## Number of Enrolled Staff at Quarter-end



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



(Unit: # of SS · Engineers)

## Point①

The total number of skilled staff and engineers increased by 102 compared to 3Q.

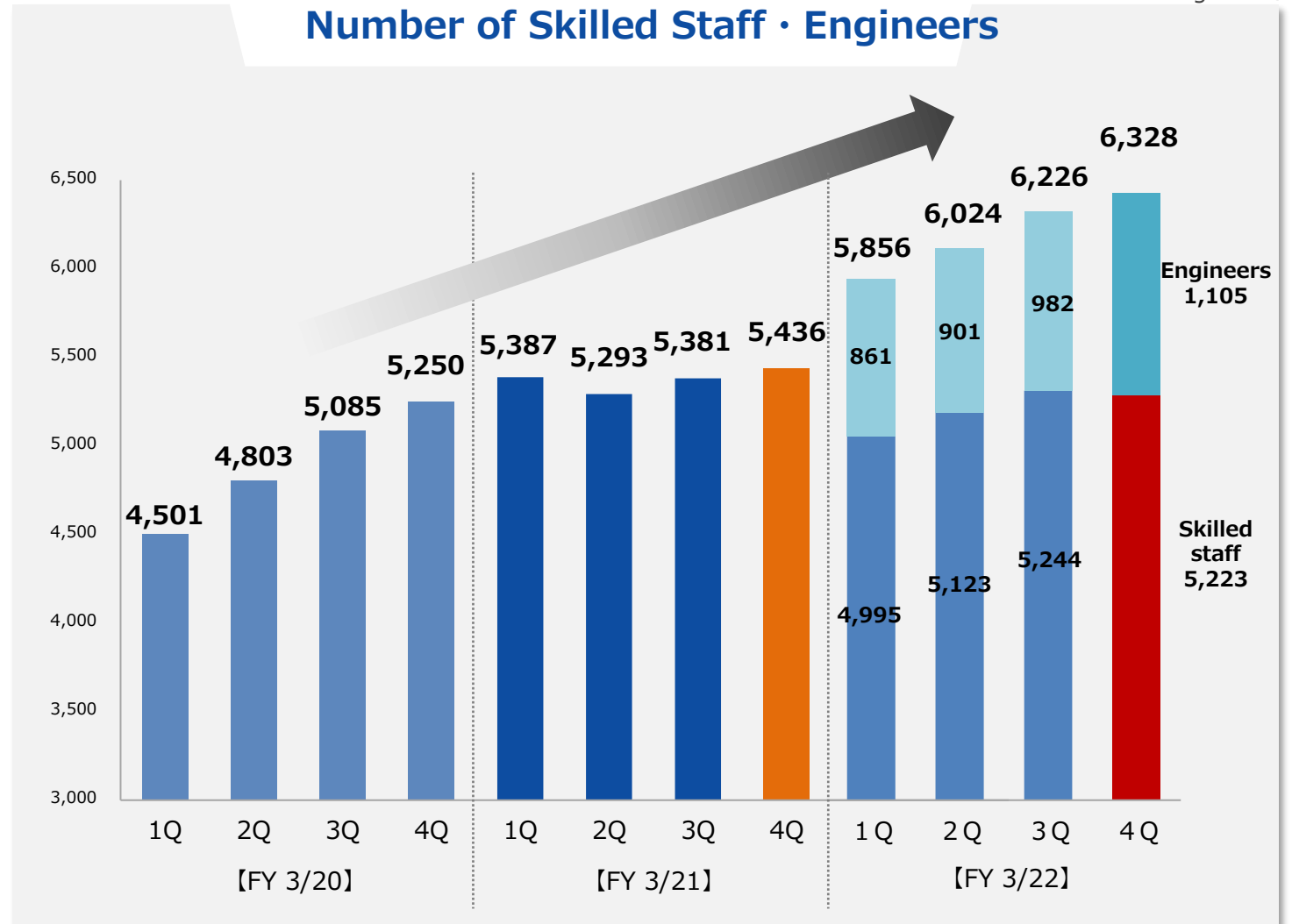
## Point②

NISSO is actively promoting career changes from skilled staff to engineers.

## Point③

The needs of engineers in the equipment technology field are high and are expected to expand in the future.

## Number of Skilled Staff · Engineers



# Account Companies (NISSO, Non-consolidated)



## Point①

Total net sales of Account Company Groups in 4Q increased 12.4% YoY, and reached a record high since NISSO's listing. Quarterly net sales in 4Q also reached a record high since NISSO's listing.

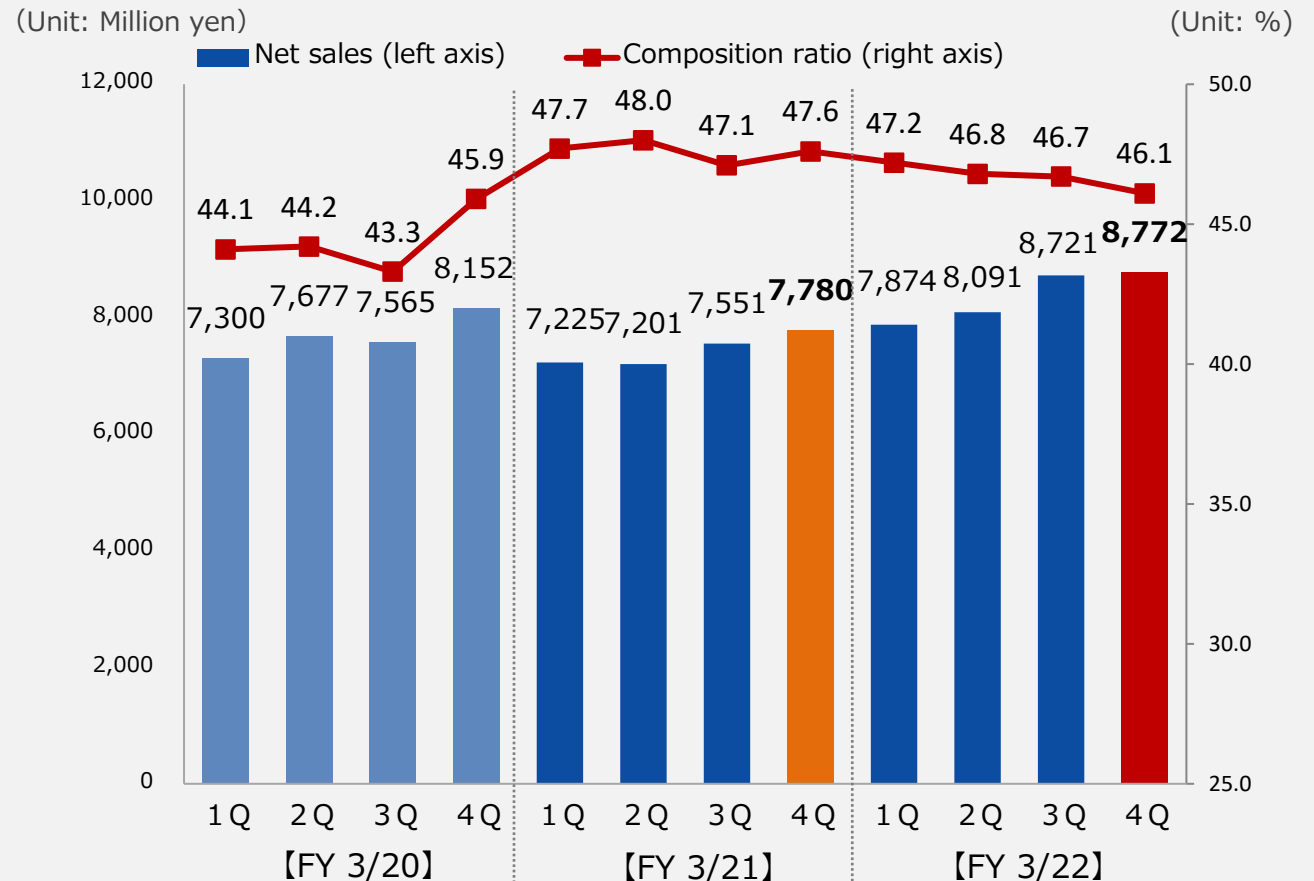
## Point②

In addition to the increase in the number of staff, mainly at automobiles and semiconductor-related manufacturers, net sales increased due to an increase in billing unit-costs.

## Point③

The ratio of net sales of Account companies decreased due to effects of the earthquake, etc., in addition 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 Results

Overall turnover rate

**3.8%**

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

Skilled staff · Engineers turnover rate

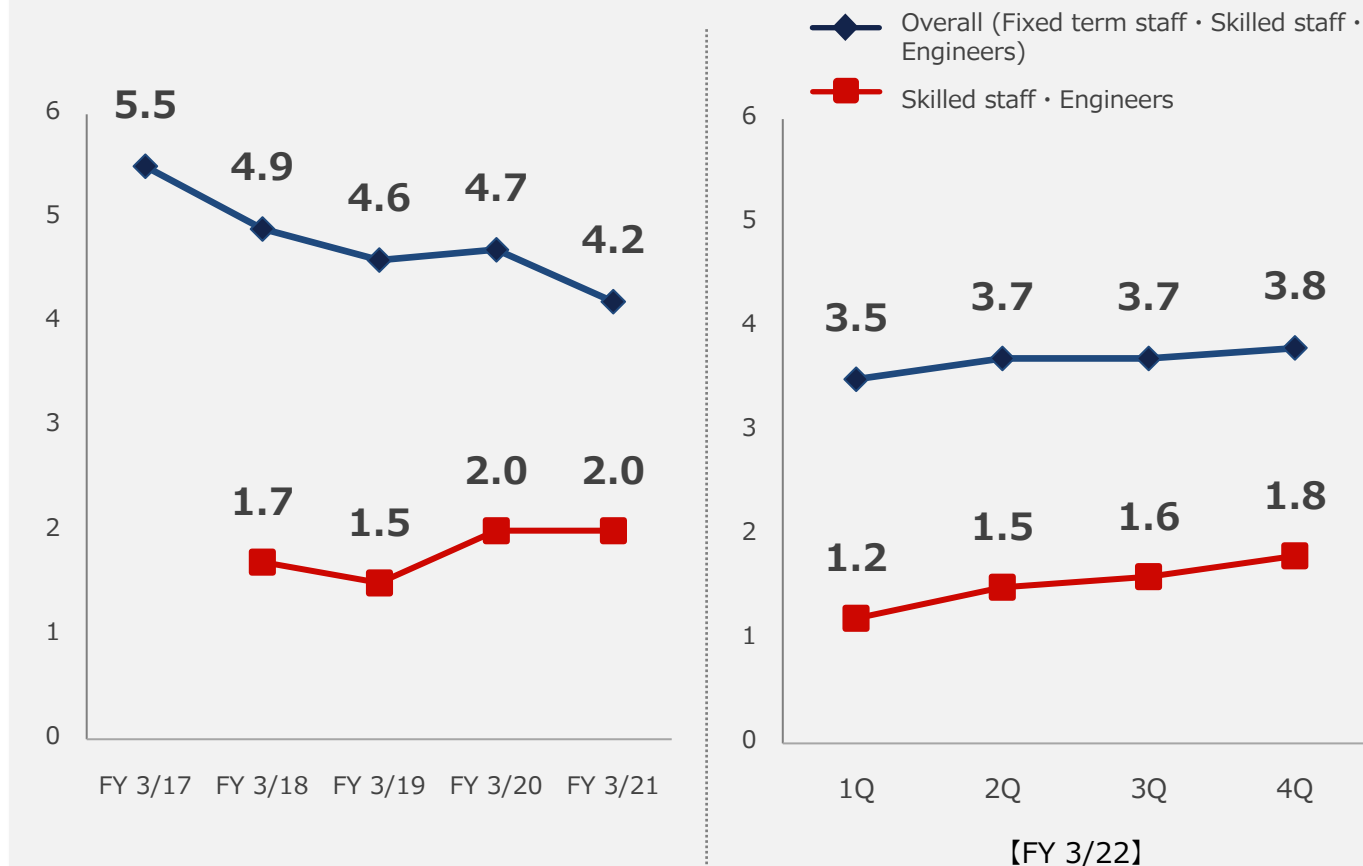
**1.8%**

(Improvement of 0.2 pts vs. FY 3/2021)

## Point

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

## Trend of Turnover Rates



# Educational Achievements (NISSO, Non-consolidated)



## Point①

Total educational achievements of the main courses increased by 3,561 participants from the previous FY.

## Point②

Due to the promotion of career changes to engineers, the number of participants for engineer education increased by 350 from the previous FY, and the number of participants for basic equipment maintenance education increased by 31 from the previous FY.

- FY 3/2022 4Q Main course-specific educational achievements  
(total # of participants)

(Unit: # of participants)

Training course name	4 Q (Jan - Mar)	Contents	FY 3/22 Total	(Reference) FY 3/21 Total
Skilled staff education	457	Standard skilled staff education	1,594	970
Basic equipment maintenance education	100	Basic equipment maintenance education	290	259
Engineer education	142	Manufacturing equipment maintenance · manufacturing equipment technology Mechanical design · production technology SEAJ education (safety education specializing in semiconductors)	418	68
Manufacturing education	1,277	MONOZUKURI (manufacturing) education, pre-assignment training for manufacturing staff, mobile education	5,396	2,840
<b>Total</b>	<b>1,976</b>		<b>7,698</b>	<b>4,137</b>

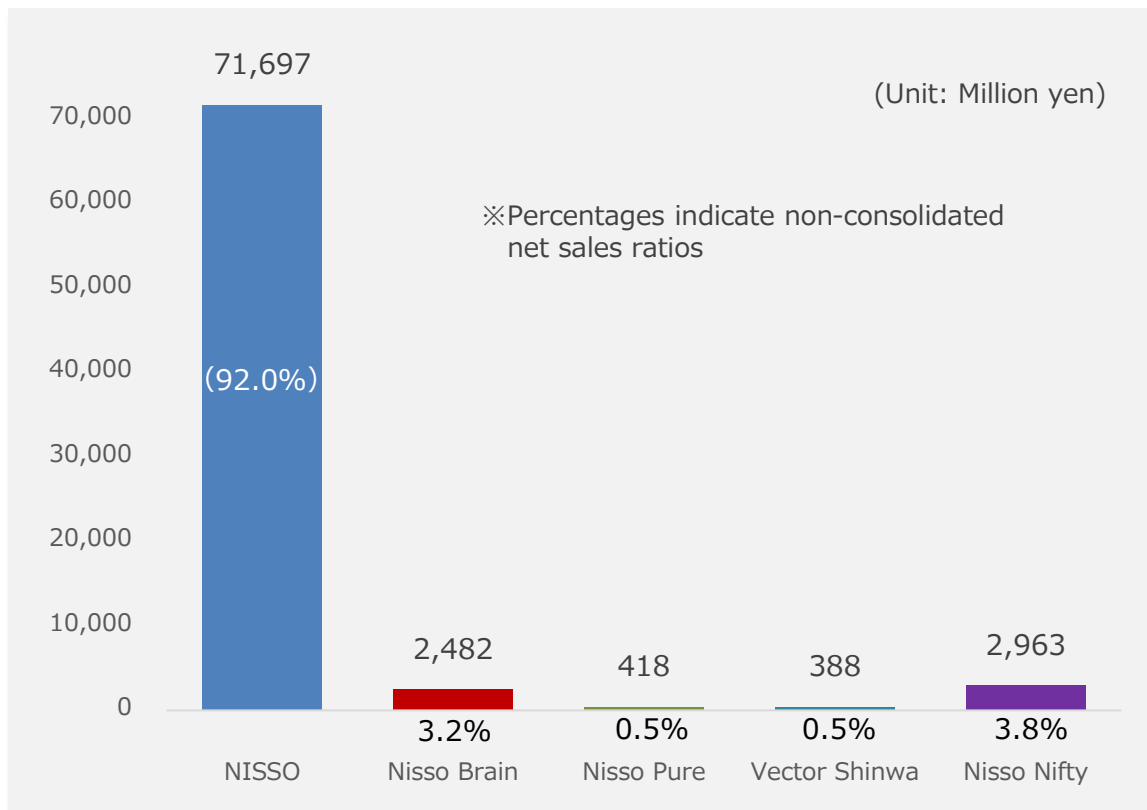


## **3** Financial Results by Target Segment (FY 3/2022)

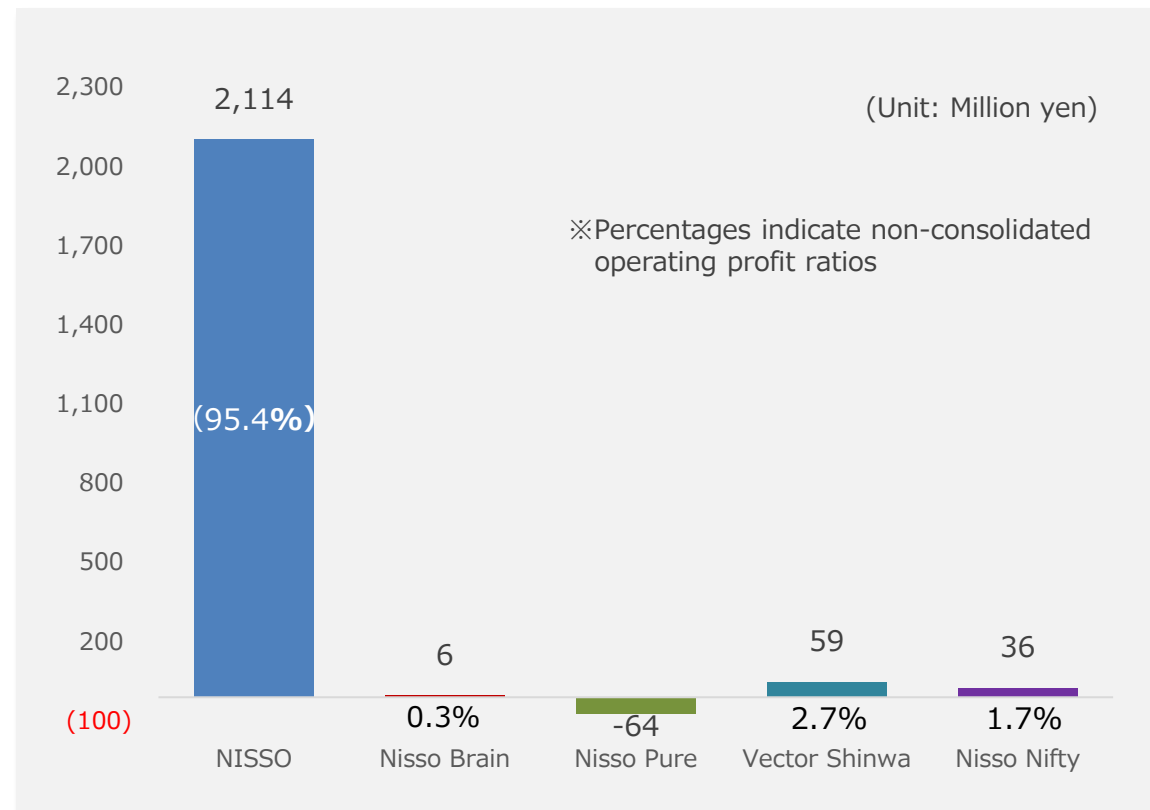
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# Net Sales · Operating Profit Ratio by Company

FY 3/2022  
Net Sales by Company



FY 3/2022  
Operating Profit by Company



90% 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 4Q alone increased by 0.7% compared to 3Q, partly due to an increase in the number of enrolled staff.

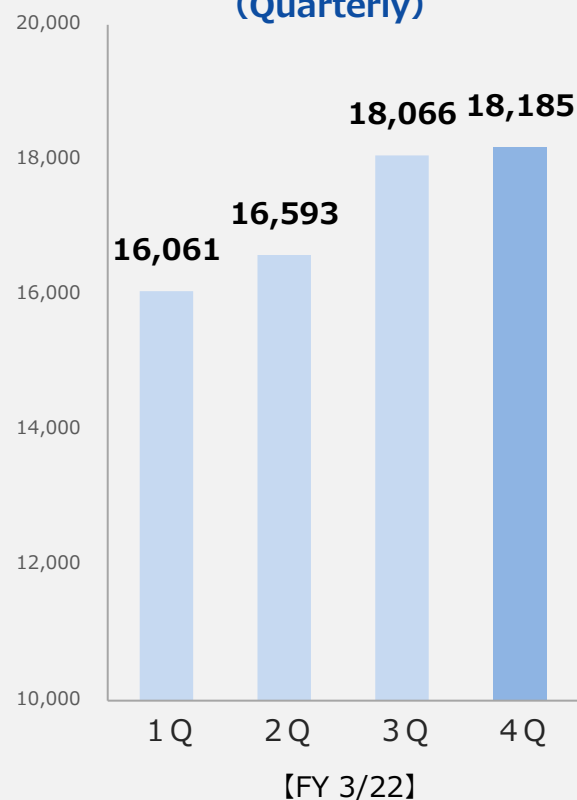
## Existing Enrolled Staff

The number of enrolled staff increased by 112 compared to 3Q due to the increase in the number of staff in the automobiles and electronic devices industries.

(Unit: Million yen)

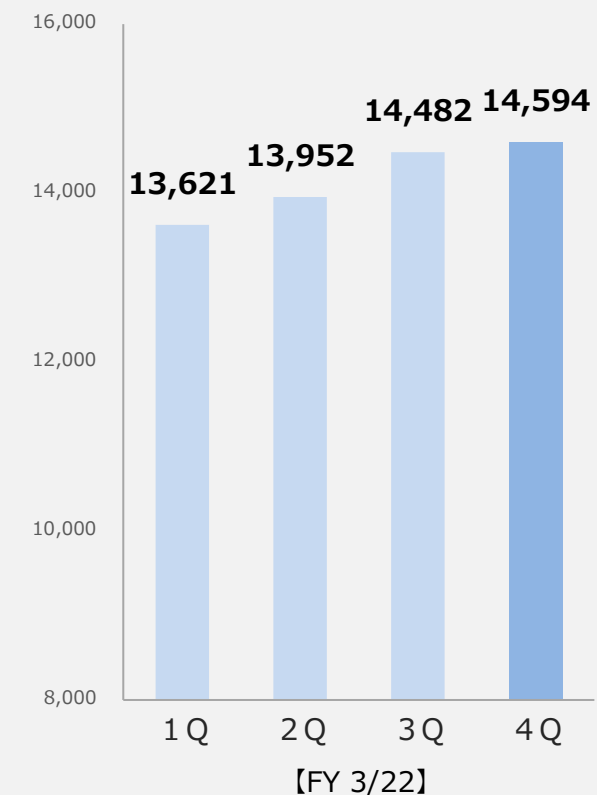
### Existing Net Sales

(Quarterly)



(Unit: # of Staff)

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



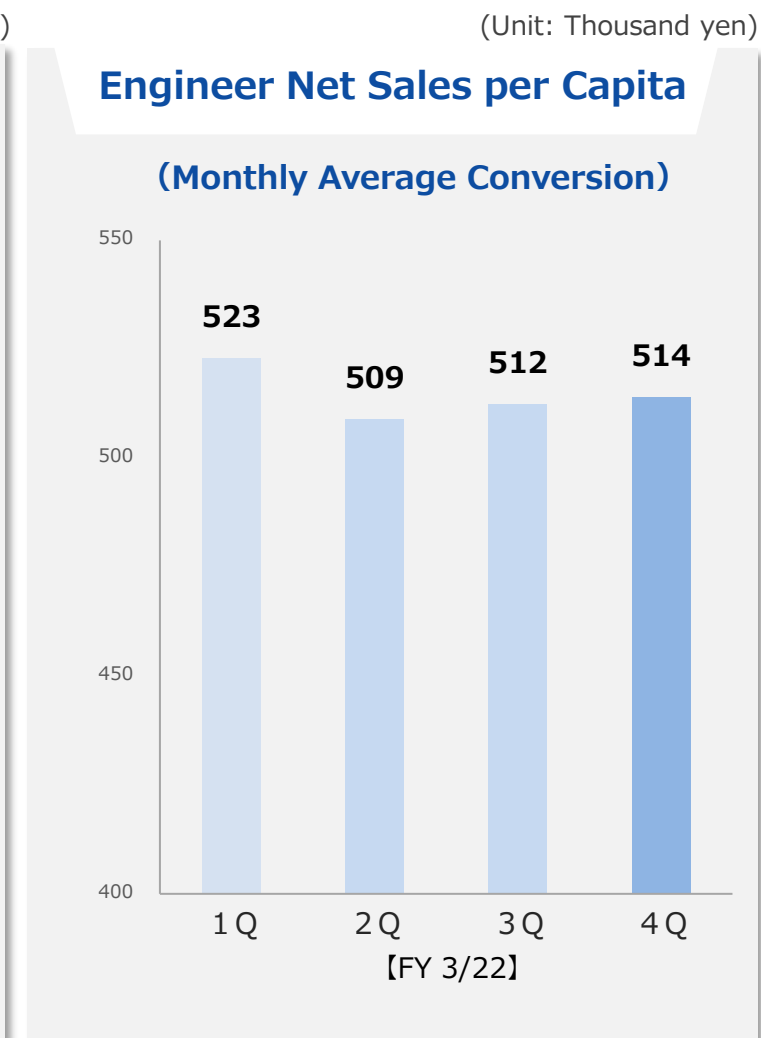
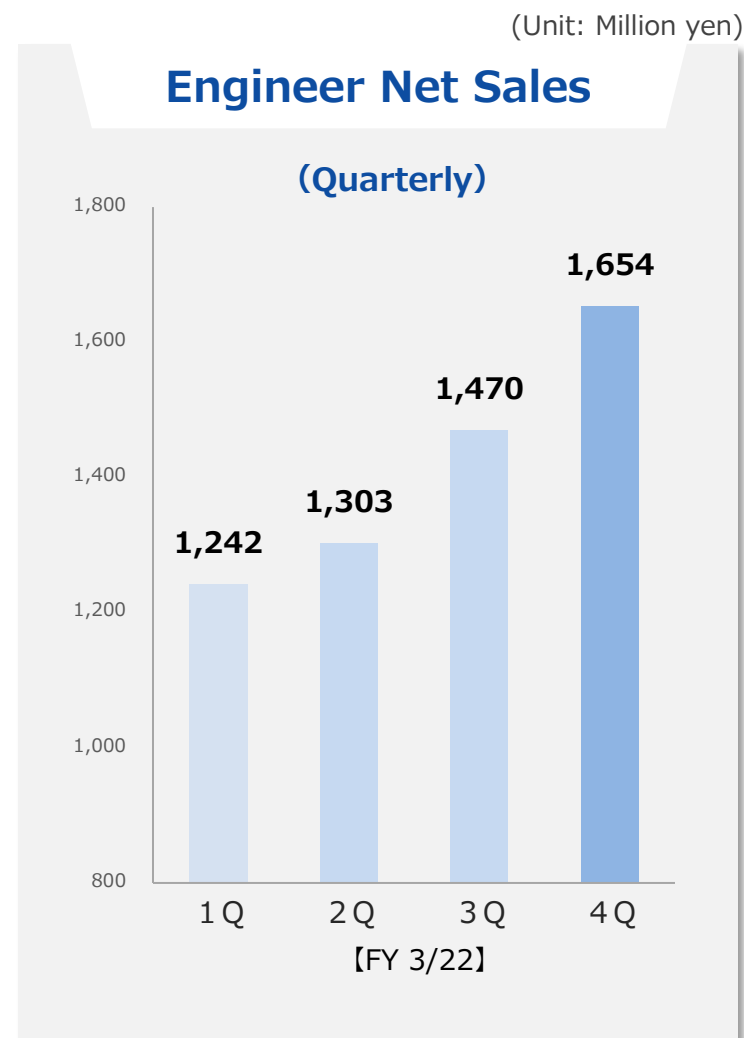
# Engineering Area (Financial Results)

## Net sales

- Net sales in 4Q increased by 184 million yen (12.5%) compared to 3Q, partly due to an increase in the number of enrolled staff.
- Compared to the targets for the current FY, the achievement rate was 138.3%, which was the highest among net sales targets by target segments.

## Net sales per capita

The net sales per capita of engineers was 514 thousand yen/month, which exceeded that of skilled staff which was 473 thousand yen/month.



# Engineering Area: Number of Enrolled Engineers



## Enrolled Engineers at FY-end

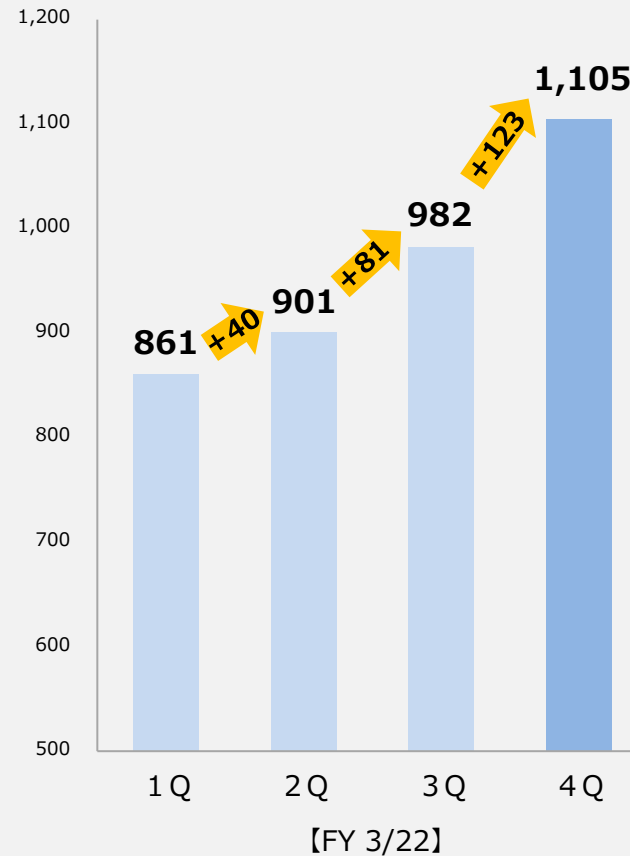
- The number of enrolled engineers increased by 123 from the end of 3Q.
- The increase in the number of newly enrolled engineers on a quarterly basis was the largest during the current FY.

## Engineer Industry Classification

By industry, NISSO focused on equipment technology centered on semiconductor devices, and increased the composition ratio.

(Unit: # of Engineers)

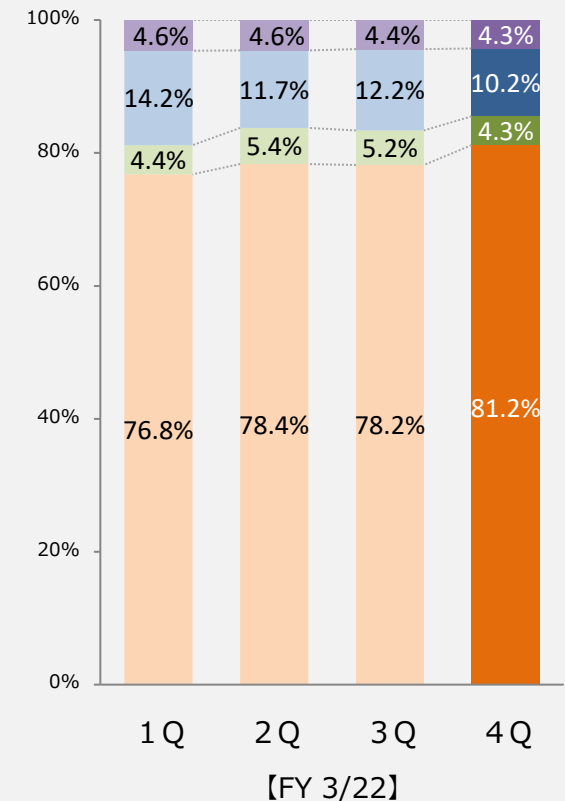
### Number of Enrolled Engineers at Quarter-end



(Unit: %)

### Composition Ratio of Engineer Enrollment by Industry

■ Other  
■ Production technology  
■ Design technology  
■ Equipment technology  
 ※Other: Development, IT development, analysis, etc.



# Turnover Rates (Existing · Engineering Areas)

## FY 3/2022 Results

Existing area (non-consolidated) turnover rate

**3.9%**

(±0.0 pts vs. FY 3/2022 3Q)

Engineering area (non-consolidated) turnover rate

**1.9%**

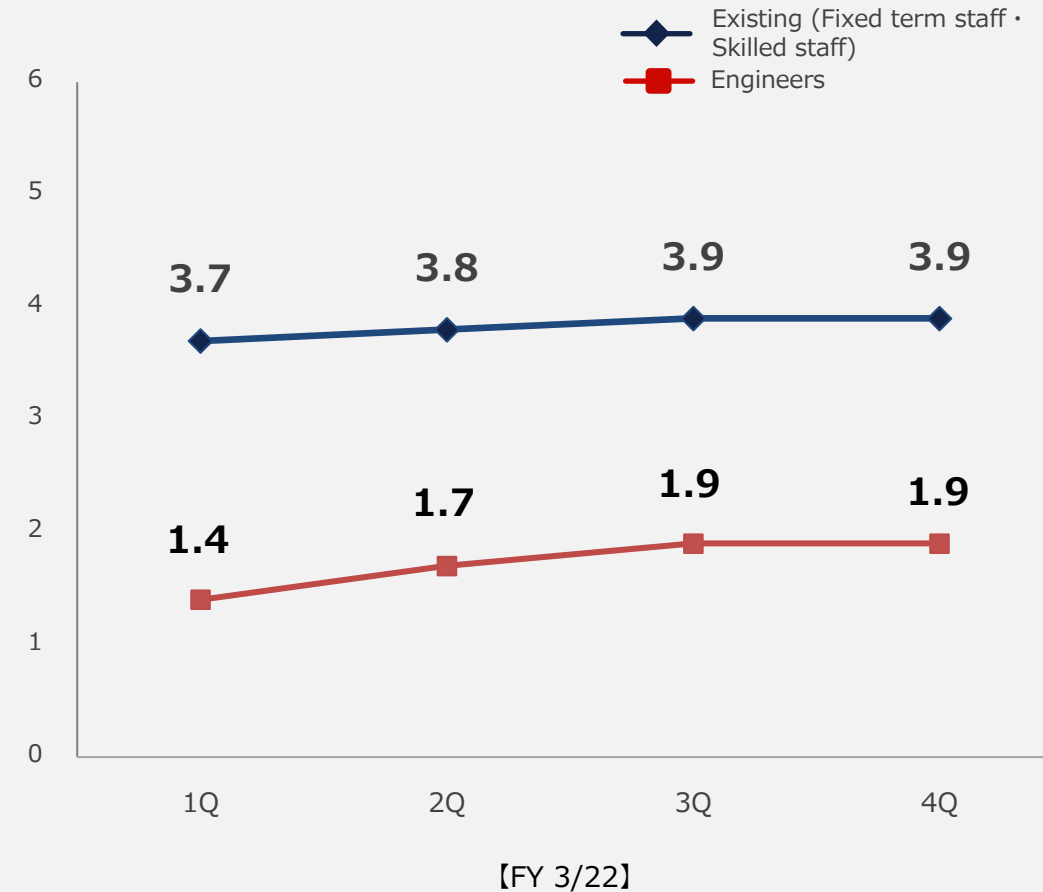
(±0.0 pts vs. FY 3/2022 3Q)

## Point

The existing turnover rate remained below 4%. The turnover rate of engineers remained at less than 2%.

## Trend of Turnover Rates

(Unit: %)





# Other Businesses Business Revenue

## Points

- Operating profit increased by 56.6% YoY.
- Despite a slight decrease in the number of residents, profits increased due to efficient operations.
- The occupancy rate of all nursing care facilities continues to be maintained at 90% or higher.

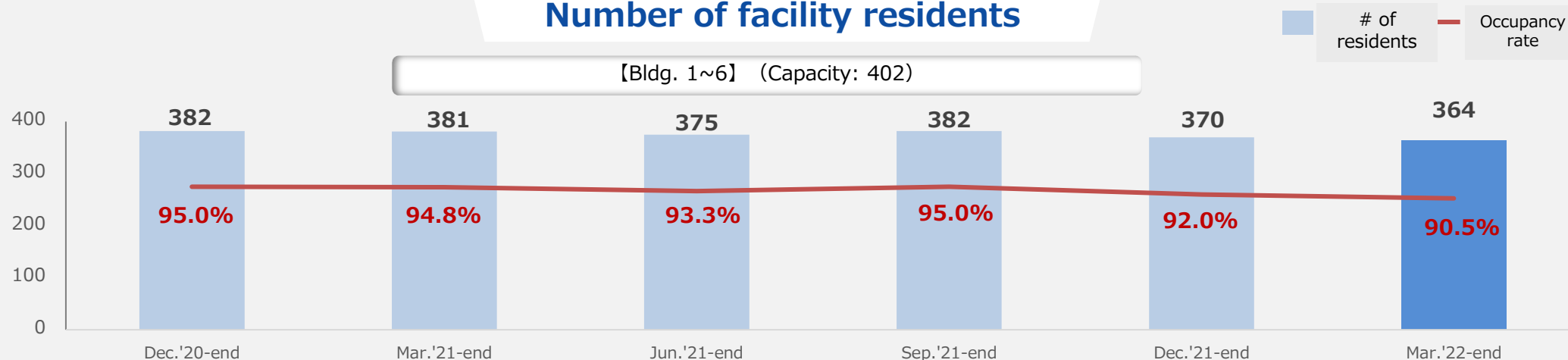
## ● Results of Other Businesses

(Unit: Million yen)

	FY 3/21		FY 3/22		Year-on-Year	
	Results	% of Total	Results	% of Total	Increase (Decrease)	% Change
Net sales	2,972	100.0%	2,963	100.0%	(9)	(0.3%)
Expenses	2,949	99.2%	2,926	98.8%	(23)	(0.8%)
Operating profit	23	0.8%	36	1.2%	13	56.6%

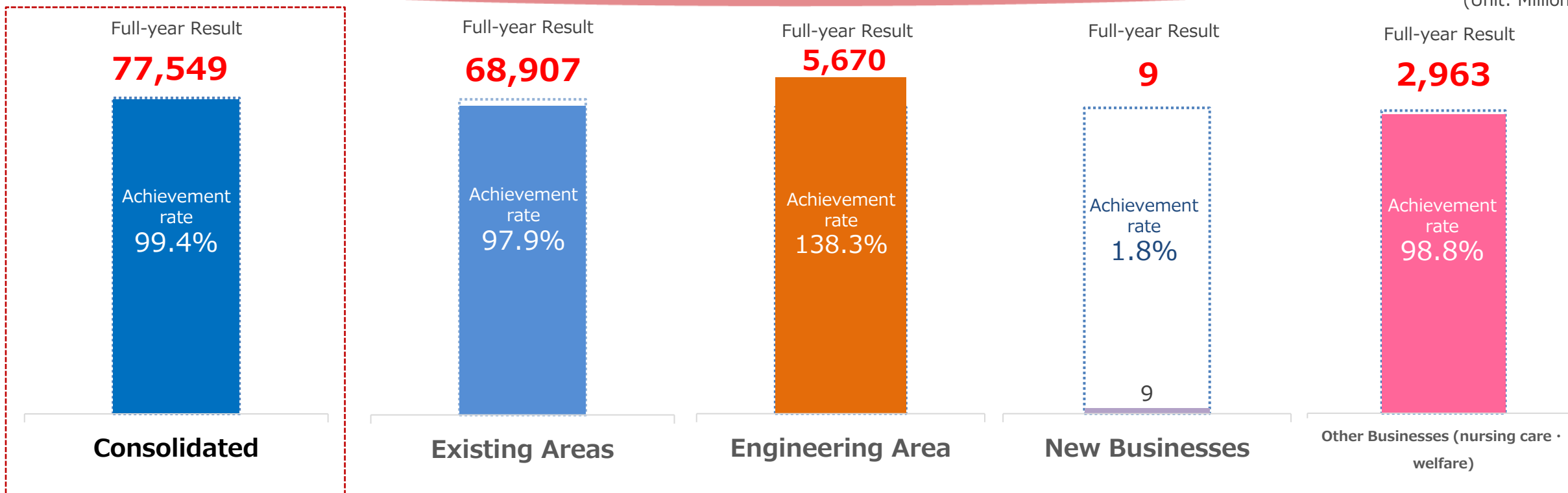
(Unit: # of residents)

## Number of facility residents



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

(Unit: Million yen)



	FY 3/22 Consolidated			FY 3/22 Existing Areas			FY 3/22 Engineering Area			FY 3/22 New Businesses			FY 3/22 Other Businesses		
	Full-year Target	Results	Progress rate	Full-year Target	Results	Progress rate	Full-year Target	Results	Achievement rate	Full-year Target	Results	Progress rate	Full-year Target	Results	Progress rate
<b>Net sales</b>	<b>78,000</b>	<b>77,549</b>	99.4%	<b>70,400</b>	<b>68,907</b>	97.9%	<b>4,100</b>	<b>5,670</b>	138.3%	<b>500</b>	<b>9</b>	1.8%	<b>3,000</b>	<b>2,963</b>	98.8%



# 4

## Future Prospects (FY 3/2023)

# FY 3/2023 Full-year Consolidated Forecasts

In the full-year consolidated forecast, although NISSO expects the effects of semiconductor and parts shortages to continue to some extent, we expect both revenue and profits to increase.

■ FY 3/2023 Full-year Consolidated Forecast (April 1, 2022 ~ March 31, 2023)

(Unit: Million yen)

	FY 3/22 Results		FY 3/23 Forecast		Year-on-Year	
	Results	% of Total	Forecast	% of Total	Increase (Decrease)	% Change
Net sales	<b>77,549</b>	100.0%	<b>88,600</b>	100.0%	<b>11,050</b>	14.2%
Operating profit	<b>2,087</b>	2.7%	<b>2,700</b>	3.0%	<b>612</b>	29.4%
Ordinary profit	<b>2,369</b>	3.1%	<b>2,700</b>	3.0%	<b>330</b>	13.9%
Profit attributable to owners of parent	<b>1,696</b>	2.2%	<b>1,800</b>	2.0%	<b>103</b>	6.1%



## **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% or more as a general standard, NISSO's basic policy is to continue to steadily redistribute profits to all of our shareholders.

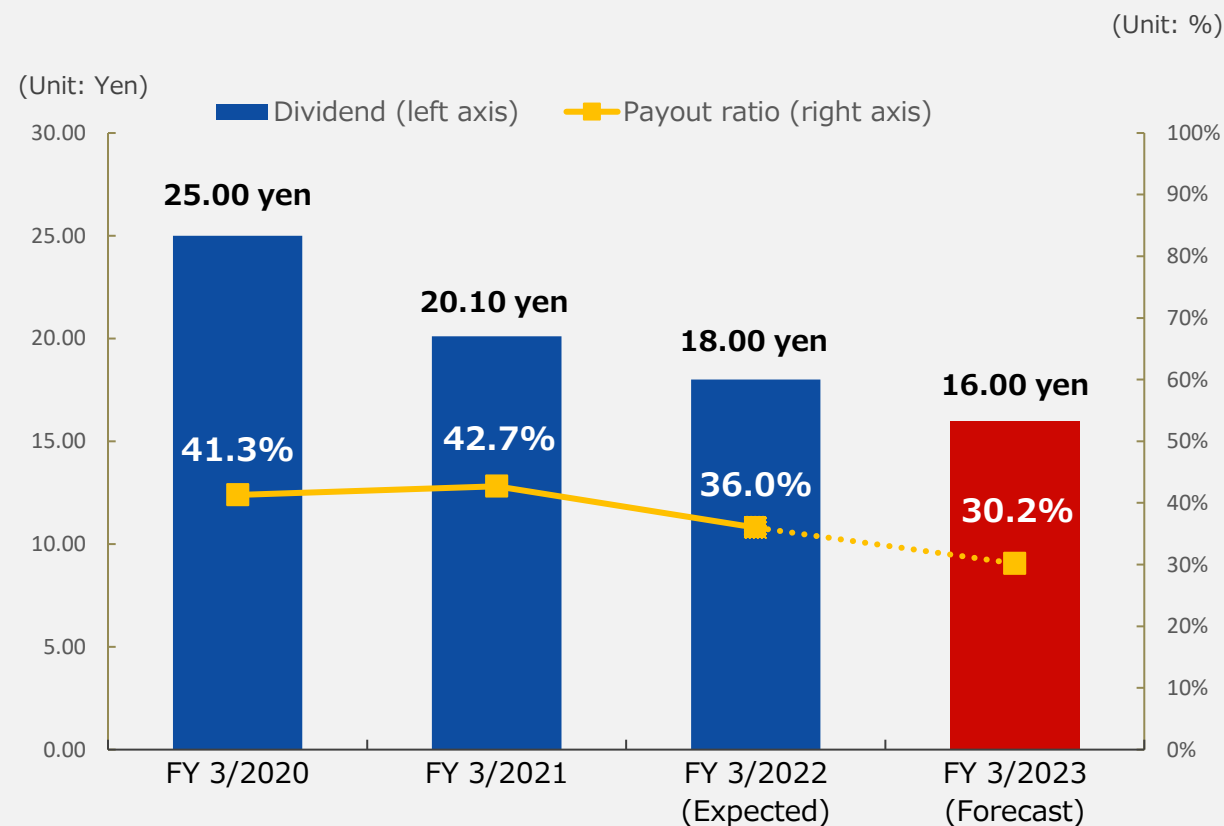
## FY 3/2022 Dividend (Expected)

NISSO plans to pay a dividend of 18.00 per share (consolidated dividend payout ratio of 36.0%) as expected at the beginning of the fiscal year.

## FY 3/2023 Dividend Forecast

NISSO forecasts a dividend of 16.00 yen per share.

## Dividend and Payout Ratio



※The dividend for FY 3/2021 includes NISSO's 50th Anniversary commemorative dividend.



# 6

## Supplementary Materials

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# Consolidated Balance Sheet

(Unit: Million yen, %)

	Mar. 2021-end		Mar. 2022-end		Increase (Decrease)
	Amount	% of Total	Amount	% of Total	
<b>Current assets</b>	<b>14,813</b>	<b>68.5</b>	<b>19,068</b>	<b>69.4</b>	<b>4,254</b>
Cash and deposits	5,873	27.2	8,779	32.0	2,905
Notes and accounts receivable - trade	8,094	37.4	9,390	34.2	1,296
<b>Non-current assets</b>	<b>6,817</b>	<b>31.5</b>	<b>8,394</b>	<b>30.6</b>	<b>1,577</b>
Property, plant and equipment	4,654	21.5	4,578	16.7	(76)
Intangible assets	305	1.4	1,667	6.1	1,361
Investments and other assets	1,857	8.6	2,149	7.8	292
<b>Total assets</b>	<b>21,631</b>	<b>100.0</b>	<b>27,462</b>	<b>100.0</b>	<b>5,831</b>
<b>Current liabilities</b>	<b>8,178</b>	<b>37.8</b>	<b>10,411</b>	<b>37.9</b>	<b>2,232</b>
Current portion of long-term loans payable	-	0.0	490	1.8	490
Accrued expenses	4,541	21.0	5,381	19.6	839
Provision for bonuses	950	4.4	1,058	3.9	108
<b>Non-current liabilities</b>	<b>689</b>	<b>3.2</b>	<b>3,492</b>	<b>12.7</b>	<b>2,802</b>
Long-term loans payable	-	0.0	2,509	9.1	2,509
<b>Total liabilities</b>	<b>8,868</b>	<b>41.0</b>	<b>13,903</b>	<b>50.6</b>	<b>5,035</b>
<b>Shareholders' equity</b>	<b>12,744</b>	<b>58.9</b>	<b>13,540</b>	<b>49.3</b>	<b>796</b>
<b>Total net assets</b>	<b>12,763</b>	<b>59.0</b>	<b>13,559</b>	<b>49.4</b>	<b>796</b>
<b>Total liabilities and net assets</b>	<b>21,631</b>	<b>100.0</b>	<b>27,462</b>	<b>100.0</b>	<b>5,831</b>

## Point

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

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

### ② Business combinations, etc.

As a result of the establishment of a new subsidiary with the acquisition of shares, "intangible assets" increased.

### ③ Financing

New borrowings from financial institutions resulted in increases in "current portion of long-term loans payables" of current liabilities and "long-term loans payable" of non-current liabilities.

### ④ Overall

As a result of the above, total assets increased by 27.0% YoY, total liabilities increased by 56.8% YoY, total net assets increased by 6.2% YoY, equity ratio decreased by 9.6% YoY to 49.4%.



# Consolidated Statements of Cash Flows



(Unit: Million yen)

	FY 3/21	FY 3/22	Increase (Decrease)
	Amount	Amount	
CF from operating activities	1,672	2,273	600
CF from investing activities	(496)	(1,538)	(1,042)
CF from financing activities	(1,668)	2,164	3,832
Net increase (decrease) in cash and cash equivalents	(491)	2,899	3,391
Cash and cash equivalents at beginning of period	6,365	5,873	(491)
Cash and cash equivalents at end of period	5,873	8,773	2,899

## **Point**

### ① Cash flows from operating activities

Proceeds from profit before income taxes, etc., absorbed the expenditures from increases in notes and account receivables-trade, etc., resulting in proceeds of 2,273 million yen.

### ② Cash flows from investing activities

Expenditures such as the acquisition of shares of subsidiaries resulting in the change in the scope of consolidation resulted in expenditures of 1,538 million yen.

### ③ Cash flows from financing activities

Proceeds of 2,164 million yen was obtained by absorbing expenditures such as cash dividends paid with proceeds from long-term loans payable.



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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**

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