



*Making hardworking people,  
happy.*

**日総工産株式会社**  
**NISSO CORPORATION**  
TSE Prime Market Code:6569

First Nine Months of FY 3/2023

# Financial Results Briefing Materials

February 9, 2023

## FY 3/2023 3Q Results

- Revenue increased and profits decreased year-on-year
- Operating profit recovered to the previous year's level
- Although operations in the automobiles-related industry entered a recovery period, the impact of parts shortages continued, and human resources needs were firm
- Demand for components related to PCs and communication equipment for electronic devices continued to decline
- Demand for semiconductors declined in the memory field, while demand for in-vehicle products were strong
- The number of enrolled engineers steadily increased, and net sales also increased year-on-year

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## First Nine Months of FY 3/2023 (3Q) Financial Results Summary

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# FY 3/2023 3Q Consolidated Financial Results Highlights

(Unit: Million yen)

## Points

- Revenue increased due to an increase in the number of enrolled staff and an increase in billing unit-costs.
- Although the effects of COVID-19 and the impact of reduced operations (number of working days, overtime hours, holiday work, etc.) due to parts shortages such as the shortage of semiconductors in the automobiles industry remained, operations gradually recovered, and gross margin improved by 0.4 percentage points compared to 2Q.
- Other Businesses (nursing care · welfare services) increased revenue and profits.

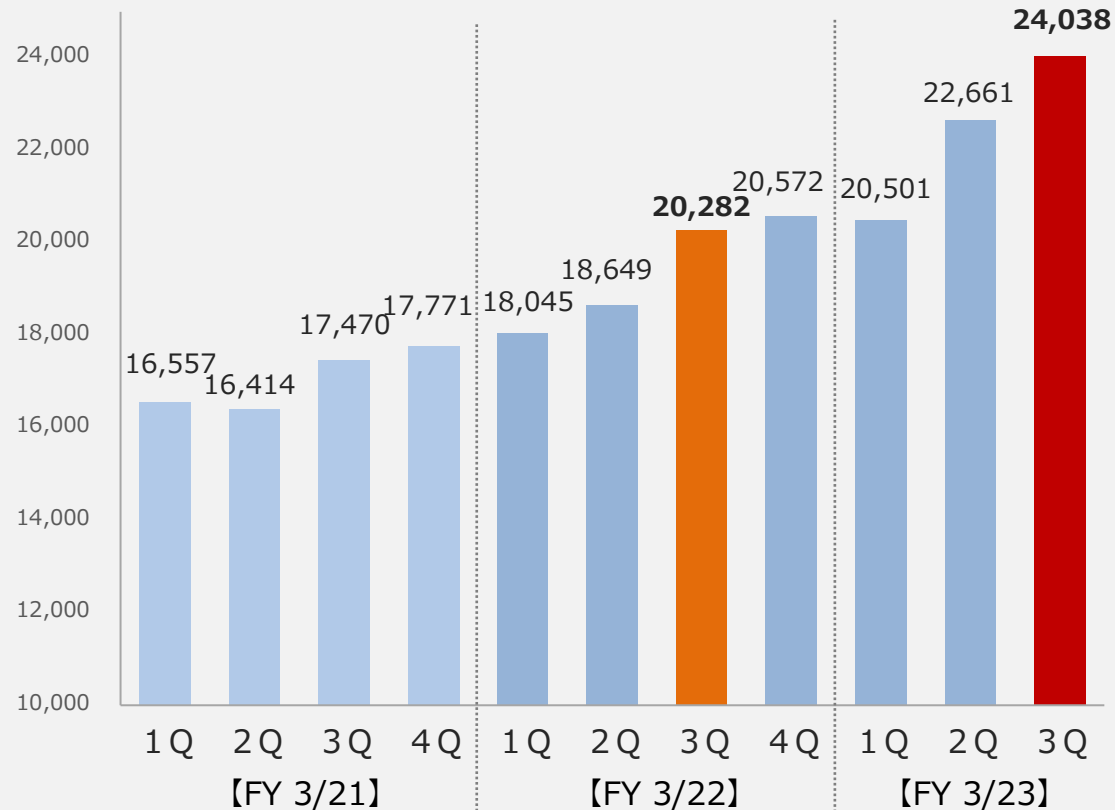
	FY 3/2022 3Q		FY 3/2023 3Q		Year-on-Year	
	Results	% of Total	Results	% of Total	Increase (Decrease)	% Change
<b>Net sales</b>	<b>56,977</b>	100.0%	<b>67,201</b>	100.0%	<b>10,224</b>	17.9%
<b>Gross profit</b>	<b>9,493</b>	16.7%	<b>10,576</b>	15.7%	<b>1,082</b>	11.4%
<b>SG&amp;A expenses</b>	<b>8,086</b>	14.2%	<b>9,177</b>	13.7%	<b>1,091</b>	13.5%
<b>Operating profit</b>	<b>1,406</b>	2.5%	<b>1,398</b>	2.1%	<b>(8)</b>	(0.6%)
<b>Ordinary profit</b>	<b>1,595</b>	2.8%	<b>1,501</b>	2.2%	<b>(94)</b>	(5.9%)
<b>Profit attributable to owners of parent</b>	<b>1,036</b>	1.8%	<b>937</b>	1.4%	<b>(98)</b>	(9.5%)

# FY 3/2023 Quarterly Consolidated Financial Results



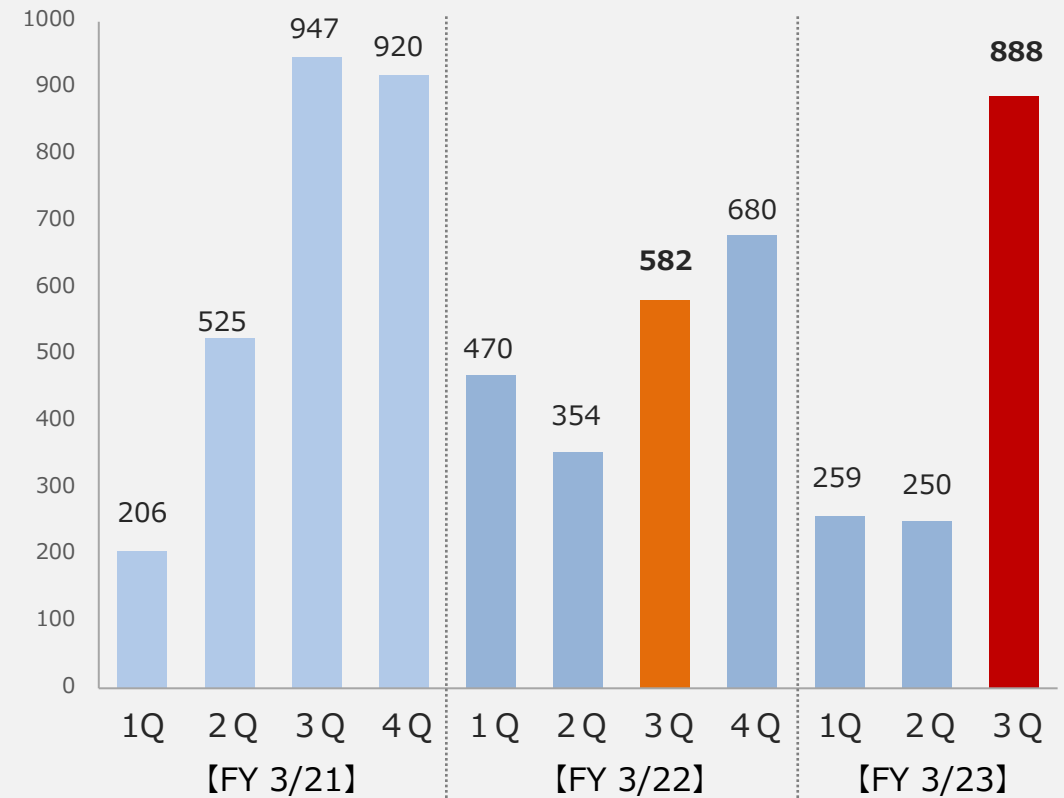
(Unit: Million yen)

## Net sales



(Unit: Million yen)

## Operating profit



# FY 3/2023 3Q Non-consolidated Financial Results Highlights

## Net sales

Net sales increased by 14.0% due to an increase in the number of enrolled staff and an increase in billing unit-costs.

## Expenses · Profits

- Although the impact of reduced operations (number of working days, overtime hours, holiday work, etc.) due to parts shortages such as shortages of semiconductors in the automobiles-industry remained, operations gradually recovered.
- Despite a YoY decline in gross margin due to the effects of COVID-19 and reduced operations, it improved by 0.5 percentage points compared to 2Q.
- Demand for manufacturing-related human resources was strong.
- Invested efficiently in recruitment, controlled SG&A expenses in 3Q, and improved the SG&A expenses ratio YoY.

(Unit: Million yen)

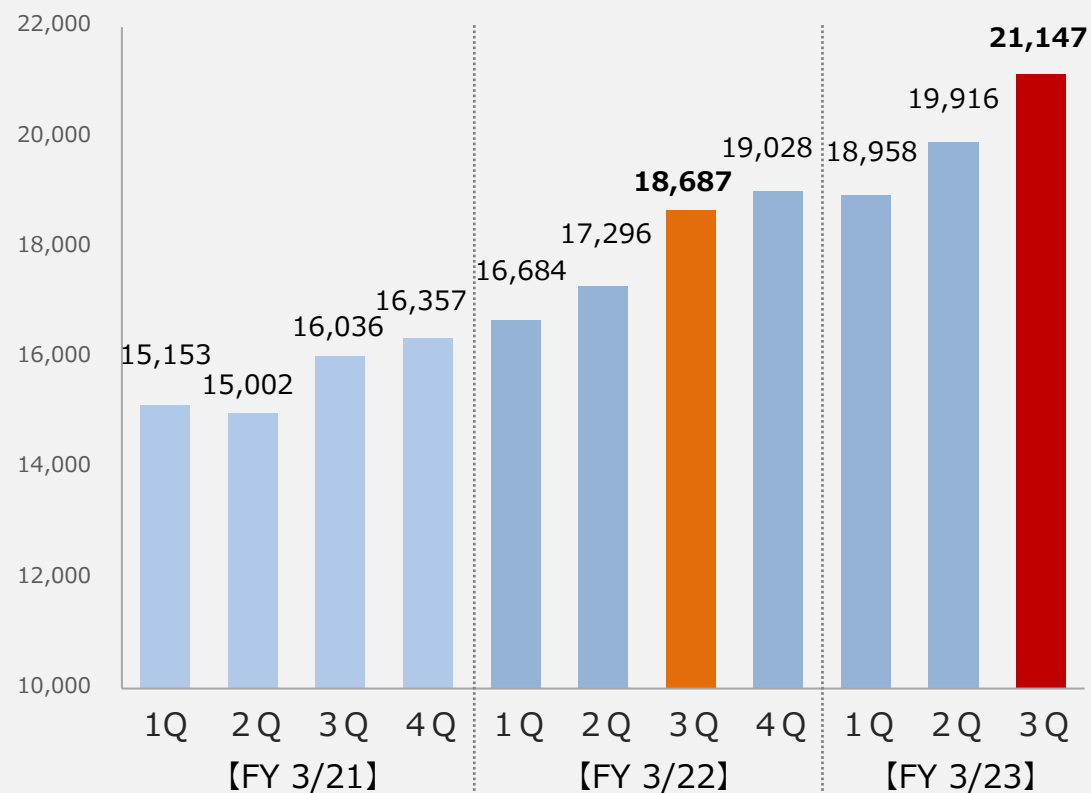
	FY 3/2022 3Q		FY 3/2023 3Q		Year-on-Year	
	Results	% of Total	Results	% of Total	Increase (Decrease)	% Change
<b>Net sales</b>	<b>52,668</b>	100.0%	<b>60,022</b>	100.0%	<b>7,353</b>	14.0%
<b>Gross profit</b>	<b>9,048</b>	17.2%	<b>9,789</b>	16.3%	<b>741</b>	8.2%
<b>SG&amp;A expenses</b>	<b>7,618</b>	14.5%	<b>8,389</b>	14.0%	<b>770</b>	10.1%
<b>Operating profit</b>	<b>1,429</b>	2.7%	<b>1,399</b>	2.3%	<b>(29)</b>	(2.1%)
<b>Ordinary profit</b>	<b>1,528</b>	2.9%	<b>1,492</b>	2.5%	<b>(35)</b>	(2.3%)
<b>Profit</b>	<b>989</b>	1.9%	<b>960</b>	1.6%	<b>(29)</b>	(3.0%)

# FY 3/2023 Quarterly Non-consolidated Financial Results



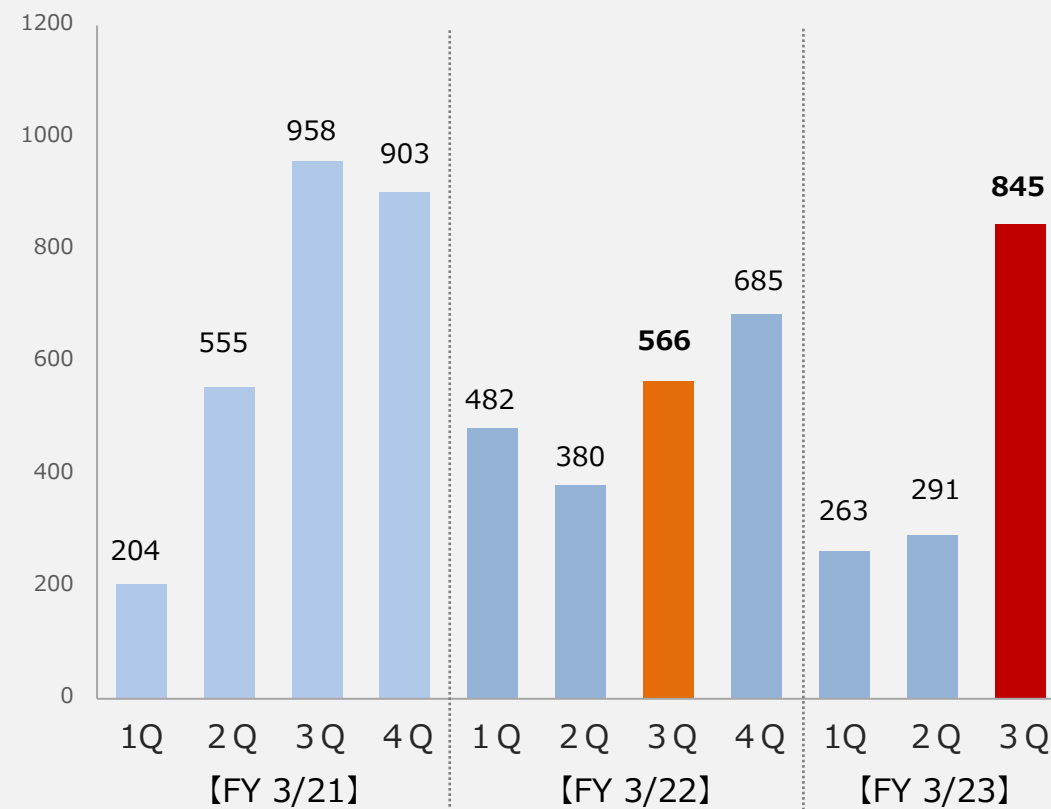
(Unit: Million yen)

## Net sales



(Unit: Million yen)

## Operating profit







**2**

## First Nine Months of FY 3/2023 (3Q) Overview of Activities

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# FY 3/2023 3Q Financial Results Summary



## Consolidated Financial Results

<b>Net Sales</b>	<b>67,201 Million yen</b>	(10,224 Million yen / 17.9%)
<b>Operating Profit</b>	<b>1,398 Million yen</b>	( -8 Million yen / - 0.6%)

## Non-consolidated Financial Results

### ● Net Sales by Industry (YoY)

Automobiles	... +16.0%
Electronic devices	... +15.4%

- In the automobiles-related industry, net sales increased by 16.0% YoY. Although the impact of reduced operations due to parts shortages remained, operations gradually recovered. Net sales increased due to an increase in the number of enrolled staff and an increase in billing unit-costs.
- In the electronic devices-related industry, net sales increased by 15.4% YoY. In addition to the PC and communication equipment-related industries, net sales increased due to an increase in the number of enrolled staff and an increase in billing unit-costs, despite a partial decrease in demand for semiconductors.

### ● 3Q-end Number of Enrolled Staff

16,111 staff  
(+1,166 staff from FY 3/22-end)

- The number of enrolled staff increased by 1,166 compared to FY 3/22-end. The number of enrolled staff increased, mainly in the automobiles industry, where human resources needs were high.

### ● Net Sales per Capita / Monthly

425 Thousand yen  
(+13 Thousand yen YoY)

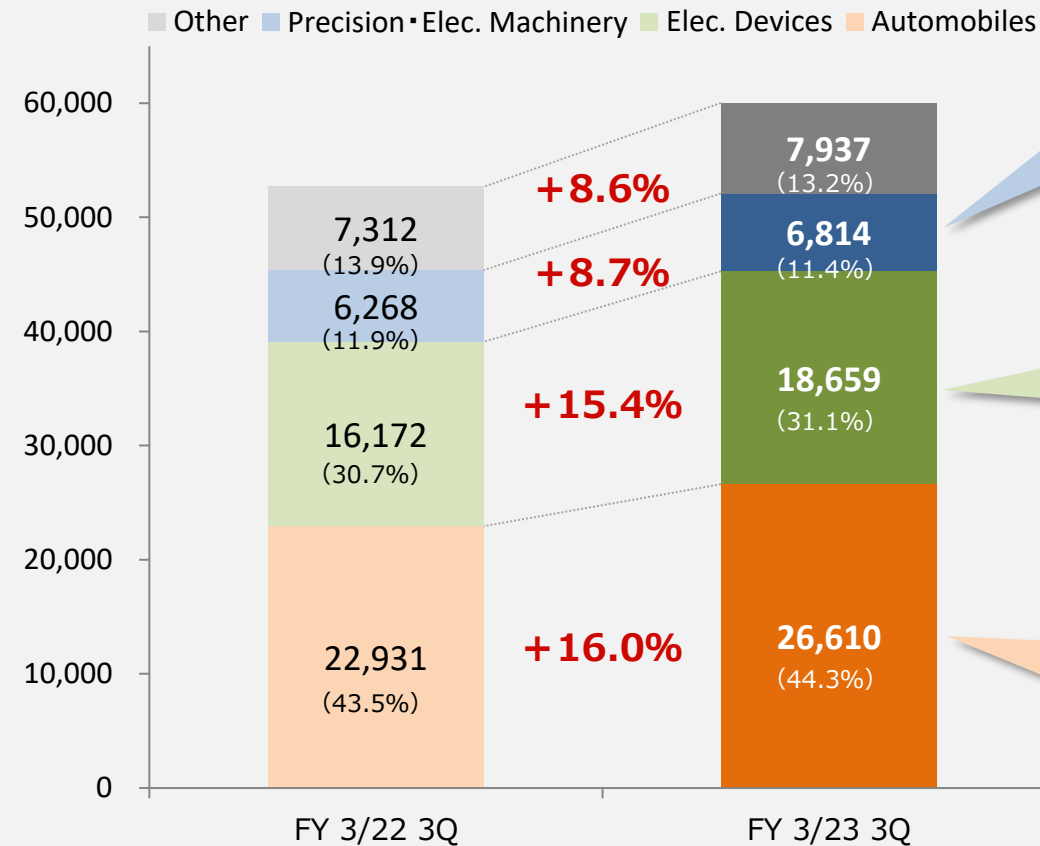
- Net sales per capita increased by 13 thousand yen YoY. The increase was partly due to an increase in billing unit-costs and a gradual recovery in operations in the automobiles-related industry.

# FY 3/2023 3Q Net Sales by Industry (NISSO, Non-consolidated)



(Unit: Million yen)

## Net Sales Composition Ratios



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

### 【Precision · Electrical Machinery】

Net sales increased by 8.7% YoY. Net sales increased partly due to an increase in the number of enrolled staff.

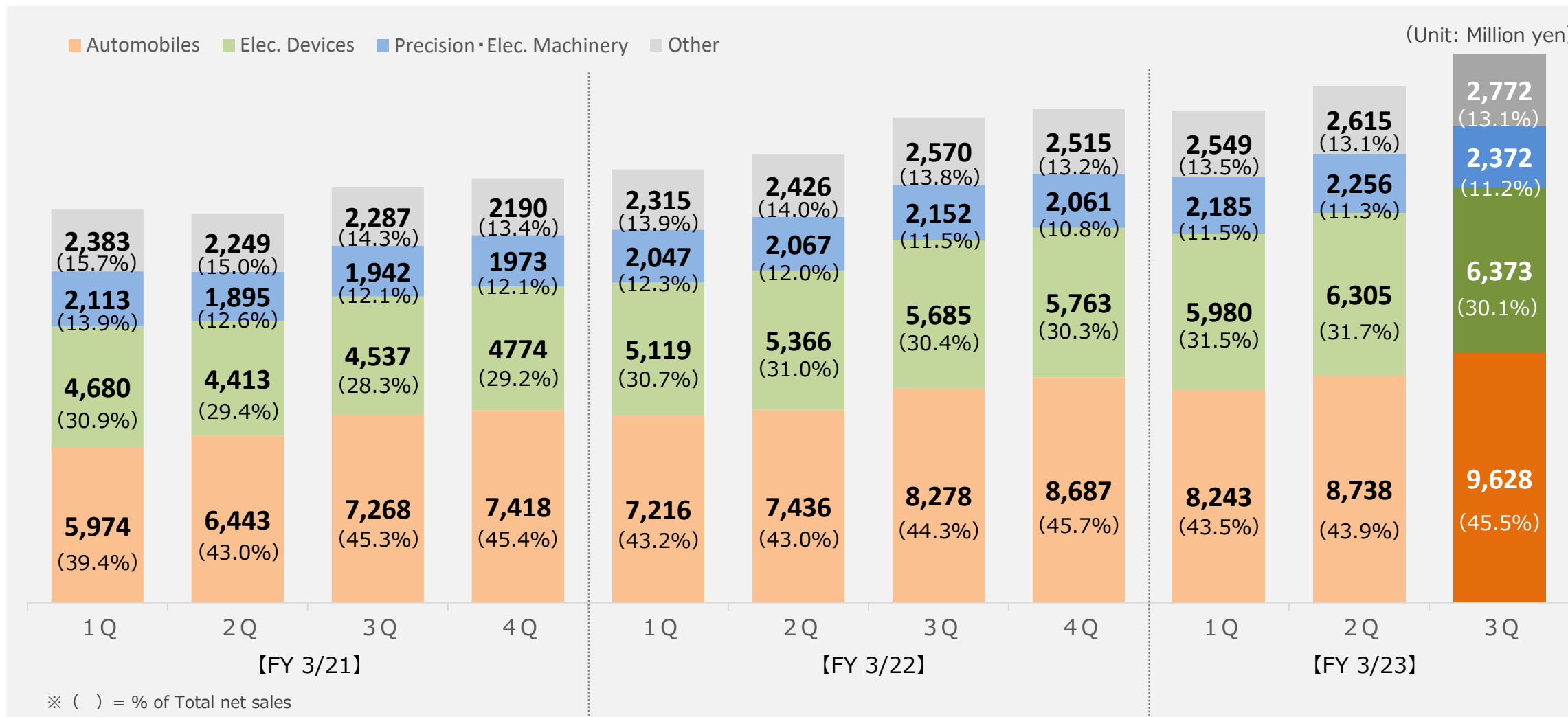
### 【Electronic Devices】

Net sales increased by 15.4% YoY. In addition to the PC and communication equipment-related industries, net sales in 3Q reached a record high since NISSO's listing, due to an increase in the number of enrolled staff and an increase in billing unit-costs, despite a partial decrease in demand for semiconductors.

### 【Automobiles】

Net sales increased by 16.0% YoY. Although the impact of reduced operations (number of working days, overtime hours, holiday work, etc.) due to parts shortages, etc., remained, operations gradually recovered. Due to an increase in the number of enrolled staff and an increase in billing unit-costs, net sales in 3Q reached a record high since NISSO's listing.

# FY 3/2023 Quarterly Net Sales by Industry (NISSO, Non-consolidated)



# Account Companies (NISSO, Non-consolidated)



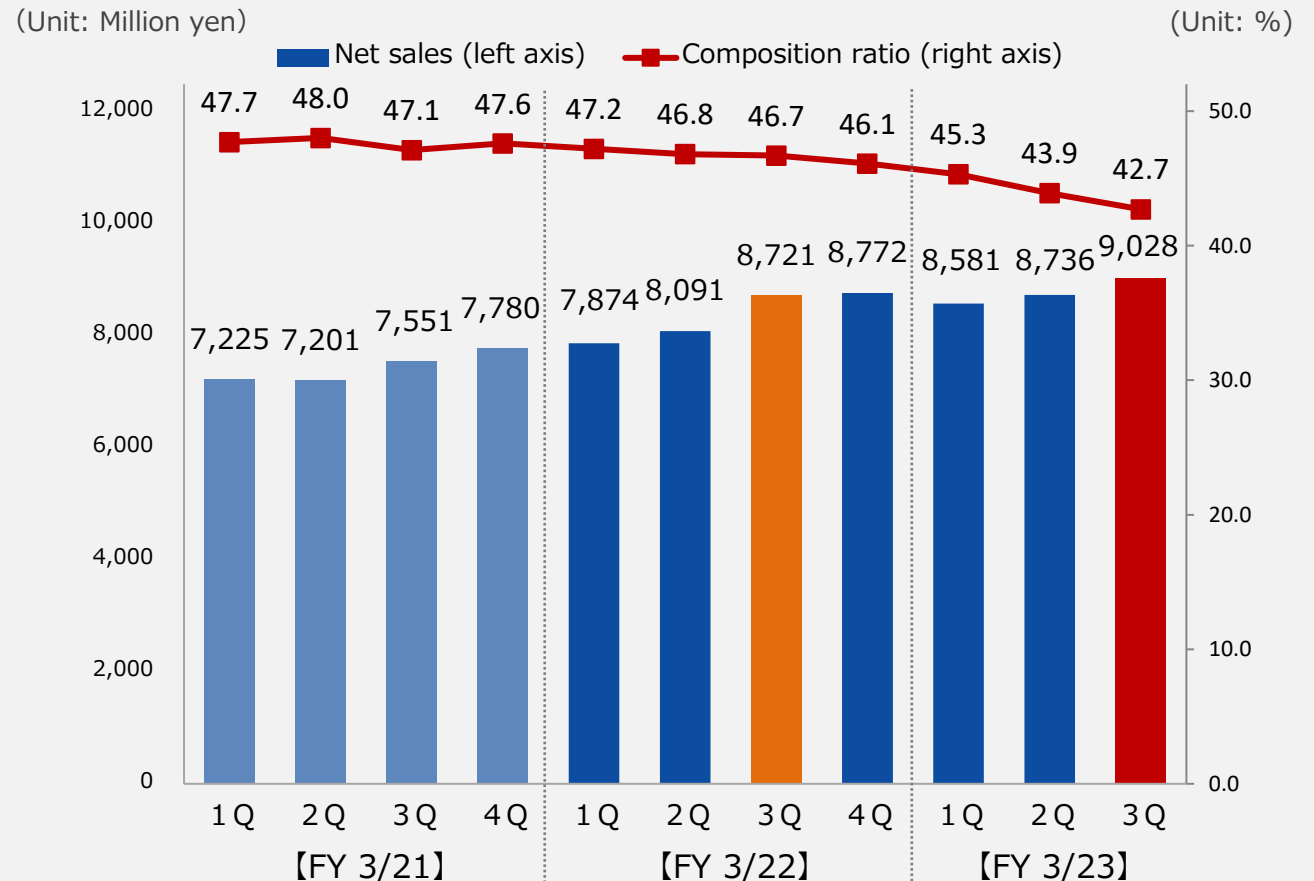
## Point①

Account Company Groups net sales in 3Q reached a record high since NISSO's listing.

## Point②

- In the automobiles-related company group, although the impact of reduced operations (number of working days, overtime hours, holiday work, etc.) due to parts shortages such as shortages of semiconductors remained, operations gradually recovered, and net sales increased.
- In addition to the decrease in demand for PCs and mobile terminals in the electronic devices-related company group, there was also a partial decrease in demand for semiconductors, resulting in a slowdown in net sales growth and a decrease in the composition ratio YoY.

## Account Company Groups Net Sales



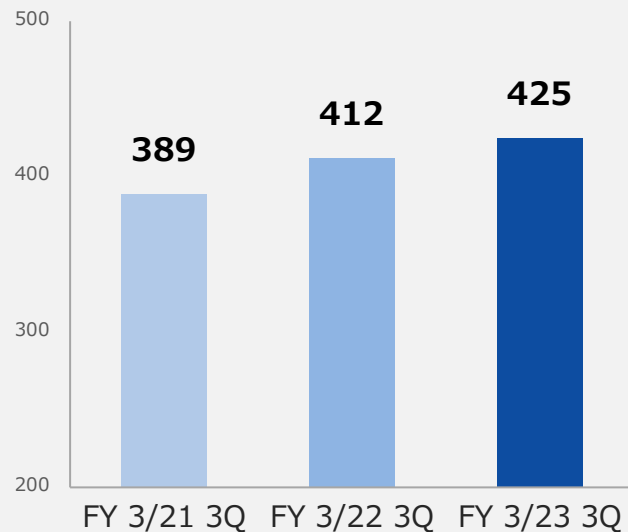
# Net Sales per Capita/Month (NISSO, Non-consolidated)

- FY 3/2023 3Q YTD <Overall net sales per capita> 425 Thousand yen (+13 Thousand yen YoY)
- Net sales per capita increased YoY due in part to an increase in billing unit-costs and a gradual recovery in operations in the automobiles-related industry.

(Unit: Thousand yen)

## Net Sales per Capita/Month

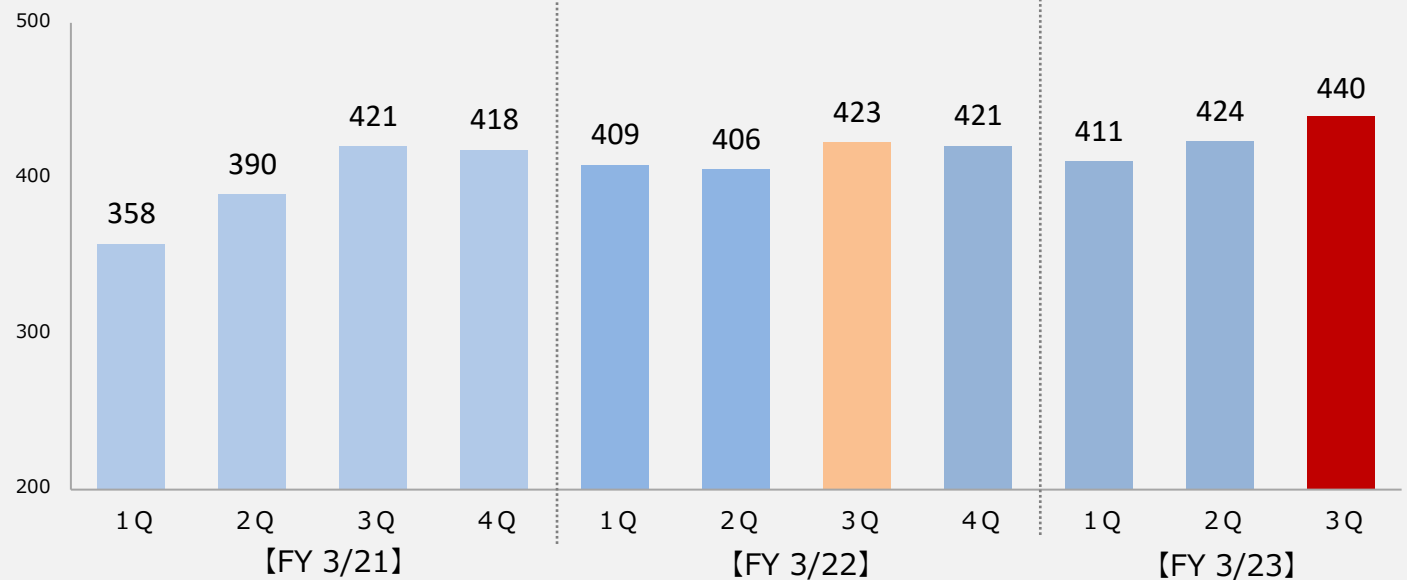
(Monthly Average Conversion)



(Unit: Thousand yen)

## Net Sales per Capita/Month

(Quarterly)



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



(Unit: # of Staff)

## Compared w. Previous FY-end

+1,166 staff (+7.8%)

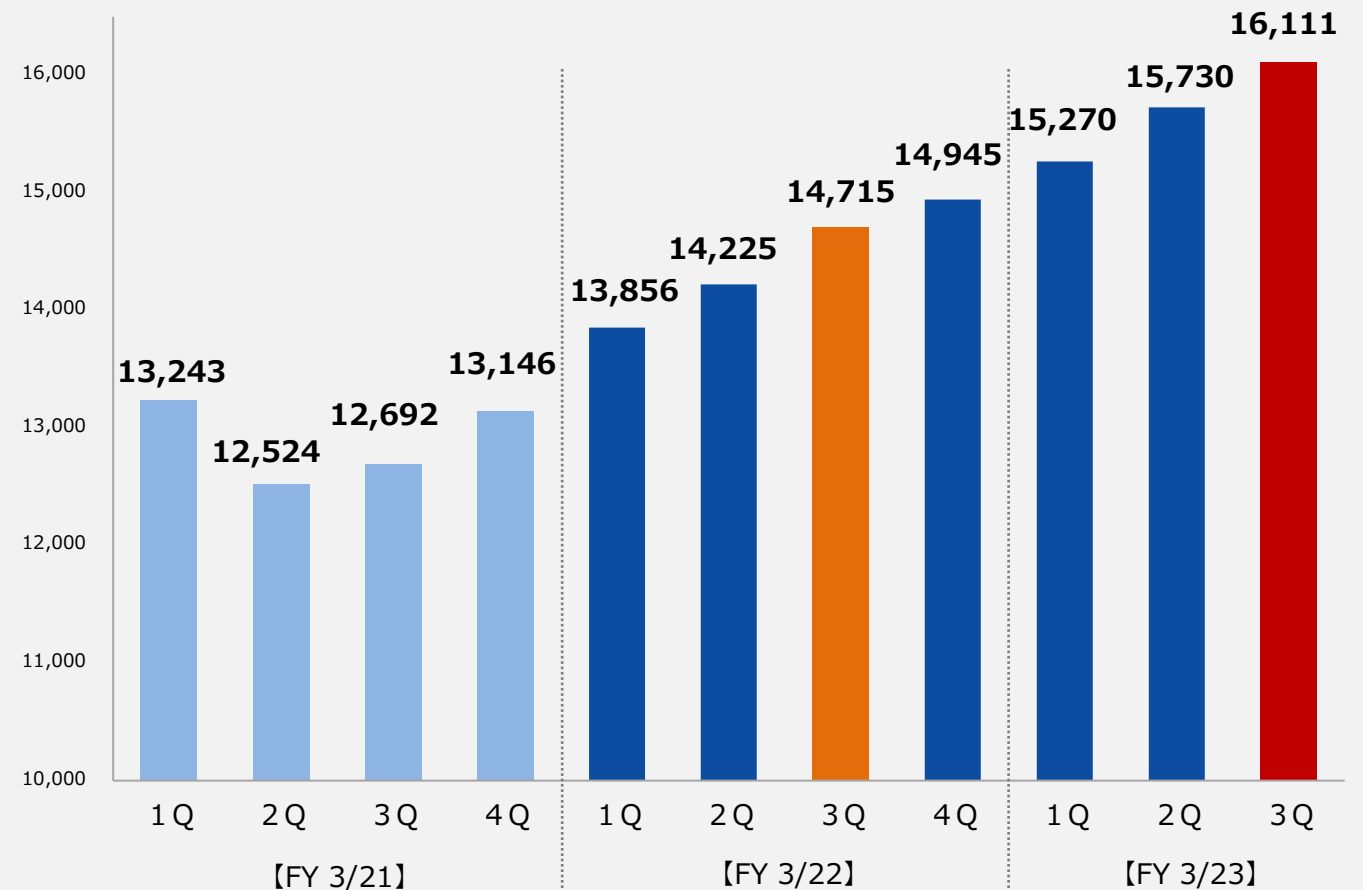
## Point①

Manufacturing-related human resources needs remained strong, mainly in the automobiles industry, and the number of enrolled staff steadily increased.

## Point②

The number of enrolled staff reached a record high since NISSO's listing.

## Number of Enrolled Staff at Quarter-end



# Educational Achievements (NISSO, Non-consolidated)



## Point①

Due in part to the steady increase in the number of engineers, the number of participants in engineer education increased YoY.

## Point②

Partly due to a partial decrease in demand for semiconductors, the number of participants in basic equipment maintenance education decreased slightly YoY.

- FY 3/2023 3Q Main course-specific educational achievements (total # of participants)

(Unit: # of participants)

Training course name	Contents	FY 3/22 3Q (Oct ~ Dec)	FY 3/23 3Q (Oct ~ Dec)	Year-on-Year Increase (Decrease)
<b>Basic equipment maintenance education</b>	Basic equipment maintenance education	100	97	( 3 )
<b>Engineer education</b>	Manufacturing equipment maintenance · manufacturing equipment technology Mechanical design · production technology SEAJ education (safety education specializing in semiconductors)	158	234	+ 76
<b>Manufacturing education</b>	MONOZUKURI (manufacturing) education, pre-assignment training for manufacturing staff, mobile education	1,419	1,604	+ 185
	<b>Total</b>	<b>1,677</b>	<b>1,935</b>	<b>+ 258</b>





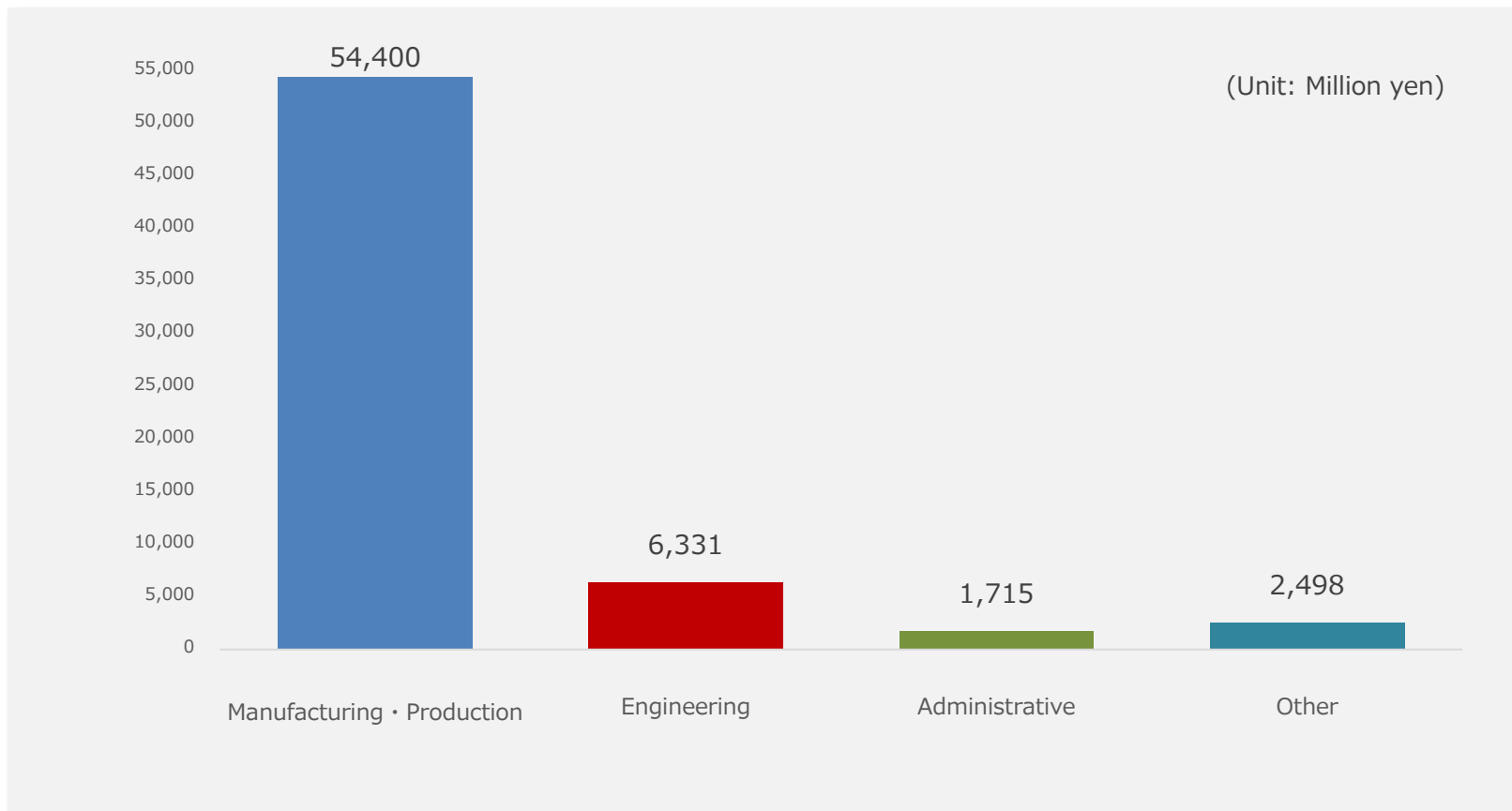
**3**

## **Financial Results by Segment** **(First Nine Months of FY 3/2023 (3Q))**

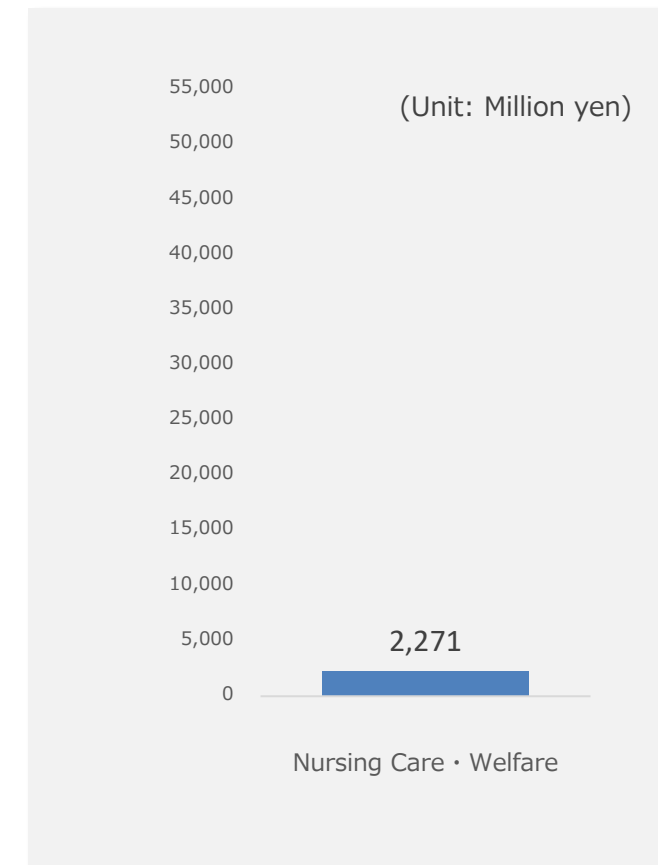
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# Net Sales by Segment (Services)

FY 3/2023 3Q  
General Human Resources Services Business



FY 3/2023 3Q  
Other Businesses

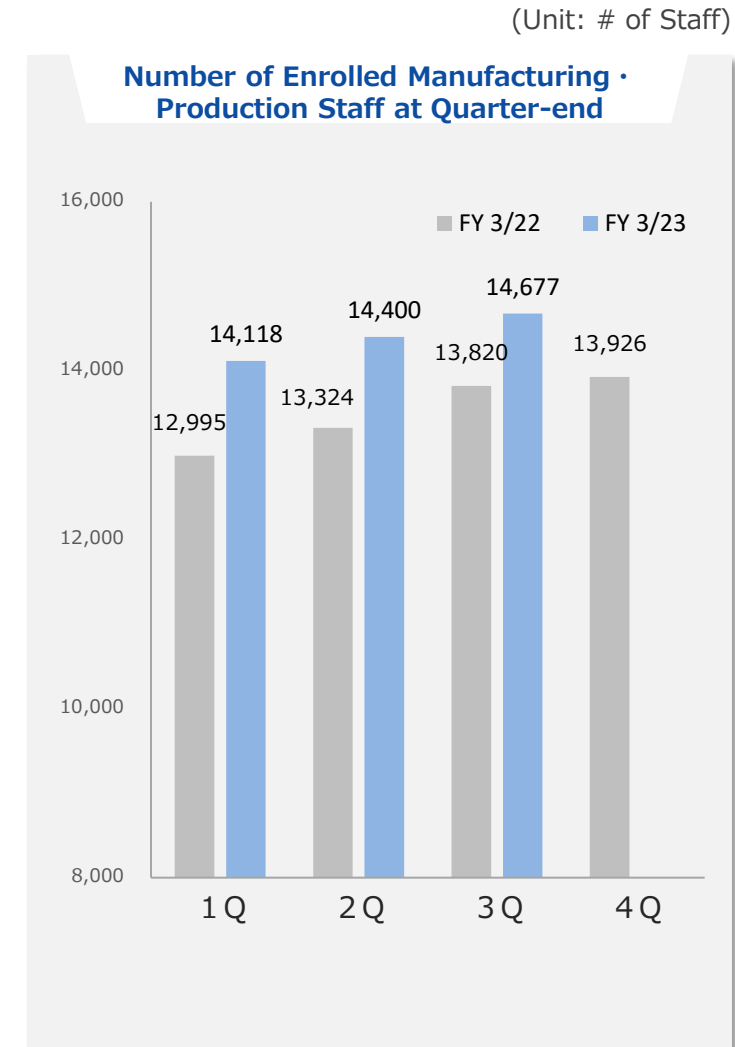
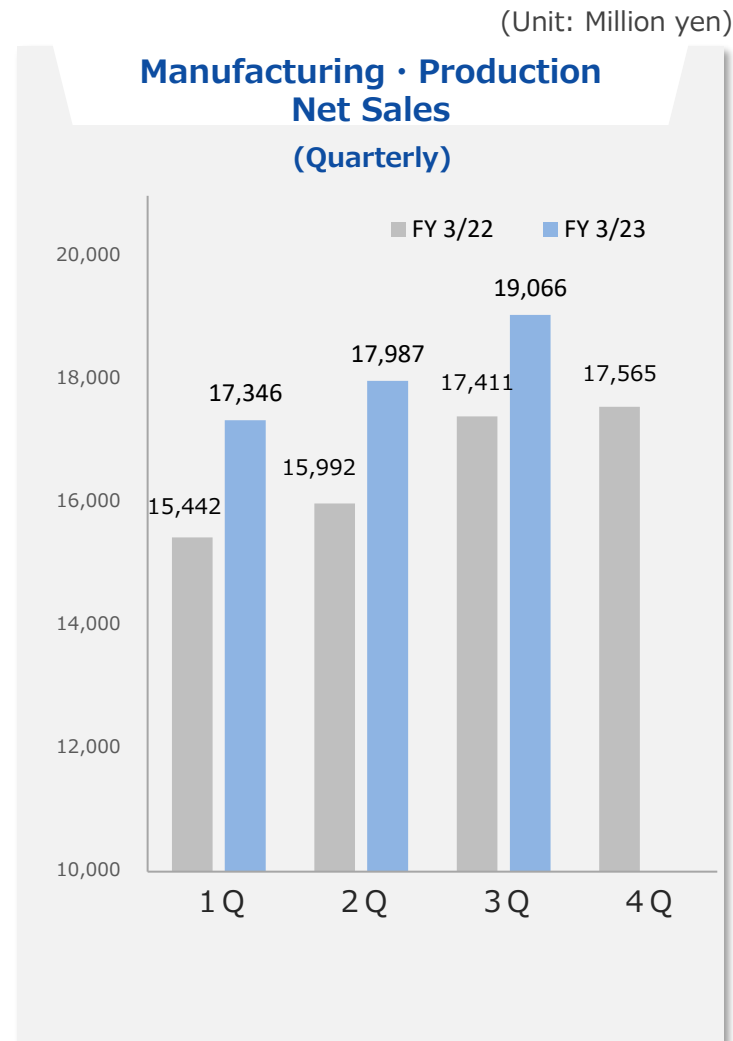


## Net Sales

Manufacturing · production net sales in 3Q increased by 9.5% YoY, partly due to an increase in the number of enrolled staff and an increase in billing unit-costs.

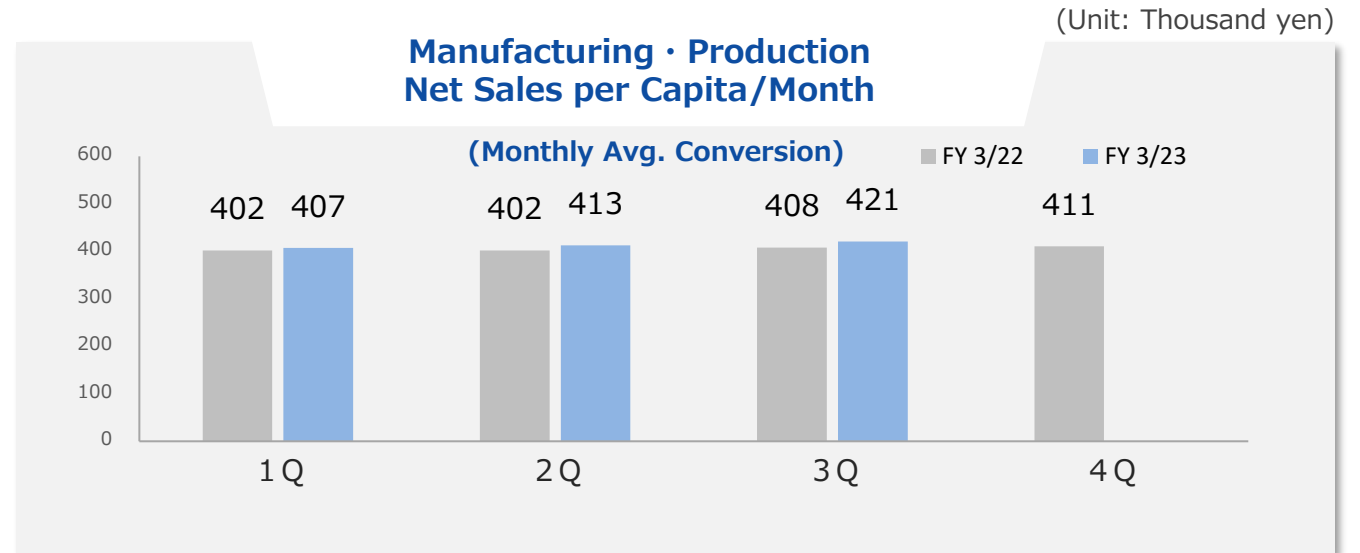
## Number of Enrolled Staff

The number of enrolled manufacturing · production staff increased by 857 YoY. Needs for manufacturing-related human resources were strong, and the number of enrolled staff increased partly due to an improvement in the turnover rate.



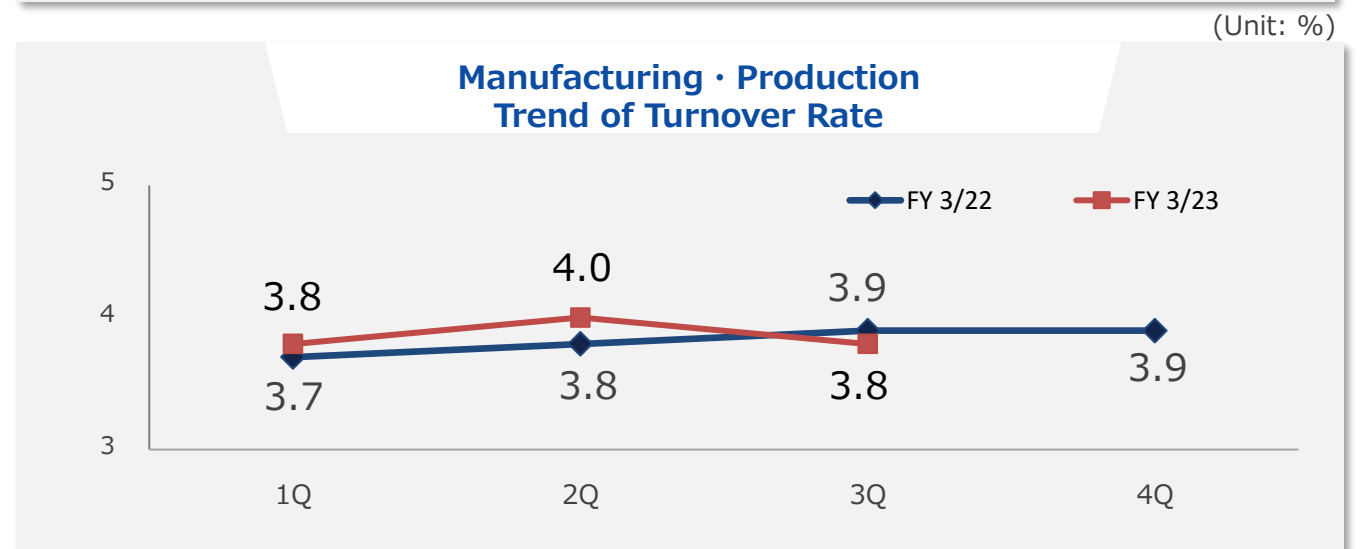
## Net Sales per Capita/Month

Manufacturing · production net sales per capita increased by 3.1% YoY.



## Turnover Rate

The manufacturing · production turnover rate improved by 0.1 percentage points YoY to less than 4%.



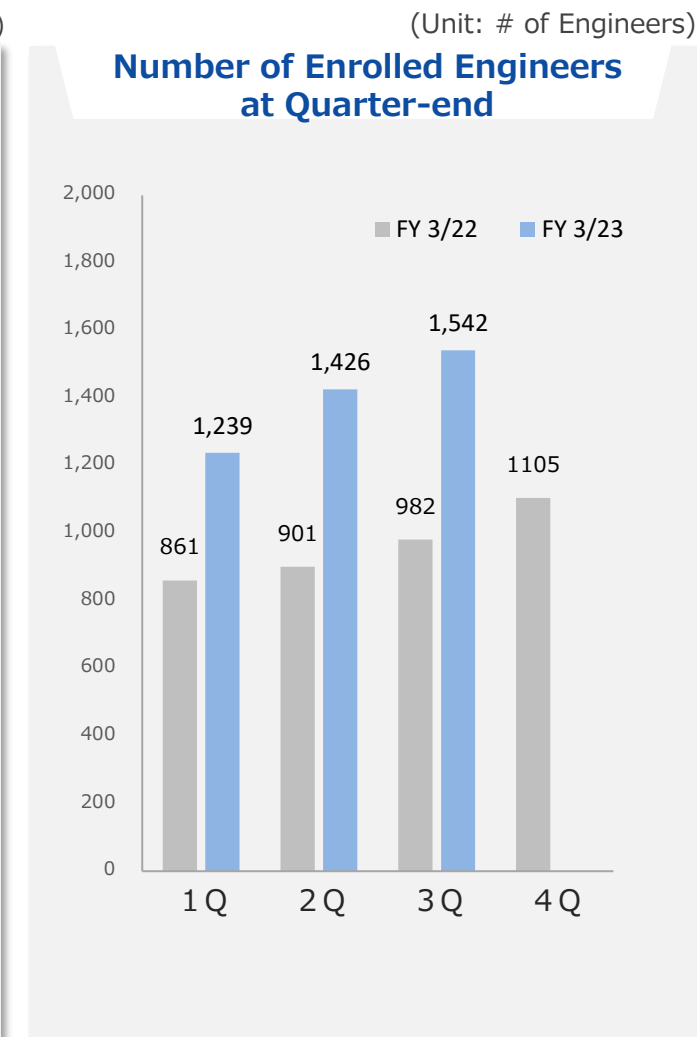
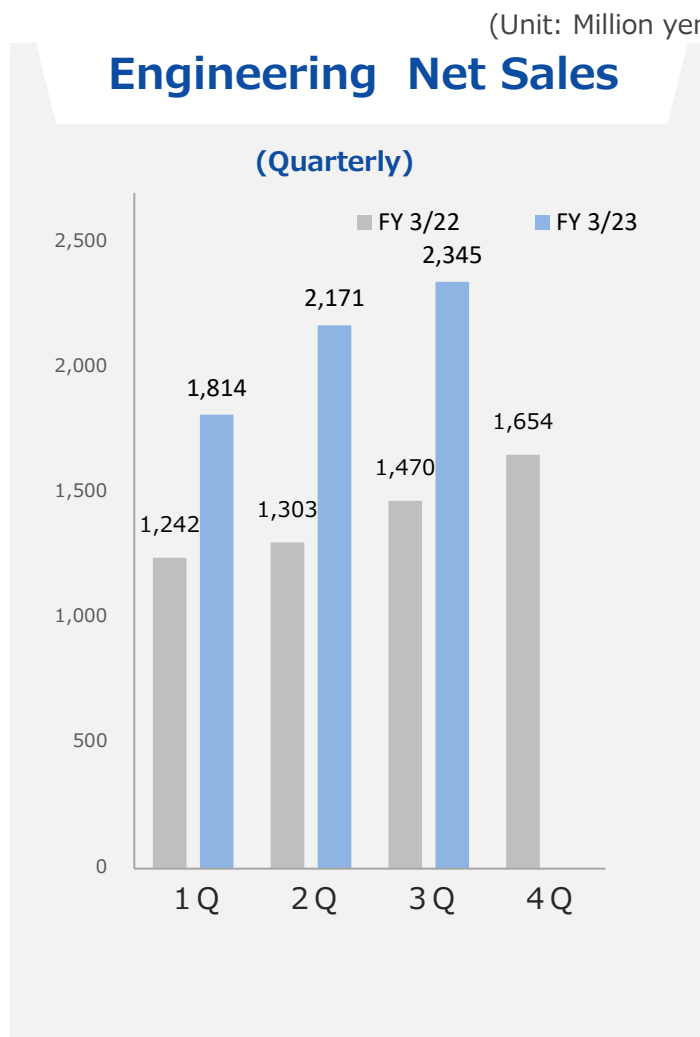
# Engineering Human Resources Services

## Net Sales

Engineering net sales in 3Q increased by 59.5% YoY.

## Number of Enrolled Engineers

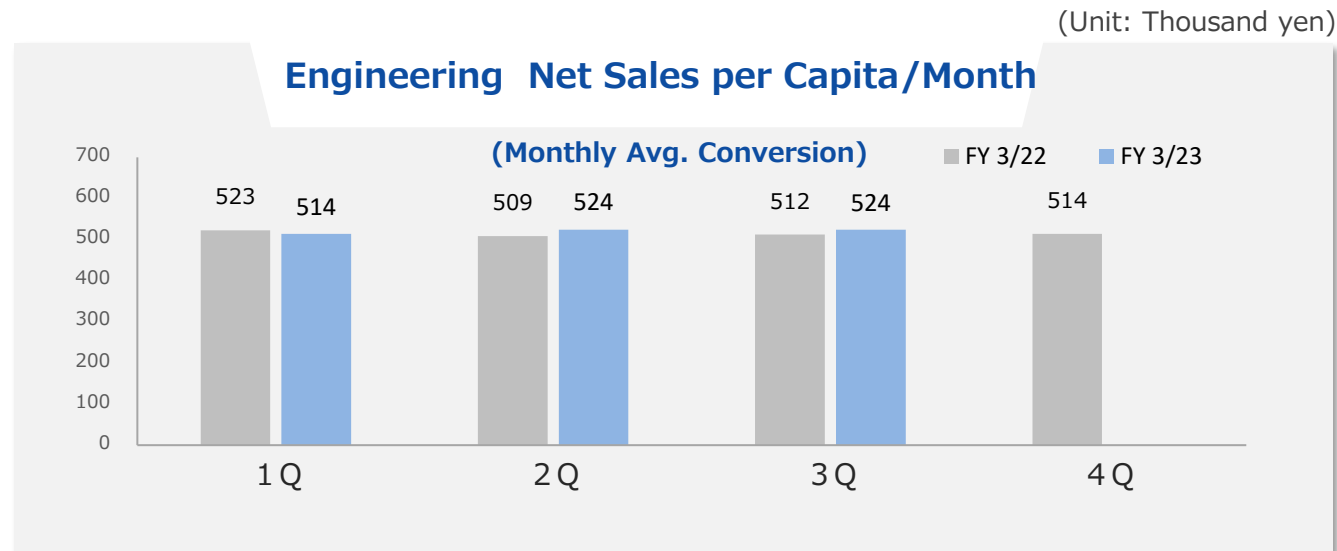
The number of enrolled engineers increased by 560 YoY. NISSO continued to the promotion of career changes to engineers, strengthened new hiring, and increased the number of enrolled engineers.



# Engineering Human Resources Services

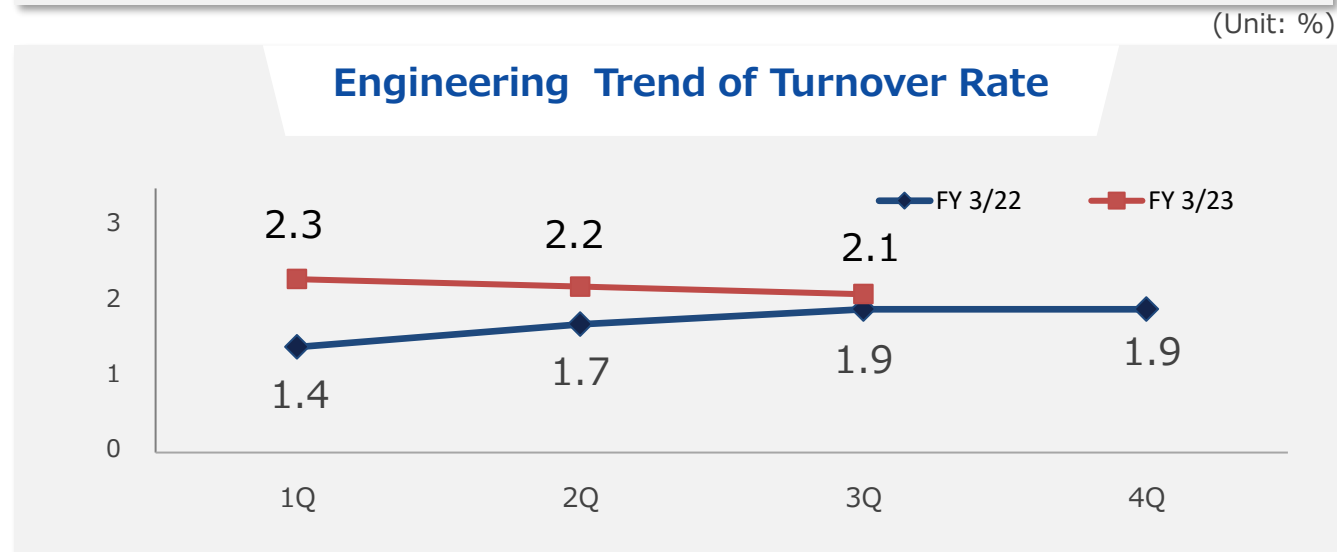
## Net Sales per Capita/Month

Engineering net sales per capita increased by 2.2% YoY.



## Turnover Rate

Although the engineering turnover rate decreased by 0.2 percentage points YoY, the trend of improvement has continued from 1Q of this fiscal year.



# Toward the Growth of Engineering Human Resources Services



## 【Semiconductor Field】

### Opening of Kumamoto Training Center

In order to respond to the shortage of human resources at semiconductor-related companies, NISSO has announced a plan to open a training center in Kumamoto Prefecture, which is scheduled to open in April 2023.

### Participation in Chugoku Regional Semiconductor Industry Promotion Council

Following the Tohoku "Semiconductor and Electronics Design Study Group" of the Tohoku Bureau of Economy, Trade and Industry, we will participate in the Chugoku Regional Semiconductor Industry Promotion Council.

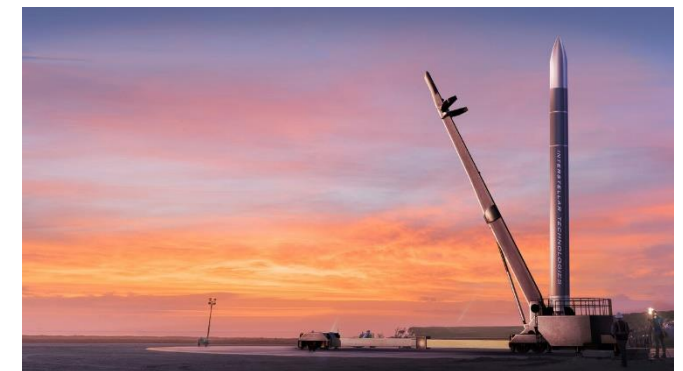
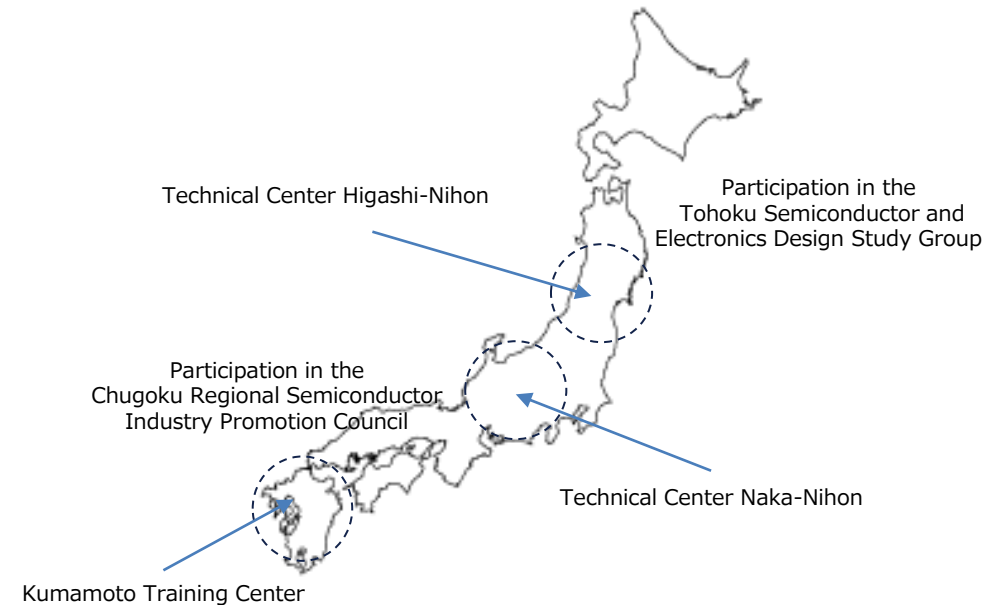
URL:[https://www.nisso.co.jp/news/chuugokukeizaisangyoukyoku\\_1/](https://www.nisso.co.jp/news/chuugokukeizaisangyoukyoku_1/) **(in Japanese only)**

## 【Engineering Field】

### Conclusion of Partnership Agreement with Interstellar Technologies Inc.

With the vision of "creating a future where everyone can reach space", NISSO has concluded a partnership agreement on the utilization of human resources with Interstellar Technologies Inc., a rocket development venture company headquartered in Taiki-cho, Hiroo-gun, Hokkaido. We will contribute to the space industry, which is projected to exceed 100 trillion yen in 2040.

We aim to develop high value-added human resources by enhancing cooperation with local communities, semiconductor-related manufacturers, and NISSO's training centers.

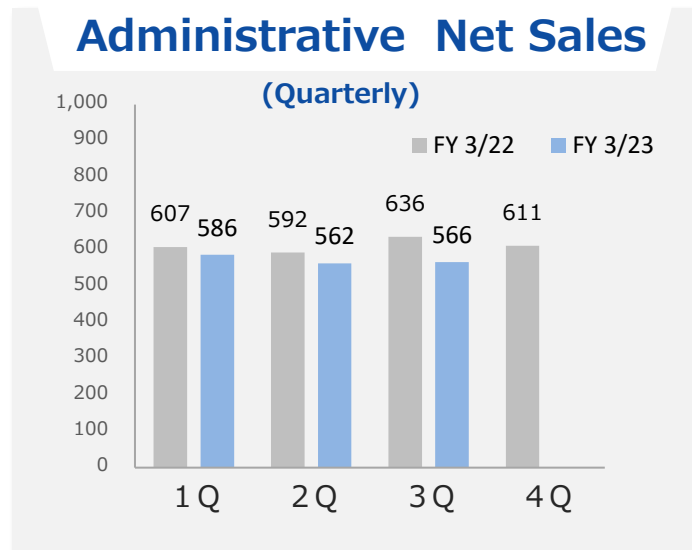


# Administrative • Other Human Resources Services

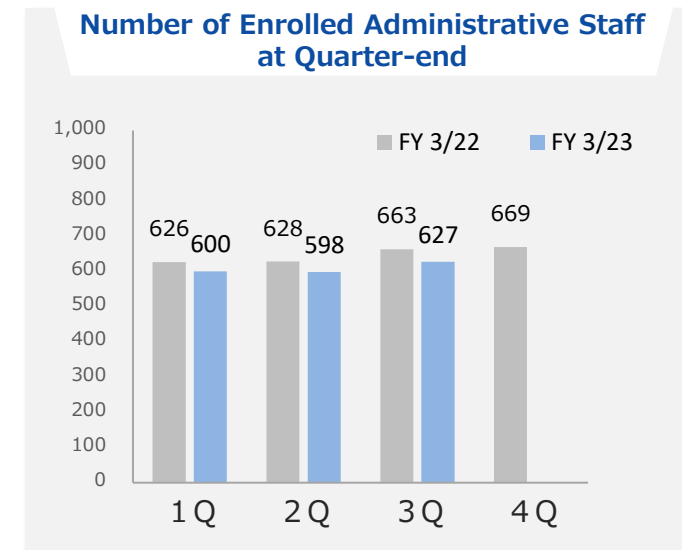
## Administrative Human Resources Services

Administrative net sales in 3Q decreased by 11.0% YoY due to a decrease in the number of enrolled administrative staff.

(Unit: Million yen)



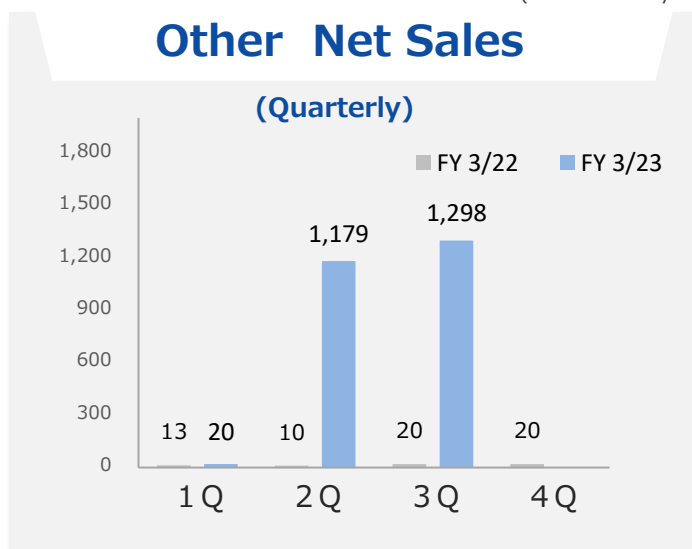
(Unit: # of Staff)



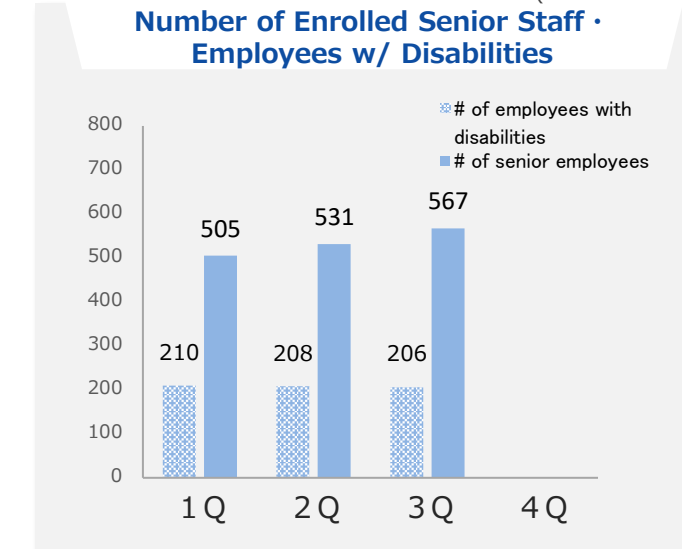
## Other Human Resources Services

- At Nikon Nisso Prime Corporation, the Nisso Group is in the process of developing a model which allows older (senior) employees to flourish.
- At Nisso Pure Co., Ltd., the Nisso Group is in the process of developing a model which allows employees with disabilities to flourish.

(Unit: Million yen)



(Unit: # of Staff)





# Nursing Care · Welfare Services

## Points

- The occupancy rate of nursing care facilities overall has remained above 90%.
- Net sales increased by 1.4% YoY.

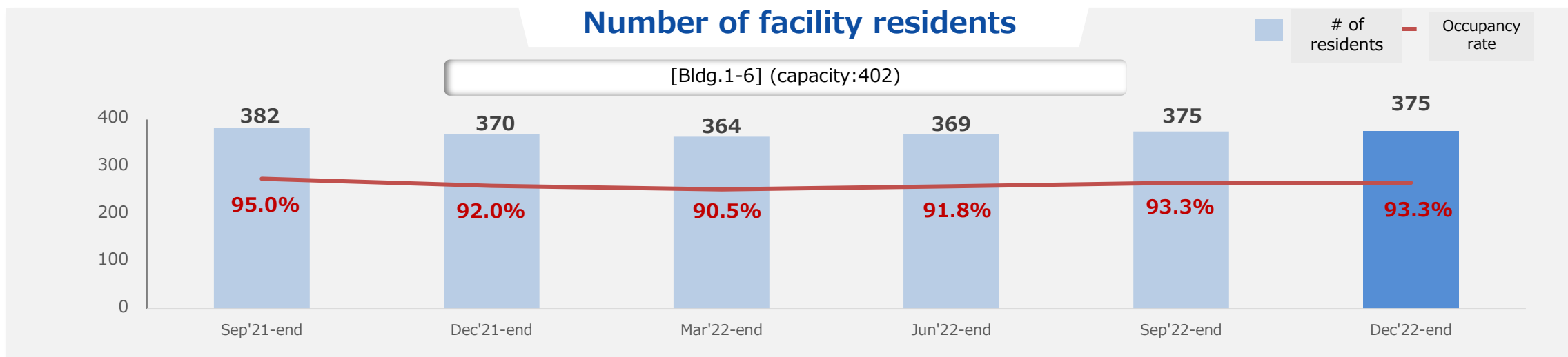
## ● Results of Nursing Care · Welfare Services

(Unit: Million yen)

	FY 3/22 3Q	FY 3/23 3Q	Year-on-Year	
	Results	Results	Increase (Decrease)	% Change
<b>Net sales</b>	2,240	2,271	31	1.4%

## Number of facility residents

(Unit: # of residents)



# Topics

## Start of Consideration of Transition to a Holding Company Structure

With technological innovation and globalization, the needs of clients and workers are diversifying, and the business environment surrounding the Nisso Group is changing rapidly, such as the progress of Society 5.0. In order to flexibly respond to such changes in the business environment and achieve sustainable growth, we believe that it is necessary to restructure the Nisso Group structure with the aim of further improving management efficiency, and have begun considering a transition to a holding company structure. With regard to the timing of the transition to a holding company structure, NISSO's basic policy is to implement the transition within the 2023 fiscal year, and we plan to examine the optimal method for the transition in the future.

## Formulation of Nisso Group Tagline

The Nisso Group, led by NISSO CORPORATION, has formulated a new Nisso Group brand message for the next era beyond the 50 years since our founding.

<Nisso Group Tagline Message>

*Making hardworking people, happy.*

It is a brand message that expresses the desire to continue to be a warm "place to belong" where people can find their own value by "working", growing, and realizing their hopes and dreams. Through our new brand message, we will develop into a corporate group that responds to social changes and provide new value to our stakeholders.



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

(in Japanese only) 25



# 4

## Future Prospects (FY 3/2023)

# Revision of Full-year Consolidated Forecast



## Revision of Consolidated Forecast

Based on recent business performance trends, NISSO has revised the Full-year Consolidated Forecast for FY 3/2023 (April 1, 2022 ~ March 31, 2023) which was announced on May 12, 2022.

For details, please refer to the "Notice of Revisions of Full-year Consolidated Forecast for the Fiscal Year Ending March 31, 2023" announced on February 6, 2023.

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

(Unit: Million yen)

	Previous Forecast		Present Revised Forecast		Change from Previous Forecast	
	Forecast	% of Total	Forecast	% of Total	Increase (Decrease)	% Change
<b>Net sales</b>	<b>88,600</b>	100.0%	<b>91,000</b>	100%	<b>2,400</b>	2.7%
<b>Operating profit</b>	<b>2,700</b>	3.0%	<b>2,200</b>	2.4%	<b>(500)</b>	(18.5)
<b>Ordinary profit</b>	<b>2,700</b>	3.0%	<b>2,300</b>	2.5%	<b>(400)</b>	(14.8)
<b>Profit attributable to owners of parent</b>	<b>1,800</b>	2.0%	<b>1,500</b>	1.6%	<b>(300)</b>	(16.7)



## **5** Shareholder Return Policy

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# Shareholder Return Policy

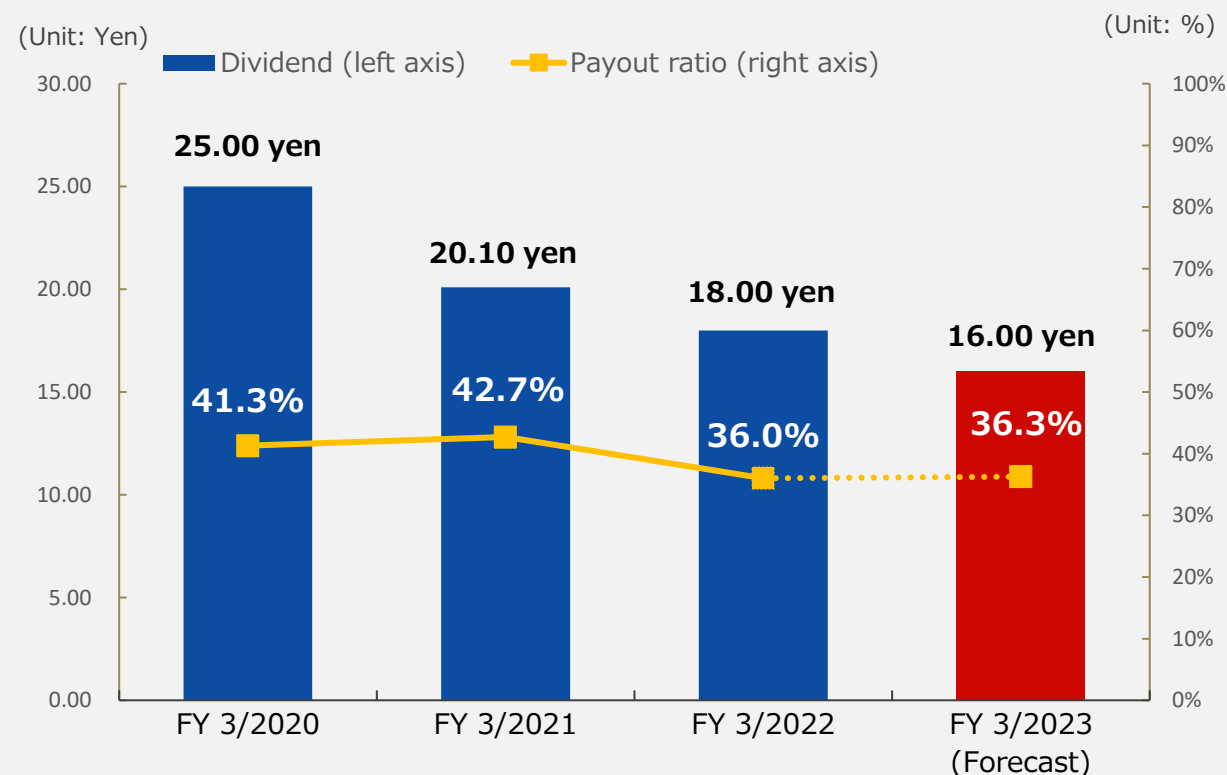
## Basic Policy

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 3/2023 Dividend Forecast

Although NISSO has revised the earnings forecast, the dividends per share forecast (16.00 yen) remains unchanged. This will result in a dividend payout ratio of 36.3%.

## Dividend and Payout Ratio



※The dividend for FY 3/2021 includes a commemorative dividend of 5.00 yen for the 50th Anniversary of NISSO's founding.



## **6** Supplementary Materials

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# Consolidated Balance Sheet

(Unit: Million yen, %)

	Mar. 2022-end		Dec. 2022-end		Increase (Decrease)
	Amount	% of Total	Amount	% of Total	
<b>Current assets</b>	<b>19,068</b>	<b>69.4</b>	<b>21,042</b>	<b>72.3</b>	<b>1,974</b>
Cash and deposits	8,779	32.0	8,819	30.3	39
Notes and accounts receivable - trade	9,390	34.2	11,073	38.1	1,682
<b>Non-current assets</b>	<b>8,394</b>	<b>30.6</b>	<b>8,057</b>	<b>27.7</b>	<b>(337)</b>
Property, plant and equipment	4,578	16.7	4,577	15.7	(0)
Intangible assets	1,667	6.1	1,535	5.3	(131)
Investments and other assets	2,149	7.8	1,944	6.7	(205)
<b>Total assets</b>	<b>27,462</b>	<b>100.0</b>	<b>29,100</b>	<b>100.0</b>	<b>1,637</b>
<b>Current liabilities</b>	<b>10,411</b>	<b>37.9</b>	<b>11,721</b>	<b>40.3</b>	<b>1,310</b>
Accrued expenses	5,381	19.6	6,445	22.2	1,064
Income taxes payable	395	1.4	129	0.4	(265)
Provision for bonuses	1,058	3.9	732	2.5	(326)
<b>Non-current liabilities</b>	<b>3,492</b>	<b>12.7</b>	<b>3,236</b>	<b>11.1</b>	<b>(255)</b>
Long-term loans payable	2,509	9.1	2,141	7.4	(367)
<b>Total liabilities</b>	<b>13,903</b>	<b>50.6</b>	<b>14,958</b>	<b>51.4</b>	<b>1,054</b>
<b>Shareholders' equity</b>	<b>13,540</b>	<b>49.3</b>	<b>13,878</b>	<b>47.7</b>	<b>337</b>
<b>Non-controlling interests</b>	-	-	<b>242</b>	<b>0.8</b>	<b>242</b>
<b>Total net assets</b>	<b>13,559</b>	<b>49.4</b>	<b>14,141</b>	<b>48.6</b>	<b>582</b>
<b>Total liabilities and net assets</b>	<b>27,462</b>	<b>100.0</b>	<b>29,100</b>	<b>100.0</b>	<b>1,637</b>

## Point

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

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

### ② Business combination

Assets and liabilities increased due to the acquisition of Nikon Nisso Prime as a subsidiary.

### ③ Overall

As a result of the above, total assets increased by 6.0%, total liabilities increased by 7.6%, and total net assets increased by 4.3%, resulting in an equity ratio of 47.8% compared to the end of the previous fiscal year.





*Making hardworking people,  
happy.*

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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