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(APPENDIX)

Business Report (April 1, 2018 to March 31, 2019)

1. Current Status of the Corporate Group

(1) Status of Business for the Current Consolidated Fiscal Year

① Progress and results of business

Japan's economy during the current consolidated fiscal year (hereinafter, the "fiscal year under review") continued to recover moderately due to the effects of various policies of the government and the Bank of Japan as the employment and income environments continued to improve. On the other hand, in the world economy, the outlook of economic conditions is uncertain, and it has become necessary to pay close attention to the impact of trade frictions between the U.S. and China in the world economy, the uncertainty of overseas economies, as well as the fluctuations in financial and capital markets.

As for the business environment surrounding the Nisso Group (hereinafter, the "Group"), while the production of domestic manufacturers, who are NISSO CORPORATION's (hereinafter, the "Company") important clients, remained stable, the demand for the utilization of external human resources remained strong due to continued labor shortages.

In this environment, the Group has formulated a medium-term management plan for the fiscal year ended March 31, 2019 to the fiscal year ending March 31, 2021 under the founding philosophy of "*Nurturing and Bringing Out the Best in People*", and along with reinforcing sales, recruitment and educational activities, the Group has striven to improve client and employee evaluations.

As a result, net sales for the fiscal year under review amounted to 69,161 million yen (up 16.8% year on year), operating profit was 2,869 million yen (up 59.4% year on year), ordinary profit was 2,895 million yen (up 62.5% year on year), and profit attributable to owners of parent was 2,053 million yen (up 102.4% year on year).

Results by business segments are as follows:

(General Human Resources Services Business)

Within the General Human Resources Services Business, the Company carries out manufacturing dispatching and contracting for its manufacturing-related human resources services, and general office work dispatching and BPO (Business Process Outsourcing: the outsourcing of operations and processes of specific business-related tasks to a [third-party] specialized company) for its administrative human resources services.

As for the General Human Resources Services Business in the fiscal year under review, with regards to the manufacturing-related human resources services which accounts for 91.9% of net sales, under the strategy of prioritizing the assignment of "skilled staff" to key Account Companies, who are the Company's important clients, the Company has been actively investing in the development of human resources, and has striven to improve the skills and increase the retention rate of manufacturing staff. By utilizing its training facilities such as the "Nisso Technical Center Naka-Nihon (Okaya City, Nagano)", which was opened on May 1, 2018, the Company has nurtured human resources who are capable of actively working in fields such as automobiles, electronic components and precision equipment, in order to provide higher value-added services to its clients. As a result, in the client environment, incoming orders were expanded mainly by transportation equipment and electronic components manufacturers. In addition, the Company has achieved low-cost hiring by utilizing its own recruitment sites, and has made strides to increase retention rates through the improvement of treatment and the enhancement of educational opportunities in order to heighten the motivation of manufacturing staff. As a result, the number of enrolled staff grew steadily (up by 1,598 staff compared to the end of the previous consolidated fiscal year). Furthermore, as a result of the favorable conditions of proposals to assign "skilled staff", who are indefinite-term employees with high retention rates, to our important clients, the average monthly net sales

per capita increased by 24 thousand yen during the fiscal year under review.

As a result, net sales for the General Human Resources Services Business increased by 17.1% compared to the previous consolidated fiscal year (56,947 million yen), to 66,684 million yen.

In addition, in terms of profit, as a result of the effect of the increase in revenue and the efforts to reduce the ratio of selling and administrative expenses, the rise in costs for the improvement of treatment of manufacturing staff and the investment in education were absorbed, and operating profit increased by 63.7% compared to the previous consolidated fiscal year (1,905 million yen), to 3,120 million yen.

(Other Businesses)

The Group operates nursing care and welfare businesses as Other Businesses.

As for Other Businesses in the fiscal year under review, there was an increase in the number of residents at the nursing care facility "Sweetpea Higashi Totsuka (Totsuka-ku, Yokohama)", which was opened on March 1, 2018.

As a result, net sales for Other Businesses increased by 9.3% compared to the previous consolidated fiscal year (2,273 million yen), to 2,485 million yen.

At the same time, with regards to Other Businesses, although the number of residents at "Sweetpea Higashi Totsuka increased, the cost of sales such as personnel and operating expenses could not be absorbed, and operating loss increased by 146 million yen compared to the previous consolidated fiscal year (101 million yen), to 247 million yen.

Net sales by Business Segment

Business Segment	38th Fiscal Year (FY 3/2018) (Previous Consolidated Fiscal Year)		39th Fiscal Year (FY 3/2019) (Fiscal Year under Review)		Year on Year Comparison	
	Amount (Million yen)	% of Total	Amount (Million yen)	% of Total	Amount (Million yen)	Increase (Decrease)
General Human Resources Services Business	56,947	96.2%	66,684	96.4%	9,737	17.1%
Other Businesses	2,273	3.8	2,485	3.6	211	9.3
Adjustments	(12)	(0.0)	(8)	(0.0)	3	-
Total	59,208	100.0	69,161	100.0	9,953	16.8

(Note) The adjustments are eliminations of inter-segment sales or transfers.

② Status of capital investments

During the fiscal year under review, the Group carried out capital investment totaling 247 million yen for property, plant and equipment, as well as for intangible assets such as software.

Major capital investments are as follows:

(General Human Resources Services Business)

Renovation of educational facilities (Okaya City, Nagano and 5 other facilities)	85 Million yen
Renovation of core system	51 Million yen
Renovation of manufacturing staff management system (Headquarters building)	44 Million yen
Renovation of Headquarters building (Yokohama, Kanagawa)	20 Million yen

③ Status of funds procurement

Nisso Nifty Co., Ltd., a subsidiary of the Company, procured 200 million yen as long-term loans payable from financial institutions.

④ Status of transfer of business, absorption-type company split or incorporation-type company split

With the effective date of March 31, 2019, the Company assumed the real estate leasing business operated by Nisso Nifty Co., Ltd., a subsidiary of the Company, through a company split.

⑤ Acquisition/transfer of business from other companies

Not applicable.

⑥ Status of succession of rights and obligations concerning the business of other corporations through absorption-type merger or absorption-type company split

Not applicable.

⑦ Status of acquisition or disposition of shares and other interests or share acquisition rights of other companies

Not applicable.

(2) Trends in the Status of the Financial Position and Results of Operations

① Trends in the status of the financial position and results of operations of the Corporate Group

Classification	36th Fiscal Year FY 3/2016	37th Fiscal Year FY 3/2017	38th Fiscal Year FY 3/2018	39th Fiscal Year (Fiscal Year under Review) FY 3/2019
Net sales (Million yen)	47,335	53,533	59,208	69,161
Ordinary profit (Million yen)	885	833	1,781	2,895
Profit attributable to owners of parent (Million yen)	460	491	1,014	2,053
Net income per share (Yen)	17.37	18.52	37.89	61.58
Total assets (Million yen)	15,765	17,410	19,870	21,019
Net assets (Million yen)	4,216	4,601	9,317	10,544
Net assets per share (Yen)	159.00	173.52	280.95	314.20

- (Note) 1. The Company's common stock was split at a ratio of 10 shares for 1 share on October 16, 2017, then at a ratio of 2 shares for 1 share on February 1, 2018, followed by a common stock split at a ratio of 2 shares for 1 share on August 22, 2018, and then at a ratio of 2 shares for 1 share on May 1, 2019. "Net income per share" and "net assets per share" are calculated assuming that the shares were split at the beginning of the 36th Fiscal Year.
2. "Partial Revisions to 'Accounting Standards for Tax Effect Accounting'" (ASBJ [Accounting Standards Board of Japan] Statement No. 28, February 16, 2018) have been applied from the beginning of the fiscal year under review. Amounts for the previous consolidated fiscal year are shown after they have been reclassified.

② Trends in the status of the financial position and results of operations of the Company

Classification	36th Fiscal Year FY 3/2016	37th Fiscal Year FY 3/2017	38th Fiscal Year FY 3/2018	39th Fiscal Year (Fiscal Year under Review) FY 3/2019
Net sales (Million yen)	40,397	46,928	53,184	63,474
Ordinary profit (Million yen)	690	759	1,759	2,943
Profit (Million yen)	344	437	1,000	2,240
Net income per share (Yen)	12.99	16.49	37.36	67.18
Total assets (Million yen)	13,233	15,045	17,257	18,482
Net assets (Million yen)	3,348	3,681	8,380	9,852
Net assets per share (Yen)	126.27	138.84	252.69	293.58

- (Note) 1. The Company's common stock was split at a ratio of 10 shares for 1 share on October 16, 2017, then at a ratio of 2 shares for 1 share on February 1, 2018, followed by a common stock split at a ratio of 2 shares for 1 share on August 22, 2018, and then at a ratio of 2 shares for 1 share on May 1, 2019. "Net income per share" and "net assets per share" are calculated assuming that the shares were split at the beginning of the 36th Fiscal Year.
2. "Partial Revisions to 'Accounting Standards for Tax Effect Accounting'" (ASBJ [Accounting Standards Board of Japan] Statement No. 28, February 16, 2018) have been applied from the beginning of the fiscal year under review. Amounts for the previous fiscal year are shown after they have been reclassified.

(3) Status of Parent Company and Significant Subsidiaries

① Status of parent company

Not applicable.

② Status of significant subsidiaries

Company Name	Capital	Ratio of Voting Rights of the Company	Main Business Contents
Nisso Brain Co., Ltd.	50 Million yen	100.0%	General office work dispatching · BPO
Nisso Pure Co., Ltd.	10 Million yen	100.0%	The Company's special-purpose subsidiary to promote employment of persons with disabilities
Nisso Nifty Co., Ltd.	450 Million yen	100.0%	Nursing care · welfare businesses

(4) Issues to be Addressed

Although the domestic manufacturing industry, which is comprised of by many of the Company's major clients, has been performing well, issues such as the shortage of workers and the shortening of production cycles need to be addressed. In response to these needs, the role of the human resources service industry is expected to be greater than ever. In addition, while reviewing the utilization of human resources due to the effects of the work-style reform related acts that were sequentially enforced from April 1, 2019, the creation of new markets within the human resources service industry is being anticipated.

With regards to the Company's other businesses, while the nursing care industry market is expected to continue expanding as a result of the declining birthrate and aging population, an increase in competition is being expected due to restructuring within the industry.

Amid such a business environment, the Company has acknowledged the presence of the following issues in order to continuously and sustainably enhance the Group's corporate value and the significance of its existence.

(General Human Resources Business)

① Strengthening of recruiting capabilities and securing of human resources

In the midst of declining work force due to the declining birthrate and aging population in Japan, a shortage of workers across all industries is being predicted, and the Group is fully aware of the challenges of having to secure employment for workers. In response to the issue of securing such human resources, the Group has been conducting recruiting activities that effectively utilizes web media, such as its own recruitment site, "*Kojo Kyujin Navi*", and print media, including various recruitment publications, in addition to establishing a wide variety of interview opportunities for potential workers at its recruiting offices and other various interview sessions nationwide. Also, the Company has been developing various initiatives to secure employment for workers, such as strengthening the matching skills of interviewing staff, implementing continuous approaches to prior registrants, as well as utilizing scouting services. Furthermore, the Group has established more training facilities to empower workers to advance their careers by engaging in high-level operations such as engineering, compared to normal manufacturing operations, and has streamlined educational systems that allows for increased educational opportunities, as well as personnel systems that enable regular workers to convert to "skilled staff", all of which enhances their motivation to work. Moreover, the Group will continue to establish systems that will allow workers to choose their period of employment, as well as systems that will enable women and the elderly to work in a wide variety of ways.

② Improvement of profitability

The Group has acknowledged the challenges of having to curb worker turnover, to increase worker retention, and to reduce recruitment costs due to the loss of sales opportunities and incurrence of recruitment costs for replacement personnel as a result of manufacturing and dispatched staff leaving their workplaces. In response to these challenges, the Group has established educational systems to strengthen the management capabilities of workplace supervisors and for manufacturing and dispatched staff. The Group has strived to enable workplace supervisors to increase their on-site management capabilities by partaking in periodic training courses, and to improve the work environments of manufacturing and dispatched staff. In addition, the Group will continue to endeavor to improve profitability by streamlining educational programs intended for manufacturing and dispatched staff, to raise worker motivation by implementing personnel systems that enable them to enhance their skills and to be appointed as full-time employees, as well as to make strides to improve the retention rate.

(Other Businesses)

Responding to the Long-term Care Insurance Act and Improvement of Profitability

With the progress of aging in Japan (an increase in the proportion of the population aged over 65), the needs for nursing care is expected to rise even further. In the meantime, with the further decline of birthrates and increases of the aging population, the ongoing suppression of nursing care compensation is expected to be strengthened with the re-examination of the nursing care insurance system.

In addition, declines in facility operation rates due to delays in occupancy plans at new facilities where upfront costs are incurred,

and the decrease in the number of residents at existing facilities may significantly affect the financial performance of the nursing care business in general.

Under such circumstances, the Group realizes that becoming a nursing care provider that customers can use with a peace of mind is an issue of the highest importance.

In addition to improving the educational system for nursing care workers and raising their individual capabilities, the Group will continue to utilize the expertise it has cultivated so far, enhance the quality of services offered, and strive to increase the number of nursing care facility residents as well as users of its nursing care services. Moreover, the Group will continue to undertake the task of improving its management practices by promoting the efficiency of business operations, as well as aiming to strengthen its revenue base and expand its business with increased profitability.

(5) Main Business Contents (As of March 31, 2019)

The Group is comprised of by the Company, 3 consolidated subsidiaries and 1 affiliated company accounted for by the equity method, and operates the "General Human Resources Services Business" and "Other Businesses". With regards to the "General Human Resources Services Business", the Group carries out manufacturing dispatching and contracting for its manufacturing related human resources service, and general office work dispatching and BPO (Note) for its administrative human resources service. In addition, with regards to "other businesses", the Group operates its nursing care and welfare businesses (facility and home nursing care).

Based on the founding philosophy of "*Nurturing and Bringing Out the Best in People*", the Group continues to aim to create workplaces where working people can work with a sense of satisfaction and grow, as well as providing services that will contribute to its growth as a business enterprise. Furthermore, the Group will continue to aim to improve the quality of the services that it offers, and will strive for the continued growth and prosperity of its businesses.

(Note) BPO (Business Process Outsourcing) refers to the outsourcing of operations and processes of specific business-related tasks to a (third-party) specialized company.

(General Human Resources Business)

① Manufacturing-related Human Resources Services (NISSO CORPORATION · Nisso Pure Co., Ltd.)

A Manufacturing dispatching

Manufacturing dispatching is a business conducted in accordance with the "Act for Securing the Proper Operation of Worker Dispatching Undertakings and Protection of Dispatched Workers" (hereinafter referred to as the "Worker Dispatch Law"), and dispatching services are provided to manufacturers including automobiles, electronic components, precision equipment, and housing equipment.

Companies that engage in the dispatching business receive worker dispatching undertakings authorization from the Ministry of Health, Labour and Welfare. The Company concludes a worker dispatching contract with client companies (dispatch destination companies), in addition to concluding an employment contract with job-seekers, and then is able to dispatch workers to client companies. Workers who are dispatched to client companies engage in work under the instruction of the client (destination) company, who carry out the quality control and labor management of the workers. A significant feature of this type of dispatching contract is the fact that the employer of the dispatched worker (the Company), and the party that provides job-related instructions (client company), are different.

B Manufacturing contracting

With regards to manufacturing contracting, the Group provides services to manufacturers, including automobiles, electronic components, precision equipment, and housing equipment. Unlike manufacturing dispatching, manufacturing contracting is characterized by the fact that the contractor company (the Company) itself provides job-related instructions, and the Company itself must establish frameworks relating to production, quality control, labor management and workplace operations. In response to orders from the ordering party (client manufacturers), the Company conducts manufacturing, processing and inspections under its own management system, and delivers the finished products (deliverables) upon completion.

C Other

As for matters not included in the above, the Company's special-purpose subsidiary (Note) (Nisso Pure Co., Ltd.) engages in the light work contracting and sales of goods businesses.

(Note) Special-purpose subsidiary: Although the securing of employment opportunities for persons with disabilities (statutory employment ratio) is obligatory for each individual business proprietor (enterprises), if certain requirements are met, as a special case, the actual employment ratio can be assessed assuming that such persons are being employed by the subsidiary.

② Administrative Human Resources Services (Nisso Brain Co., Ltd.)

General office work dispatching, BPO

General office work dispatching is a business conducted in accordance with the Worker Dispatch Law, and mainly provides dispatching services such as office work and reception-related duties.

Companies that engage in the dispatching business receive worker dispatching undertakings authorization. As in the aforementioned case with the Company's manufacturing dispatching business, Nisso Brain Co., Ltd., concludes a worker dispatching contract with client companies (dispatch destination companies) in addition to concluding an employment contract with job-seekers, and then is able to dispatch workers to client companies. Also as stated earlier, a significant feature of this type of dispatching contract is the fact that the employer of the dispatched worker (Nisso Brain Co., Ltd.), and the party that provides job-related instructions (client company), are different.

In addition, Nisso Brain Co., Ltd., in part administers BPO services and is entrusted with collective operations of its clients.

(Other Businesses) (Nisso Nifty Co., Ltd.)

The Group has developed nursing care and welfare businesses such as facility nursing care (fee-based senior-care nursing home) and home nursing care, mainly in Yokohama, Kanagawa and Iwaki City, Fukushima.

① Facility nursing care

The Group operates 6 fee-based nursing homes in Yokohama, Kanagawa, and provides nursing care services to residents.

② Home nursing care

The Group has developed 2 nursing care stations in Yokohama, Kanagawa, 2 in Iwaki City, Fukushima, as well as 2 day care nursing facilities also in Iwaki City, Fukushima.

(6) Significant Branch Offices and Factories (As of March 31, 2019)

① The Company

Headquarters	Kohoku-ku, Yokohama, Kanagawa	
Business Locations	Sapporo Sales Office (Sapporo City, Hokkaido) Akita Business Office (Daisen City, Akita) Sakata Sales Office (Sakata City, Yamagata) Kitakami Business Office (Kitakami City, Iwate) Sendai Business Office (Sendai City, Miyagi) Fukushima Sales Office (Koriyama City, Fukushima) Utsunomiya Sales Office (Utsunomiya City, Tochigi) Omiya Business Office (Saitama City, Saitama) Chiba Sales Office (Chiba City, Chiba) Yokohama Business Office (Yokohama, Kanagawa) Atsugi Business Office (Atsugi City, Kanagawa) Hachioji Sales Office (Hachioji City, Tokyo)	Nagano Business Office (Matsumoto City, Nagano) Hamamatsu Sales Office (Hamamatsu City, Shizuoka) Nagoya Business Office (Nagoya City, Aichi) Kanazawa Business Office (Kanazawa City, Ishikawa) Toyama Sales Office (Toyama City, Toyama) Shiga Sales Office (Omihachiman City, Shiga) Osaka Business Office (Osaka City, Osaka) Okayama Sales Office (Okayama City, Okayama) Hiroshima Business Office (Hiroshima City, Hiroshima) Shimane Business Office (Izumo City, Shimane) Fukuoka Business Office (Fukuoka City, Fukuoka)

② Subsidiaries

Company Name	Head Office Locations
Nisso Brain Co., Ltd.	Tsurumi-ku, Yokohama, Kanagawa
Nisso Pure Co., Ltd.	Kohoku-ku, Yokohama, Kanagawa
Nisso Nifty Co., Ltd.	Kohoku-ku, Yokohama, Kanagawa

(7) Status of Employees (As of March 31, 2019)

① Status of the Corporate Group

Name of Segment	Number of Employees (PT Workers)	
General Human Resources Services Business	1,355	(253)
Other Businesses	250	(45)
Total	1,605	(298)

- (Note) 1. The number of employees represents the number of persons in employment, and the average number of temporary employees (part-time workers) in the past year is shown in brackets ().
2. In addition, 13,449 indefinite-term employees · fixed-term contract employees (manufacturing staff, dispatched staff) have been employed on average in the past year.

② Status of the Company

# of Employees (PT Workers)	Average age	Average years of service	Average annual salary (Yen)
1,155 (237)	41.0	9.2	4,458,610

Name of Segment	Number of Employees (PT Workers)	
General Human Resources Services Business	1,155	(237)
Total	1,155	(237)

- (Note) 1. The number of employees represents the number of persons in employment, and the average number of temporary employees (part-time workers) in the past year is shown in brackets ().
2. Average annual salary includes bonuses and non-standard wages.
3. In addition, 12,583 indefinite-term employees · fixed-term contract employees (manufacturing staff) have been employed on average in the past year.

(8) Status of Major Lenders (As of March 31, 2019)

Name of Lender	Borrowing Amount
The Bank of Yokohama, Ltd.	933 Million yen

(9) Other Important Matters Concerning the Current Status of the Corporate Group

Not applicable.

2. Current Status of the Company

(1) Status of Shares (As of March 31, 2019)

① Total number of authorized shares 51,200,000

(Note) By the resolution of the Board of Directors on August 6, 2018, the Company's common stock was split at a ratio of 2 shares for 1 share as of August 22, 2018, and in association, the amendment to the Articles of Incorporation were implemented, and the total number of authorized shares were increased by 25,600,000 shares.

② Total number of issued shares 16,980,600 (of which 200,087 are treasury shares)

(Note) 1. By the resolution of the Board of Directors on August 6, 2018, the Company's common stock was split at a ratio of 2 shares for 1 share as of August 22, 2018. As a result, the total number of issued shares were increased by 8,363,540 shares.

2. As a result of the exercising of stock options during the current fiscal year, the total number of issued shares were increased by 398,200 shares.

③ Number of shareholders 2,187

④ Major shareholders

Name of Shareholder	Number of Shares	Shareholding Ratio
CW Holdings Co., Ltd.	3,456,000	20.60%
Shimizu Holdings Co., Ltd.	2,846,000	16.96%
Japan Trustee Services Bank, Ltd. (Trust Account)	2,114,600	12.60%
Tadao Shimizu	996,400	5.94%
The Master Trust Bank of Japan, Ltd. (Trust Account)	903,000	5.38%
Chikako Shimizu	487,000	2.90%
BNP PARIBAS SECURITIES SERVICES LUXEMBOURG/JASDEC/FIM/ LUXEMBOURG FUNDS/UCITS ASSETS	423,000	2.52%
GOLDMAN SACHS INTERNATIONAL	416,500	2.48%
MSIP CLIENT SECURITIES	277,200	1.65%
BARCLAYS BANK PLC A/C CLIENT SEGREGATED A/C PB CAYMAN CLIENTS	276,600	1.65%

- (Note) 1. The shareholding ratio is calculated with the deduction of treasury shares (200,087 shares).
2. At the Board of Directors' Meeting held on November 15, 2018, the Company resolved to acquire treasury shares pursuant to Article 459, paragraph 1, item 1 of the Companies Act, and acquired them as follows:
- A. Type of shares to be acquired: Common stock of the Company
 - B. Total number of shares acquired: 200,000 shares
 - C. Total value of acquisition cost: 342,400,000 yen
 - D. Acquisition date: November 20, 2018
 - E. Reason for acquisition: In order to enable the implementation of an agile capital policy in response to changes in the business environment, treasury shares were acquired from the perspective of mitigating the impact of the supply and demand of the Company's share associated with its sales
3. In the Changes Report of the Large Shareholding Report which was made available for public inspection on January 9, 2019, although it was stated that BlackRock Japan Co., Ltd. and its joint holders, BlackRock (Luxembourg) S.A. and BlackRock International Limited, held the following shares as of December 31, 2018, since the Company was unable to confirm the number of real held shares at the end of the fiscal year under review, the status of the major shareholders listed above has been based on the number of shares held on the register of shareholders. The contents of the Changes Report of the Large Shareholding Report is as follows:

Name or Company Name	Number of Share Certificates Held	Share Certificates Holding Ratio
BlackRock Japan Co., Ltd.	187,000	1.11%
BlackRock (Luxembourg) S.A.	444,800	2.65%
BlackRock International Limited	84,300	0.50%
Total	716,100	4.27%

4. In the Changes Report of the Large Shareholding Report which was made available for public inspection on July 20, 2018, although it was stated that Resona Bank, Limited held the following shares as of July 13, 2018, since the Company was unable to confirm the number of real held shares at the end of the fiscal year under review, the status of the major shareholders listed above has been based on the number of shares held on the register of shareholders.

The contents of the Changes Report of the Large Shareholding Report is as follows:

Name or Company Name	Number of Share Certificates Held	Share Certificates Holding Ratio
Resona Bank, Limited	297,900	3.57%

5. In the Changes Report of the Large Shareholding Report which was made available for public inspection on April 22, 2019, although it was stated that Resona Bank, Limited held the following shares as of April 15, 2019, since the Company was unable to confirm the number of real held shares at the end of the fiscal year under review, the status of the major shareholders listed above has been based on the number of shares held on the register of shareholders.

The contents of the Changes Report of the Large Shareholding Report is as follows:

Name or Company Name	Number of Share Certificates Held	Share Certificates Holding Ratio
Resona Bank, Limited	23,000	0.14%
Resona Asset Management Co., Ltd.	1,141,600	6.75%
Total	1,164,600	6.89%

⑤ Other significant matters concerning shares

The Company's common stock was split at a ratio of 2 shares for 1 share on May 1, 2019.

In addition, pursuant to Article 184, paragraph 2 of the Companies Act, Article 6 of the Company's Articles of Incorporation was amended on May 1, 2019, the effective date of the stock split, and the total number of authorized shares increased by 51,200,000 shares, to 102,400,000 shares.

(2) Status of Share Acquisition Rights

- ① Status of share acquisition rights issued as consideration for the execution of duties held by the Company's Officers on the last day of the fiscal year under review

		5th Share Acquisition Rights	
Date of Resolution of Issuance		March 22, 2016	
Number of Share Acquisition Rights		35,580 units	
Type and Number of Shares Subject to Share Acquisition Rights		Common stock 2,846,400 shares (80 shares per 1 share acquisition right)	
Payment Amount of Share Acquisition Rights		Payment is not required in exchange for share acquisition rights	
Value of Assets to be Contributed for Exercise of Share Acquisition Rights		Per share acquisition right 4,200 yen (Per share 53 yen)	
Exercise Period for Share Acquisition Rights		March 23, 2018 to March 22, 2023	
Conditions for Exercise		(Note) 1	
Holding Status of Officers	Managing Directors (excluding External Managing Directors)	Number of share acquisition rights	4,290 units
		Number of subjected shares	343,200 shares
		Number of holders	1
	External Managing Directors	Number of share acquisition rights	- units
		Number of subjected shares	- shares
		Number of holders	-
	Audit & Supervisory Board Members	Number of share acquisition rights	- units
		Number of subjected shares	- shares
		Number of holders	-

- (Note) 1. Those who have been granted an allotment of share acquisition rights, are required to hold the position of Managing Director, Audit & Supervisory Board Member, Corporate Advisor, contract employee or regular employee of the Company or its subsidiaries at the time the rights are exercised. Provided, however, the condition shall not apply in cases of exiting the position due to expiry of tenure or mandatory age-limit retirement.
2. By the resolution of the Board of Directors on September 15, 2017, on January 15, 2018, on August 6, 2018, and on March 15, 2019, the Company's common stock was split at a ratio of 10 shares for 1 share on October 16, 2017, then at a ratio of 2 shares for 1 share on February 1, 2018, followed by a common stock split at a ratio of 2 shares for 1 share on August 22, 2018, and then at a ratio of 2 shares for 1 share on May 1, 2019, respectively. As a result, "type and number of shares subject to share acquisition rights" and "value of assets to be contributed for exercise of share acquisition rights" have been adjusted.

- ② Status of share acquisition rights issued to employees as consideration for execution of duties during the fiscal year under review

Not applicable.

(3) Status of Corporate Officers

① Status of Managing Directors and Audit & Supervisory Board Members (As of March 31, 2019)

Position in the Company	Name	Status of Responsibilities and Significant Concurrent Positions
Chairman, CEO & Representative Director	Tadao Shimizu	Shimizu Holdings Co., Ltd. President & Representative Director Social Welfare Corporation, Modern Elderly Social Welfare Association Chairman
President, COO & Representative Director	Ryuichi Shimizu	Nisso Nifty Co., Ltd. Managing Director Shimizu Holdings Co., Ltd. Managing Director Japan Production Skill Labor Association Director CW Holdings Co., Ltd. Representative Director
Executive Vice President & Representative Director	Takuo Yabana	Nisso Brain Co., Ltd. Managing Director
Managing Director	Shinichi Matsuo	Administration Department Director General Affairs Division Director Nisso Pure Co., Ltd. Managing Director
Managing Director	Shigeru Horisawa	Kannai General Law Office Representative Director Social Welfare Corporation, Shirayurikai Third-Party Committee Member Social Welfare Corporation, Tsurumi Infant Welfare Center Director
Managing Director	Shin Monzawa	Monzawa Certified Public Accountant Office Representative Director General Incorporated Association, Toranomokai Director PLUTUS Management Advisory Co., Ltd. President & Representative Director
Full-time Audit & Supervisory Board Member	Toshiyasu Udagawa	
Audit & Supervisory Board Member	Akira Ishida	KAWATA MFG CO., Ltd. Director (Audit and Supervisory Committee Member)
Audit & Supervisory Board Member	Ryuta Hasegawa	

- (Note) 1. Managing Directors Shigeru Horisawa and Shin Monzawa are External Managing Directors.
2. Audit & Supervisory Board Members Akira Ishida and Ryuta Hasegawa are External Audit & Supervisory Board Members.
3. The Company has designated and reported External Managing Directors Shigeru Horisawa and Shin Monzawa, in addition to External Audit & Supervisory Board Members Akira Ishida and Ryuta Hasegawa as Independent Officers pursuant to the provisions of the Tokyo Stock Exchange.
4. Managing Director Shin Monzawa, and Audit & Supervisory Board Members Akira Ishida and Ryuta Hasegawa, each have a considerable amount of knowledge regarding finance and accounting as follows:
- Managing Director Shin Monzawa has received qualification as a certified public accountant.
 - Audit & Supervisory Board Members Akira Ishida and Ryuta Hasegawa each have extensive experience and wide-ranging knowledge in financial institutions.
5. Takuo Yabana has been promoted from Executive Vice President to Executive Vice President & Representative Director as of October 1, 2018.
6. Changes in the position of Managing Directors after the end of the fiscal year under review are as follows:

Name	Before change	After change	Date of Change
Ryuichi Shimizu	President, COO & Representative Director	Chairman & Representative Director	April 1, 2019
Takuo Yabana	Executive Vice President & Representative Director	President, CEO & Representative Director	April 1, 2019
Tadao Shimizu	Chairman, CEO & Representative Director	Managing Director	April 1, 2019

② Managing Directors exiting office during the fiscal year
Not applicable.

③ Outline of contents of Agreement for Limitation of Liability

Pursuant to Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with each Managing Director (excluding Managing Directors responsible for the execution of business, etc.) and each Audit & Supervisory Board Member to limit their liability for damages under Article 423, paragraph 1, of the Companies Act.

The maximum of liability for damages under this agreement is the minimum liability amount as stipulated by the law.

④ Remuneration of Managing Directors and Audit & Supervisory Board Members

Total amount of remuneration for the fiscal year under Review

Classification	Number of Members	Amount of Remuneration
Managing Directors (External Managing Directors)	6 (2)	183 Million yen (10 Million yen)
Audit & Supervisory Board Members (External Audit & Supervisory Board Members)	3 (2)	28 Million yen (13 Million yen)
Total (External Officers)	9 (4)	211 Million yen (23 Million yen)

- (Note) 1. The amount of remuneration for Managing Directors does not include the portion of salaries for Managing Directors concurrently serving as employees.
2. Pursuant to the resolution at the 26th Ordinary General Meeting of Shareholders held on June 28, 2006, the remuneration limit for Managing Directors was set to be within 400 million yen per year (however, excluding the portions of their salaries as employees), including stock option remuneration.
3. Pursuant to the resolution at the 26th Ordinary General Meeting of Shareholders held on June 28, 2006, the remuneration limit for Audit & Supervisory Board Members was set to be within 60 million yen per year, including stock option remuneration.

⑤ Matters Concerning External Officers

A. Status of concurrent duties with other corporations and relationship between the Company and other such corporations

- Managing Director Shigeru Horisawa is the Representative Director of the Kannai General Law Office, a Third-Party Committee Member of the Social Welfare Corporation, Shirayurikai, and a Director of the Social Welfare Corporation, Tsurumi Infant Welfare Center. There are no special relationships between the Company and the organizations at which he holds concurrent positions.
- Managing Director Shin Monzawa is the Representative Director of the Monzawa Certified Public Accountant Office, a Director of the General Incorporated Association, Toranomonkai, and the President & Representative Director of PLUTUS Management Advisory Co., Ltd. There are no special relationships between the Company and the organizations at which he holds concurrent positions.
- Audit & Supervisory Board Member Akira Ishida is a Director (Audit and Supervisory Committee Member) of KAWATA MFG CO., Ltd. There is no special relationship between the Company and the organization at which he holds a concurrent position.

B. Familial relationships with executors of business of the Company or specified related businesses, or with non-business Executing Officers
Not applicable.

C. Main activities during the fiscal year under review

		Status of Attendance and Comments
Managing Director	Shigeru Horisawa	He has attended all 21 of the Board of Directors' Meetings that were held during the fiscal year under review. He has extensive experience and expertise as an attorney, and has provided appropriate comments mainly from a compliance perspective during these meetings.
Managing Director	Shin Monzawa	He has attended 20 out of the 21 Board of Directors' Meetings that were held during the fiscal year under review. He has rich experience and expert knowledge as a certified public accountant, and has provided appropriate comments mainly from a finance and accounting perspective during these meetings.
Audit & Supervisory Board Member	Akira Ishida	He has attended 19 out of the 21 Board of Directors' Meetings, in addition to attending 12 out of the 13 Audit and Supervisory Board Meetings that were held during the fiscal year under review. During these meetings which he has attended, he has provided appropriate comments based on his vast experience as a management executive of other companies.
Audit & Supervisory Board Member	Ryuta Hasegawa	He has attended 20 out of the 21 Board of Director's Meetings, in addition to attending 12 out of the 13 Audit and Supervisory Board Meetings that were held during the fiscal year under review. During these meetings which he has attended, he has provided appropriate comments based on his abundant experience in financial institutions.

(4) Status of Accounting Auditor

① Name Ernst & Young ShinNihon LLC

② Amount of remuneration

	Amount of Remuneration
Amount of remuneration for Accounting Auditor for the fiscal year under review	33 Million yen
Total amount of money and other financial benefits to be paid by the Company and its subsidiaries to the Accounting Auditor	34 Million yen

- (Note) 1. The amounts of remuneration for audit services pursuant to the Companies Act and for audit services pursuant to the Financial Instruments and Exchange Act have not been clearly distinguished in the audit contract concluded between the Company and the Accounting Auditor, and since they cannot be substantially distinguished from each other, the sum total of these amounts have been represented in the amount of remuneration for the Accounting Auditor for the fiscal year under review.
2. After conducting necessary verification as to whether or not the contents of the Accounting Auditor's audit plan, the status of the performance of duties of accounting audits and the basis for calculating remuneration estimates are appropriate, the decision of consent regarding the amount of remuneration for the Accounting Auditor has been made by the Audit and Supervisory Board.

③ Contents of non-audit services

The Company has paid compensation to the Accounting Auditor for "Comfort Letter Preparation", which is for services other than what is set forth in Article 2, paragraph 1 of the Certified Public Accountants Act.

④ Policy for determining dismissal or non-reappointment of Accounting Auditor

In the event that the Audit and Supervisory Board deems it necessary, such as when there is a hindrance to the execution of duties of the Accounting Auditor, the contents of the proposal concerning the dismissal or non-reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders shall be determined.

In addition, in the event that the Accounting Auditor is deemed to fall under the items stipulated in Article 340, paragraph 1 of the Companies Act, the Audit and Supervisory Board shall dismiss the Accounting Auditor based on the consent of all the Board Members. In such a case, the Audit & Supervisory Board Members selected by the Audit and Supervisory Board shall report on the dismissal of the Accounting Auditor and the reason for the dismissal at the first General Meeting of Shareholders to be convened after the dismissal.

⑤ Outline of contents of Agreement for the Limitation of Liability

Pursuant to Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with the Accounting Auditor to limit their liability for damages under Article 423, paragraph 1, of the Companies Act. The maximum of liability for damages under this agreement is the minimum liability amount set forth in by Article 425, paragraph 1 of the Companies Act. Furthermore, such an agreement for the limitation of liability is applicable only when the Accounting Auditor, in good faith and without gross negligence, executes their duties which caused the liabilities.

- ⑥ Suspension of Business Order received by Accounting Auditor at present
Not applicable.
- ⑦ Suspension of Business Order received by Accounting Auditor in the last 2 years
Not applicable.

3. Status of Systems to Ensure Appropriate Business Operations and Their Operational Status

(1) System to Ensure Appropriate Business Operations

At the Company, the Board of Directors will continue to resolve the following improvements to systems to ensure appropriate business operations of the Company and its subsidiaries (hereinafter referred to as "the Group").

1. System to ensure that the execution of duties by the Group's Managing Directors is in accordance with laws, regulations and the Articles of Incorporation

①In order to carry out sound and sincere business activities with compliance as well as high moral values, the Company has established the "NISSO Group Charter of Corporate Behavior", and concrete guidelines for personal conduct, the "NISSO Group Employee Code of Conduct". In addition, the Managing Directors have taken the initiative to implement these measures, and the Company shall continue to strive to ensure the thorough awareness of the measures by employees by posting them on the in-house intra-system.

②In order to ensure the thorough compliance of laws and ordinances, corporate ethics and internal regulations, the Company has established "Compliance Regulations", and has set up a "Group Control Committee" chaired by the President to promote sound and sincere business activities.

③Managing Directors who discover any material violation of laws or ordinances or any other material facts concerning compliance, shall report such matters to the Board of Directors.

④The Group has taken a resolute stance against unreasonable demands from anti-social forces, and has established concrete action guidelines which demonstrate that it has no relationships whatsoever with them. The Group shall continue to ensure the thorough awareness of such matters to Managing Directors and employees in order to eliminate any relationships with these forces.

⑤In order to preserve corporate assets and improve management efficiency, the Company has established "Internal Audit Regulations", and has set up an independent Internal Auditing Division. The Group shall continue the auditing of its entire operations in regards to its compliance with laws and ordinances and the status of the execution of its business operations.

2. System concerning storage and control of information related to the execution of duties of Managing Directors

①The Company has established "Document Control Regulations" for documents such as the minutes of the Board of Directors' Meetings and documents pertaining to other significant decisions as prescribed by laws and ordinances, in addition to properly storing and managing such documents after clarifying management responsibilities. Also, the Company shall continue to maintain a system which allows for the viewing of such documents as necessary.

②The Company has established "Information Management Regulations" for confidential information, and shall continue to ensure security.

3. Regulations and other systems concerning the management of risk of loss

①The Company has established "Risk Management Regulations" for risks affecting business objectives (hereinafter referred to as "risks"), and in order to maintain a system that can adequately respond to such risks, it has set up a "Group Control Committee" (hereinafter referred to as the "Committee") which each company in the Group takes part in. The Committee, in principle, shall convene once a quarter and on other occasions as necessary.

②Based on the "Risk Management Regulations", the Committee identifies, analyzes and evaluates concrete risks, and has established a policy to correspond to such matters. In addition, in the event where an emergency response is needed as the Committee monitors the status of risk management, it shall convene an emergency committee to take the necessary measures.

③The Committee shall report on any matters concerning risks to the Board of Directors on a regular basis.

④Each Division Director of the Group shall be responsible for risk management within their respective divisions, and must promptly report to the Committee Secretariat in the event that an emergency situation requiring reporting on risks arises. In addition, they are required to administer appropriate procedures, such as incorporating countermeasures in their business plans to respond to significant risks identified within their division of responsibility, as well as other individual risk-related matters.

⑤Each Division Director of the Group, after sharing information with relevant divisions, shall clarify response systems, and must take appropriate measures regarding risks that may affect multiple divisions, as well as other significant risks that may be actualized.

⑥In order to respond promptly and accurately to the actualization of risks that may affect its business objectives, the Group has established response systems, procedures, and regulations in advance, and shall maintain and strive to improve the structure of reporting systems in the event of a crisis, as well as processes capable of responding quickly and appropriately.

⑦The Group shall formulate a business continuity plan and strive to develop a system that can promptly carry out business continuity after the occurrence of a disaster.

4. System to ensure the efficient execution of duties by Managing Directors

①The Group has established "Regulations of the Board of Directors", and shall clarify the governance of the Board of Directors and matters to be discussed.

②To ensure the smooth and efficient operation of duties of Managing Directors and employees, the Board of Directors has established "Organization · Division of Duties Regulations" and "Regulations of Administrative Authority", and shall determine matters regarding the segregation of duties of each division, as well as the fundamental roles, duties and authorities of each position.

5. System to ensure that the execution of duties by employees is in accordance with laws, regulations and the Articles of Incorporation

①In order to carry out sound and sincere business activities with compliance as well as high moral values, the Company has established the "NISSO Group Charter of Corporate Behavior", and concrete guidelines for personal conduct, the "NISSO Group Employee Code of Conduct". In addition, the Managing Directors have taken the initiative to implement these measures, and the Company shall continue to strive to ensure the thorough awareness of the measures by employees by posting them on the in-house intra-system.

②In order to ensure the thorough compliance of laws and ordinances, corporate ethics and internal regulations, the Company has established "Compliance Regulations", and has set up a "Group Control Committee" chaired by the President to promote sound and sincere business activities.

③The Group has established "Whistleblower Protection Regulations", and shall institute a system for the early detection of violations of laws and regulations with regards to the Group, as well as ensuring that the informant is not subjected to any disadvantages.

④The Group has taken a resolute stance against unreasonable demands from anti-social forces, and has established concrete action guidelines which demonstrate that it has no relationships whatsoever with them. The Group shall continue to ensure the thorough awareness of such matters to Managing Directors and employees in order to eliminate any relationships with these forces.

⑤In order to preserve corporate assets and improve management efficiency, the Company has established "Internal Audit Regulations", and has set up an independent Internal Auditing Division. The Group shall continue the auditing of its entire operations in regards to its compliance with laws and ordinances and the status of the execution of its business operations.

6. System to ensure appropriate business operations in the Corporate Group consisting of the Company and its subsidiaries

①In order to promote the fair business activities of the Group, the Company has established the Group-wide "NISSO Group Charter of Corporate Behavior", and concrete guidelines for personal conduct, the "NISSO Group Employee Code of Conduct". Furthermore, each company in the Group shall continue to strive to ensure the thorough awareness of these matters by Managing Directors and employees.

②In order to strengthen the management of the Group, the Company has established "Affiliated Companies Management Regulations". In addition to requiring the reporting of significant matters concerning the business operations of subsidiaries, the Company shall refer matters of particular importance to the Board of Directors.

③The Company's Internal Auditing Division shall conduct audits of each company in the Group on a regular basis and when deemed necessary. Furthermore, the Internal Auditing Division shall cooperate with Audit & Supervisory Board Members and the Accounting Auditor to strive to ensure the proper business operations of the Group through audits.

7. Matters concerning employees and their appointment to assist in the fulfillment of duties of Audit & Supervisory Board Members when requested

The Company shall immediately appoint employees to assist in the fulfillment of the duties of Audit & Supervisory Board Members when requested to do so.

8. Matters concerning the independency of employees in the preceding item from Managing Directors

①The Company shall have employees assisting in the fulfillment of the duties of Audit & Supervisory Board Members execute their duties under the direction of the Audit & Supervisory Board Members whom they are assisting.

②The Company shall consult with Audit & Supervisory Board Members in advance about the decision of matters concerning personnel affairs of employees assisting in the fulfillment of the duties of Audit & Supervisory Board Members.

9. System for Managing Directors and employees to submit reports to Audit & Supervisory Board Members and other systems related to submitting reports to Audit & Supervisory Board Members

①The Company shall request the attendance of Audit & Supervisory Board Members for the "Board of Directors' Meetings", the "Group Control Committee Meetings", and other meetings of importance.

②The Company's Representative Directors (Chairman & President) and the Internal Auditing Division shall maintain cooperation with the Audit & Supervisory Board Members and exchange information on a regular basis.

③Managing Directors and employees of the Group shall respond to requests in the event they are asked by the Audit & Supervisory Board Members to submit reports on important information.

④The Company shall ensure that persons who submit reports to Audit & Supervisory Board Members do not receive disadvantageous treatment due to reasons for submitting the report.

10. Other systems to ensure the effective implementation of audits by Audit & Supervisory Board Members

①The Company shall request the attendance of Audit & Supervisory Board Members for the "Board of Directors' Meetings", the "Group Control Committee Meetings", and other meetings of importance.

②In response to the request of Audit & Supervisory Board Members, the Company shall establish a system that allows for the viewing of important documents such as minutes of meetings.

③The Company shall formulate a budget after confirming with Audit & Supervisory Board Members about the expenses required to perform their duties, in addition to establishing a system for the prepayment or reimbursement of expenses incurred when executing their duties.

(2) Outline of the Operational Status of Systems to Ensure Appropriate Business Operations

The outline of the operational status of systems to ensure appropriate business operations is as follows:

1. Compliance System

①The Company has established the "NISSO Group Charter of Corporate Behavior", and concrete guidelines for personal conduct, the "NISSO Group Employee Code of Conduct", which are indicative of the fundamental concepts of a company that carries out sound and sincere business activities. Furthermore, the Company has distributed pocket leaflets, the "NISSO Michishirube" (literal meaning: "NISSO Guidelines") containing the aforementioned Charter and Code, to officers and employees of the Company and its subsidiaries, in order to ensure their thorough compliance of laws, regulations and ethical behavior.

②The Company has developed an educational system on compliance based on its "Compliance Regulations", and has conducted regular training on such matters to officers and employees.

③In order to detect violations of laws and regulations at an early stage, the Company and its subsidiaries have established "Whistleblower Protection Regulations", and have set up the "NISSO Group Internal Reporting Counter" as an external contact point. Moreover, in addition to prohibiting the disadvantageous treatment of informants, the Company has developed and continues to operate a system to investigate and administer corrective and recurrence prevention measures in the event of any such submission of reports.

2. Risk Management System

①The Company has established "Risk Management Regulations", and has convened the "Group Control Committee Meetings" 5 times during the fiscal year under review, where Managing Directors, Audit & Supervisory Board Members, Division Directors and Representative Directors of subsidiaries have all participated. Furthermore, in addition to establishing a risk map, the Company has implemented the identification, analysis and evaluation of risks that affect its business, and has developed and continues to operate a system to appropriately respond to any such risks.

②The Company has developed an educational system on risks based on its "Risk Management Regulations", and has conducted regular training on such matters to officers and employees.

③The Internal Auditing Division has conducted internal audits of the Company and its subsidiaries based on "Internal Audit Regulations" and "Affiliated Companies Management Regulations", and reports have been made to the President of the Company and the presidents of its subsidiaries through the submissions of internal audit reports.

3. The Group's Management Control System

①In the "Regulations of the Board of Directors", it has been stipulated that resolutions on significant matters regarding the management of subsidiaries are to be administered by the Company's Board of Directors, and that resolutions based on these regulations are properly carried out.

②"Group Meetings" are convened once a month to conduct the reporting and discussion of business results and other significant matters concerning business operations, and strive to strengthen the administration of the Group. They were held 12 times during the fiscal year under review.

4. Regarding the Managing Directors' Execution of Duties

Regular meetings of the Board of Directors, comprised of 6 Managing Directors, including 2 External Managing Directors, were convened 12 times, and 9 extraordinary meetings were convened during the fiscal year under review. At the Board of Directors' Meetings, which were convened a total of 21 times, the reporting of business results and the approval of significant matters

concerning business operations were conducted.

5. Regarding the Audit & Supervisory Board Members' Execution of Duties

①The Audit and Supervisory Board is comprised of 3 Audit & Supervisory Board Members, including 2 External Audit & Supervisory Board Members, and has developed and continues to operate a system to ensure that audits are effectively conducted.

②The Audit & Supervisory Board Members have attended the "Board of Directors' Meetings", the "Group Meetings", and the "Group Control Committee Meetings". In addition to expressing their opinions when necessary, they audit the status of the Managing Directors' execution of duties. Furthermore, the Audit & Supervisory Board Members regularly meet with the Representative Directors (Chairman & President) and conduct the exchange of opinions on various matters. Moreover, they work in close cooperation with the Internal Auditing Division and the Accounting Auditor to improve the effectiveness and efficiency of their audits.

③Audit and Supervisory Board Meetings were convened 13 times during the fiscal year under review.

4 . Basic Policy on the Control of the Company

Not applicable.

5 . Policy Concerning the Determination of Dividends of Surplus

The Company considers the redistribution of profits to shareholders and the enhancement of corporate values as key management issues, taking into consideration the balance between securing funds for growth investments and strengthening the corporate structure that can respond to changes in the business environment. In addition, by setting the consolidated dividend payout ratio of 30% as a general standard, the Company's basic policy is to continue to steadily redistribute profits to all of its shareholders.

Consolidated Balance Sheet

(As of March 31, 2019)

(Unit: Thousand yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	14,174,293	Current liabilities	9,161,879
Cash and deposits	5,633,545	Current portion of long-term loans payable	183,202
Notes and accounts receivable - trade	7,757,343	Lease obligations	110,365
Prepaid expenses	561,203	Accrued expenses	4,751,535
Other	232,525	Income taxes payable	742,813
Allowance for doubtful accounts	(10,323)	Accrued consumption taxes	1,418,779
Non-current assets	6,844,993	Provision for bonuses	738,891
Property, plant and equipment	4,942,904	Other	1,216,291
Buildings and structures	2,033,245	Non-current liabilities	1,312,438
Land	2,760,323	Long-term loans payable	750,652
Other	149,335	Lease obligations	146,903
Intangible assets	359,950	Net defined benefit liability	124,065
Leased assets	216,389	Other	290,817
Other	143,560	Total liabilities	10,474,318
Investments and other assets	1,542,138	(Net assets)	
Investment securities	167,166	Shareholders' equity	10,535,146
Long-term loans receivable	1,587	Capital stock	2,006,269
Lease and guarantee deposits	660,933	Capital surplus	2,357,219
Deferred tax assets	373,193	Retained earnings	6,514,260
Net defined benefit asset	5,128	Treasury shares	(342,603)
Other	335,414	Accumulated other comprehensive income	9,821
Allowance for doubtful accounts	(1,285)	Valuation difference on available-for-sale securities	41,379
Total assets	21,019,286	Foreign currency translation adjustment	1,256
		Remeasurements of defined benefit plans	(32,813)
		Total net assets	10,544,968
		Total liabilities and net assets	21,019,286

Consolidated Statement of Income

(April 1, 2018 to
March 31, 2019)

(Unit: Thousand yen)

Item	Amount	
Net sales		69,161,550
Cost of sales		56,922,021
Gross profit		12,239,528
Selling, general and administrative expenses		9,370,104
Operating profit		2,869,424
Non-operating income		
Interest income	3,812	
Dividend income	13,530	
Subsidy income	49,129	
House rent income	40,728	
Other	40,564	147,766
Non-operating expenses		
Interest expenses	30,591	
Share of loss of entities accounted for using equity method	2,504	
Commission fee	19,116	
Rent expenses	23,888	
Other	45,678	121,779
Ordinary profit		2,895,411
Extraordinary income		
Gain on sales of investment securities	74,105	74,105
Extraordinary losses		
Impairment loss	65,957	65,957
Profit before income taxes		2,903,559
Income taxes - current	885,050	
Income taxes - deferred	(35,396)	849,653
Profit		2,053,906
Profit attributable to non-controlling interests		-
Profit attributable to owners of parent		2,053,906

Consolidated Statement of Changes in Equity

(April 1, 2018 to
March 31, 2019)

(Unit: Thousand yen)

	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	
Balance at beginning of current period	1,985,364	2,336,314	4,808,584	-	9,130,263
Changes of items during period					
Issuance of new shares - exercise of share acquisition rights	20,905	20,905			41,811
Dividends of surplus			(348,230)		(348,230)
Profit attributable to owners of parent			2,053,906		2,053,906
Purchase of treasury shares				(342,603)	(342,603)
Net changes of items other than shareholders' equity					
Total changes of items during period	20,905	20,905	1,705,675	(342,603)	1,404,883
Balance at end of current period	2,006,269	2,357,219	6,514,260	(342,603)	10,535,146

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	160,525	1,529	25,302	187,357	9,317,621
Changes of items during period					
Issuance of new shares - exercise of share acquisition rights					41,811
Dividends of surplus					(348,230)
Profit attributable to owners of parent					2,053,906
Purchase of treasury shares					(342,603)
Net changes of items other than shareholders' equity	(119,145)	(273)	(58,116)	(177,536)	(177,536)
Total changes of items during period	(119,145)	(273)	(58,116)	(177,536)	1,227,347
Balance at end of current period	41,379	1,256	(32,813)	9,821	10,544,968

Balance Sheet

(As of March 31, 2019)

(Unit: Thousand yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	12,493,593	Current liabilities	8,365,691
Cash and deposits	4,928,831	Current portion of long-term loans payable	67,500
Notes and accounts receivable - trade	7,017,139	Lease obligations	109,841
Prepaid expenses	510,670	Accrued expenses	4,506,285
Other	43,313	Income taxes payable	721,727
Allowance for doubtful accounts	(6,361)	Accrued consumption taxes	1,403,896
Non-current assets	5,988,942	Provision for bonuses	636,860
Property, plant and equipment	4,729,947	Other	919,581
Buildings and structures	1,921,025	Non-current liabilities	263,852
Land	2,666,264	Lease obligations	146,903
Other	142,657	Provision for retirement benefits	109,317
Intangible assets	348,614	Other	7,631
Leased assets	216,389	Total liabilities	8,629,544
Other	132,225	(Net assets)	
Investments and other assets	910,380	Shareholders' equity	9,811,612
Investment securities	167,166	Capital stock	2,006,269
Shares of subsidiaries and associates	256,876	Capital surplus	2,357,219
Long-term loans receivable	1,587	Legal capital surplus	2,357,219
Lease and guarantee deposits	68,261	Retained earnings	5,790,725
Prepaid pension cost	32,520	Legal retained earnings	40,000
Deferred tax assets	343,339	Other retained earnings	5,750,725
Other	40,930	General reserve	2,800,000
Allowance for doubtful accounts	(302)	Retained earnings brought forward	2,950,725
Total assets	18,482,536	Treasury shares	(342,603)
		Valuation and translation adjustments	41,379
		Valuation difference on available-for-sale securities	41,379
		Total net assets	9,852,991
		Total liabilities and net assets	18,482,536

Statement of Income

(April 1, 2018 to
March 31, 2019)

(Unit: Thousand yen)

Item	Amount	
Net sales		63,474,360
Cost of sales		51,870,635
Gross profit		11,603,725
Selling, general and administrative expenses		8,641,169
Operating profit		2,962,556
Non-operating income		
Interest income	13,976	
Dividend income	13,530	
Subsidy income	12,693	
House rent income	55,914	
Other	14,878	110,993
Non-operating expenses		
Interest expenses	15,468	
Commission fee	19,116	
Rent expenses	59,233	
Other	36,215	130,034
Ordinary profit		2,943,514
Extraordinary income		
Gain on sales of investment securities	74,105	74,105
Profit before income taxes		3,017,620
Income taxes - current	867,367	
Income taxes - deferred	(90,468)	776,899
Profit		2,240,721

Statement of Changes in Equity

(April 1, 2018 to
March 31, 2019)

(Unit: Thousand yen)

	Shareholders' equity								
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surpluses		Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at beginning of current period	1,985,364	2,336,314	2,336,314	40,000	2,800,000	1,058,234	3,898,234	—	8,219,913
Changes of items during period									
Issuance of new shares - exercise of share acquisition rights	20,905	20,905	20,905						41,811
Dividends of surplus						(348,230)	(348,230)		(348,230)
Profit						2,240,721	2,240,721		2,240,721
Purchase of treasury shares								(342,603)	(342,603)
Net changes of items other than shareholders' equity									
Total changes of items during period	20,905	20,905	20,905	—	—	1,892,490	1,892,490	(342,603)	1,591,698
Balance at beginning of current period	2,006,269	2,357,219	2,357,219	40,000	2,800,000	2,950,725	5,790,725	(342,603)	9,811,612

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	160,525	160,525	8,380,438
Changes of items during period			
Issuance of new shares - exercise of share acquisition rights			41,811
Dividends of surplus			(348,230)
Profit			2,240,721
Purchase of treasury shares			(342,603)
Net changes of items other than shareholders' equity	(119,145)	(119,145)	(119,145)
Total changes of items during period	(119,145)	(119,145)	1,472,552
Balance at beginning of current period	41,379	41,379	9,852,991

