



Consolidated Financial Results for FY 3/2023 [Japanese GAAP]

May 11, 2023

Company Name NISSO CORPORATION Stock Exchange Listing: Tokyo

Securities Code 6569 U R L <https://www.nisso.co.jp/>

Representative (Title) Representative Director, President & CEO (Name) Ryuichi Shimizu

Contact Person (Title) Managing Executive Officer & CFO (Name) Naoki Hayakawa T E L +81-45-514-4323

Scheduled date of Annual General Meeting of Shareholders June 28, 2023 Scheduled date of payment of dividend June 29, 2023

Scheduled date of Annual General Meeting of Shareholders June 29, 2023

Preparation of supplementary materials for financial results: (Scheduled to be posted on the Company's website on May 11, 2023 (Thursday))

Yes

Holding of financial results meeting: Yes (Scheduled to be held for institutional investors and analysts on May 15, 2023 (Monday))

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2023	90,827	17.1	2,268	8.7	2,349	(0.9)	1,622	(4.4)
Mar. 31, 2022	77,549	13.7	2,087	(19.7)	2,369	(19.7)	1,696	6.5

(Note) Comprehensive income Fiscal year ended Mar. 31, 2023: 1,590 Million yen (-6.3%)
 Fiscal year ended Mar. 31, 2022: 1,696 Million yen (0.4%)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary profit on total assets	Ratio of operating profit on net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2023	47.71	47.69	11.5	8.2	2.5
Mar. 31, 2022	49.94	49.90	13.0	9.7	2.7

(Reference) Equity in earnings of affiliates Fiscal year ended Mar. 31, 2023: -55 Million yen
 Fiscal year ended Mar. 31, 2022: 22 Million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2023	30,092	14,807	48.4	435.20
Mar. 31, 2022	27,462	13,559	49.4	399.01

(Reference) Equity capital As of Mar. 31, 2023: 14,568 Million yen
 As of Mar. 31, 2022: 13,559 Million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2023	2,285	(146)	(1,112)	9,800
Mar. 31, 2022	2,273	(1,538)	2,164	8,773

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
Fiscal year ended Mar. 31, 2022	—	0.00	—	18.00	18.00	611	36.0	4.7
Mar. 31, 2023	—	0.00	—	16.00	16.00	544	33.5	3.8
Fiscal year ending Mar. 31, 2024 (forecast)	—	0.00	—	20.50	20.50		30.3	

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 – March 31, 2024)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	100,000	10.1	3,600	58.7	3,600	53.2	2,300	41.8	67.60

※ Notes

(1) Changes in the significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in the scope of consolidation: None

(Note) Although not applicable to changes in specified subsidiaries, Nikon Nisso Prime Corporation has been included in the scope of consolidation from the current consolidated fiscal year.

(2) Changes in accounting policies and accounting estimates, and restatements

- ① Changes in accounting policies due to revisions in accounting standards, etc. : None
 ② Changes in accounting policies other than ① above : None
 ③ Changes in accounting estimates : None
 ④ Restatements : None

(3) Number of outstanding shares (Common stock)

① Number of shares outstanding at the end of the period (including treasury shares)	As of Mar. 31, 2023	34,353,200 Shares	As of Mar. 31, 2022	34,330,800 Shares
② Number of treasury shares at the end of the period	As of Mar. 31, 2023	328,480 Shares	As of Mar. 31, 2022	348,444 Shares
③ Average number of shares outstanding during the period	Fiscal year ended Mar. 31, 2023	34,003,932 Shares	Fiscal year ended Mar. 31, 2022	33,971,644 Shares

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(1) Non-consolidated results of operations

(Percentages represent year-on-year changes)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Mar. 31, 2023	80,776	12.7	2,267	7.2	2,337	1.8	1,638	1.9
Mar. 31, 2022	71,697	14.6	2,114	(19.4)	2,294	(19.9)	1,607	5.1

Fiscal year ended	Net income per share	Diluted net income per share
	Yen	Yen
Mar. 31, 2023	48.19	48.17
Mar. 31, 2022	47.33	47.30

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Mar. 31, 2023	26,985	13,935	51.6	409.58
Mar. 31, 2022	25,329	12,896	50.9	379.50

(Reference) Equity capital As of Mar. 31, 2023: 13,935 Million yen
 As of Mar. 31, 2022: 12,896 Million yen

※ The current financial statement is not subject to audit procedures by certified public accountants or auditing corporations.

※ Cautionary statement on the appropriate use of earnings forecasts, and other special items

(Notes on forward-looking statements, etc.)

Earnings forecasts regarding future performance and other forward-looking statements in this material are based on certain assumptions judged to be valid and on information that is currently available to the Company, and do not represent promises by the Company that these figures will be achieved. In addition, actual results may differ significantly due to a variety of factors. For prerequisite conditions and precautions regarding the usage of earnings forecasts, please refer to “1. Overview of Operating Results, (4) Future Prospects” on P. 6 of the attachments.

(Supplementary materials for financial results and method of obtaining content for financial results briefing)

The Company is scheduled to hold a Financial Results Briefing for institutional investors and analyst on May 15, 2023 (Monday).

The materials to be used for the financial results briefing for FY 3/2023 are scheduled to be posted on the Company's website on the date of announcement of the financial results (May 11, 2023 (Thursday)).

○Contents of Attachments

1. Overview of Operating Results	2
(1) Overview of Operating Results for the Current Fiscal Year	2
(2) Overview of Financial Position for the Current Fiscal Year	5
(3) Overview of Cash Flows for the Current Fiscal Year	5
(4) Future Prospects	6
(5) Basic Policy on Profit Distribution and Dividends for Current and Next Terms	6
2. Basic Approach to the Selection of Accounting Standards	7
3. Consolidated Financial Statements and Notes	8
(1) Consolidated Balance Sheet	8
(2) Consolidated Statements of Income and Comprehensive Income	10
Consolidated Statement of Income	10
Consolidated Statement of Comprehensive Income	11
(3) Consolidated Statement of Changes in Equity	12
(4) Consolidated Statement of Cash Flows	14
(5) Notes regarding Consolidated Financial Statements	15
(Notes regarding Going Concern Assumption)	15
(Segment Information)	15
(Per Share Information)	18
(Significant Subsequent Events)	18

1. Overview of Operating Results

(1) Overview of Operating Results for the Current Fiscal Year

In the current consolidated fiscal year (hereinafter, the "fiscal year under review"), in order to achieve its mission of "Creating opportunities and hopes for people to work", the Nisso Group (hereinafter, the Group) has been promoting initiatives "To transform into a corporate group with high-growth potential" by providing Human Resources Solution Services that support the growth of companies and people, aiming to create workplaces where workers can feel motivated and grow, and to provide services that can respond to social changes and changes in industrial structures.

The Group defines materiality (key issues) for the realization of its mission as "Creation of a comfortable workplace", "Responding to social changes and changes in industrial structures", and "Strengthening of governance". The Group aims to enhance corporate value through the creation of social value by promoting digitization (digitalization) and actively investing in human resources, maximizing employee satisfaction and customer/client satisfaction, providing high value-added services, and strengthening management structures and internal controls.

The financial results for the fiscal year under review are as follows:

(Unit: Million yen)

	FY 3/2022 (Apr. 1, 2021 - Mar. 31, 2022)		FY 3/2023 (Apr. 1, 2022 - Mar. 31, 2023)	
	Amount	(YoY)	Amount	(YoY)
Net sales	77,549	(up 13.7%)	90,827	(up 17.1%)
Operating profit	2,087	(down 19.7%)	2,268	(up 8.7%)
Ordinary profit	2,369	(down 19.7%)	2,349	(down 0.9%)
Profit attributable to owners of parent	1,696	(up 6.5%)	1,622	(down 4.4%)

The Company (NISSO CORPORATION)

In the fiscal year under review, the NISSO CORPORATION (hereinafter, the "Company", non-consolidated), which is the core of the Group, strengthened promotions related to recruitment in order to meet the vigorous human resources needs of its clients, and the number of enrolled manufacturing staff increased to 15,998 (up 1,053 from the end of the previous consolidated fiscal year). In the automobiles-related industry, the impact of the shortage of semiconductors and other parts have been on a gradual recovery trend, and as a result of steady human resources needs in anticipation of the normalization of production activities, net sales amounted to 36,375 million yen (up 15.0 % year-on-year). In the electronic devices-related industry, although sales growth slowed due to inventory adjustments in electronic components and semiconductor memory, net sales amounted to 24,545 million yen (up 11.9% year-on-year), partly due to the results of unit-cost negotiations. In addition, by utilizing 8 training facilities nationwide and striving to develop human resources for the production of high value-added human resources, the total number of education and training participants, including manufacturing staff and engineers, totaled 7,291 (6,104 in the same period of the previous fiscal year), with net sales per capita of 426 thousand yen (compared with 415 thousand yen in the same period of the previous fiscal year), and the Company's net sales increased by 12.7% year-on-year.

Furthermore, in April 2023, the Company opened a training center in Kumamoto Prefecture, its 9th location nationwide. At this facility, the Company aims to develop human resources who are ready to use actual semiconductor manufacturing equipment, and will contribute to the growth of not only the semiconductor industry in Kyushu, but also the semiconductor industry throughout Japan.

In terms of profits, although there was an increase in the consumption of paid leave and compensation for absence from work, due to the impact of the new coronavirus (hereinafter, "COVID-19") and operational adjustments due to parts shortages, it was absorbed by an increase in net sales, and the Company's operating profit increased by 7.2% year-on-year.

The results of operations by segment are as follows:

(General Human Resources Services Business)

(Unit: Million yen)

	FY 3/2022	FY 3/2023	
	(Apr. 1, 2021 - Mar. 31, 2022) Amount	(Apr. 1, 2022 - Mar. 31, 2023) Amount	(YoY)
Net sales			
Manufacturing • Production Human Resources Services	66,412	73,091	(up 10.1%)
Engineering Human Resources Services	5,670	8,627	(up 52.1%)
Administrative Human Resources Services	2,447	2,279	(down 6.9%)
Other Human Resources Services	64	3,819	(up 5834.6%)
Total	74,594	87,817	(up 17.7%)
Segment profit	2,052	2,222	(up 8.3%)

(Note) As for net sales of Other Human Resources Services, net sales of Nikon Nisso Prime Corporation have been recorded from the second quarter consolidated accounting period of FY 3/2023.

Manufacturing • Production Human Resources Services (NISSO CORPORATION, Vector Shinwa Co., Ltd.)

In the Manufacturing • Production Human Resources Services, the Group is mainly engaged in manufacturing dispatching and manufacturing contracting, and by strengthening its service provision system to clients and strengthening its sales activities aimed at increasing orders, it has improved efficiency and strengthened its "earning power".

During the fiscal year under review, despite strong demand for the automobiles-related industry, the number of enrolled staff amounted to 14,586 (up 660 year-on-year), partly due to inventory adjustments in electronic components and semiconductor memory. In addition, as a result of efforts to enhance various educational curriculums and strengthen communication in order to create a comfortable workplace, the turnover rate of employed workers remained at a low level of 3.9% (which was at 3.9% in the corresponding period of the previous fiscal year). Furthermore, due to the effect of an increase in enrollment and net sales per capita of 422 thousand yen (which was at 411 thousand yen in the corresponding period of the previous fiscal year), net sales increased by 10.1% year-on-year.

Engineering Human Resources Services (NISSO CORPORATION, Vector Shinwa Co., Ltd.)

In the Engineering Human Resources Services, the Group dispatches engineers mainly in the manufacturing industry and provides SES (System Engineering Service), and has continued to expand its high value-added areas and lay the groundwork for the next core business.

During the fiscal year under review, the number of enrolled engineers was 1,517 (up 412 year-on-year) by expanding educational opportunities for employed workers, and the turnover rate remained at a low level of 2.1% (which was at 1.9% in the corresponding period of the previous fiscal year). Furthermore, due to the effect of an increase in enrollment and net sales per capita of 518 thousand yen (which was at 514 thousand yen in the corresponding period of the previous fiscal year), net sales increased by 52.1% year-on-year.

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

In the Administrative Human Resources Services, the Group provides general office work dispatching and BPO (Business Process Outsourcing), and is working to restructure services and develop new menus.

During the fiscal year under review, although the Group promoted recruitment activities centered on public relations and customer attraction activities, due to sluggish growth in the number of registrants, the number of enrolled administrative dispatched staff amounted to 605 (down 64 year-on-year).

Other Human Resources Services (Nikon Nisso Prime Corporation, Nisso Pure Co., Ltd.)

In Other Human Resources Services, the Group aims to build a business model that will enable older employees and employees with disabilities to flourish.

On July 1, 2022, the Company acquired additional equity interest in Nikon Nisso Prime Corporation,

an equity-method affiliate, and made it a consolidated subsidiary. In addition to enhancing its human resources dispatching business, the Nikon Nisso Prime is working to support the active participation of older employees, as well as developing, securing and building a structure for employment opportunities where such employees can continue to work. The number of older employees employed during the fiscal year under review was 598.

Nisso Pure Co., Ltd., a special-purpose subsidiary of the Company, aims to create a workplace environment where diverse human resources can flourish. Rather than simply hiring employees with disabilities, the Group is promoting activities that take advantage of the characteristics of each individual, such as being entrusted with light work by external clients, and aiming to coexist with local communities, including school officials, support organizations, and the government. The number of employees with disabilities during the fiscal year under review was 205.

(Other Businesses)

(Unit: Million yen)

	FY 3/2022 (Apr. 1, 2021 - Mar. 31, 2022) Amount	FY 3/2023 (Apr. 1, 2022 - Mar. 31, 2023) Amount	(YoY)
Net sales			
Nursing Care • Welfare Services	2,963	3,031	(up 2.3%)
Segment profit	36	48	(up 31.9%)

Nursing Care • Welfare Services (Nisso Nifty Co., Ltd.)

In the Nursing Care • Welfare Services, the Group provides facility nursing care and home-based nursing care, and is working to restructure its provided services while developing new menus.

During the fiscal year under review, in the facility nursing care business, which is the mainstay of this service, the Group promoted Web previews and other activities on the premise of preventing the spread of COVID-19 infections. The number of residents in the nursing care facilities was 380 (up 16 year-on-year), and the occupancy rates at the nursing care facilities was 94.5% (which was at 90.5% in the corresponding period of the previous fiscal year). As a result, net sales increased by 2.3% year-on-year.

(Initiatives for Sustainability)

In order to achieve its mission of “*Creating opportunities and hopes for people to work*”, the Group recognizes the importance of contributing to society and the environment through investment in “people”, which is the driving force behind the Group.

In promoting activities related to sustainability, based on the “Sustainability Policy” formulated in October 2021, the Group aims for sustainable business growth and promotes initiatives to realize a sustainable society by establishing policies on human rights, labor, the environment, health and safety, and ethics.

The Group defines “human resources development” and “diversity” as the most important factors in aiming for sustainable growth of its business. From the perspective of enhancing value, the Group will improve the ratio of highly skilled human resources by developing human resources who can take on the challenge of all possibilities in all fields. At the same time, the Group aims to create a workplace where all employees can have dreams and a sense of fulfillment, and build a workplace where diverse human resources can flourish. From the perspective of risk management, the Group recognizes the importance of activities such as respect for human rights, the environment, safety and health, compliance, and local environmental conservation, and is promoting initiatives aimed at reducing various risks and contributing to society.

With the goal of “achieving carbon neutrality (net-zero emissions) by 2050”, the Company is also promoting initiatives to combat climate change through its business. Through a series of human resources services activities, the Company will work to protect the global environment and prevent pollution, and by clarifying the financial impact of climate change on the Company, it will aim to improve corporate resilience and realize the key issue of “creating a comfortable workplace”.

(2) Overview of Financial Position for the Current Fiscal Year

(Assets)

Current assets at the end of the fiscal year under review amounted to 21,747 million yen, which was an increase of 2,679 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 1,020 million yen in cash and deposits and an increase of 1,546 million yen in accounts receivable (trade).

Non-current assets at the end of the fiscal year under review amounted to 8,344 million yen, which was a decrease of 49 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 102 million yen in goodwill.

As a result, total assets amounted to 30,092 million yen, which was an increase of 2,629 million yen from the end of the previous consolidated fiscal year.

(Liabilities)

Current liabilities at the end of the fiscal year under review amounted to 12,187 million yen, which was an increase of 1,776 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 737 million yen in accrued expenses and an increase of 336 million yen in provision for bonuses.

Non-current liabilities at the end of the fiscal year under review amounted to 3,097 million yen, which was a decrease of 394 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 490 million yen in long-term loans payable.

As a result, total liabilities amounted to 15,284 million yen, which was an increase of 1,381 million yen from the end of the previous consolidated fiscal year.

(Net assets)

Total net assets at the end of the fiscal year under review amounted to 14,807 million yen, which was an increase of 1,248 million yen from the end of the previous consolidated fiscal year. This was mainly due to the recording of 1,622 million yen in profit attributable to owners of parent and 611 million yen in dividends of surplus.

As a result, the equity ratio was 48.4% (which was at 49.4% at the end of the previous consolidated fiscal year).

(3) Overview of Cash Flows for the Current Fiscal Year

Cash flows for the fiscal year under review were as follows: Cash flows from operating activities resulted in proceeds of 2,285 million yen, cash flows from investing activities resulted in expenditures of 146 million yen, and cash flows from financing activities resulted in expenditures of 1,112 million yen.

As a result, cash and cash equivalents for the fiscal year under review increased by 1,026 million yen to 9,800 million yen compared to the balance at the beginning of the current period.

The status and contributing factors of cash flows from operating, investing and financing activities in the fiscal year under review are as follows:

(Cash flows from operating activities)

Cash flows from operating activities amounted to proceeds of 2,285 million yen (compared to proceeds of 2,273 million yen in the previous consolidated fiscal year), as a result of proceeds of 2,349 million yen in profit before income taxes, which absorbed expenditures such as an increase in notes and accounts receivable (trade) of 931 million yen.

(Cash flows from investing activities)

Cash flows from investing activities amounted to expenditures of 146 million yen (compared to expenditures of 1,538 million yen in the previous consolidated fiscal year), as expenditures such as 160 million yen in purchase of securities, and 186 million yen in purchase of property, plant and equipment could not be absorbed by 251 million yen in proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation.

(Cash flows from financing activities)

Cash flows from financing activities amounted to expenditures of 1,112 million yen (compared to proceeds of 2,164 million yen in the previous consolidated fiscal year), which consisted of 490 million yen in repayments of long-term loans payable and 611 million yen in cash dividends paid.

(4) Future Prospects

With regard to future prospects, in the Automotive Industry (automobile manufacturing and EV-related manufacturing industry) which is the Group's focus industry, although there is concern that the impact of production adjustments caused by the global shortage of semiconductors and other components will continue to some extent, human resources needs are expected to remain strong in anticipation of the normalization of parts procurement. In the Semiconductor Industry (semiconductor manufacturing industry), which the Group is also focusing on, the effects of production adjustments due to excessive inventories in the memory field and other fields will continue, while a certain level of demand for power semiconductors for automotive applications is expected to remain constant. In addition, in the Electronics Industry (electronic equipment manufacturing industry), while demand for components related to PCs and communication equipment is expected to continue to decline due to significant linkages with the semiconductor industry, production activities of manufacturers who are the Company's clients are expected to gradually recover due to the demand for parts associated with environmental measures and automation of production sites.

Under such a business environment, in the General Human Resources Services Business, which is the Group's core business, the Company will contribute to the growth of Japan's MONOZUKURI (manufacturing) by providing high-quality services through training facilities nationwide by developing high value-added human resources. In particular, with regard to the Semiconductor Industry, which is expected to grow over the medium to long term, the Company will open its 9th Nisso Technical Center in Kumamoto, and will contribute to the growth of the semiconductor industry in Japan by developing high value-added human resources based on strong cooperative relationships with its clients.

In addition, in line with the 3-year Medium-term Management Plan, which was announced in August 2022 and started in FY 3/2023, the Company will pursue the possibility of M&A and building new partnerships to transform its business to the next core area of focus.

In Other Businesses, the Group will continue to improve the quality of the services provided at "Sweetpea", nursing care facilities such as fee-based nursing homes for the elderly located in 6 locations throughout Yokohama, and promote the provision of nursing care services that customers can choose from. In addition, the Group will continue to make efforts to improve its management structure by promoting operational efficiency.

Based on the above, the Company expects full-year consolidated results for the fiscal year ending March 31, 2024, as follows: net sales of 100,000 million yen (up 10.1% year-on-year), operating profit of 3,600 million yen (up 58.7% year-on-year), ordinary profit of 3,600 million yen (up 53.2% year-on-year), and profit attributable to owners of parent of 2,300 million yen (up 41.8% year-on-year).

※The above forecasts are based on information available as of the date of release of this document, and actual results may differ from forecasts due to various factors in the future.

(5) Basic Policy on Profit Distribution and Dividends for Current and Next Terms

The Company considers the redistribution of profits to shareholders and the enhancement of corporate value 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% or more as a general standard, the Company's basic policy is to continue to steadily redistribute profits to all of its shareholders.

Furthermore, although the Company considers the year-end dividends as a general principle, the Articles of Incorporation stipulate that it is possible to distribute dividends of surplus twice a year as interim dividends and year-end dividends in order to enhance the redistribution of profits to shareholders. As the decision-making body, the Board of Directors is determined to make it possible to flexibly carry out the payment of interim dividends while taking into consideration performance trends and other factors.

In accordance with the above policy, the dividend for the fiscal year ended March 31, 2023 is scheduled to be a payment of 16.00 yen per share (consolidated dividend payout ratio of 33.5%).

In addition, for the fiscal year ending March 31, 2024, the Company is scheduled to pay a dividend of 20.50 yen per share (consolidated dividend payout ratio of 30.3%).

2. Basic Approach to the Selection of Accounting Standards

Since many of the stakeholders are domestic shareholders, creditors, business partners, etc., and due to the lack of funding from overseas, the Group has applied generally accepted accounting principles in Japan.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Unit: Million yen)

	FY 3/22 (As of Mar. 31, 2022)	FY 3/23 (As of Mar. 31, 2023)
Assets		
Current assets		
Cash and deposits	8,779	9,800
Electronically recorded monetary claims - operating	66	116
Accounts receivable - trade	9,324	10,870
Prepaid expenses	650	655
Other	251	309
Allowance for doubtful accounts	(4)	(5)
Total current assets	19,068	21,747
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,259	5,368
Accumulated depreciation	(3,488)	(3,572)
Buildings and structures, net	1,771	1,795
Land	2,670	2,670
Other	544	655
Accumulated depreciation	(408)	(459)
Other, net	136	195
Total property, plant and equipment	4,578	4,660
Intangible assets		
Leased assets	8	1
Goodwill	970	868
Other	687	644
Total intangible assets	1,667	1,514
Investments and other assets		
Investment securities	500	343
Lease and guarantee deposits	649	643
Deferred tax assets	575	765
Net defined benefit asset	102	77
Other	350	366
Allowance for doubtful accounts	(28)	(27)
Total investments and other assets	2,149	2,169
Total non-current assets	8,394	8,344
Total assets	27,462	30,092

(Unit: Million yen)

	FY 3/22 (As of Mar. 31, 2022)	FY 3/23 (As of Mar. 31, 2023)
Liabilities		
Current liabilities		
Current portion of long-term loans payable	490	490
Lease obligations	11	2
Accrued expenses	5,381	6,119
Income taxes payable	395	555
Accrued consumption taxes	1,827	2,104
Contract liabilities	247	245
Provision for bonuses	1,058	1,395
Provision for shareholder benefit program	63	104
Other	934	1,169
Total current liabilities	10,411	12,187
Non-current liabilities		
Long-term loans payable	2,509	2,019
Lease obligations	1	5
Deferred tax liabilities	120	109
Net defined benefit liability	473	583
Other	386	380
Total non-current liabilities	3,492	3,097
Total liabilities	13,903	15,284
Net assets		
Shareholders' equity		
Capital stock	2,016	2,016
Capital surplus	2,368	2,367
Retained earnings	9,454	10,460
Treasury shares	(298)	(281)
Total shareholders' equity	13,540	14,563
Accumulated other comprehensive income		
Foreign currency translation adjustment	0	0
Remeasurements of defined benefit plans	17	3
Total accumulated other comprehensive income	18	4
Non-controlling interests	-	239
Total net assets	13,559	14,807
Total liabilities and net assets	27,462	30,092

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statement of Income)

(Unit: Million yen)

	FY 3/22 (Apr. 1, 2021 - Mar. 31, 2022)	FY 3/23 (Apr. 1, 2022 - Mar. 31, 2023)
Net sales	77,549	90,827
Cost of sales	64,599	76,272
Gross profit	12,950	14,554
Selling, general and administrative expenses	10,863	12,286
Operating profit	2,087	2,268
Non-operating income		
Interest income	3	3
Dividend income	0	0
Share of profit of entities accounted for using equity method	22	-
Subsidy income	244	142
House rent income	40	40
Other	33	39
Total non-operating income	343	226
Non-operating expenses		
Interest expenses	1	10
Share of loss of entities accounted for using equity method	-	55
Rent expenses	17	21
Compensation for damage	0	24
Other	41	32
Total non-operating expenses	60	145
Ordinary profit	2,369	2,349
Extraordinary losses		
Loss on sales of non-current assets	38	-
Total extraordinary losses	38	-
Profit before income taxes	2,331	2,349
Income taxes - current	753	845
Income taxes - deferred	(118)	(101)
Total income taxes	635	744
Profit	1,696	1,604
Loss attributable to non-controlling interests	-	(17)
Profit attributable to owners of parent	1,696	1,622

(Consolidated Statement of Comprehensive Income)

(Unit: Million yen)

	FY 3/22 (Apr. 1, 2021 - Mar. 31, 2022)	FY 3/23 (Apr. 1, 2022 - Mar. 31, 2023)
Profit	1,696	1,604
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	0	(14)
Share of other comprehensive income of entities accounted for using equity method	(0)	(0)
Total other comprehensive income	(0)	(14)
Comprehensive income	1,696	1,590
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,696	1,607
Comprehensive income attributable to non- controlling interests	-	(17)

(3) Consolidated Statement of Changes in Equity

FY 3/22 (Apr. 1, 2021 - Mar. 31, 2022)

(Unit: Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,015	2,368	8,674	(313)	12,744
Cumulative effects of changes in accounting policies			(233)		(233)
Restated balance	2,015	2,368	8,440	(313)	12,511
Changes of items during period					
Issuance of new shares - exercise of share acquisition rights	0	0			0
Dividends of surplus			(682)		(682)
Profit attributable to owners of parent			1,696		1,696
Disposal of treasury shares		(0)		15	15
Increase of consolidated subsidiaries - non-controlling interests					-
Net changes of items other than shareholders' equity					-
Total changes of items during period	0	(0)	1,013	15	1,029
Balance at end of current period	2,016	2,368	9,454	(298)	13,540

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1	17	18	-	12,763
Cumulative effects of changes in accounting policies					(233)
Restated balance	1	17	18	-	12,529
Changes of items during period					
Issuance of new shares - exercise of share acquisition rights					0
Dividends of surplus					(682)
Profit attributable to owners of parent					1,696
Disposal of treasury shares					15
Increase of consolidated subsidiaries - non-controlling interests				-	-
Net changes of items other than shareholders' equity	(0)	0	(0)		(0)
Total changes of items during period	(0)	0	(0)	-	1,029
Balance at end of current period	0	17	18	-	13,559

FY 3/23 (Apr. 1, 2022 - Mar. 31, 2023)

(Unit: Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,016	2,368	9,454	(298)	13,540
Cumulative effects of changes in accounting policies					-
Restated balance	2,016	2,368	9,454	(298)	13,540
Changes of items during period					
Issuance of new shares - exercise of share acquisition rights	0	0			1
Dividends of surplus			(611)		(611)
Profit attributable to owners of parent			1,622		1,622
Disposal of treasury shares		(1)	(4)	17	11
Increase of consolidated subsidiaries - non-controlling interests					-
Net changes of items other than shareholders' equity					-
Total changes of items during period	0	(0)	1,006	17	1,023
Balance at end of current period	2,016	2,367	10,460	(281)	14,563

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	0	17	18	-	13,559
Cumulative effects of changes in accounting policies					-
Restated balance	0	17	18	-	13,559
Changes of items during period					
Issuance of new shares - exercise of share acquisition rights					1
Dividends of surplus					(611)
Profit attributable to owners of parent					1,622
Disposal of treasury shares					11
Increase of consolidated subsidiaries - non-controlling interests				239	239
Net changes of items other than shareholders' equity	(0)	(14)	(14)		(14)
Total changes of items during period	(0)	(14)	(14)	239	1,248
Balance at end of current period	0	3	4	239	14,807

(4) Consolidated Statement of Cash Flows

(Unit: Million yen)

	FY 3/22 (Apr. 1, 2021 - Mar. 31, 2022)	FY 3/23 (Apr. 1, 2022 - Mar. 31, 2023)
Cash flows from operating activities		
Profit before income taxes	2,331	2,349
Depreciation	287	278
Amortization of goodwill	51	107
Increase (decrease) in allowance for doubtful accounts	7	0
Increase (decrease) in provision for bonuses	103	220
Decrease (increase) in net defined benefit asset	(25)	3
Increase (decrease) in net defined benefit liability	128	109
Increase (decrease) in provision for shareholder benefit program	63	41
Loss (gain) on sales of property, plant and equipment	38	-
Interest and dividend income	(3)	(3)
Interest expenses	1	10
Share of (profit) loss of entities accounted for using equity method	(22)	55
Decrease (increase) in notes and accounts receivable - trade	(1,230)	(931)
Decrease (increase) in lease and guarantee deposits	29	22
Increase (decrease) in accrued expenses	812	413
Increase (decrease) in accrued consumption taxes	649	170
Other, net	(62)	166
Subtotal	3,159	3,013
Interest and dividend income received	3	3
Interest expenses paid	(0)	(10)
Income taxes refund	2	12
Income taxes paid	(891)	(732)
Cash flows from operating activities	2,273	2,285
Cash flows from investing activities		
Purchase of securities	(209)	(160)
Purchase of property, plant and equipment	(87)	(186)
Proceeds from sales of property, plant and equipment	11	-
Purchase of intangible assets	(40)	(33)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,212)	-
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	251
Other, net	0	(18)
Cash flows from investing activities	(1,538)	(146)
Cash flows from financing activities		
Proceeds from long-term loans payable	3,000	-
Repayments of long-term loans payable	(97)	(490)
Repayments of lease obligations	(55)	(11)
Proceeds from issuance of common shares	0	1
Cash dividends paid	(682)	(611)
Cash flows from financing activities	2,164	(1,112)
Effect of exchange rate change on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	2,899	1,026
Cash and cash equivalents at beginning of period	5,873	8,773
Cash and cash equivalents at end of period	8,773	9,800

(5) Notes regarding Consolidated Financial Statements

(Notes regarding Going Concern Assumption)

Not applicable.

(Segment Information)

【Segment Information】

1. Overview of reportable segments

The reportable segments of the Group are constituent units for which separate financial information is available, and are evaluated regularly by the Board of Directors to determine the allocation of management resources and assess performance.

The Group is comprised of segments classified according to the content of the businesses, and its 2 reportable segments are the "General Human Resources Service Business" and "Other Businesses".

2. Calculation methods for net sales, profits or losses, assets, liabilities, and other items for each reportable segment

The accounting methods used for reportable segments are the same as those adopted for the preparation of the consolidated financial statements.

Profits for reportable segments are based on operating profit figures.

Inter-segment sales or transfers are based on prevailing market prices.

3. Information related to net sales, profits or losses, assets, liabilities, and other items for each reportable segment

FY 3/22 (Apr. 1, 2021 - Mar. 31, 2022)

(Unit: Million yen)

	Reportable Segments			Adjustments (Note) 1	Amount recorded on Consolidated Statement of Income (Note) 2
	General Human Resources Service Business	Other Businesses	Subtotal		
Net sales					
Sales to external clients	74,586	2,963	77,549	-	77,549
Inter-segment sales or transfers	7	0	7	(7)	-
Total	74,594	2,963	77,557	(7)	77,549
Segment profit	2,052	36	2,089	(2)	2,087
Segment assets	26,376	1,781	28,158	(695)	27,462
Other items					
Depreciation	274	5	279	7	287
Amortization of goodwill	51	-	51	-	51
Investment in equity-method affiliates	465	-	465	-	465
Increase in property, plant and equipment and intangible assets	117	-	117	-	117

(Note) 1. The adjustments are as follows:

- (1) The adjustments on segment profit of (2) million yen are eliminations of inter-segment transactions.
- (2) The adjustments on segment assets of (695) million yen are eliminations of transactions.
- (3) The adjustments on depreciation of 7 million yen is the depreciation not included in segment profit.

2. Segment profit is adjusted with operating profit on the Consolidated Statement of Income.

FY 3/23 (Apr. 1, 2022 - Mar. 31, 2023)

(Unit: Million yen)

	Reportable Segments			Adjustments (Note) 1	Amount recorded on Consolidated Statement of Income (Note) 2
	General Human Resources Service Business	Other Businesses	Subtotal		
Net sales					
Sales to external clients	87,810	3,017	90,827	-	90,827
Inter-segment sales or transfers	7	14	22	(22)	-
Total	87,817	3,031	90,849	(22)	90,827
Segment profit	2,222	48	2,270	(2)	2,268
Segment assets	28,953	1,825	30,779	(687)	30,092
Other items					
Depreciation	265	5	270	7	278
Amortization of goodwill	107	-	107	-	107
Investment in equity-method affiliates	152	-	152	-	152
Increase in property, plant and equipment and intangible assets	284	9	293	-	293

(Note) 1. The adjustments are as follows:

- (1) The adjustments on segment profit of (2) million yen are eliminations of inter-segment transactions.
 - (2) The adjustments on segment assets of (687) million yen are eliminations of transactions.
 - (3) The adjustments on depreciation of 7 million yen is the depreciation not included in segment profit.
2. Segment profit is adjusted with operating profit on the Consolidated Statement of Income.

【Related Information】

FY 3/22 (Apr. 1, 2021 - Mar. 31, 2022)

1. Information by product and service

(Unit: Million yen)

	Manufacturing • Production Human Resources Services	Engineering Human Resources Services	Administrative Human Resources Services	Other Human Resources Services	Nursing Care • Welfare Services	Total
Sales to external clients	66,412	5,670	2,442	61	2,963	77,549

2. Information by region

(1) Net sales

Since net sales to external clients in Japan exceed 90% of net sales on the consolidated statement of income, the description has been omitted.

(2) Property, plant and equipment

This has not been listed since there are no property, plant and equipment located outside Japan.

3. Information for each main client

Since there is no other party that accounts for 10% or more of the net sales on the consolidated statement of income, this has not been listed.

FY 3/23 (Apr. 1, 2022 - Mar. 31, 2023)

1. Information by product and service

(Unit: Million yen)

	Manufacturing · Production Human Resources Services	Engineering Human Resources Services	Administrative Human Resources Services	Other Human Resources Services	Nursing Care · Welfare Services	Total
Sales to external clients	73,091	8,627	2,274	3,816	3,017	90,827

2. Information by region

(1) Net sales

Since net sales to external clients in Japan exceed 90% of net sales on the consolidated statement of income, the description has been omitted.

(2) Property, plant and equipment

This has not been listed since there are no property, plant and equipment located outside Japan.

3. Information for each main client

Since there is no other party that accounts for 10% or more of the net sales on the consolidated statement of income, this has not been listed.

【Information on impairment loss on non-current assets by reporting segment】

Not applicable.

【Information on amortization of goodwill and unamortized balances by reporting segment】

FY 3/22 (Apr. 1, 2021 - Mar. 31, 2022)

(Unit: Million yen)

	General Human Resources Service Business	Other Businesses	Total
Amortization for current period	51	-	51
Balance at end of current period	970	-	970

FY 3/23 (Apr. 1, 2022 - Mar. 31, 2023)

(Unit: Million yen)

	General Human Resources Service Business	Other Businesses	Total
Amortization for current period	107	-	107
Balance at end of current period	868	-	868

【Information on negative goodwill gains by reporting segment】

Not applicable.

(Per Share Information)

	FY 3/22 (Apr. 1, 2021 – Mar. 31, 2022)	FY 3/23 (Apr. 1, 2022 – Mar. 31, 2023)
Net assets per share	399.01 Yen	435.20 Yen
Net income per share	49.94 Yen	47.71 Yen
Diluted net income per share	49.90 Yen	47.69 Yen

(Note) The basis for the calculation of net income per share and diluted net income per share is as follows:

	FY 3/22 (Apr. 1, 2021 – Mar. 31, 2022)	FY 3/23 (Apr. 1, 2022 – Mar. 31, 2023)
Net income per share		
Profit attributable to owners of parent (Million yen)	1,696	1,622
Amount not attributable to common shareholders (Million yen)	-	-
Profit attributable to owners of parent related to common shares (Million yen)	1,696	1,622
Average number of shares of common stock during the period (Shares)	33,971,644	34,003,932
Diluted net income per share		
Profit attributable to owners of parent adjustment (Million yen)	-	-
Increase in number of common stock (Shares)	25,320	12,892
(Share acquisition rights (Shares))	(25,320)	(12,892)
Summary of dilutive shares not included in calculation of diluted net income per share due to absence of dilutive effect	-	-

(Significant Subsequent Events)

Not applicable.