



Consolidated Financial Results for FY 3/2024 [Japanese GAAP]

May 9, 2024

Company NISSO HOLDINGS Co., Ltd. Stock Exchange Listing: Tokyo
 Securities Code 9332 URL <https://www.nisso-hd.com>
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 Scheduled date of Annual General Meeting of Shareholders June 26, 2024 Scheduled date of payment of dividend June 27, 2024
 Scheduled date of filing Annual Securities Report June 27, 2024
 Preparation of supplementary materials for financial results: (Scheduled to be posted on the Company's website on May 9, 2024 (Thursday))
 Yes
 Holding of financial results meeting: Yes (Scheduled to be held for institutional investors and analysts on May 13, 2024 (Monday))

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 – March 31, 2024)

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Mar. 31, 2024	96,858	—	3,058	—	3,056	—	1,952	—
Mar. 31, 2023	—	—	—	—	—	—	—	—

(Note) Comprehensive income Fiscal year ended Mar. 31, 2024: 2,101 Million yen (—%)
 Fiscal year ended Mar. 31, 2023: — Million yen (—%)

Fiscal year ended	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	%	%	%
Mar. 31, 2024	57.85	—	13.2	9.9	3.2
Mar. 31, 2023	—	—	—	—	—

(Reference) Equity in earnings of affiliates Fiscal year ended Mar. 31, 2024: -98 Million yen
 Fiscal year ended Mar. 31, 2023: — Million yen

(Note) 1. Since the Company was established on October 2, 2023 through a single share transfer, there are no results for the previous consolidated fiscal year.

2. "Diluted net income per share" for FY 3/2024 is not listed because there are no dilutive shares.

(2) Consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Mar. 31, 2024	31,354	15,333	48.0	467.99
Mar. 31, 2023	—	—	—	—

(Reference) Equity capital As of Mar. 31, 2024: 15,057 Million yen
 As of Mar. 31, 2023: — Million yen

(Note) Since the Company was established on October 2, 2023 through a single share transfer, there are no results for the previous consolidated fiscal year.

(3) Consolidated cash flows

Fiscal year ended	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
Mar. 31, 2024	3,230	(1,289)	(2,100)	9,641
Mar. 31, 2023	—	—	—	—

(Note) Since the Company was established on October 2, 2023 through a single share transfer, there are no results for the previous consolidated fiscal year.

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	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Mar. 31, 2023	—	—	—	—	—	—	—	—
Mar. 31, 2024	—	—	—	20.50	20.50	671	35.4	4.5
Fiscal year ending Mar. 31, 2025 (forecast)	—	—	—	22.00	22.00		30.0	

(Note) Since the Company was established on October 2, 2023 through a single share transfer, there are no results for the corresponding quarter of the previous consolidated fiscal year or up to the second quarter.

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(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	106,000	9.4	3,800	24.3	3,800	24.3	2,400	22.9	73.25

※ 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, EYE'S Co., Ltd. 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, 2024	34,024,720	Shares	As of Mar. 31, 2023	—	Shares
② Number of treasury shares at the end of the period	As of Mar. 31, 2024	1,260,745	Shares	As of Mar. 31, 2023	—	Shares
③ Average number of shares outstanding during the period	Fiscal year ended Mar. 31, 2024	33,742,216	Shares	Fiscal year ended Mar. 31, 2023	—	Shares

(Note) 1. Since the Company was established on October 2, 2023, figures for the previous consolidated fiscal year are not listed.

2. Since the Company was established through a single share transfer on October 2, 2023, the average number of shares of common stock during the period from April 1, 2023 to October 1, 2023 prior to the establishment of the Company is calculated using the average number of shares of NISSO CORPORATION during the period. The period from October 2, 2023 to March 31, 2024 is calculated using the average number of shares of the Company during the period.

※ 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 13, 2024 (Monday).

The materials to be used for the financial results briefing for FY 3/2024 are scheduled to be posted on the Company's website on the date of announcement of the financial results (May 9, 2024 (Thursday)).

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1. Overview of Operating Results

NISSO HOLDINGS Co., Ltd. (hereinafter, the "Company") was established on October 2, 2023 as the wholly owning parent company of NISSO CORPORATION through a single share transfer. However, since there has been no substantial change in the scope of consolidation, items for which the comparisons are made with the corresponding period of the previous consolidated fiscal year are those for the consolidated fiscal year (FY 3/2023, from April 1, 2022 to March 31, 2023) of NISSO CORPORATION. In addition, the items that are compared with the end of the previous consolidated fiscal year are compared with the end of the consolidated FY 3/2023 (March 31, 2023) of NISSO CORPORATION.

Furthermore, the consolidated financial statements for the current consolidated fiscal year (hereinafter, the "consolidated fiscal year under review") were prepared by taking over the consolidated financial statements of NISSO CORPORATION, which became a wholly owned subsidiary through a single share transfer.

Moreover, Vector Shinwa Co., Ltd., a consolidated subsidiary of the Company, whose fiscal year-end was previously the last day of February, has changed its closing date to March 31. As a result, the consolidated financial results for the consolidated fiscal year under review incorporate the financial results of the consolidated subsidiaries from March 1, 2023 to March 31, 2024.

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

During the consolidated fiscal year under review, while Japan's economy was returning to normalization, the economic conditions of other countries remained solid, and inflation accelerated due in part to the rapid depreciation of the yen. On the other hand, the effects of global monetary tightening, concerns about the future of the Chinese economy, and the situation in the Middle East pose risks that may amplify uncertainty about the future, and therefore, it is necessary to continue to pay close attention to the effects of fluctuations in financial and capital markets.

In such a business environment, based on its mission of "Creating opportunities and hopes for people to work", the Nisso Group (hereinafter, the "Group") is promoting initiatives "To transform into a corporate group with high-growth potential" with the aim of providing services that can respond to social changes and changes in industrial structures, while creating workplaces where workers can feel motivated and grow through Human Resources Solution Services that support the growth of companies and people.

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 by creating social value through the promotion of digitization (digitalization), in addition to actively investing in human resources, maximizing employee satisfaction and customer/client satisfaction, providing high value-added services, and strengthening its management structures and internal controls.

The results of operations for the consolidated fiscal year under review are as follows: net sales amounted to 96,858 million yen (up 6.6% year-on-year), operating profit amounted to 3,058 million yen (up 34.8% year-on-year), ordinary profit amounted to 3,056 million yen (up 30.1% year-on-year), and profit attributable to owners of parent amounted to 1,952 million yen (up 20.3% year-on-year).

Net sales increased year-on-year due to growth in the number of enrolled staff of the Manufacturing-related Human Resources Services, which are the Group's core services. In addition, in terms of profits, there was an increase in personnel expenses due to an increase in the number of employees in order to expand the business and strengthen the business foundation. However, as a result of absorbing the increase in net sales, operating profit increased year-on-year.

Various initiatives during the consolidated fiscal year under review were as follows:

(General Human Resources Services)

Net sales of the General Human Resources Services during the consolidated fiscal year under review amounted to 93,813 million yen (up 6.8% year-on-year), and gross profit was 15,682 million yen (up 10.1% year-on-year).

① Manufacturing • Production Human Resources Services

Manufacturing • Production Human Resources Services are mainly classified into manufacturing dispatching and manufacturing contracting.

Net sales of the Manufacturing • Production Human Resources Services during the consolidated fiscal year under review amounted to 76,862 million yen (up 5.2% year-on-year).

During the consolidated fiscal year under review, the number of enrolled manufacturing • production staff in the service at the end of the consolidated fiscal year was 14,793 (up 207 year-on-year) in response to the strong human resources needs of clients. In addition, as a result of efforts to improve the workplace environment in order to create a comfortable workplace, the monthly turnover rate remained at a low level of 3.9% (same level year-on-year). Furthermore, due to an increase in the billing unit-costs of manufacturing staff, net sales per capita amounted to 433 thousand yen (up 2.5% year-on-year).

② Engineering Human Resources Services

Engineering Human Resources Services are classified into the manufacturing area, IT-related engineer dispatching, and SES (System Engineering Service).

Net sales of the Engineering Human Resources Services during the consolidated fiscal year under review amounted to 9,080 million yen (up 5.3% year-on-year).

During the consolidated fiscal year under review, although production activities of clients in the Semiconductor Industry (semiconductor manufacturing industry) were sluggish, they began to recover toward the end of the fiscal year, and the number of enrolled engineers at the end of consolidated the fiscal year amounted to 1,544 (up 27 year-on-year). In addition, due in part to the effects of promoting its unique "Human Resources Development Model" that utilizes education and training facilities, the turnover rate per month has remained at a low level of 2.0% (which was at 2.1% in the previous year). On the other hand, the average monthly net sales per capita were 505 thousand yen (down 13 thousand yen year-on-year).

③ Administrative Human Resources Services

Administrative Human Resources Services are classified into general office work dispatching and BPO (Business Process Outsourcing).

Net sales of the Administrative Human Resources Services during the consolidated fiscal year under review amounted to 2,162 million yen (down 4.9% year-on-year).

During the consolidated fiscal year under review, although the Company promoted recruitment activities centered on public relations and client attraction activities, due to sluggish growth in the number of registrants as a result of intensifying competition for personnel in the employment market, the number of enrolled administrative dispatched staff was 562 (down 43 year-on-year).

④ Other Human Resources Services

Other Human Resources Services are classified into human resources dispatching for senior employees and light work contracting for people with disabilities.

Net sales of the Other Human Resources Services during the consolidated fiscal year under review amounted to 5,708 million yen (up 49.6% year-on-year). Furthermore, since Nikon Nisso Prime Corporation became a consolidated subsidiary from the second quarter (consolidated accounting period) of FY 3/2023, the rate of increase/decrease in net sales of this service has increased significantly.

In order to build a workplace model that enables senior employees to flourish, the Company is working to develop and secure employment opportunities and build a structure that supports the active participation of senior employees and allows them to continue working. The number of Prime employees (senior employees) during the consolidated fiscal year under review was 697.

In addition, in order to build a workplace model that enables employees with disabilities to flourish, the Company aims to coexist with local communities, including school officials, support organizations, and the government, while promoting independent activities that make the most of each individual's characteristics, such as accepting contracts for light work from general companies, rather than simply employing employees with disabilities in-house. The number of employees with disabilities during the consolidated fiscal year under review was 227.

(Nursing Care • Welfare Services)

Nursing Care • Welfare Services are classified into facility nursing care and home-based nursing care.

Net sales of the Nursing Care • Welfare Services during the consolidated fiscal year under review amounted to 3,045 million yen (up 0.9% year-on-year), and gross profit was 332 million yen (up 7.9% year-on-year).

During the consolidated fiscal year under review, the number of residents of nursing care

facilities was 381 (380 in the corresponding period of the previous fiscal year) as a result of activities aimed at attracting customers with the goal of contributing to society through compassionate nursing care rooted in the local community in facility nursing care, which is the core of this service. In addition, with the aim of improving the quality of service while developing nursing care staff, the occupancy rate at the facilities continued to remain at a high level of 94.8% (94.5% in the corresponding period of the previous fiscal year).

(Progress of Initiatives for the Growth of the Group)

The Group develops human resources needed by industry through collaboration with clients and meets the needs of its clients by providing high value-added services, while expanding career advancement opportunities linked to the development of employees. In addition, through cross-industry collaborations, capital and business alliances, and the establishment of partnerships such as M&A, the Group will expand opportunities for career changes tailored to the desires of its employees and enhance employee satisfaction.

Industry Strategy

In order to expand its business in the General Human Resources Services Business, the Group is pursuing an "Industry Strategy" that not only responds to the needs of individual clients, but also proactively and speedily responds to the needs of each industry as the industrial structure changes at an accelerated pace against the backdrop of technological innovation and environmental issues.

Net sales in the Industry Strategy area for the consolidated fiscal year under review were 62,683 million yen (up 5.2% year-on-year), accounting for 64.7% of consolidated net sales.

In the Automotive Industry (automobile manufacturing and EV-related manufacturing industries), the need for human resources remained strong as parts shortages were resolved and production activities recovered. On the other hand, due to the effects of production stoppages related to certification irregularities, net sales in the Automotive Industry during the consolidated fiscal year under review were 40,485 million yen (up 14.7% year-on-year).

In the Semiconductor Industry (semiconductor manufacturing industry), due to a decrease in the number of enrolled staff as a result of sluggish production activities during the period, net sales in the Semiconductor Industry during the consolidated fiscal year under review were 12,377 million yen (down 12.5% year-on-year).

Similarly, production activities in the Electronics Industry (electronic equipment manufacturing industry) were sluggish, and the operating hours of manufacturing staff did not recover, and net sales in the Electronics Industry during the consolidated fiscal year under review were 9,819 million yen (down 3.2% year-on-year).

Human Resources Development Strategy

The Group has established and is promoting its unique "Human Resources Development Model". Specifically, the Group has established educational and training facilities equipped with actual equipment, such as semiconductor manufacturing equipment, and are working to produce human resources who will be able to quickly acquire skills and establish themselves after being assigned to a workplace by using educational programs developed in accordance with client needs. The Group has received high praise from its clients for providing services using this advanced Off-JT.

During the consolidated fiscal year under review, a total of 19,468 staff in the General Human Resources Services were trained, of which 1,370 were trained as engineers. In addition, a total of 1,571 people were trained in the Nursing Care • Welfare Services.

During this consolidated fiscal year under review, the Company opened the Nisso Technical Center Kumamoto in April 2023 and participated in the Kyushu Semiconductor Human Resources Development Consortium, etc., to promote the development of engineering human resources in order to contribute to the expansion of semiconductor-related industries in the future from the perspective of "people".

In addition, education and training have also been expanded externally, mainly at training facilities, and the total number of participants who underwent external employee training (entrusted) in the consolidated fiscal year under review was 187. The Company will continue to understand the needs of its clients, customize the educational content it has cultivated so far, and continue its business promotion system to resolve the problems of its clients.

In its Nursing Care • Welfare Services, the Company recognizes the importance of educating newly hired nursing care staff and improving the quality of services in facility nursing care. In order to ensure the quality of these services, the Company has established a system that allows it to conduct

not only OJT but also regular Off-JT.

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, the Group aims to achieve sustainable business growth based on the "Sustainability Policy" formulated in October 2021, and also aims to realize a sustainable society by having established 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 the value of its business, 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. In addition, 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 • climate change, safety and health, compliance, and local environmental conservation, and is promoting initiatives aimed at reducing various risks and contributing to society.

For more information on the Group's sustainability-related activities, please refer to the "Sustainability Report 2023".

Japanese: <https://www.nisso-hd.com/sustainability/>

English: <https://www.nisso-hd.com/en/sustainability/>

Financial Strategy

The Company will closely monitor its own capital costs (cost of equity and weighted average cost of capital (WACC)) and strives to pursue earning power and improve capital efficiency based on return on equity (ROE) and return on invested capital (ROIC) as key management indicators. In addition, the Company will strive to enhance corporate value by realizing a structure in which ROIC exceeds the cost of capital (weighted average cost of capital (WACC)) in a stable manner. Furthermore, in the consolidated fiscal year under review, ROIC exceeded the cost of capital (weighted average cost of capital (WACC)).

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

(Assets)

Current assets at the end of the consolidated fiscal year under review amounted to 21,899 million yen, which was an increase of 151 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 159 million yen in cash and deposits, while notes and accounts receivable (trade) increased by 366 million yen.

Non-current assets at the end of the consolidated fiscal year under review amounted to 9,455 million yen, which was an increase of 1,110 million yen from the end of the previous consolidated fiscal year. This was mainly due to increases of 164 million yen in goodwill, 217 million yen in investment securities, and 192 million yen in net defined benefit asset.

As a result, total assets amounted to 31,354 million yen, which was an increase of 1,261 million yen from the end of the previous consolidated fiscal year.

(Liabilities)

Current liabilities at the end of the consolidated fiscal year under review amounted to 13,360 million yen, which was an increase of 1,172 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 434 million yen in accrued expenses and an increase of 240 million yen in income taxes payable.

Non-current liabilities at the end of the consolidated fiscal year under review amounted to 2,660 million yen, which was a decrease of 436 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 468 million yen in long-term loans payable.

As a result, total liabilities amounted to 16,021 million yen, which was an increase of 736 million yen from the end of the previous consolidated fiscal year.

(Net assets)

Total net assets at the end of the consolidated fiscal year under review amounted to 15,333 million yen, which was an increase of 525 million yen from the end of the previous consolidated fiscal year. This was mainly due to the recording of 1,952 million yen in profit attributable to owners of parent,

544 million yen in dividends of surplus, and 1,062 million yen in purchase of treasury shares.

As a result, the equity ratio was 48.0% (which was at 48.4% at the end of the previous consolidated fiscal year).

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

Cash flows for the consolidated fiscal year under review were as follows: Cash flows from operating activities resulted in proceeds of 3,230 million yen, cash flows from investing activities resulted in expenditures of 1,289 million yen, and cash flows from financing activities resulted in expenditures of 2,100 million yen.

As a result, cash and cash equivalents for the consolidated fiscal year under review decreased by 159 million yen to 9,641 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 consolidated fiscal year under review are as follows:

(Cash flows from operating activities)

Cash flows from operating activities amounted to proceeds of 3,230 million yen (compared to proceeds of 2,285 million yen in the previous consolidated fiscal year), as a result of proceeds of 3,056 million yen in profit before income taxes, which absorbed expenditures such as an increase in income taxes paid of 865 million yen.

(Cash flows from investing activities)

Cash flows from investing activities amounted to expenditures of 1,289 million yen (compared to expenditures of 146 million yen in the previous consolidated fiscal year), due expenditures such as 300 million yen in purchase of securities, and 650 million yen in the purchase of property, plant and equipment.

(Cash flows from financing activities)

Cash flows from financing activities amounted to expenditures of 2,100 million yen (compared to expenditures of 1,112 million yen in the previous consolidated fiscal year), due to expenditures such as 1,062 million yen in purchase of treasury shares and 544 million yen in cash dividends paid.

(4) Future Prospects

With regard to future prospects, although there are concerns about global monetary tightening and the situation in the Middle East, Japan's domestic economy is expected to recover moderately.

In the Automotive Industry (automobile manufacturing and EV-related manufacturing industries) which is the Group's focus industry, the effects of production and shipment stoppages at some manufacturers are expected to gradually dissolve, and production activities are expected to become busier toward the second half of fiscal 2024. In addition, in the Semiconductor Industry (semiconductor manufacturing industry), further increases in digital demand is expected, and production activities at manufacturers of semiconductor manufacturing equipment and memory are expected to become busy in the second half of fiscal 2024. In the Electronics Industry (electronic equipment manufacturing industry), which is highly linked to the semiconductor manufacturing industry, it is expected that production activities will recover in the same manner.

Under such a business environment, the Company will promote its "Industry Strategy" to realize sustainable business growth by deepening the quality and content of services provided in its core business, the General Human Resources Services.

The Group will continue to co-create with clients in the field of human resources development while conducting research on business areas that will be required in the future, with the aim of responding to issues such as the sophistication of production activities by manufacturers, the diversification of human resources needs, and the chronic shortage of human resources throughout the manufacturing industry. In addition, the Company will actively promote the development of high value-added human resources by combining the Group's unique "Human Resources Development Model" with occupations such as semiconductor and storage battery manufacturing, preservation and maintenance, which the Group positions as areas of expansion. In collaboration with the public and private sectors, the Company will provide reskilling opportunities for human resources working in other industries and occupations, and will also develop human resources who can handle mass production related to semiconductors. In the future, in light of the expanding needs, the Company will also proceed with the further expansion of the "Nisso Technical Center Kumamoto". Furthermore, in March 2024, the Company opened the "Nisso EV Technical Center Kansai", an educational and training facility specializing in human resources development for the storage battery

industry.

In the Nursing Care・Welfare Services, 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.

Through these activities, the Group will realize sustainable business growth while co-creating with its stakeholders.

Based on the above, the Company expects full-year consolidated results for the fiscal year ending March 31, 2025, as follows: net sales of 106,000 million yen (up 9.4% year-on-year), operating profit of 3,800 million yen (up 24.3% year-on-year), ordinary profit of 3,800 million yen (up 24.3% year-on-year), and profit attributable to owners of parent of 2,400 million yen (up 22.9% 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, 2024 is scheduled to be a payment of 20.50 yen per share (consolidated dividend payout ratio of 35.4%).

In addition, for the fiscal year ending March 31, 2025, the Company expects to pay a dividend of 22.00 yen per share (consolidated dividend payout ratio of 30.0%).

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 3/24 (As of Mar. 31, 2024)
Assets		
Current assets		
Cash and deposits		9,641
Notes and accounts receivable - trade		11,238
Prepaid expenses		736
Other		288
Allowance for doubtful accounts		(5)
Total current assets		21,899
Non-current assets		
Property, plant and equipment		
Buildings and structures		5,536
Accumulated depreciation		(3,678)
Buildings and structures, net		1,857
Land		2,771
Other		950
Accumulated depreciation		(507)
Other, net		442
Total property, plant and equipment		5,072
Intangible assets		
Goodwill		1,033
Other		577
Total intangible assets		1,611
Investments and other assets		
Investment securities		561
Lease and guarantee deposits		678
Deferred tax assets		930
Net defined benefit asset		270
Other		349
Allowance for doubtful accounts		(18)
Total investments and other assets		2,771
Total non-current assets		9,455
Total assets		31,354

(Unit: Million yen)

FY 3/24
(As of Mar. 31, 2024)

Liabilities	
Current liabilities	
Current portion of long-term loans payable	512
Accrued expenses	6,553
Income taxes payable	795
Accrued consumption taxes	1,860
Contract liabilities	212
Provision for bonuses	1,479
Provision for shareholder benefit program	121
Other	1,823
Total current liabilities	13,360
Non-current liabilities	
Long-term loans payable	1,550
Deferred tax liabilities	136
Net defined benefit liability	713
Other	260
Total non-current liabilities	2,660
Total liabilities	16,021
Net assets	
Shareholders' equity	
Capital stock	2,016
Capital surplus	2,367
Retained earnings	11,587
Treasury shares	(1,031)
Total shareholders' equity	14,939
Accumulated other comprehensive income	
Remeasurements of defined benefit plans	118
Total accumulated other comprehensive income	118
Non-controlling interests	275
Total net assets	15,333
Total liabilities and net assets	31,354

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

(Unit: Million yen)

	FY 3/24 (Apr. 1, 2023 - Mar. 31, 2024)
Net sales	96,858
Cost of sales	80,843
Gross profit	16,014
Selling, general and administrative expenses	12,956
Operating profit	3,058
Non-operating income	
Interest income	3
Dividend income	0
Subsidy income	69
House rent income	39
Penalty income	23
Other	32
Total non-operating income	168
Non-operating expenses	
Interest expenses	11
Share of loss of entities accounted for using equity method	98
Rent expenses	20
Other	39
Total non-operating expenses	169
Ordinary profit	3,056
Profit before income taxes	3,056
Income taxes - current	1,252
Income taxes - deferred	(183)
Total income taxes	1,068
Profit	1,988
Profit attributable to non-controlling interests	35
Profit attributable to owners of parent	1,952

(Consolidated Statement of Comprehensive Income)

(Unit: Million yen)

	FY 3/24 (Apr. 1, 2023 - Mar. 31, 2024)
Profit	1,988
Other comprehensive income	
Remeasurements of defined benefit plans, net of tax	114
Share of other comprehensive income of entities accounted for using equity method	(0)
Total other comprehensive income	113
Comprehensive income	2,101
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	2,065
Comprehensive income attributable to non- controlling interests	35

(3) Consolidated Statement of Changes in Equity

FY 3/24 (Apr. 1, 2023 - Mar. 31, 2024)

(Unit: Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,016	2,367	10,460	(281)	14,563
Changes of items during period					
Dividends of surplus			(544)		(544)
Profit attributable to owners of parent			1,952		1,952
Purchase of treasury shares				(1,062)	(1,062)
Disposal of treasury shares		(0)		30	30
Retirement of treasury shares		(281)		281	-
Transfer to capital surplus from retained earnings		281	(281)		-
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	(0)	1,126	(750)	375
Balance at end of current period	2,016	2,367	11,587	(1,031)	14,939

	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	3	4	239	14,807
Changes of items during period					
Dividends of surplus			-		(544)
Profit attributable to owners of parent			-		1,952
Purchase of treasury shares			-		(1,062)
Disposal of treasury shares			-		30
Retirement of treasury shares			-		-
Transfer to capital surplus from retained earnings			-		-
Net changes of items other than shareholders' equity	(0)	114	113	35	149
Total changes of items during period	(0)	114	113	35	525
Balance at end of current period	-	118	118	275	15,333

(4) Consolidated Statement of Cash Flows

(Unit: Million yen)

	FY 3/24 (Apr. 1, 2023 - Mar. 31, 2024)
Cash flows from operating activities	
Profit before income taxes	3,056
Depreciation	306
Amortization of goodwill	102
Increase (decrease) in allowance for doubtful accounts	(8)
Increase (decrease) in provision for bonuses	71
Decrease (increase) in net defined benefit asset	(18)
Increase (decrease) in net defined benefit liability	23
Increase (decrease) in provision for shareholder benefit program	17
Interest and dividend income	(3)
Interest expenses	11
Share of (profit) loss of entities accounted for using equity method	98
Decrease (increase) in notes and accounts receivable - trade	(75)
Decrease (increase) in lease and guarantee deposits	(26)
Increase (decrease) in accrued expenses	436
Increase (decrease) in accrued consumption taxes	(261)
Other	351
Subtotal	4,081
Interest and dividend income received	3
Interest expenses paid	(11)
Income taxes refund	22
Income taxes paid	(865)
Cash flows from operating activities	3,230
Cash flows from investing activities	
Purchase of securities	(300)
Purchase of property, plant and equipment	(650)
Purchase of intangible assets	(66)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(247)
Other	(24)
Cash flows from investing activities	(1,289)
Cash flows from financing activities	
Repayments of long-term loans payable	(490)
Purchase of treasury shares	(1,062)
Cash dividends paid	(544)
Other	(2)
Cash flows from financing activities	(2,100)
Effect of exchange rate change on cash and cash equivalents	-
Net increase (decrease) in cash and cash equivalents	(159)
Cash and cash equivalents at beginning of period	9,800
Cash and cash equivalents at end of period	9,641

(5) Notes regarding Consolidated Financial Statements

(Notes regarding Going Concern Assumption)

Not applicable.

(Segment Information)

FY 3/24 (Apr. 1, 2023 – Mar. 31, 2024)

The Group omits segment information due to the high proportion of "General Human Resources Services" in all segments and the lack of importance as disclosure information.

(Per Share Information)

	FY 3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Net assets per share	467.99
Net income per share	57.85

(Note) 1. Diluted net income per share is not stated because there are no diluted shares.

2. The basis for the calculation of net income per share is as follows:

	FY 3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Net income per share	
Profit attributable to owners of parent (Million yen)	1,952
Amount not attributable to common shareholders (Million yen)	-
Profit attributable to owners of parent related to common shares (Million yen)	1,952
Average number of shares of common stock during the period (Shares)	33,742,216

(Significant Subsequent Events)

Not applicable.