



## Consolidated Financial Results for the First Quarter of FY 3/2025 [Japanese GAAP]

August 7, 2024

Company Name **NISSO HOLDINGS Co., Ltd.** Stock Exchange Listing: Tokyo  
 Securities Code 9332 URL <https://www.nisso-hd.com>  
 Representative (Title) Representative Director, (Name) Ryuichi Shimizu  
 President & CEO  
 Contact Person (Title) Managing Director & CFO (Name) Naoki Hayakawa TEL +81-45-514-4323  
 Scheduled date of payment of dividend -  
 Preparation of supplementary materials for financial results: Yes (Scheduled to be posted on the Company's website on August 7, 2024 (Wed.))  
 Holding of financial results briefing: Yes (Scheduled to be held for institutional investors and analysts on August 7, 2024 (Wed.))

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

### 1. Consolidated Financial Results for the First Quarter of FY 3/2025 (April 1, 2024 – June 30, 2024)

(1) Consolidated operating results (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	%
First three months ended								
June 30, 2024	25,164	—	878	—	887	—	511	—
June 30, 2023	—	—	—	—	—	—	—	—

(Note) Comprehensive income For the first 3 months ended June 30, 2024: 523 Million yen (—%)  
 For the first 3 months ended June 30, 2023: — Million yen (—%)

	Net income per share	Diluted net income per share
First three months ended	Yen	Yen
June 30, 2024	15.62	—
June 30, 2023	—	—

(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 is not listed because there are no dilutive shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
June 30, 2024	30,472	15,166	48.9
March 31, 2024	31,354	15,333	48.0

(Reference) Equity capital As of June 30, 2024: 14,894 Million yen  
 As of March 31, 2024: 15,057 Million yen

### 2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	—	—	20.50	20.50
Fiscal year ending March 31, 2025	—				
Fiscal year ending March 31, 2025 (Forecast)		0.00	—	22.00	22.00

(Note) 1. Revisions to the most recently announced dividend forecast: None  
 2. Since the Company was established on October 2, 2023 through a single share transfer, there are no results up to the second quarter of the previous consolidated fiscal year.

### 3. Consolidated Forecast for FY 3/2025 (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

(Note) Revisions to the most recently announced consolidated earnings forecast: None

※ Notes

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

Newly added: (Co. name) , Excluded: (Co. name)

(2) Application of special accounting methods for the presentation of quarterly consolidated financial statements: None

(3) 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

(4) Number of outstanding shares (Common stock)

① Number of shares outstanding at the end of the period (including treasury shares)

As of Jun. 30, 2024	34,024,720 Shares	As of Mar. 31, 2024	34,024,720 Shares
As of Jun. 30, 2024	1,260,746 Shares	As of Mar. 31, 2024	1,260,745 Shares
First three months ended Jun. 30, 2024	32,763,974 Shares	First three months ended Jun. 30, 2023	— Shares

② Number of treasury shares at the end of the period

③ Average number of shares during the period (Quarterly total)

(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.

※ Review of accompanying quarterly consolidated financial statements by certified public accountants or auditing corporations: None

※ Cautionary statement on the appropriate use of earning 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, precautions for use regarding the earnings forecasts, etc., please refer to "1. Overview of Operating Results, (3) Description of Future Forecast Information such as Consolidated Forecasts, etc." on P. 5 of the attachments.

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

The Company is planning to hold a briefing session for institutional investors and analysts on Wednesday, August 7, 2024. **(In Japanese only)**

The financial results briefing materials for the First Quarter of FY 3/2025 to be used on that day will be posted on the Company's website on the day of the announcement of financial results (Wednesday, August 7, 2024).

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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 comparisons are made with the corresponding quarter of the previous consolidated fiscal year have been compared with the consolidated cumulative first quarter of FY 3/2024 (April 1, 2023 to June 30, 2023) of NISSO CORPORATION.

### (1) Summary of Operating Results for the Quarter

During the current consolidated cumulative first quarter (hereinafter, the "period under review"), although Japan's economy showed signs of gradual recovery, there were risks associated with a downturn in overseas economies, such as concerns about the outlook for the European, U.S., and Chinese economies.

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 new value through co-creation with all stakeholders and strengthening its management system and internal controls.

The results of operations for the period under review are as follows: net sales amounted to 25,164 million yen (up 6.4% year-on-year), operating profit amounted to 878 million yen (up 75.4% year-on-year), ordinary profit amounted to 887 million yen (up 73.6% year-on-year), and profit attributable to owners of parent amounted to 511 million yen (up 61.6% year-on-year).

Net sales increased year-on-year due to an increase in billing unit-costs for the Group's mainstay General Human Resources Services, as well as an increase in the number of enrolled staff in the highly profitable Engineering Human Resources Services and a recovery in operating hours. In addition, in terms of profits, despite efforts to increase the number of employees to expand the business and strengthen the business foundation, the gross profit margin improved by 1.3 percentage points year-on-year to 17.0% due to an increase in net sales, resulting in a significant increase in operating profit year-on-year. As a result, the operating profit margin improved by 1.4 percentage points year-on-year to 3.5%.

The various initiatives taken during the period under review were as follows:

#### **(General Human Resources Services)**

Net sales of the General Human Resources Services during the period under review amounted to 24,398 million yen (up 6.5% year-on-year), and gross profit was 4,180 million yen (up 15.2% 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 period under review amounted to 19,616 million yen (up 4.5% year-on-year).

The number of enrolled manufacturing • production staff at the end of the period was 14,917 (up 156 year-on-year). In addition, as a result of continued activities to improve the workplace environment, the monthly turnover rate was 3.8% (which was at 3.7% in the corresponding period of the previous fiscal year). Furthermore, due to an increase in the billing unit-costs of manufacturing staff, the average monthly net sales per capita amounted to 436 thousand yen (up 9 thousand yen year-on-year). As a result, net sales of the Manufacturing • Production Human Resources Services increased year-on-year, and the gross profit margin was 17.2%.

#### **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 period under review amounted to

2,612 million yen (up 20.2% year-on-year).

The number of enrolled engineers at the end of the period was 1,685 (up 215 year-on-year). In addition, due to the effects of continuing its unique "Human Resources Development Model" that utilizes education and training facilities, the turnover rate per month improved to 1.5% (which was at 2.3% in the corresponding period of the previous fiscal year). Furthermore, due to the recovery in production activities among clients in the Semiconductor Industry, the average monthly net sales per engineering employee amounted to 537 thousand yen (up 52 thousand yen year-on-year). As a result, net sales of the Engineering Human Resources Services increased significantly year-on-year, and the gross profit margin was 22.4%, the highest level by service.

### 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 period under review amounted to 573 million yen (up 5.3% year-on-year).

The number of enrolled administrative dispatched staff was 559 (up 6 year-on-year). Although competition for personnel in the employment market is intensifying, net sales increased year-on-year by promoting recruitment activities centered on public relations and client attraction activities.

### ④ Other Human Resources Services

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

Net sales of the Other Human Resources Services during the period under review amounted to 1,595 million yen (up 13.3% year-on-year).

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 period under review was 721.

In order to build a workplace model that enables people with disabilities to flourish, the Company strives 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 people with disabilities in-house. The number of employees with disabilities during the period under review was 252.

## Achievements of Industry Strategy for Expansion of General Human Resources Services

The Group aims to expand its Manufacturing・Production Human Resources Services and Engineering Human Resources Services by meeting the human resource needs of each industry, centered on Japan's leading Automotive (automobile manufacturing・EV-related manufacturing industry), Semiconductor (semiconductor manufacturing industry), and Electronics (electronic equipment manufacturing industry) Industries.

Net sales in the Industry Strategy area for the period under review totaled 16,201 million yen (up 7.6% year-on-year), accounting for 64.4% of consolidated net sales.

In the Automotive Industry, despite the impact of certification issues at major automobiles manufacturers, the operation of manufacturing staff gradually recovered, and net sales for the period under review amounted to 10,209 million yen (up 7.5% year-on-year).

In the Semiconductor Industry, production activities of manufacturers recovered, such as the recovery of manufacturing equipment and memory, and the steady performance of power semiconductors, resulting in net sales of 3,259 million yen (up 1.6% year-on-year) for the period under review.

In the Electronics Industry, due to a recovery in production activities for electronic components and devices, net sales for the period under review were 2,732 million yen (up 16.4% year-on-year).

### (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 period under review amounted to 765

million yen (up 0.5% year-on-year), and gross profit was 86 million yen (down 8.8% year-on-year).

In facility nursing care, which is the core of this service, the number of residents of nursing care facilities during the period under review was 381 (up 1 year-on-year) as a result of activities to attract customers with the aim of contributing to society through compassionate nursing care rooted in the local community. In addition, the occupancy rate at the facilities remained at a high level of 94.8% (which was at 94.5% in the corresponding period of the previous fiscal year). On the other hand, personnel expenses increased due to the reinforcement of nursing care staff in order to improve service quality, and gross profit for this service decreased year-on-year.

#### **(Nisso Group's Human Resources Development Strategy)**

In order to meet the human resources needs required by each industry, the Group will further promote the establishment of new education and training facilities and collaboration between industry-government-academia.

The total number of people who received training during the period under review was 5,394.

In terms of education for engineering human resources, in order to meet the need of human resources, especially equipment technology engineers who support *MONOZUKURI* (manufacturing), the Group worked to expand training opportunities, and as a result, the total number of people trained was 534, an increase of 132 year-on-year.

In terms of education for manufacturing · production human resources, the Group has established an education and training facility equipped with actual equipment such as semiconductor manufacturing equipment, and provided pre-assignment training to employees using unique education programs developed in accordance with client needs, bringing the total number of people trained to 3,676.

In terms of education for other human resources in the General Human Resources Services, the Group provided regular compliance education, career support training, qualification (enhancement) training, etc., and the total number of people trained reached 402.

In terms of education for human resources who provide Nursing Care · Welfare Services, the Group recognizes that education for newly hired nursing care staff is important for improving the quality of services in facility nursing care, and by establishing a system that allows it to conduct not only OJT but also regular Off-JT, the total number of people trained reached 782.

In addition, the Group offers the "NISSO HR Development Service," an entrusted education service. In response to the issues that many of the Group's business partners have raised, such as the shortage of instructors who are responsible for education, a lack of practical skills training due to the inability to conduct OJT using actual production lines and on-site operations as a result of busy schedules, and a shortage of educational programs for inexperienced people, the Group, which has education and training facilities nationwide and a track record of developing many training curriculums, is positioned as a service that can assist in resolving these issues by providing employee training on behalf of the client. During the period under review, a total of 139 people were provided with external employee training (entrusted), and the need for such training is steadily growing.

#### **(2) Summary of Financial Position for the Quarter**

##### **(Assets)**

Current assets at the end of the first quarter consolidated accounting period (hereinafter, the "first quarter") amounted to 19,793 million yen, which was a decrease of 2,106 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 3,181 million yen in cash and deposits.

Non-current assets at the end of the first quarter amounted to 10,679 million yen, which was an increase of 1,224 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 1,439 million yen in investment securities included in "Other" of investments and other assets due to the acquisition of shares of TSUNAGU GROUP HOLDINGS Inc.

As a result, total assets amounted to 30,472 million yen, which was a decrease of 881 million yen from the end of the previous consolidated fiscal year.

(Liabilities)

Current liabilities at the end of the first quarter amounted to 12,759 million yen, which was a decrease of 600 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 734 million yen in income taxes payable.

Non-current liabilities at the end of the first quarter amounted to 2,546 million yen, which was a decrease of 114 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 128 million yen in long-term loans payable.

As a result, total liabilities amounted to 15,306 million yen, which was a decrease of 715 million yen from the end of the previous consolidated fiscal year.

(Net assets)

Total net assets at the end of the first quarter amounted to 15,166 million yen, which was a decrease of 166 million yen from the end of the previous consolidated fiscal year. This was mainly due to the 511 million yen in profit attributable to owners of parent, and 671 million yen in dividends of surplus.

As a result, the equity ratio was at 48.9% (which was at 48.0% at the end of the previous consolidated fiscal year).

(3) Description of Future Forecast Information such as Consolidated Forecasts, etc.

Regarding the consolidated earnings forecast, there are no changes to the Consolidated Forecast for the full year announced in the "Consolidated Financial Results for FY 3/2024" on May 9, 2024.



## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly Consolidated Balance Sheet

(Unit: Million yen)

	FY 3/24 (As of Mar. 31, 2024)	1Q of FY 3/25 (Jun. 30, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	9,641	6,459
Notes and accounts receivable - trade	11,238	12,135
Other	1,025	1,207
Allowance for doubtful accounts	(5)	(8)
<b>Total current assets</b>	<b>21,899</b>	<b>19,793</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,857	2,067
Land	2,771	2,771
Other, net	442	386
<b>Total property, plant and equipment</b>	<b>5,072</b>	<b>5,226</b>
Intangible assets		
Goodwill	1,033	998
Other	577	565
<b>Total intangible assets</b>	<b>1,611</b>	<b>1,564</b>
Investments and other assets		
Other	2,790	3,895
Allowance for doubtful accounts	(18)	(6)
<b>Total investments and other assets</b>	<b>2,771</b>	<b>3,889</b>
<b>Total non-current assets</b>	<b>9,455</b>	<b>10,679</b>
<b>Total assets</b>	<b>31,354</b>	<b>30,472</b>

(Unit: Million yen)

	FY 3/24 (As of Mar. 31, 2024)	1Q of FY 3/25 (Jun. 30, 2024)
<b>Liabilities</b>		
Current liabilities		
Current portion of long-term loans payable	512	512
Accrued expenses	6,553	7,021
Income taxes payable	795	61
Contract liabilities	212	199
Provision for bonuses	1,479	816
Provision for directors' bonuses	-	7
Provision for shareholder benefit program	121	53
Other	3,684	4,087
<b>Total current liabilities</b>	<b>13,360</b>	<b>12,759</b>
Non-current liabilities		
Long-term loans payable	1,550	1,422
Net defined benefit liability	713	748
Other	396	375
<b>Total non-current liabilities</b>	<b>2,660</b>	<b>2,546</b>
<b>Total liabilities</b>	<b>16,021</b>	<b>15,306</b>
Net assets		
Shareholders' equity		
Capital stock	2,016	2,016
Capital surplus	2,367	2,367
Retained earnings	11,587	11,427
Treasury shares	(1,031)	(1,031)
<b>Total shareholders' equity</b>	<b>14,939</b>	<b>14,779</b>
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	118	115
<b>Total accumulated other comprehensive income</b>	<b>118</b>	<b>115</b>
Non-controlling interests	275	272
<b>Total net assets</b>	<b>15,333</b>	<b>15,166</b>
<b>Total liabilities and net assets</b>	<b>31,354</b>	<b>30,472</b>

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
(Quarterly Consolidated Statement of Income)  
(First Quarter of FY 3/25)

(Unit: Million yen)

	First quarter of FY 3/25 (Apr. 1, 2024 - Jun. 30, 2024)
Net sales	25,164
Cost of sales	20,897
Gross profit	4,266
Selling, general and administrative expenses	3,388
Operating profit	878
Non-operating income	
Interest income	0
Subsidy income	12
House rent income	9
Other	6
Total non-operating income	28
Non-operating expenses	
Interest expenses	1
Share of loss of entities accounted for using equity method	2
Rent expenses	4
Other	10
Total non-operating expenses	19
Ordinary profit	887
Extraordinary losses	
Loss on valuation of investment securities	22
Total extraordinary losses	22
Profit before income taxes	865
Income taxes - current	64
Income taxes - deferred	274
Total income taxes	338
Profit	526
Profit attributable to non-controlling interests	15
Profit attributable to owners of parent	511

(Quarterly Consolidated Statement of Comprehensive Income)  
(First Quarter of FY 3/25)

(Unit: Million yen)

	First quarter of FY 3/25 (Apr. 1, 2024 - Jun. 30, 2024)
Profit	526
Other comprehensive income	
Remeasurements of defined benefit plans, net of tax	(3)
Total other comprehensive income	(3)
Comprehensive income	523
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	508
Comprehensive income attributable to non- controlling interests	15

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Notes to Quarterly Consolidated Statements of Cash Flows)

Quarterly Consolidated Statements of Cash Flows have not been prepared for the consolidated cumulative first quarter. Furthermore, depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the consolidated cumulative first quarter are as follows:

	First quarter of FY 3/25 (Apr. 1, 2024 - Jun. 30, 2024)
Depreciation	69 Million yen
Amortization of goodwill	35 Million yen

(Notes on Segment Information, etc.)

**【Segment Information】**

First quarter of FY 3/25 (Apr. 1, 2024 - Jun. 30, 2024)

The Group has omitted segment information because "General Human Resources Services" account for a high proportion of all segments and is not material as a disclosure information.