

FY 3/2020

# Financial Results

# Briefing Materials

May 12, 2020

TSE 1 Code: 6569

NISSO CORPORATION

 日総工産株式会社

## Summary

### ■ Results for FY 3/2020

- Consolidated results for FY 3/2020: Increased revenue and profits year-on-year (ordinary profit)
- Automobiles-related industries remained firm, but decreased partially from 2H onwards
- Electronic devices-related industries have not yet reached full-scale recovery
- Although the effects of the spread of the new coronavirus (COVID-19) began to occur, its impact on the financial results for FY 3/2020 were limited

### ■ Earnings Forecast for FY 3/2021

Due to the difficulty of reasonably calculating the effects of the spread of COVID-19 at this time, the earnings forecast for FY 3/2021 is undecided

- The consolidated financial results for FY 3/2020 increased in revenue and profits.
- One of the major reasons for this is that NISSO's automobiles-related business was strong.
- The effects of the new coronavirus (COVID-19) in March were limited.
- The consolidated earnings forecast for FY 3/2021 is undecided due to the difficulty of reasonably predicting the effects of COVID-19 at this time.

- 1. Financial Results Summary for FY 3/2020**
  - 1 - 1 Overview of Activities**
  - 1 - 2 Future Prospects**
- 2. Shareholder Return Policy**
- 3. Supplementary Materials**

# 1. Financial Results Summary for FY 3/2020

•The following is the explanation of the Financial Results Summary for FY 3/2020.

## FY 3/2020 Non-consolidated Financial Results Highlights



- Although net sales in the automobiles-related industries were strong in 1H, there was some decline in 2H. The electronic devices industry did not yet reach full-scale recovery, and overall operating conditions were sluggish, resulting in only a 9.0% increase YOY.
- In terms of costs, although hiring costs and training expenses increased, efforts were made to control costs overall, and the operating profit amount increased by 5.3% YOY.

(Unit: Million yen)

|                  | FY 3/19 |            | FY 3/20 |            | Year-on-Year        |          |
|------------------|---------|------------|---------|------------|---------------------|----------|
|                  | Results | % of Total | Results | % of Total | Increase (Decrease) | % Change |
| Net sales        | 63,474  | 100.0%     | 69,209  | 100.0%     | 5,734               | 9.0%     |
| Gross profit     | 11,603  | 18.3%      | 12,492  | 18.1%      | 889                 | 7.7%     |
| SG&A expenses    | 8,641   | 13.6%      | 9,373   | 13.5%      | 732                 | 8.5%     |
| Operating profit | 2,962   | 4.7%       | 3,119   | 4.5%       | 156                 | 5.3%     |
| Ordinary profit  | 2,943   | 4.6%       | 3,124   | 4.5%       | 181                 | 6.2%     |
| Profit           | 2,240   | 3.5%       | 2,030   | 2.9%       | (210)               | (9.4%)   |

Copyright © 2020 NISSO CORPORATION All Rights Reserved

4

•The following is the explanation of NISSO's Non-consolidated Financial Results for FY 3/2020.

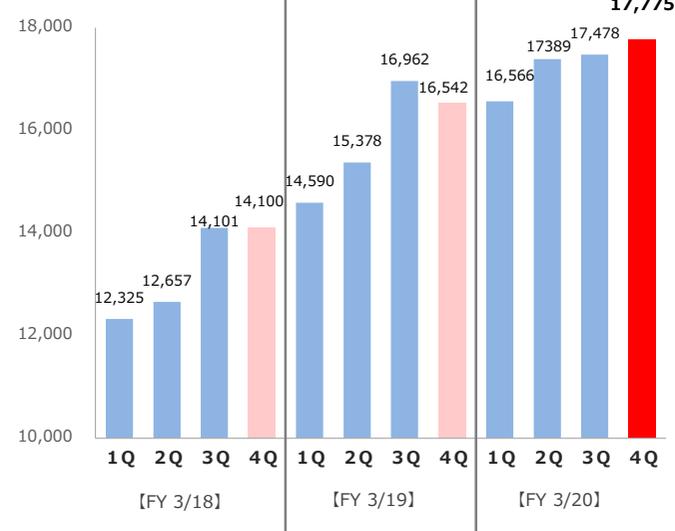
- Net sales amounted to 69,209 million yen (up 5,734 million yen or 9.0% year on year).
- Operating profit amounted to 3,119 million yen (up 156 million yen or 5.3% year on year).
- In the automobiles-related industry, strong performance in 1H was a major factor behind improved financial results.
- With regard to the electronic devices industry, although NISSO had high expectations for the spread of 5G, unfortunately, while there were some positive signs, we were not able to recover overall.

# FY 3/2020 Quarterly Non-consolidated Financial Results Trends



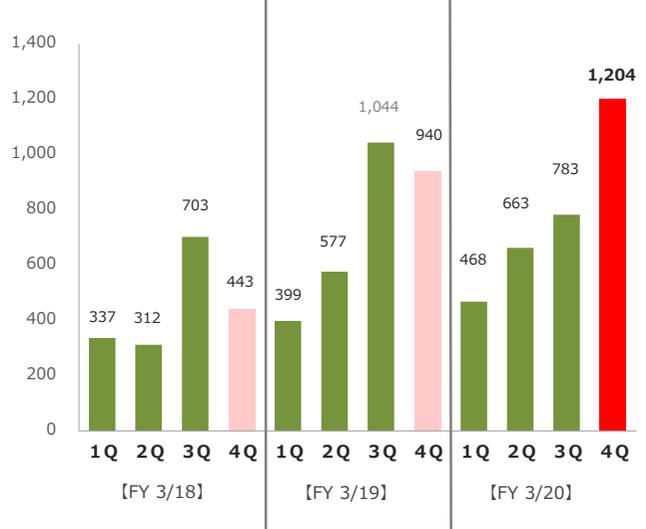
## Net sales

(Unit: Million yen)



## Operating profit

(Unit: Million yen)



Copyright © 2020 NISSO CORPORATION All Rights Reserved

5

• Shown above are graphs of NISSO's quarterly non-consolidated net sales and operating profit trends.

• Normally, although net sales growth and profits would be the highest in 3Q, due to the effects of trade frictions and other factors, there were fewer amounts of overtime and holiday work in FY 3/2020 3Q, resulting in the figures above.

• In 4Q, although NISSO expected the effects of the spread of COVID-19 to be much greater, it was limited, and net sales remained strong, resulting in record-high profits.

## FY 3/2020 Consolidated Financial Results Highlights



- **General Human Resources Services Business:** Continued development/expansion of skilled staff and Account Companies strategies  
Net sales increased due to increases in enrollment and net sales per capita. In terms of costs, hiring costs and training expenses increased.
- **Other Businesses:** Net sales increased due to an increase in the number of residents at Sweetpea Higashi Totsuka. In terms of costs, although personnel expenses increased due to an increase in the number of residents, deficits decreased from the previous FY due to cost control at existing facilities

(Unit: Million yen)

|   | FY 3/19 |            | FY 3/20 |            | Year-on-Year        |          |
|---|---------|------------|---------|------------|---------------------|----------|
|   | Results | % of Total | Results | % of Total | Increase (Decrease) | % Change |
| Net sales                               | 69,161  | 100.0%     | 74,966  | 100.0%     | 5,805               | 8.4%     |
| Gross profit                            | 12,239  | 17.7%      | 13,115  | 17.5%      | 876                 | 7.2%     |
| SG&A expenses                           | 9,370   | 13.5%      | 10,054  | 13.4%      | 684                 | 7.3%     |
| Operating profit                        | 2,869   | 4.1%       | 3,061   | 4.1%       | 191                 | 6.7%     |
| Ordinary profit                         | 2,895   | 4.2%       | 3,149   | 4.2%       | 254                 | 8.8%     |
| Profit attributable to owners of parent | 2,053   | 3.0%       | 2,033   | 2.7%       | (20)                | (1.0%)   |

Copyright © 2020 NISSO CORPORATION All Rights Reserved

6

•The following is the explanation of the Consolidated Financial Results for FY 3/2020.

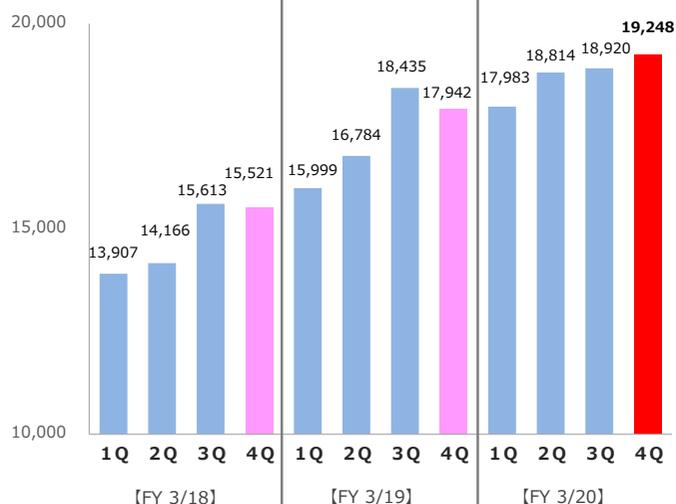
- Net sales amounted to 74,966 million (up 5,805 million yen or 8.4% year on year).
- Operating profit amounted to 3,061 million yen (up 191 million yen or 6.7% year on year).
- NISSO's performance has had a significant influence on the consolidated financial results.
- In Other Businesses, an increase in the number of residents of Sweetpea Higashi Totsuka has led to a reduction in deficits from the previous fiscal year.

# FY 3/2020 Quarterly Consolidated Financial Results Trends



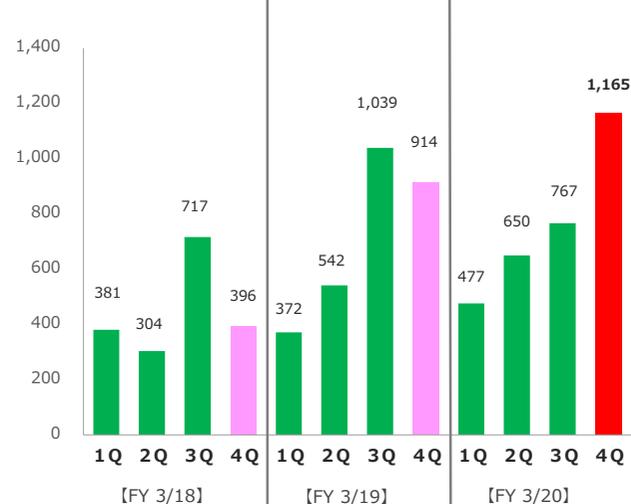
## Net sales

(Unit: Million yen)



## Operating profit

(Unit: Million yen)



•Shown above are graphs of quarterly consolidated net sales and operating profit trends.

## 1-1 Overview of Activities

## FY 3/2020 Financial Results Summary



### Consolidated Financial Results

Net Sales 74,966 Million yen  
(+ 5,805 Million yen YoY)  
Operating Profit 3,061 Million yen  
(+ 191 Million yen YoY)

- Net sales YOY increase: 8.4 %
- Operating profit YOY increase: 6.7 %

### Net Sales by Industry (vs. YoY)

Automobiles ...+ 26.0%  
Electronic devices ... (0.6%)

- Net sales in the automobiles industry were strong in 1H due to rises in demand, mainly for the Account Company Group. In 2H, although there was some decline in demand, new demand increased due to the introduction of new car models, and net sales increased overall
- Due to stagnant product demand in the electronic devices industry, although there were increases from some companies, net sales decreased overall

### Quarter-end Number of Enrolled Staff

14,770 staff (+728 from 3/19-end)  
...+1,598 staff in FY 3/19

- Although demand from automobiles-related companies remained strong, overall demand increased moderately, and the number of enrolled staff at FY-end increased by 728 staff from the previous FY-end
- The number of enrolled staff at FY-end increased by 132 from 3Q-end due to increased demand from automobiles and semiconductor companies

### Net Sales per Capita/Monthly

397 Thousand yen  
(+5.5 Thousand yen from FY 3/19-end)  
...+24.5 Thousand yen in FY 3/19

- Despite promoting the assignment of skilled staff to high unit-cost production sites, net sales per capita increased only slightly due to reduced hours of operation (overtime/holiday work)

Copyright © 2020 NISSO CORPORATION All Rights Reserved

9

## Financial Result Summary

### By Industry

- Net sales in the automobiles industry were strong in 1H and was up 26.0% year on year.
- Although net sales in the electronic devices industry was down -4.0% year on year in 3Q, the negative margin improved to -0.6%.

### Enrollment

- The number of enrolled staff as of FY 3/2020-end was 14,770, an increase of 728 in one year. In FY 3/2019, there was an increase of about 1,600 enrolled staff in one year.
- In 1H, although the number of enrolled staff grew in the same manner as FY 3/2019, it remained almost unchanged in 2H.

### Net Sales per Capita

- Although net sales per capita increased slightly from the previous fiscal year, the way it has increased seems to have slowed down.

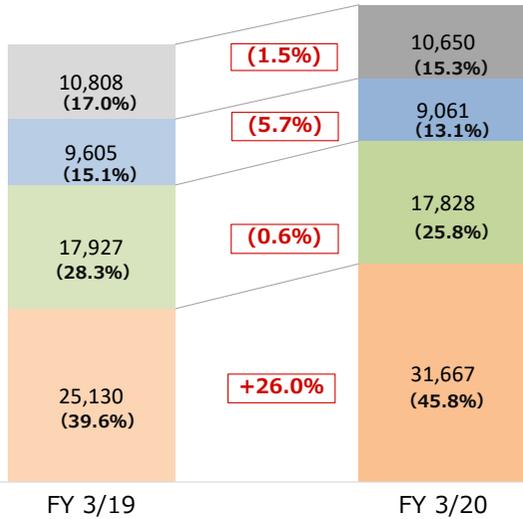
# FY 3/2020 Net Sales by Industry (NISSO, Non-consolidated)



## Trend of Net Sales Composition Ratios

(Unit: Million yen)

Automobiles   Elec. devices   Prec.·Elec. machinery   Other



**Electronic devices**

Although demand from some semiconductor companies increased, many electronic components-related companies have not been able to recover due to the continued market slump, resulting in decreased net sales

**Automobiles**

From 2H onwards, although production decreased at some companies, overall net sales increased due to the introduction of new car models in the Account Company Group and increased demand from auto parts companies

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

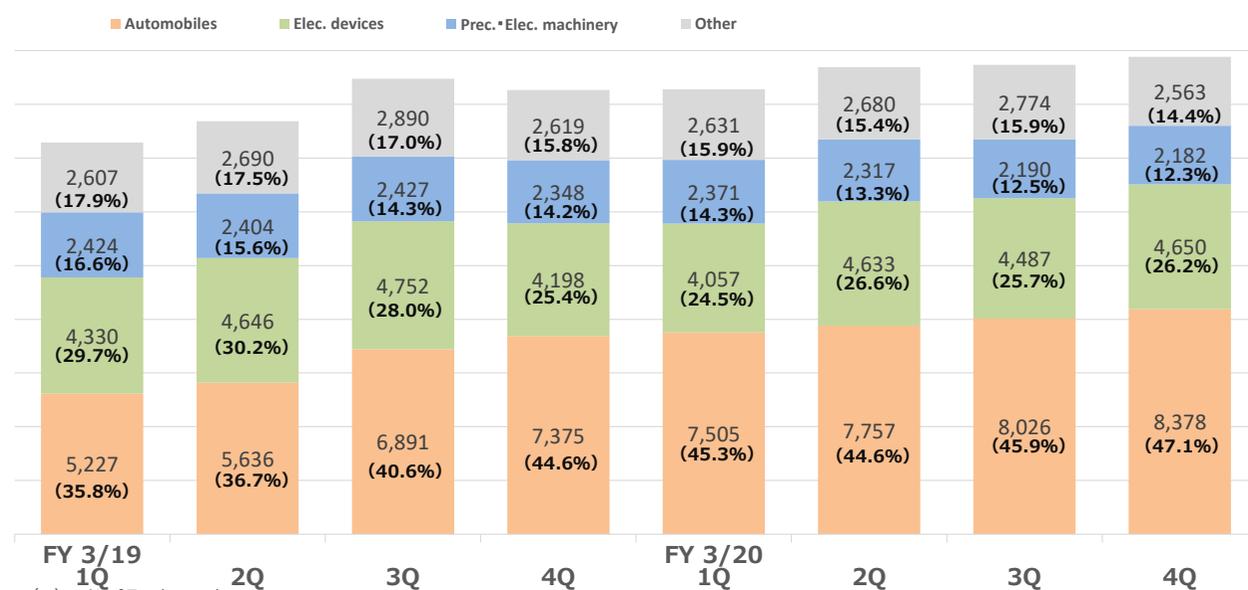
Copyright © 2020 NISSO CORPORATION All Rights Reserved

•Shown above are NISSO's non-consolidated net sales by industry.

## FY 3/2020 Quarterly Net Sales by Industry (NISSO, Non-consolidated)



(Unit: Million yen)



※ ( ) = % of Total net sales

Copyright © 2020 NISSO CORPORATION All Rights Reserved

11

• Shown above are the trends of NISSO's quarterly net sales by industry.

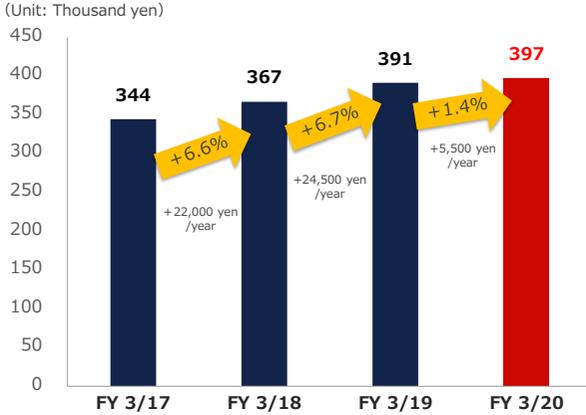
• A major feature is that net sales grew mainly in Account Companies in the automobiles and electronic devices industries from FY 3/2020 3Q to 4Q, and it can be said that it was a sign that assignments of staff to Account Companies were conducted smoothly in 4Q.

## Trend of Net Sales per Capita (NISSO, Non-consolidated)

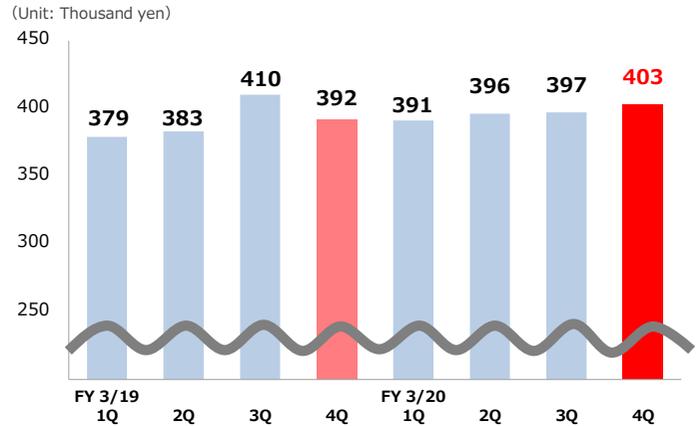


- FY 3/2020 net sales per capita: 397 thousand yen (+5,500 yen from FY 3/2019)
- Although assignments were promoted centering on the high unit-cost automobiles Account Company, overall net sales per capita increased only slightly due to decreases in overtime and holiday work

Net Sales per Capita (monthly average conversion)



Net Sales per Capita (quarterly)



Copyright © 2020 NISSO CORPORATION All Rights Reserved

12

•The following is the explanation of the trend of NISSO's enrolled staff.

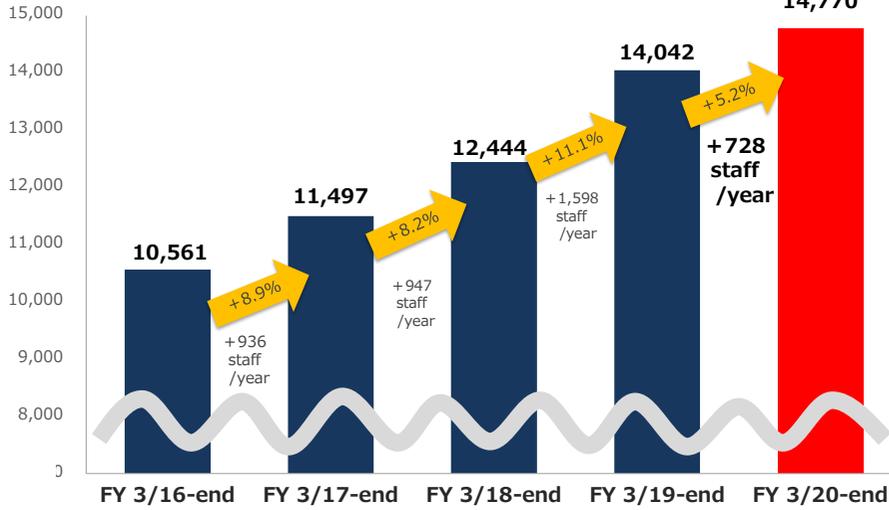
•Until FY 3/2020, although net sales per capita grew by more than 6% and over 20,000 yen versus each previous fiscal year, in FY 3/2020, it increased only by 5,500 yen, or 1.4%. Looking at net sales per capita on a quarterly basis, in FY 3/2020 3Q, it was down 13,000 yen year on year. This was not due to a drop in unit costs, since they actually rose, but rather because the reduction in the hours of operation per person were greater than the rise in unit-costs, which may be a result of factors such as the trade friction issues between U.S. and China. On the other hand, net sales per capita in 4Q was up 11,000 yen year on year. As a result, although the net sales per capita in FY 3/2020 increased by 5,500 yen from the previous fiscal year, it could be said that it was due to such an impact in 3Q.

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



## Trend of Number of Enrolled at FY-end

(Unit: # of Staff)



Increase of 728 staff from previous FY-end (+5.2%)

In 4Q, since there were increases in enrollment centering on automobiles-related companies that introduced new car models, and semiconductor companies, there was an increase of 132 staff from 3Q-end

In the automobiles industry, although there were increases at companies that introduced new car models, in some cases, there were decreases in enrollment due to decreases in demand in 2H. Although enrollment in some semiconductor companies within the electronic components and precision electrical machinery-related companies increased, the number of enrolled staff only increased slightly as demand for electronic components remained sluggish.

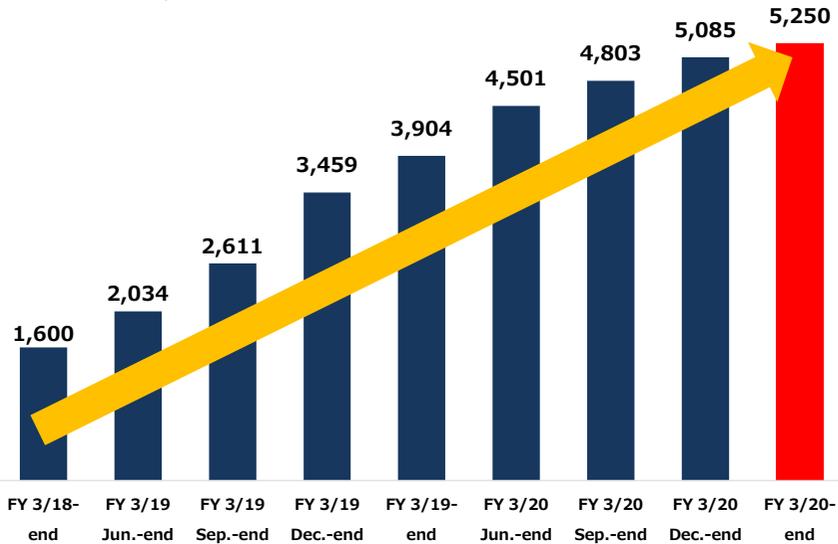
•Shown above is the trend of NISSO's enrolled staff.

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



## Trend in Number of Skilled Staff

( Unit: # of Staff )



Number of skilled staff continued to increase  
Assigned mainly to automobiles and electrical machinery Account Companies in order to expand market shares

NISSO will continue to develop and assign skilled staff in order to accurately respond to the needs of our clients

•The following is the explanation of NISSO's skilled staff.

•Until now, the number of skilled staff increased steadily, but the way it has increased seems to have slowed down.

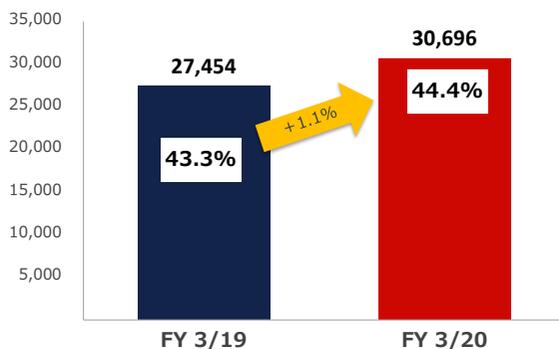
This is a sign that NISSO will have to put a great deal of emphasis on developing skilled staff who are capable of acquiring more advanced skills and providing a higher quality of services, and it is our belief that this will lead to improving profitability and responding to the advanced needs of our clients in the future.

## Account Companies (NISSO, Non-consolidated)



### Account Company Groups Net Sales and % of Total

(Unit: Million yen)



Account Companies net sales share ratio in FY 3/2020 was 44.4%  
(FY 3/2020 3Q: 43.8%)

Automobiles Account Company Group... Although there was some decrease in demand from 2H onwards, demand increased from companies that introduced new car models, and net sales increased due to the active assignment of skilled staff  
Electrical machinery Account Company Group... Demand from semiconductor companies remained strong, and net sales increased due to assignment of personnel who completed training  
Electronic components Account Company Group... Although there was some increase in demand, the market did not reach full-scale recovery, and net sales decreased overall

|                                  | FY 3/19 | FY 3/20 | Increase |
|----------------------------------|---------|---------|----------|
| <b>Accounts total (4 Groups)</b> | 27,454  | 30,696  | 3,241    |
| <b>Total net sales</b>           | 63,474  | 69,209  | 5,734    |
| <b>% of Total</b>                | 43.3%   | 44.4%   | 1.1 pts  |

Copyright © 2020 NISSO CORPORATION All Rights Reserved

15

•The following is the explanation of the status of NISSO's Account Companies.

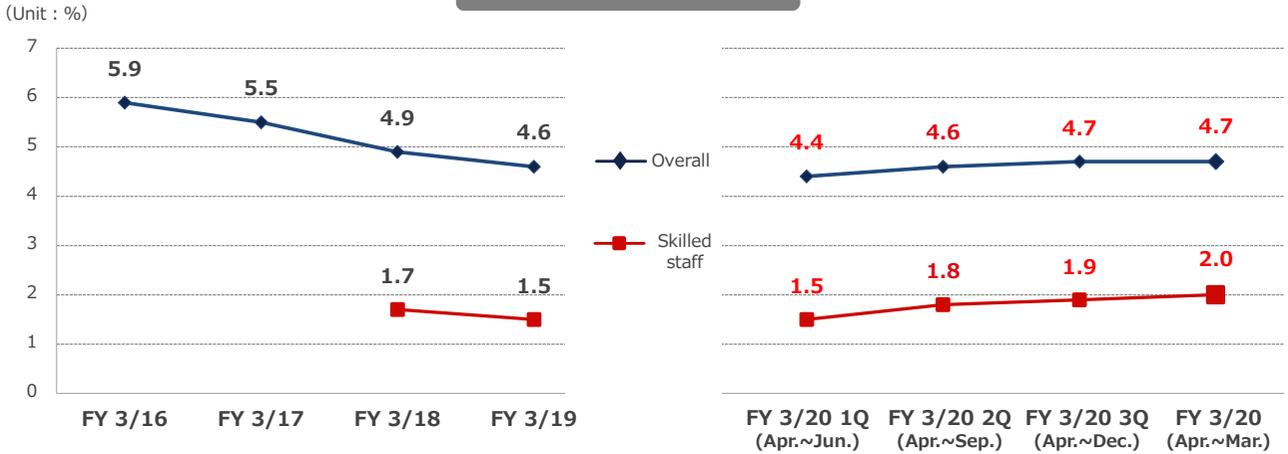
•NISSO's overall net sales share ratio increased by 1.1 points from the previous fiscal year. In addition, compared with the overall net sales share ratio of 43.8% in FY 3/2020 3Q, it was 44.4% at the end of the fiscal year, which is a testament to the prioritization of NISSO's assignment of staff to Account Companies in 4Q.

# Turnover Rates (NISSO, Non-consolidated)

■ FY 3/2020 Overall turnover rate: 4.7% (+0.1 pts vs. FY 3/2019)  
 Skilled staff turnover rate: 2.0% (+0.5 pts vs. FY 3/2019)

■ Scale-downs of workplaces increased due to decreases in production, and although transfers to other workplaces were promoted, turnover rates increased

Trend of Turnover rates



•The following is the explanation of NISSO's turnover rates.

- NISSO's overall turnover rates on a quarterly basis were as follows: 4.4% in 1Q, 4.9% in 2Q, 4.8% in 3Q, and 4.7% in 4Q. Despite some improvement, we are fully aware that we are still far from achieving the goal of 4% that we are aiming for, and in order to further improve the turnover rate, NISSO is striving towards a level below 4% while implementing an approach from the perspective of our workers.
- One of the challenges NISSO faces is the increase in the turnover rate of skilled. Although the skilled staff turnover rate in FY 3/2020 was 2.0%, considering that skilled staff will become significant "weapons" in the future, it is important to return to the previous level of around 1.5%, which will lead to the decline in the overall turnover rate, and NISSO will take the necessary measures to reduce turnover rates.

## Educational Achievements (NISSO, Non-consolidated)



### FY 3/2020 Course-specific educational achievements (total # of participants)

(Unit: # of Participants)

| Training course name                     | 3Q<br>(Oct ~ Dec) | 4Q<br>(Jan ~ Mar) |  | FY 3/20<br>Total | (Reference)<br>FY 3/19<br>Total |
|--|-------------------|-------------------|--|------------------|---------------------------------|
| Skilled staff education                  | 589               | 495               | Standard skilled staff education   | 1,960            | 2,522                           |
| Accredited vocational training education | 38                | 33                | Accredited vocational training school (Miyagi · Nagano Prefectures)  | 200              | 318                             |
| Manufacturing education                  | 1,526             | 1,340             | MONOZUKURI education, pre-assignment training for manufacturing staff, mobile education                                  | 3,895            | 3,047                           |
| Safety education                         | 1,258             | 853               | Danger · risk simulation education   | 3,455            | 1,322                           |
| Basic maintenance education              | 82                | 187               | Basic equipment maintenance education  | 373              | 167                             |
| Employee education                       | 112               | 85                | New graduate/mid-career entry/mid-level employee training, newly appointed chief education, on-site supervisor education | 496              | 292                             |
| Other education                          |                   |                   | Entrusted education from external sources  | 28               | 22                              |
| Total                                    | 3,605             | 2,993             |  | 10,407           | 7,690                           |

Education participants increased significantly from the previous FY, and NISSO aimed to expand market shares and performance by enhancing the capabilities/skills of workers

Basic maintenance education participants for semiconductor manufacturing companies, where demand continues to rise, are increasing

Hereafter, NISSO will continue to actively invest in facilities and equipment in order to improve the quality of our service provisions as well as promoting differentiation while confirming client statuses and market trends

•The following is the explanation of NISSO's educational achievements.

- Although the number of participants for skilled staff education is decreasing, this is due to the review and enhancement of the education curriculum in order for them to acquire higher skills than ever before.
- With regard to basic maintenance education, which is the training of equipment maintenance personnel centered on semiconductor manufacturing, although NISSO has been conducting this educational training at full-capacity from before, we created a new cleanroom facility at Nisso Technical Center Higashi-Nihon in December 2019 in order to strengthen educational capabilities. Hereafter, NISSO will continue to respond to the need of our clients and strive to expand worker education and training.

# Other Businesses Business Revenue

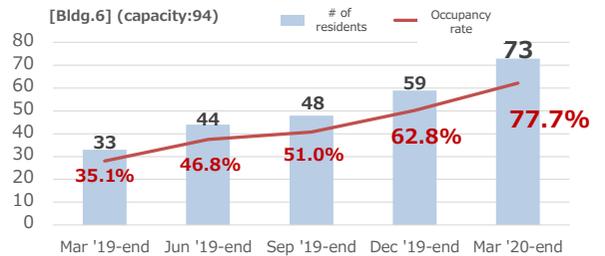
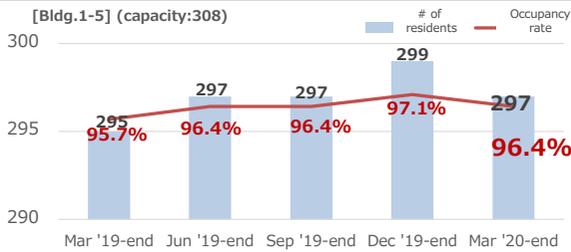
## Results of Other Businesses

(Unit: Million yen)

|                | FY 3/19 |            | FY 3/20 |            | Year-on-Year        |          |
|----------------|---------|------------|---------|------------|---------------------|----------|
|                | Results | % of Total | Results | % of Total | Increase (Decrease) | % Change |
| Net sales      | 2,485   | 100.0%     | 2,796   | 100.0%     | 310                 | 12.5%    |
| Expenses       | 2,732   | 110.0%     | 2,850   | 101.9%     | 117                 | 4.3%     |
| Operating loss | (247)   | (10.0%)    | (54)    | (1.9%)     | 193                 |          |

- Net sales increased due to the increase in the number of residents in Bldg. 6
- Full-year operating loss amounted to 54 million yen due to due to shortfalls in the number of residents and increased costs related to the introduction of new nursing care workers aimed at stabilizing services
- The new coronavirus (COVID-19) began to affect the number of potential residents (facility previewers) and the home-nursing care business from early-March

## Trend in # of facility residents



Copyright © 2020 NISSO CORPORATION All Rights Reserved

•The following is the explanation of Other Businesses.

•The number of residents of Sweetpea Higashi Totsuka (Bldg. 6) was 73, out of a capacity of 94, and the occupancy rate was 77.7%.

Although Other Businesses were still in the red for FY 3/2020, the amount of deficit has decreased significantly as a result of the rise in the aforementioned occupancy rate to 77.7%.

•Although Sweetpea Higashi Totsuka is about 3 months behind schedule with regards to its initial occupancy plan, by promoting this increase in the number of its residents, the plan is to make Other Businesses a profitable business. However, there are concerns that the spread of COVID-19 may slow down the rate of occupancy.

## 1-2 Future Prospects

- ※ The stagnation of the world economy seems to be unavoidable due to the spread of the new coronavirus (COVID-19)
- ※ Uncertainty regarding future prospects is increasing, such as the impact on the production trends of NISSO's clients in the domestic manufacturing industry and the recruitment of human resources due to restrictions on mobility

- **Due to the difficulty of reasonably calculating the effects of the spread of COVID-19 at this time, the consolidated earnings and dividend forecasts for FY 3/2021 have not yet been decided. NISSO will promptly announce the disclosure of the consolidated earnings forecast as soon as it becomes possible to in the future**
- **The Medium-term Management Plan will also be announced when it becomes possible to disclose it**

### **[Effects of the spread of COVID-19 on NISSO's business]**

- The decline in product demand caused by a decline in consumers' willingness to purchase products will impact clients' production
- The disruption of supply chains stagnates parts supply and will impact clients' production
- The occurrence of COVID-19-affected individuals at clients will impact production
- As a result on COVID-19's impact on clients, the scale of transactions may be reduced or transactions may be terminated. If it is prolonged, NISSO will continue to face a severe and challenging business environment for the foreseeable future

- Due to the difficulty of reasonably calculating the effects of COVID-19 at this time, the consolidated earnings and dividend forecasts for FY 3/2021 have not yet been decided.
- The Medium-term Management Plan will be disclosed when it is possible to determine to a certain extent what the effects of COVID-19 will be, or what steps NISSO is able to take toward its convergence, at a time when outlooks become clearer.

---

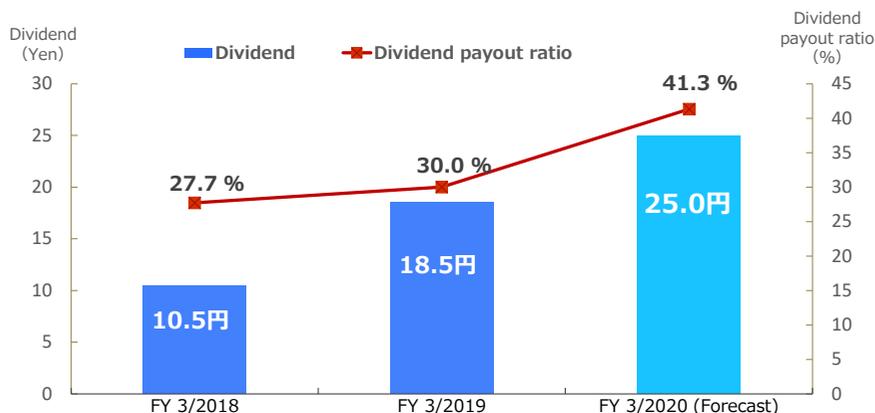
## 2. Shareholder Return Policy

•The following is the explanation of Shareholder Returns.

## Shareholder Return Policy



- NISSO 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, and our basic policy is to continue to steadily redistribute profits to all of our shareholders.
- Regarding the year-end dividend for FY 3/2020, the dividend amount per share (25.00 yen) announced on May 10, 2019, in the "Summary of Consolidated Financial Results for FY 3/2019 [Japanese GAAP] (Consolidated) Dividend Forecast" is not scheduled to change.
- The dividend forecast for FY 3/2021 is undecided at this time. NISSO will promptly announce it as soon as it becomes possible to disclose the earnings forecast in the future.



NISSO's common stock was split at a ratio of 2 shares for 1 share on May 1, 2019, and the FY 3/2019 dividend payout shown above is the dividend payout amount after the stock split.

Copyright © 2020 NISSO CORPORATION All Rights Reserved

22

- The following is the explanation of the Shareholder Return Policy.
- The dividend amount per share for FY 3/2020 is scheduled to be 25 yen as planned.
- Although it has not yet been disclosed at this time, hereafter, NISSO will announce our approach to the Shareholder Return Policy and dividends based on the Medium-term Management Plan and full-year forecasts, while continuing our current approach of the Shareholder Return Policy.

### 3. Supplementary Materials

# Consolidated Balance Sheet



(Unit: Million yen)

|  | Mar. 2019-end |             | Mar. 2020-end |             | Increase<br>(Decrease) |
|--|---------------|-------------|---------------|-------------|------------------------|
|  | Amount        | % of Total  | Amount        | % of Total  |                        |
| <b>Current assets</b>                      | <b>14,174</b> | <b>67.4</b> | <b>15,622</b> | <b>69.5</b> | <b>1,447</b>           |
| Cash and deposits                          | 5,633         | 26.8        | 6,365         | 28.3        | 731                    |
| Notes and accounts receivable - trade      | 7,757         | 36.9        | 8,434         | 37.5        | 676                    |
| <b>Non-current assets</b>                  | <b>6,844</b>  | <b>32.6</b> | <b>6,871</b>  | <b>30.5</b> | <b>26</b>              |
| Property, plant and equipment              | 4,942         | 23.5        | 4,754         | 21.1        | (188)                  |
| Intangible assets                          | 359           | 1.7         | 377           | 1.7         | 17                     |
| Investments and other assets               | 1,542         | 7.3         | 1,739         | 7.7         | 197                    |
| <b>Total assets</b>                        | <b>21,019</b> | <b>100</b>  | <b>22,494</b> | <b>100</b>  | <b>1,474</b>           |
| <b>Current liabilities</b>                 | <b>9,161</b>  | <b>43.6</b> | <b>9,279</b>  | <b>41.3</b> | <b>117</b>             |
| Current portion of long-term loans payable | 183           | 0.9         | 126           | 0.6         | (56)                   |
| Accrued expenses                           | 4,751         | 22.6        | 4,648         | 20.7        | (103)                  |
| <b>Non-current liabilities</b>             | <b>1,312</b>  | <b>6.2</b>  | <b>1,319</b>  | <b>5.9</b>  | <b>6</b>               |
| Long-term loans payable                    | 750           | 3.6         | 623           | 2.8         | (126)                  |
| <b>Total liabilities</b>                   | <b>10,474</b> | <b>49.8</b> | <b>10,598</b> | <b>47.1</b> | <b>124</b>             |
| <b>Shareholders' equity</b>                | <b>10,535</b> | <b>50.1</b> | <b>11,974</b> | <b>53.2</b> | <b>1,439</b>           |
| <b>Total net assets</b>                    | <b>10,544</b> | <b>50.2</b> | <b>11,895</b> | <b>52.9</b> | <b>1,350</b>           |
| <b>Total liabilities and net assets</b>    | <b>21,019</b> | <b>100</b>  | <b>22,494</b> | <b>100</b>  | <b>1,474</b>           |

## Point

### ①Increases due to business expansion

Cash and deposits and notes and accounts receivable - trade, etc., under current assets increased as a result of business expansion.

### ②Increase of investments and other assets

Investments and other assets increased due to the acquisition of Nikon Nisso Prime shares for the purpose of promoting the employment of older human resources.

### ③Overall

As a result of the above, total assets increased 7.0% YOY due to an increase in current assets. In addition, net assets increased 12.8% YOY due to the increase in shareholders' equity as a result of the recording of profits, and equity ratio was at 52.9%.

- Shown above is the Consolidated Balance Sheet.
- The amount of cash on hand is increasing due to business expansion.

## Consolidated Statements of Cash Flows



(Unit: Million yen)

|  | FY 3/19 | FY 3/20 | Increase<br>(Decrease) |
|--|---------|---------|------------------------|
|  | Amount  | Amount  |                        |
| CF from operating activities                         | 2,565   | 1,922   | (642)                  |
| CF from investing activities                         | 0       | (289)   | (290)                  |
| CF from financing activities                         | (2,215) | (901)   | 1,314                  |
| Net increase (decrease) in cash and cash equivalents | 349     | 731     | 381                    |
| Cash and cash equivalents at beginning of period     | 5,283   | 5,633   | 349                    |
| Cash and cash equivalents at end of period           | 5,633   | 6,365   | 731                    |

### Point

#### ① Cash flows from operating activities

Revenues from increases in profit before income taxes, depreciation and accrued consumption taxes exceeded expenditures due to increased account receivables and income taxes paid, etc., as a result of business expansion, and revenues amounted to 1,922 million yen.

#### ② Cash flows from investing activities

Expenditures for the purchase of securities and capital investments exceeded the proceeds from the sale of cross-shareholdings, resulting in expenditures of 298 million yen.

#### ③ Cash flows from financing activities

Due to the scheduled repayment of long-term loans payable and expenditure on dividends, expenditures amounted to 901 million yen.

• Shown above are the Consolidated Statements of Cash Flows.

• Although NISSO recognizes that there are no issues with cash finances for the time being, it is not possible to measure how the effects of COVID-19 will spread. As a leading company in this industry, NISSO fully understands our responsibility for employment, and plans to further strengthen our financial affairs in order to fulfill such responsibilities.

The forward-looking statements and performance forecasts contained in this document are forecasts determined by NISSO based on information available at the time of preparation, and include potential risks and uncertainties. Therefore, please be aware that the actual results may differ greatly from the forward-looking statements described due to changes in various factors.

**〈For future IR-related inquiries〉**

PR · IR Division,  
Corporate Planning Department  
NISSO CORPORATION  
TEL : +81-45-777-7630  
E-mail : [ir@nisso.co.jp](mailto:ir@nisso.co.jp)  
URL : <https://www.nisso.co.jp/>