



Summary of Consolidated Financial Results for FY 3/2020 [Japanese GAAP]

May 12, 2020

Company Name NISSO CORPORATION Stock Exchange Listing: Tokyo
 Securities Code 6569 URL <https://www.nisso.co.jp/>
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 Scheduled date of Annual General Meeting of Shareholders June 24, 2020 Scheduled date of payment of dividend June 25, 2020
 Scheduled date of filing Annual Securities Report June 25, 2020
 Preparation of supplementary materials for financial results: Yes
 Holding of financial results meeting: Yes (Video of financial results explanation will be posted on the Company's website on May 15, 2020 (Friday) in Japanese only)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 – March 31, 2020)

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2020	74,966	8.4	3,061	6.7	3,149	8.8	2,033	(1.0)
Mar. 31, 2019	69,161	16.8	2,869	59.4	2,895	62.5	2,053	102.4

(Note) Comprehensive income Fiscal year ended Mar. 31, 2020: 1,944 Million yen (3.6%)
 Fiscal year ended Mar. 31, 2019: 1,876 Million yen (89.0%)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary profit on total assets	Ratio of operating profit on net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2020	60.51	59.90	18.1	14.5	4.1
Mar. 31, 2019	61.58	60.14	20.7	14.2	4.1

(Reference) Equity in earnings of affiliates Fiscal year ended Mar. 31, 2020: 34 Million yen
 Fiscal year ended Mar. 31, 2019: (2) Million yen

(Note) The Company's common stock was split at a ratio of 2 shares for 1 share on August 22, 2018, and then at a ratio of 2 shares for 1 share on May 1, 2019. "Net income per share" and "diluted net income per share" are calculated assuming that the shares were split at the beginning of the previous consolidated fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2020	22,494	11,895	52.9	351.84
Mar. 31, 2019	21,019	10,544	50.2	314.20

(Reference) Equity capital As of Mar. 31, 2020: 11,895 Million yen
 As of Mar. 31, 2019: 10,544 Million yen

(Note) The Company's common stock was split at a ratio of 2 shares for 1 share on August 22, 2018, and then at a ratio of 2 shares for 1 share on May 1, 2019. "Net assets per share" is calculated assuming that the shares were split at the beginning of the previous consolidated fiscal year.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2020	1,922	(289)	(901)	6,365
Mar. 31, 2019	2,565	0	(2,215)	5,633

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, 2019	—	0.00	—	37.00	37.00	620	30.0	6.2
Mar. 31, 2020	—	0.00	—	25.00	25.00	845	41.3	7.5
Fiscal year ending Mar. 31, 2021 (forecast)	—	—	—	—	—		—	

(Note) 1. The Company's common stock was split at a ratio of 2 shares for 1 share on May 2019. However, regarding the dividends for the fiscal year ended March 31, 2019, the dividend amount before the stock split is listed.

2. The dividend forecast for the fiscal year ending March 31, 2021 has not yet been decided at this time. The Company will promptly announce it as soon as it becomes possible to disclose the earnings forecast in the future.

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020 – March 31, 2021)

The consolidated (earnings) forecast for the fiscal year ending March 31, 2021 has not yet been decided due to the difficulty of reasonably calculating the effects of the new coronavirus (COVID-19) at this time. The Company will promptly announce the disclosure of the consolidated (earnings) forecast as soon as it becomes possible to in the future.

※ Notes

(1) Changes in the 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) 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, 2020	34,201,200 Shares	As of Mar. 31, 2019	33,961,200 Shares
② Number of treasury shares at the end of the period	As of Mar. 31, 2020	390,853 Shares	As of Mar. 31, 2019	400,174 Shares
③ Average number of shares outstanding during the period	Fiscal year ended Mar. 31, 2020	33,598,989 Shares	Fiscal year ended Mar. 31, 2019	33,352,061 Shares

(Note) The Company's common stock was split at a ratio of 2 shares for 1 share on August 22, 2018, and then at a ratio of 2 shares for 1 share on May 1, 2019. "Number of shares outstanding at the end of the period", "number of treasury shares at the end of the period" and "average number of shares outstanding during the period" are calculated assuming that the shares were split at the beginning of the previous consolidated fiscal year.

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 – March 31, 2020)

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Mar. 31, 2020	69,209	9.0	3,119	5.3	3,124	6.2	2,030	(9.4)
Mar. 31, 2019	63,474	19.3	2,962	64.9	2,943	67.3	2,240	124.0

Fiscal year ended	Net income per share	Diluted net income per share
	Yen	Yen
Mar. 31, 2020	60.43	59.81
Mar. 31, 2019	67.18	65.61

(Note) The Company's common stock was split at a ratio of 2 shares for 1 share on August 22, 2018, and then at a ratio of 2 shares for 1 share on May 1, 2019. "Net income per share" and "diluted net income per share" are calculated assuming that the shares were split at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Mar. 31, 2020	20,024	11,247	56.2	332.68
Mar. 31, 2019	18,482	9,852	53.3	293.58

(Reference) Equity capital As of Mar. 31, 2020: 11,247 Million yen
As of Mar. 31, 2019: 9,852 Million yen

(Note) The Company's common stock was split at a ratio of 2 shares for 1 share on August 22, 2018, and then at a ratio of 2 shares for 1 share on May 1, 2019. "Net assets per share" is calculated assuming that the shares were split at the beginning of the previous fiscal year.

※ 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

The consolidated (earnings) forecast for the fiscal year ending March 31, 2021 has not yet been decided due to the difficulty of reasonably calculating the effects of the new coronavirus (COVID-19) at this time. The Company will promptly announce the disclosure of the consolidated (earnings) forecast as soon as it becomes possible to in the future.

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

Materials related to the explanation of the Company's financial results are scheduled to be posted on its website on May 12, 2020 (Tuesday).

○Contents of Attachments

1. Overview of Operating Results	2
(1) Overview of Operating Results for the Current Fiscal Year	2
(2) Overview of Financial Position for the Current Fiscal Year	4
(3) Overview of Cash Flows for the Current Fiscal Year	4
(4) Future Prospects	5
(5) Basic Policy on Profit Distribution and Dividends for Current and Next Terms	5
2. Basic Approach to the Selection of Accounting Standards	6
3. Consolidated Financial Statements and Notes	7
(1) Consolidated Balance Sheet	7
(2) Consolidated Statements of Income and Comprehensive Income	9
Consolidated Statement of Income	9
Consolidated Statement of Comprehensive Income	10
(3) Consolidated Statement of Changes in Equity	11
(4) Consolidated Statement of Cash Flows	13
(5) Notes regarding Consolidated Financial Statements	14
(Notes regarding Going Concern Assumption)	14
(Segment Information)	14
(Per Share Information)	16
(Significant Subsequent Events)	16

1. Overview of Operating Results

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

Although Japan's economy during the current consolidated fiscal year (hereinafter, the "period under review") weakened due to developments in the U.S.-China trade issues, trends in overseas economies such as the outlook for the Chinese economy, and fluctuations in financial and capital markets, with corporate profits remaining firm and the employment situation improving steadily, it showed a gradual recovery. However, due to the spread of the new coronavirus (hereafter, "COVID-19"), the economy has been significantly depressed in recent months, and the situation remains uncertain.

As for the business environment surrounding the Nisso Group (hereinafter, the "Group"), although the production of domestic manufacturers, who are NISSO CORPORATION's (hereinafter, the "Company") important clients, was affected by the consumption tax hike in some transportation machinery (mainly automobiles) companies, production trends remained firm. On the other hand, the electronic components・devices industries remained weak due to stagnant trends in product demand. In addition, although the employment situation has shown signs of improvement, the spread of COVID-19 is also affecting the external human resource utilization needs of the Company's clients.

In this environment, the Group has formulated a medium-term management plan for the fiscal year ending March 31, 2020 to the fiscal year ending March 31, 2022 under the founding philosophy of "Nurturing and Bringing Out the Best in People", and in order to achieve the mission of "Becoming the Leader in Absolute Evaluation in the Manufacturing-related Human Resources Business Field", the Company is striving to further evolve the NISSO Medium-term Growth Cycle, as well as expanding business performance and improving profitability.

In the period under review, with regards to the manufacturing-related human resources services business, which is the flagship of the General Human Resources Services Business, the Company has focused on assigning "skilled staff", who are indefinite-term employees with high retention rates, to "Account Companies", who are important clients, and enabling them to advance their skills, which has resulted in the enhancement of the provided services and the improvement of customer satisfaction. In addition, by actively utilizing its 9 training facilities located throughout Japan, the Company has put into practice education that contributes to the improvement of profits.

Meanwhile, in Other Businesses, although investment costs were incurred as a result of the opening of its 6th nursing care facility, "Sweetpea Higashi Totsuka", which was opened in Yokohama on March 1, 2018, in the period under review, the Company has strived to improve the quality of its nursing care services, to improve customer satisfaction, and to secure the number of its residents.

As a result, the results of operations for the period under review are as follows: net sales of 74,966 million yen (up 8.4% year-on-year), operating profit of 3,061 million yen (up 6.7% year-on-year), ordinary profit of 3,149 million year (up 8.8% year-on-year), and profit attributable to owners of parent amounted to 2,033 million yen (down 1.0% year-on-year).

The results of operations by segment are as follows:

(General Human Resources Services Business)

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

In manufacturing-related human resources services, which is the core business of this business segment, in order to enhance the provided services, in the period under review, the Company has utilized its training facilities, and has nurtured and trained human resources who can be active in the fields of automobiles, electrical devices, precision and electrical machinery, etc. By putting into practice education that utilizes these training facilities, the number of enrolled staff increased by 728 compared to the end of the previous consolidated fiscal year, through increases in the manufacturing staff's motivation to work and improvements in retention rates.

On the other hand, despite an increase in sales with the increase in staff enrollment, there was an increase in revenue and a decrease in profits, since the increase in expenses such as training and employee recruiting expenses were not absorbed.

As a result, net sales amounted to 72,178 million yen (up 8.2% year-on-year), and operating profit

was 3,117 million yen (down 0.1% year-on-year).

(Other Businesses)

The Company operates nursing care businesses for its Other Businesses.

In the facilities nursing care business, which is the core business of this business segment, the number of residents of the nursing care facility, “Sweetpea Higashi Totsuka”, increased during the period under review. In addition, by striving to improve profitability by reducing the cost of sales, such as personnel and operating expenses, including for existing facilities, operating losses were reduced.

As a result, net sales amounted to 2,796 million yen (up 12.5% year-on-year), and operating loss was 54 million yen (which was at a loss of 247 million yen in the corresponding period of the previous year).

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

(Assets)

Current assets at the end of the period under review amounted to 15,622 million yen, which was an increase of 1,447 million yen from the end of the previous consolidated fiscal year. This was mainly due to increases of 731 million yen in cash and deposits, and 676 million yen in notes and accounts receivable (trade).

Non-current assets at the end of the period under review amounted to 6,871 million yen, which was an increase of 26 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 100 million yen in deferred tax assets.

As a result, total assets amounted to 22,494 million yen, which was an increase of 1,474 million yen from the end of the previous consolidated fiscal year.

(Liabilities)

Current liabilities at the end of the period under review amounted to 9,279 million yen, which was an increase of 117 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 485 million yen in accrued consumption taxes.

Non-current liabilities at the end of the period under review amounted to 1,319 million yen, which was an increase of 6 million yen from the end of the previous consolidated fiscal year. This was mainly due to a 179 million yen increase in net defined benefit liability.

As a result, total liabilities amounted to 10,598 million yen, which was an increase of 124 million yen from the end of the previous consolidated fiscal year.

(Net assets)

Total net assets at the end of the period under review amounted to 11,895 million yen, which was an increase of 1,350 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase in retained earnings of 1,412 million yen as a result of the appropriation of 2,033 million yen in profit attributable to owners of parent, and the payment of 620 million yen in dividends of surplus.

As a result, the equity ratio was 52.9% (which was at 50.2% at the end of the previous consolidated fiscal year).

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

Cash flows for the period under review are as follows: Net cash provided by operating activities was 1,922 million yen, net cash used in investing activities was 289 million yen, and net cash used in financing activities was 901 million yen.

As a result, cash and cash equivalents for the period under review increased by 731 million yen to 6,365 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 period under review are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 1,922 million yen (which was an inflow of 2,565 million in the previous consolidated fiscal year), as a result of inflows such as 3,115 million yen in profit before income taxes and a 485 million yen increase in accrued consumption taxes, which absorbed outflows such as 1,072 million yen in income taxes paid.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 289 million yen (which was an inflow of 0 million yen in the previous consolidated fiscal year), as a result of outflows such as 190 million yen in purchase of securities and 187 million yen in purchase of intangible assets.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 901 million yen (which was an outflow of 2,215 million in the previous consolidated fiscal year), as a result of outflows such as 620 million yen in cash dividends paid and 183 million yen in repayments of long-term loans payable.

(4) Future Prospects

With regard to future prospects, due to the worldwide spread of COVID-19, the decline in orders due to activity restrictions in exporting partner countries, and the lack of parts due to disruptions of supply chains resulted in line outages and operation restrictions of domestic manufacturers, many of whom are the Company's clients. In Japan, in the event that COVID-19 spreads for a prolonged period of time, it will further affect the production trends of the Company's clients, and the scale of transactions with them may be reduced or transactions may be terminated, so the business environment for future prospects are uncertain.

In addition, there are concerns that corporate profits will deteriorate, due to restrictions on mobility, which will affect the recruitment of human resources.

Under these circumstances, based on its founding philosophy of "Nurturing and Bringing Out the Best in People", the Group will continue to implement the following initiatives in order to achieve business growth, with the aim of creating workplaces where workers can gain a sense of fulfillment and flourish, as well as providing services that can contribute to its growth as a company.

Regarding the Group's core business of Manufacturing-related Human Resources Services, under the strategy of prioritizing the assignment of "skilled staff", who are indefinite-term employees, to Account Companies, who are positioned as important clients, the Group will strive to actively conduct human resources development by utilizing its own education facilities to enhance the skills of manufacturing staff and to improve its retention rates.

Regarding Other Businesses, the Group will improve the quality of services provided by its nursing care facilities, "Sweatpea", which are located in 6 places throughout Yokohama, and strive to increase the number of residents at those facilities. In addition, the Group will continue to make efforts to improve its management structure by promoting the efficiency of its operations, and to increase profitability.

Furthermore, the Group will strengthen its measures to prevent the spread of COVID-19 and promote its business activities with the safety of its clients and employees as its top priority.

However, due to the difficulty of reasonably calculating its effects on the Group's business activities at this time, the consolidated (earnings) forecast has not yet been decided. The Company will promptly announce its disclosure as soon as it becomes possible to 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% 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, 2020 is scheduled to be a payment of 25.00 yen per share (consolidated dividend payout ratio of 41.3%).

The dividends for the fiscal year ending March 31, 2021 has not yet been decided due to the difficulty of forecasting business performance at this time. The Company will announce the dividend forecast as soon as it becomes possible to disclose the consolidated (earnings) forecast in the future.

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 3/19 (As of Mar. 31, 2019)	FY 3/20 (As of Mar. 31, 2020)
Assets		
Current assets		
Cash and deposits	5,633	6,365
Notes and accounts receivable - trade	7,757	8,434
Prepaid expenses	561	562
Other	232	264
Allowance for doubtful accounts	(10)	(4)
Total current assets	14,174	15,622
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,462	5,387
Accumulated depreciation	(3,429)	(3,535)
Buildings and structures, net	2,033	1,852
Land	2,760	2,738
Other	487	521
Accumulated depreciation	(338)	(357)
Other, net	149	164
Total property, plant and equipment	4,942	4,754
Intangible assets		
Leased assets	216	121
Other	143	255
Total intangible assets	359	377
Investments and other assets		
Investment securities	167	241
Lease and guarantee deposits	660	658
Deferred tax assets	373	474
Net defined benefit asset	5	-
Other	337	365
Allowance for doubtful accounts	(1)	(0)
Total investments and other assets	1,542	1,739
Total non-current assets	6,844	6,871
Total assets	21,019	22,494

(Unit: Million yen)

	FY 3/19 (As of Mar. 31, 2019)	FY 3/20 (As of Mar. 31, 2020)
Liabilities		
Current liabilities		
Current portion of long-term loans payable	183	126
Lease obligations	110	78
Accrued expenses	4,751	4,648
Income taxes payable	742	812
Accrued consumption taxes	1,418	1,904
Provision for bonuses	738	879
Other	1,216	829
Total current liabilities	9,161	9,279
Non-current liabilities		
Long-term loans payable	750	623
Lease obligations	146	68
Net defined benefit liability	124	303
Other	290	324
Total non-current liabilities	1,312	1,319
Total liabilities	10,474	10,598
Net assets		
Shareholders' equity		
Capital stock	2,006	2,012
Capital surplus	2,357	2,369
Retained earnings	6,514	7,926
Treasury shares	(342)	(334)
Total shareholders' equity	10,535	11,974
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	41	-
Foreign currency translation adjustment	1	1
Remeasurements of defined benefit plans	(32)	(79)
Total accumulated other comprehensive income	9	(78)
Total net assets	10,544	11,895
Total liabilities and net assets	21,019	22,494

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

(Unit: Million yen)

	FY 3/19 (Apr. 1, 2018 – Mar. 31, 2019)	FY 3/20 (Apr. 1, 2019 – Mar. 31, 2020)
Net sales	69,161	74,966
Cost of sales	56,922	61,850
Gross profit	12,239	13,115
Selling, general and administrative expenses	9,370	10,054
Operating profit	2,869	3,061
Non-operating income		
Interest income	3	3
Dividend income	13	3
Share of profit of entities accounted for using equity method	-	34
Subsidy income	49	53
House rent income	40	35
Other	40	30
Total non-operating income	147	160
Non-operating expenses		
Interest expenses	30	14
Share of loss of entities accounted for using equity method	2	-
Commission fee	19	-
Rent expenses	23	22
Other	45	34
Total non-operating expenses	121	71
Ordinary profit	2,895	3,149
Extraordinary income		
Gain on sales of investment securities	74	121
Total extraordinary income	74	121
Extraordinary losses		
Loss on sales of investment securities	-	3
Impairment loss	65	152
Total extraordinary losses	65	155
Profit before income taxes	2,903	3,115
Income taxes - current	885	1,144
Income taxes - deferred	(35)	(61)
Total income taxes	849	1,082
Profit	2,053	2,033
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	2,053	2,033

(Consolidated Statement of Comprehensive Income)

(Unit: Million yen)

	FY 3/19 (Apr. 1, 2018 – Mar. 31, 2019)	FY 3/20 (Apr. 1, 2019 – Mar. 31, 2020)
Profit	2,053	2,033
Other comprehensive income		
Valuation difference on available-for-sale securities	(119)	(41)
Remeasurements of defined benefit plans, net of tax	(58)	(47)
Share of other comprehensive income of entities accounted for using equity method	(0)	(0)
Total other comprehensive income	(177)	(88)
Comprehensive income	1,876	1,944
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,876	1,944
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statement of Changes in Equity

FY 3/19 (Apr. 1, 2018 - Mar. 31, 2019)

(Unit: Million yen)

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

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	160	1	25	187	9,317
Changes of items during period					
Issuance of new shares - (exercise of share acquisition rights)					41
Dividends of surplus					(348)
Profit attributable to owners of parent					2,053
Purchase of treasury shares					(342)
Disposal of treasury shares					-
Net changes of items other than shareholders' equity	(119)	(0)	(58)	(177)	(177)
Total changes of items during period	(119)	(0)	(58)	(177)	1,227
Balance at end of current period	41	1	(32)	9	10,544

FY 3/20 (Apr. 1, 2019 - Mar. 31, 2020)

(Unit: Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,006	2,357	6,514	(342)	10,535
Changes of items during period					
Issuance of new shares - (exercise of share acquisition rights)	6	6			12
Dividends of surplus			(620)		(620)
Profit attributable to owners of parent			2,033		2,033
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		6		8	14
Net changes of items other than shareholders' equity					-
Total changes of items during period	6	12	1,412	7	1,439
Balance at end of current period	2,012	2,369	7,926	(334)	11,974

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	41	1	(32)	9	10,544
Changes of items during period					
Issuance of new shares - (exercise of share acquisition rights)					12
Dividends of surplus					(620)
Profit attributable to owners of parent					2,033
Purchase of treasury shares					(0)
Disposal of treasury shares					14
Net changes of items other than shareholders' equity	(41)	(0)	(47)	(88)	(88)
Total changes of items during period	(41)	(0)	(47)	(88)	1,350
Balance at end of current period	-	1	(79)	(78)	11,895

(4) Consolidated Statement of Cash Flows

(Unit: Million yen)

	FY 3/19 (Apr. 1, 2018 – Mar. 31, 2019)	FY 3/20 (Apr. 1, 2019 – Mar. 31, 2020)
Cash flows from operating activities		
Profit before income taxes	2,903	3,115
Depreciation	285	303
Increase (decrease) in allowance for doubtful accounts	3	(6)
Increase (decrease) in provision for bonuses	210	140
Decrease (increase) in net defined benefit asset	37	(4)
Increase (decrease) in net defined benefit liability	72	120
Loss (gain) on sales of securities	(74)	(117)
Impairment loss	65	152
Interest and dividend income	(17)	(6)
Interest expenses	30	14
Share of (profit) loss of entities accounted for using equity method	2	(34)
Decrease (increase) in notes and accounts receivable – trade	(965)	(676)
Decrease (increase) in lease and guarantee deposits	19	2
Increase (decrease) in accrued expenses	420	(100)
Increase (decrease) in accrued consumption taxes	333	485
Other, net	(7)	(383)
Subtotal	3,321	3,004
Interest and dividend income received	17	6
Interest expenses paid	(30)	(17)
Income taxes refund	13	0
Income taxes paid	(756)	(1,072)
Cash flows from operating activities	2,565	1,922
Cash flows from investing activities		
Purchase of securities	(0)	(190)
Proceeds from sales of securities	173	210
Purchase of property, plant and equipment	(120)	(122)
Purchase of intangible assets	(58)	(187)
Other, net	6	0
Cash flows from investing activities	0	(289)
Cash flows from financing activities		
Proceeds from long-term loans payable	200	–
Repayments of long-term loans payable	(1,651)	(183)
Repayments of lease obligations	(115)	(110)
Proceeds from issuance of common shares	41	12
Purchase of treasury shares	(342)	(0)
Cash dividends paid	(348)	(620)
Cash flows from financing activities	(2,215)	(901)
Effect of exchange rate change on cash and cash equivalents	–	–
Net increase (decrease) in cash and cash equivalents	349	731
Cash and cash equivalents at beginning of period	5,283	5,633
Cash and cash equivalents at end of period	5,633	6,365

(5) Notes regarding Consolidated Financial Statements

(Notes regarding Going Concern Assumption)

Not applicable.

(Segment Information)

1. Overview of reportable segments

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

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

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

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

Profits for reportable segments are based on operating profit figures.

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

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

FY 3/19 (Apr. 1, 2018 - Mar. 31, 2019)

(Unit: Million yen)

	Reportable Segments			Adjustments (Note) 1	Amounts shown on Consolidated Statement of Income (Note) 2
	General Human Resources Service Business	Other Businesses	Subtotal		
Net sales					
Sales to external clients	66,676	2,485	69,161	-	69,161
Inter-segment sales or transfers	8	-	8	(8)	-
Total	66,684	2,485	69,170	(8)	69,161
Segment profit (loss)	3,120	(247)	2,873	(4)	2,869
Segment assets	19,098	1,922	21,020	(1)	21,019
Other items					
Depreciation	264	9	274	10	285
Investment in equity-method affiliates	2	-	2	-	2
Increase in property, plant and equipment and intangible assets	244	3	247	-	247

(Note) 1. The adjustments are as follows:

(1) The adjustments on segment profit (loss) of (4) million yen are eliminations of inter-segment transactions.

(2) The adjustments on segment assets of (1) million yen are eliminations of transactions.

(3) The adjustments on depreciation of 10 million yen is the depreciation not included in segment profit (loss).

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

FY 3/20 (Apr. 1, 2019 – Mar. 31, 2020)

(Unit: Million yen)

	Reportable Segments			Adjustments (Note) 1	Amounts shown on Consolidated Statement of Income (Note) 2
	General Human Resources Service Business	Other Businesses	Subtotal		
Net sales					
Sales to external clients	72,170	2,796	74,966	-	74,966
Inter-segment sales or transfers	7	-	7	(7)	-
Total	72,178	2,796	74,974	(7)	74,966
Segment profit (loss)	3,117	(54)	3,063	(2)	3,061
Segment assets	20,715	1,819	22,535	(41)	22,494
Other items					
Depreciation	289	6	296	7	303
Investment in equity-method affiliates	226	-	226	-	226
Increase in property, plant and equipment and intangible assets	284	0	285	-	285

(Note) 1. The adjustments are as follows:

- (1) The adjustments on segment profit (loss) of (2) million yen are eliminations of inter-segment transactions.
 - (2) The adjustments on segment assets of (41) million yen are eliminations of transactions.
 - (3) The adjustments on depreciation of 7 million yen is the depreciation not included in segment profit (loss).
2. Segment profit (loss) is adjusted with operating profit on the Consolidated Statement of Income.

(Per Share Information)

	FY 3/19 (Apr. 1, 2018 – Mar. 31, 2019)	FY 3/20 (Apr. 1, 2019 – Mar. 31, 2020)
Net assets per share	314.20 Yen	351.84 Yen
Net income per share	61.58 Yen	60.51 Yen
Diluted net income per share	60.14 Yen	59.90 Yen

(Note) 1. By the resolutions of the Board of Directors on August 6, 2018, and on March 15, 2019, the Company's common stock was split at a ratio of 2 shares for 1 share on August 22, 2018, and then at a ratio of 2 shares for 1 share on May 1, 2019, respectively. Net assets per share, net income per share, and diluted net income per share are calculated assuming that the stock split was made at the beginning of the previous consolidated fiscal year.

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

	FY 3/19 (Apr. 1, 2018 – Mar. 31, 2019)	FY 3/20 (Apr. 1, 2019 – Mar. 31, 2020)
Net income per share		
Profit attributable to owners of parent (Million yen)	2,053	2,033
Amount not attributable to common shareholders (Million yen)	-	-
Profit attributable to owners of parent related to common shares (Million yen)	2,053	2,033
Average number of common shares outstanding during the period (Shares)	33,352,061	33,598,989
Diluted net income per share		
Profit attributable to owners of parent adjustment (Million yen)	-	-
Increase in number of common shares (Shares)	798,923	343,751
(Share acquisition rights (Shares))	(798,923)	(343,751)
Since there is no dilution effect, summary of potentially dilutive shares not included in the calculation of diluted net income per share	-	-

(Significant Subsequent Events)

Not applicable.