



**Summary of Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending
March 31, 2019 [Japanese GAAP]**

February 7, 2019

Company Name NISSO CORPORATION Stock Exchange Listing: Tokyo
 Securities Code: 6569 URL <https://www.nisso.co.jp/>
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 Administration
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 Scheduled date of filing Quarterly Report February 12, 2019 Scheduled date of payment of dividend —
 Preparation of supplementary materials for quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

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

**1. Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2019
(April 1, 2018 – December 31, 2018)**

(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	%
First nine months ended December 31, 2018	51,219	17.2	1,954	39.3	1,971	39.6	1,286	42.7
December 31, 2017	43,687	—	1,403	—	1,412	—	901	—

(Note) Comprehensive income For the first nine months ended December 31, 2018: 1,242 Million yen (36.2 %)
 For the first nine months ended December 31, 2017: 912 Million yen (- %)

	Net income per share	Diluted net income per share
First nine months ended	Yen	Yen
December 31, 2018	77.16	75.16
December 31, 2017	67.96	—

- (Note) 1. Since the Company did not prepare quarterly consolidated financial statements for the first nine months of FY 3/2017, the ratio of year-on-year changes to the first nine months of FY 3/2018 are not listed.
 2. As of August 22, 2018, the Company's common stock was split at a ratio of 2 shares for 1 share. "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.
 3. Regarding "diluted net income per share" for the first nine months of FY 3/2018, although there was a balance of share acquisition rights, since the Company's shares were unlisted, the average share price during the period cannot be grasped and is therefore not listed.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
December 31, 2018	19,299	9,890	51.2
March 31, 2018	19,870	9,317	46.9

(Reference) Equity capital As of December 31, 2018: 9,890 Million yen
 As of March 31, 2018: 9,317 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, 2018	—	0.00	—	42.00	42.00
Fiscal year ending March 31, 2019	—	0.00	—		
Fiscal year ending March 31, 2019 (Forecast)				—	—

(Note) 1. Revisions to the most recently announced dividend forecast: None

2. As of August 22, 2018, the Company's common stock was split at a ratio of 2 shares for 1 share. However, the actual dividend amount before the stock split is listed for FY 3/2018.

3. The dividend forecast for FY 3/2019 is undecided at this time.

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2019

(April 1, 2018 - March 31, 2019)

(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	69,264	17.0	2,775	54.1	2,798	57.1	1,746	72.1	104.92

(Note) 1. Revisions to the most recently announced consolidated earnings forecast: Yes

2. For revisions to the consolidated earnings forecast, please refer to the "Notice regarding Revisions to Earnings Forecast" announced today (February 7, 2019).

3. As of August 22, 2018, the Company's common stock was split at a ratio of 2 shares for 1 share. Net income per share listed in the Consolidated Forecast for FY 3/2019 is calculated taking into consideration the impact of the stock split.

※ 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 Dec. 31, 2018	16,784,800 Shares	As of Mar. 31, 2018	16,582,400 Shares
② Number of treasury shares at the end of the period	As of Dec. 31, 2018	200,064 Shares	As of Mar. 31, 2018	— Shares
③ Average number of shares outstanding during the period	First nine months ended Dec. 31, 2018	16,669,625 Shares	First nine months ended Dec. 31, 2017	13,260,000 Shares

(Note) As of August 22, 2018, the Company's common stock was split at a ratio of 2 shares for 1 share. "Number of outstanding shares 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.

※ The quarterly financial statement is not subject to the quarterly review procedures of certified public accountants or auditing corporations

※ 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, etc. regarding the earnings forecasts, please refer to "1. Qualitative Information on Quarterly Financial Results, (3) Description of Future Forecast Information such as Consolidated Forecasts, etc." on P.4 of the attachments.
- The average number of shares outstanding during the period, which is the basis for the calculation of "net income per share" listed under the FY 3/2019 consolidated forecast, is calculated by reflecting the number of increase in shares due to the exercising of share acquisition rights up until the third quarter of the current fiscal year.

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

The Company is planning to hold a briefing session for institutional investors and analysts on Friday, February 8, 2019.

Quarterly financial results materials to be used on that day will be posted on the Company's website promptly after the meeting.

(Regarding the changing of the date display format)

From the first quarter of the current consolidated accounting period, the display format of dates (on Japanese-language financial results materials) have been changed from the Japanese calendar to the Western calendar, and have been simplified, on occasion, on English-language materials.

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1. Qualitative Information on Quarterly Financial Results

(1) Description of Results of Operations

Although Japan's economy during the current consolidated cumulative third quarter (hereinafter, the "period under review") continued its moderate recovery due to the effects of various policies as the employment and income environments continued to improve, in the world economy, the outlook of economic conditions is uncertain due to the impact of trade frictions between the U.S. and China.

As for the business environment surrounding the Nisso Group (hereinafter, the "Group"), while the production of domestic manufacturers, who are NISSO CORPORATION's (hereinafter, the "Company") important clients, remained steady, the demand for the utilization of external human resources remained strong due to the continued shortage of workers.

In this environment, the Group has formulated a mid-term management plan for the fiscal year ending March 31, 2019 to the fiscal year ending March 31, 2021 under the founding philosophy of "Nurturing and Bringing Out the Best in People", and along with reinforcing sales, recruiting and educational activities, the Group has striven to improve customer and employee evaluations.

As a result, the results of operations for the period under review are as follows.

① Net sales

Net sales for the period under review increased by 17.2% compared to the corresponding period of the previous year (43,687 million yen), to 51,219 million yen. This was mainly due to the increase in revenue from the General Human Resources Services Business (Note) which contributed to the overall performance of the Group.

In the General Human Resources Services Business, with regards to the manufacturing-related human resources services which accounts for 91.7% of net sales, under the strategy of prioritizing the assignment of "skilled staff" to key account companies, who are the Company's important clients, the Company has been actively investing in the development of human resources, and has striven to improve the skills and increase the retention rate of manufacturing staff. By utilizing its training facilities such as the "Nisso Technical Center Naka-Nihon (Okaya City, Nagano)", which was opened on May 1, 2018, the Company has nurtured human resources who are capable of actively working in fields such as automobiles, electronic components and precision equipment, in order to provide high value-added services to its clients. As a result, in the client environment, incoming orders were expanded mainly by transportation equipment and electronic components manufacturers. In addition, the Company has achieved low-cost hiring by utilizing its own recruitment sites, and has made strides to increase retention rates through the improvement of treatment and the enhancement of educational opportunities in order to heighten the motivation of manufacturing staff. As a result, the number of enrolled staff grew steadily (up by 1,382 staff compared to the end of the previous consolidated fiscal year). Furthermore, as a result of the favorable conditions of proposals to assign "skilled staff", who are indefinite-term employees with high retention rates, to our important clients, the average monthly per capita sales increased by 24 thousand yen during the period under review.

As a result, net sales for the General Human Resources Services Business increased by 17.6% compared to the corresponding period of the previous year (41,986 million yen), to 49,375 million yen.

Furthermore, with regards to Other Businesses (Note), there was an increase in the number of residents at the nursing care facility, "Sweetpea Higashi Totsuka (Totsuka-ku, Yokohama)", which was opened on March 1, 2018.

As a result, net sales for Other Businesses increased by 8.2% compared to the corresponding period of the previous year (1,711 million yen), to 1,851 million yen.

(Note) Within the General Human Resources Services Business, the Company carries out manufacturing dispatching and contracting for its manufacturing-related human resources services, and 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. Also, the Company operates nursing care and welfare businesses for its Other Businesses.

② Operating profit

Operating profit for the period under review increased by 39.3% compared to the corresponding period of the previous year (1,403 million yen), to 1,954 million yen.

With regards to the General Human Resources Services Business, as a result of the effect of the substantial increase in revenue and the efforts to reduce the ratio of selling and administrative expenses, the rise in costs for the improvement of treatment of manufacturing staff and the investment in education were absorbed, and the operating profit increased by 48.4% compared to the corresponding period of the previous year (1,449 million yen), to 2,151 million yen.

Meanwhile, with regards to Other Businesses, although the number of residents of "Sweetpea Higashi Totsuka" increased, the costs of sales such as personnel and operating expenses could not be absorbed, and operating loss increased by 150 million yen compared to the corresponding period of the previous year (42 million yen operating loss), to 192 million yen.

③ Ordinary profit

Non-operating income for the period under review decreased by 10.2% compared to the corresponding period of the previous year (125 million yen), to 112 million yen. In addition, non-operating expenses decreased by 17.5% compared to the corresponding period of the previous year (116 million yen), to 95 million yen.

As a result, ordinary profit for the period under review increased by 39.6% compared to the corresponding period of the previous year (1,412 million yen), to 1,971 million yen.

④ Profit attributable to owners of parent

Income taxes for the period under review increased by 34.0% compared to the corresponding period of the previous year (511 million yen), and was posted at 685 million yen.

As a result, profit attributable to owners of parent increased by 42.7% compared to the corresponding period of the previous year (901 million yen), to 1,286 million yen.

(2) Description of Financial Position

(Assets)

Current assets at the end of the third quarter consolidated accounting period (hereinafter the “end of the period under review”) amounted to 12,262 million yen, which was a decrease of 490 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 1,233 million yen in cash and deposits, while notes and accounts receivable (trade) increased by 694 million yen.

Non-current assets at the end of the period under review amounted to 7,036 million yen, which was a decrease of 80 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 72 million yen in “other” under the investment and other assets category.

As a result, total assets amounted to 19,299 million yen, which was a decrease of 570 million yen from the end of the previous consolidated fiscal year.

(Liabilities)

Current liabilities at the end of the period under review amounted to 8,115 million yen, which was a decrease of 91 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 327 million yen in current portion of long-term loans payable, while accrued expenses increased by 273 million yen.

Non-current liabilities at the end of the period under review amounted to 1,293 million yen, which was a decrease of 1,052 million yen from the end of the previous consolidated fiscal year. This was mainly due to a 1,094 million yen decrease in long-term loans payable.

As a result, total liabilities amounted to 9,408 million yen, which was a decrease of 1,143 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 9,890 million yen, which was an increase of 573 million yen from the end of the previous consolidated fiscal year. This was mainly due to the 1,286 million yen in profit attributable to owners of parent, the 348 million yen in dividends of surplus, and the 342 million yen in purchase of treasury shares.

As a result, the equity ratio was 51.2% (46.9% at the end of the previous consolidated fiscal year).

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

Based on the Company’s performance during the period under review, the Consolidated Forecast for the full year which was announced on May 10, 2018 has been revised.

For details, please refer to the “Notice regarding Revisions to Earnings Forecast” announced today (February 7, 2019).

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: Thousand yen)

	FY 3/18 (As of Mar. 31, 2018)	3Q of FY 3/19 (As of Dec. 31, 2018)
Assets		
Current assets		
Cash and deposits	5,283,739	4,050,665
Notes and accounts receivable - trade	6,791,691	7,485,975
Other	684,061	731,836
Allowance for doubtful accounts	(6,444)	(5,780)
Total current assets	12,753,048	12,262,697
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,113,842	2,065,269
Land	2,771,384	2,771,384
Other, net	109,108	159,670
Total property, plant and equipment	4,994,335	4,996,324
Intangible assets	380,215	370,481
Investments and other assets		
Other	1,744,344	1,671,710
Allowance for doubtful accounts	(1,742)	(1,727)
Total investments and other assets	1,742,601	1,669,983
Total non-current assets	7,117,152	7,036,788
Total assets	19,870,200	19,299,485
Liabilities		
Current liabilities		
Current portion of long-term loans payable	501,889	174,782
Accrued expenses	4,331,212	4,604,770
Income taxes payable	632,856	462,183
Provision for bonuses	528,328	351,879
Other	2,212,673	2,521,677
Total current liabilities	8,206,960	8,115,294
Non-current liabilities		
Long-term loans payable	1,883,221	788,226
Net defined benefit liability	36,418	86,768
Other	425,978	418,498
Total non-current liabilities	2,345,618	1,293,492
Total liabilities	10,552,579	9,408,787
Net assets		
Shareholders' equity		
Capital stock	1,985,364	1,995,990
Capital surplus	2,336,314	2,346,940
Retained earnings	4,808,584	5,746,621
Treasury shares	-	(342,556)
Total shareholders' equity	9,130,263	9,746,995
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	160,525	118,060
Foreign currency translation adjustment	1,529	1,318
Remeasurements of defined benefit plans	25,302	24,324
Total accumulated other comprehensive income	187,357	143,702
Total net assets	9,317,621	9,890,698
Total liabilities and net assets	19,870,200	19,299,485

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
(Quarterly Consolidated Statement of Income)
(For the First Nine Months ended December 31, 2018)

(Unit: Thousand yen)

	First nine months of FY 3/18 (Apr. 1, 2017 - Dec. 31, 2017)	First nine months of FY 3/19 (Apr. 1, 2018 - Dec. 31, 2018)
Net sales	43,687,352	51,219,278
Cost of sales	35,912,596	42,241,554
Gross profit	7,774,756	8,977,724
Selling, general and administrative expenses	6,371,055	7,022,813
Operating profit	1,403,700	1,954,910
Non-operating income		
Interest income	868	1,359
Dividend income	13,354	13,530
Share of profit of entities accounted for using equity method	5,172	—
Subsidy income	42,985	37,536
House rent income	44,897	33,001
Other	17,788	26,893
Total non-operating income	125,065	112,321
Non-operating expenses		
Interest expenses	64,714	26,523
Share of loss of entities accounted for using equity method	—	1,845
Rent expenses	27,488	15,680
Other	23,922	51,767
Total non-operating expenses	116,126	95,817
Ordinary profit	1,412,639	1,971,414
Profit before income taxes	1,412,639	1,971,414
Income taxes - current	274,507	632,145
Income taxes - deferred	236,986	53,002
Total income taxes	511,494	685,147
Profit	901,145	1,286,267
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	901,145	1,286,267

(Quarterly Consolidated Statement of Comprehensive Income)
(For the First Nine Months ended December 31, 2018)

(Unit: Thousand yen)

	First nine months of FY 3/18 (Apr. 1, 2017 - Dec. 31, 2017)	First nine months of FY 3/19 (Apr. 1, 2018 - Dec. 31, 2018)
Profit	901,145	1,286,267
Other comprehensive income		
Valuation difference on available-for-sale securities	12,403	(42,464)
Remeasurements of defined benefit plans, net of tax	(1,251)	(978)
Share of other comprehensive income of entities accounted for using equity method	158	(211)
Total other comprehensive income	11,310	(43,654)
Comprehensive income	912,455	1,242,612
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	912,455	1,242,612
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes regarding Quarterly Consolidated Financial Statements

(Notes regarding the Going Concern Assumption)

Not applicable.

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

Based on the resolution of the Board of Directors' Meeting held on November 15, 2018, the Company purchased/re-acquired 200,000 treasury shares. As a result, treasury shares increased by 342 million yen during the current consolidated cumulative third quarter, and treasury shares amounted to 342 million at the end of the third quarter consolidated accounting period.

(Additional Information)

(Application of "Partial Revisions to 'Accounting Standards for Tax Effect Accounting' ")

"Partial Revisions to 'Accounting Standards for Tax Effect Accounting' "(ASBJ [Accounting Standards Board of Japan] Statement No. 28, February 16, 2018) have been applied from the beginning of the first quarter consolidated accounting period, and deferred tax assets have been included in the investment and other assets category.