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Consolidated Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP]

August 7, 2024

Company name: NSW Inc.

Listing: Tokyo

Securities code: 9739

URL: <https://www.nsw.co.jp/>

Representative: Shoji Tada

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: None

Holding of financial results briefing: None

President (Representative Director)

Executive Vice President Corporate Officer and Member of the Board

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2024	10,982	1.7	962	7.5	976	6.9	662	15.3
June 30, 2023	10,794	15.2	894	24.4	913	23.8	574	18.5

(Note) Comprehensive income: Three months ended June 30, 2024: ¥ 705 million [22.1%]
Three months ended June 30, 2023: ¥ 577 million [17.6%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	44.45	-
June 30, 2023	38.56	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	42,364	33,059	78.0
March 31, 2024	44,138	33,174	75.2

(Reference) Equity: As of June 30, 2024: ¥ 33,059 million
As of March 31, 2024: ¥ 33,174 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	30.00	-	55.00	85.00
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (Forecast)		40.00	-	45.00	85.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending March 31, 2025 :

Commemorative dividend	- yen
Special dividend	- yen

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	52,000	3.4	6,000	2.3	6,050	1.8	4,175	(2.6)	280.21

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included:	-	(Company name:)
Excluded:	-	(Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2024:	14,900,000 shares
March 31, 2024:	14,900,000 shares

2) Number of treasury shares at the end of the period:

June 30, 2024:	586 shares
March 31, 2024:	586 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2024:	14,899,414 shares
Three months ended June 30, 2023:	14,899,463 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

※This Consolidated Financial Report is not subject to audit procedures by certified public accountants or auditing firm.

※The consolidated financial results forecasts are based on information currently available to The Company and on certain assumption deemed to be reasonable. As a result of various factor that may arise in the future, actual results may differ from the Company's forecast

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	18,812	18,640
Notes and accounts receivable - trade, and contract assets	12,821	10,415
Electronically recorded monetary claims - operating	270	177
Merchandise	1,256	1,222
Work in process	647	1,318
Supplies	1	1
Other	430	979
Allowance for doubtful accounts	(21)	(21)
Total current assets	34,218	32,734
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,893	1,924
Tools, furniture and fixtures, net	339	333
Land	3,493	3,493
Other, net	8	7
Total property, plant and equipment	5,735	5,759
Intangible assets		
Software	34	31
Software in progress	209	226
Goodwill	58	55
Other	20	20
Total intangible assets	322	333
Investments and other assets		
Investment securities	758	807
Deferred tax assets	1,482	1,159
Other	1,634	1,583
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	3,862	3,537
Total non-current assets	9,920	9,630
Total assets	44,138	42,364

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	3,396	2,816
Income taxes payable	745	73
Accrued consumption taxes	498	425
Provision for bonuses	1,488	533
Provision for loss on construction contracts	13	12
Other	1,916	2,554
Total current liabilities	8,058	6,415
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	2	2
Retirement benefit liability	2,720	2,702
Other	184	185
Total non-current liabilities	2,906	2,889
Total liabilities	10,964	9,304
Net assets		
Shareholders' equity		
Share capital	5,500	5,500
Capital surplus	86	86
Retained earnings	27,568	27,411
Treasury shares	(1)	(1)
Total shareholders' equity	33,153	32,996
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17	51
Foreign currency translation adjustment	35	43
Remeasurements of defined benefit plans	(33)	(31)
Total accumulated other comprehensive income	20	63
Total net assets	33,174	33,059
Total liabilities and net assets	44,138	42,364

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Net sales	10,794	10,982
Cost of sales	8,814	8,953
Gross profit	1,979	2,028
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	43	46
Corporate officer' compensations	50	63
Salaries and bonuses	407	415
Retirement benefit expenses	17	17
Welfare expenses	82	80
Communication and transportation expenses	47	50
Outsourcing expenses	99	102
Rent expenses	85	49
Other	251	239
Total selling, general and administrative expenses	1,085	1,066
Operating profit	894	962
Non-operating income		
Interest income	0	10
Foreign exchange gains	5	2
Other	12	4
Total non-operating income	18	17
Non-operating expenses		
Settlement payments	-	1
Other	0	1
Total non-operating expenses	0	2
Ordinary profit	913	976
Extraordinary income		
Gain on sale of non-current assets	0	-
Total extraordinary income	0	-
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	912	976
Income taxes - current	84	7
Income taxes - deferred	253	307
Total income taxes	338	314
Profit	574	662
Profit attributable to owners of parent	574	662

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Profit	574	662
Other comprehensive income		
Valuation difference on available-for-sale securities	(2)	33
Foreign currency translation adjustment	2	7
Remeasurements of defined benefit plans, net of tax	3	1
Total other comprehensive income	3	43
Comprehensive income	577	705
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	577	705

Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	912	976
Depreciation	102	109
Amortization of goodwill	6	3
Increase (decrease) in provision for bonuses	(848)	(955)
Increase (decrease) in provision for loss on construction contracts	16	(1)
Increase (decrease) in retirement benefit liability	31	(15)
Interest and dividend income	(0)	(10)
Decrease (increase) in trade receivables	3,858	2,499
Decrease (increase) in inventories	(989)	(635)
Increase (decrease) in trade payables	(549)	(579)
Increase (decrease) in advances received	75	175
Increase (decrease) in accrued consumption taxes	63	(72)
Decrease (increase) in prepaid expenses	(459)	(537)
Increase (decrease) in accounts payable - other	(54)	(93)
Increase (decrease) in accrued expenses	196	142
Increase (decrease) in income taxes payable - factor based tax	(82)	(78)
Increase (decrease) in deposits received	496	373
Increase (decrease) in other current liabilities	-	42
Other, net	(5)	(7)
Subtotal	2,772	1,334
Interest and dividends received	0	0
Income taxes paid	(911)	(600)
Net cash provided by (used in) operating activities	1,861	734
Cash flows from investing activities		
Purchase of property, plant and equipment	(83)	(92)
Purchase of intangible assets	(10)	(22)
Payments of leasehold and guarantee deposits	(17)	(0)
Proceeds from refund of leasehold and guarantee deposits	-	27
Purchase of long-term prepaid expenses	(0)	(19)
Other, net	(0)	(0)
Net cash provided by (used in) investing activities	(113)	(107)
Cash flows from financing activities		
Dividends paid	(438)	(806)
Net cash provided by (used in) financing activities	(438)	(806)
Effect of exchange rate change on cash and cash equivalents	2	7
Net increase (decrease) in cash and cash equivalents	1,312	(172)
Cash and cash equivalents at beginning of period	15,352	10,812
Cash and cash equivalents at end of period	16,665	10,640