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Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

November 11, 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 file semi-annual securities report: November 14, 2024

Scheduled date to commence dividend payments: December 3, 2024

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

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 Six Months Ended September 30, 2024 (April 1, 2024 to September 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	%
Six months ended September 30, 2024	24,208	1.8	2,756	1.6	2,777	1.0	1,905	(1.8)
September 30, 2023	23,782	12.6	2,713	20.7	2,749	20.4	1,940	27.0

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ 1,894 million [1.8%]
Six months ended September 30, 2023: ¥ 1,860 million [20.5%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	127.88	-
September 30, 2023	130.25	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	44,877	34,248	76.3
March 31, 2024	44,138	33,174	75.2

(Reference) Equity: As of September 30, 2024: ¥ 34,248 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	-	40.00			
Fiscal year ending March 31, 2025 (Forecast)			-	45.00	85.00

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

(Note) Breakdown of the 2nd 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 semi-annual 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):

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

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

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

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024:	14,899,414 shares
Six months ended September 30, 2023:	14,899,463 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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.

Semi-annual Consolidated Financial Statements
Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	18,812	18,679
Notes and accounts receivable - trade, and contract assets	12,821	12,714
Electronically recorded monetary claims - operating	270	201
Merchandise	1,256	1,309
Work in process	647	1,536
Supplies	1	1
Other	430	776
Allowance for doubtful accounts	(21)	(21)
Total current assets	34,218	35,200
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,893	1,874
Tools, furniture and fixtures, net	339	318
Land	3,493	3,493
Other, net	8	35
Total property, plant and equipment	5,735	5,720
Intangible assets		
Software	34	29
Software in progress	209	245
Goodwill	58	52
Other	20	20
Total intangible assets	322	347
Investments and other assets		
Investment securities	758	715
Deferred tax assets	1,482	1,322
Other	1,634	1,584
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	3,862	3,609
Total non-current assets	9,920	9,677
Total assets	44,138	44,877

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	3,396	3,748
Income taxes payable	745	840
Accrued consumption taxes	498	300
Provision for bonuses	1,488	1,044
Provision for loss on construction contracts	13	9
Other	1,916	1,774
Total current liabilities	8,058	7,717
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	2	2
Retirement benefit liability	2,720	2,725
Other	184	182
Total non-current liabilities	2,906	2,910
Total liabilities	10,964	10,628
Net assets		
Shareholders' equity		
Share capital	5,500	5,500
Capital surplus	86	86
Retained earnings	27,568	28,654
Treasury shares	(1)	(1)
Total shareholders' equity	33,153	34,239
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17	(12)
Foreign currency translation adjustment	35	52
Remeasurements of defined benefit plans	(33)	(30)
Total accumulated other comprehensive income	20	9
Total net assets	33,174	34,248
Total liabilities and net assets	44,138	44,877

Semi-annual Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	23,782	24,208
Cost of sales	18,965	19,345
Gross profit	4,817	4,863
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	87	94
Corporate officer' compensations	96	118
Salaries and bonuses	824	825
Retirement benefit expenses	42	33
Welfare expenses	163	157
Communication and transportation expenses	99	104
Outsourcing expenses	166	214
Rent expenses	171	98
Other	452	457
Total selling, general and administrative expenses	2,103	2,106
Operating profit	2,713	2,756
Non-operating income		
Interest income	6	16
Foreign exchange gains	7	-
Dividend income of insurance	6	9
Other	17	10
Total non-operating income	37	37
Non-operating expenses		
Foreign exchange losses	-	13
Other	1	3
Total non-operating expenses	1	16
Ordinary profit	2,749	2,777
Extraordinary income		
Gain on sale of non-current assets	0	-
Gain on sale of investment securities	135	-
Total extraordinary income	135	-
Extraordinary losses		
Loss on retirement of non-current assets	31	0
Total extraordinary losses	31	0
Profit before income taxes	2,853	2,777
Income taxes - current	879	699
Income taxes - deferred	33	172
Total income taxes	913	871
Profit	1,940	1,905
Profit attributable to owners of parent	1,940	1,905

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	1,940	1,905
Other comprehensive income		
Valuation difference on available-for-sale securities	(87)	(29)
Foreign currency translation adjustment	5	16
Remeasurements of defined benefit plans, net of tax	1	2
Total other comprehensive income	(79)	(10)
Comprehensive income	1,860	1,894
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,860	1,894

Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	2,853	2,777
Depreciation	216	220
Amortization of goodwill	13	6
Increase (decrease) in provision for bonuses	(191)	(444)
Increase (decrease) in provision for loss on construction contracts	16	(4)
Increase (decrease) in retirement benefit liability	55	9
Interest and dividend income	(6)	(16)
Loss (gain) on sale of investment securities	(135)	-
Decrease (increase) in trade receivables	1,551	175
Decrease (increase) in inventories	(622)	(942)
Increase (decrease) in trade payables	(296)	352
Increase (decrease) in advances received	42	249
Increase (decrease) in accrued consumption taxes	(8)	(197)
Decrease (increase) in prepaid expenses	(67)	(368)
Increase (decrease) in accounts payable - other	(33)	(78)
Increase (decrease) in accrued expenses	182	(204)
Increase (decrease) in deposits received	142	(118)
Increase (decrease) in other liabilities	-	42
Other, net	36	(0)
Subtotal	3,749	1,459
Interest and dividends received	0	40
Income taxes paid	(898)	(605)
Net cash provided by (used in) operating activities	2,852	893
Cash flows from investing activities		
Payments into time deposits	(8,000)	-
Proceeds from withdrawal of time deposits	-	8,000
Purchase of property, plant and equipment	(101)	(180)
Purchase of intangible assets	(87)	(35)
Purchase of investment securities	(732)	-
Proceeds from sale of investment securities	134	-
Payments of leasehold and guarantee deposits	(17)	(0)
Proceeds from refund of leasehold and guarantee deposits	-	27
Purchase of long-term prepaid expenses	(147)	(25)
Other, net	(9)	(9)
Net cash provided by (used in) investing activities	(8,962)	7,776
Cash flows from financing activities		
Dividends paid	(446)	(818)
Net cash provided by (used in) financing activities	(446)	(818)
Effect of exchange rate change on cash and cash equivalents	5	16
Net increase (decrease) in cash and cash equivalents	(6,551)	7,867
Cash and cash equivalents at beginning of period	15,352	10,812
Cash and cash equivalents at end of period	8,800	18,679