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Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]

August 7, 2023

Company name: NSW Inc.
Stock exchange listing: Tokyo
Code number: 9739
URL: <https://www.nsw.co.jp/>
Representative: Shoji Tada
Contact: Yuzuru Suka
Phone: +81-3-3770-1111

President (Representative Director)
Senior Executive Corporate Officer and Member of the Board

Scheduled date of filing quarterly securities report: August 14, 2023
Scheduled date of commencing dividend payments: -
Availability of supplementary briefing material on quarterly financial results: No
Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	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, 2023	10,794	15.2	894	24.4	913	23.8	574	18.5
June 30, 2022	9,368	5.7	719	1.5	737	3.3	484	(0.6)

(Note) Comprehensive income: Three months ended June 30, 2023: ¥ 577 million [17.6%]
Three months ended June 30, 2022: ¥ 491 million [(0.3)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2023	38.56	-
June 30, 2022	32.54	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	39,177	30,009	76.6
March 31, 2023	40,663	29,878	73.5

(Reference) Equity: As of June 30, 2023: ¥ 30,009 million
As of March 31, 2023: ¥ 29,878 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, 2023	-	25.00	-	30.00	55.00
Fiscal year ending March 31, 2024	-				
Fiscal year ending March 31, 2024 (Forecast)		25.00	-	30.00	55.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending March 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	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
Six months ending September 30, 2023	22,500	6.5	2,400	6.7	2,420	6.0	1,670	9.3	112.08
Full year	48,500	5.0	5,600	3.9	5,650	3.8	3,950	(3.4)	265.11

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

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

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

June 30, 2023: 14,900,000 shares

March 31, 2023: 14,900,000 shares

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

June 30, 2023: 537 shares

March 31, 2023: 537 shares

3) Average number of shares outstanding during the period:

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

Three months ended June 30, 2022: 14,899,463 shares

※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, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	15,352	16,665
Notes receivable - trade	28	99
Accounts receivable - trade	12,376	8,541
Electronically recorded monetary claims - operating	285	190
Merchandise	918	863
Work in process	1,278	2,323
Supplies	1	1
Other	427	815
Total current assets	30,669	29,501
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,038	1,988
Tools, furniture and fixtures, net	297	286
Land	3,861	3,861
Other, net	7	7
Total property, plant and equipment	6,205	6,142
Intangible assets		
Software	40	38
Software in progress	92	100
Goodwill	148	141
Other	20	20
Total intangible assets	301	300
Investments and other assets		
Investment securities	158	154
Deferred tax assets	1,705	1,451
Other	1,635	1,639
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	3,486	3,232
Total non-current assets	9,993	9,676
Total assets	40,663	39,177

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	3,478	2,920
Income taxes payable	1,020	111
Accrued consumption taxes	373	436
Provision for bonuses	1,374	526
Provision for loss on construction contracts	-	16
Other	1,727	2,318
Total current liabilities	7,974	6,330
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	2	2
Retirement benefit liability	2,602	2,629
Other	204	205
Total non-current liabilities	2,809	2,837
Total liabilities	10,784	9,167
Net assets		
Shareholders' equity		
Share capital	5,500	5,500
Capital surplus	86	86
Retained earnings	24,175	24,302
Treasury shares	(0)	(0)
Total shareholders' equity	29,760	29,887
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	98	96
Foreign currency translation adjustment	30	32
Remeasurements of defined benefit plans	(10)	(6)
Total accumulated other comprehensive income	118	121
Total net assets	29,878	30,009
Total liabilities and net assets	40,663	39,177

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, 2022	For the three months ended June 30, 2023
Net sales	9,368	10,794
Cost of sales	7,723	8,814
Gross profit	1,645	1,979
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	37	43
Corporate officer' compensations	50	50
Salaries and bonuses	399	407
Retirement benefit expenses	17	17
Welfare expenses	75	82
Communication and transportation expenses	33	47
Outsourcing expenses	72	99
Rent expenses	32	85
Other	206	251
Total selling, general and administrative expenses	925	1,085
Operating profit	719	894
Non-operating income		
Foreign exchange gains	8	5
Subsidy income	0	5
Other	9	7
Total non-operating income	18	18
Non-operating expenses		
Loss on sale of receivables	0	0
Other	-	0
Total non-operating expenses	0	0
Ordinary profit	737	913
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	737	912
Income taxes - current	7	84
Income taxes - deferred	245	253
Total income taxes	252	338
Profit	484	574
Profit attributable to owners of parent	484	574

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

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit	484	574
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	(2)
Foreign currency translation adjustment	7	2
Remeasurements of defined benefit plans, net of tax	0	3
Total other comprehensive income	6	3
Comprehensive income	491	577
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	491	577

Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Cash flows from operating activities		
Profit before income taxes	737	912
Depreciation	107	102
Amortization of goodwill	7	6
Increase (decrease) in provision for bonuses	(868)	(848)
Increase (decrease) in provision for loss on construction contracts	23	16
Increase (decrease) in retirement benefit liability	39	31
Interest and dividend income	(0)	(0)
Decrease (increase) in trade receivables	3,063	3,858
Decrease (increase) in inventories	(1,048)	(989)
Increase (decrease) in trade payables	(178)	(549)
Increase (decrease) in advances received	96	75
Increase (decrease) in accrued consumption taxes	(172)	63
Decrease (increase) in prepaid expenses	(424)	(459)
Increase (decrease) in accounts payable - other	(63)	(54)
Increase (decrease) in accrued expenses	113	196
Increase (decrease) in income taxes payable - factor based tax	(100)	(82)
Increase (decrease) in deposits received	477	496
Other, net	(6)	(5)
Subtotal	1,803	2,772
Interest and dividends received	0	0
Income taxes paid	(1,157)	(911)
Net cash provided by (used in) operating activities	646	1,861
Cash flows from investing activities		
Purchase of property, plant and equipment	(27)	(83)
Purchase of intangible assets	(16)	(10)
Payments of leasehold and guarantee deposits	(59)	(17)
Other, net	(13)	(1)
Net cash provided by (used in) investing activities	(117)	(113)
Cash flows from financing activities		
Dividends paid	(436)	(438)
Net cash provided by (used in) financing activities	(436)	(438)
Effect of exchange rate change on cash and cash equivalents	7	2
Net increase (decrease) in cash and cash equivalents	101	1,312
Cash and cash equivalents at beginning of period	15,176	15,352
Cash and cash equivalents at end of period	15,277	16,665