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Consolidated Financial Results for the Year Ended March 31, 2023 [Japanese GAAP]

May 15, 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 Annual General Meeting of Shareholders: June 21, 2023
Scheduled date of commencing dividend payments: June 22, 2023
Scheduled date of filing annual securities report: June 21, 2023
Availability of supplementary briefing material on annual financial results: Yes
Schedule of annual financial results briefing session: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 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	%
Fiscal year ended March 31, 2023	46,188	6.3	5,387	9.5	5,442	8.3	4,090	17.9
March 31, 2022	43,452	10.6	4,919	17.2	5,025	18.5	3,469	25.5

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ 4,181 million [19.7%]
Fiscal year ended March 31, 2022: ¥ 3,494 million [26.3%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	274.54	-	14.5	14.0	11.7
March 31, 2022	232.89	-	13.8	14.5	11.3

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: ¥ - million
Fiscal year ended March 31, 2022: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	40,663	29,878	73.5	2,005.37
March 31, 2022	36,813	26,516	72.0	1,779.70

(Reference) Equity: As of March 31, 2023: ¥ 29,878 million
As of March 31, 2022: ¥ 26,516 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	1,998	(1,010)	(818)	15,352
March 31, 2022	3,732	(344)	(607)	15,176

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2022	-	20.00	-	30.00	50.00	744	21.5	3.0
March 31, 2023	-	25.00	-	30.00	55.00	819	20.0	2.9
Fiscal year ending March 31, 2024 (Forecast)	-	25.00	-	30.00	55.00		20.7	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2023 :

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

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New	-	(Company name:)
Exclusion:	-	(Company name:)

(2) 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

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

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

March 31, 2023:	14,900,000 shares
March 31, 2022:	14,900,000 shares

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

March 31, 2023:	537 shares
March 31, 2022:	537 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2023:	14,899,463 shares
Fiscal Year ended March 31, 2022:	14,899,501 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	44,061	6.5	5,202	8.9	5,316	9.2	4,032	19.3
March 31, 2022	41,356	10.1	4,777	18.1	4,870	18.1	3,380	24.9

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	270.67	-
March 31, 2022	226.86	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	39,704	29,261	73.7	1,963.96
March 31, 2022	35,757	25,980	72.7	1,743.72

(Reference) Equity: As of March 31, 2023: ¥ 29,261 million
As of March 31, 2022: ¥ 25,980 million

※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.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	15,176	15,352
Notes receivable - trade	15	28
Accounts receivable - trade	10,764	12,376
Electronically recorded monetary claims - operating	143	285
Merchandise	339	918
Work in process	1,183	1,278
Supplies	2	1
Other	298	427
Total current assets	27,924	30,669
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,886	2,038
Tools, furniture and fixtures, net	294	297
Land	3,861	3,861
Other, net	16	7
Total property, plant and equipment	6,058	6,205
Intangible assets		
Software	64	40
Software in progress	-	92
Goodwill	178	148
Other	20	20
Total intangible assets	263	301
Investments and other assets		
Investment securities	59	158
Deferred tax assets	1,350	1,705
Other	1,169	1,635
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	2,567	3,486
Total non-current assets	8,888	9,993
Total assets	36,813	40,663

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	2,942	3,478
Income taxes payable	1,312	1,020
Accrued consumption taxes	572	373
Provision for bonuses	1,353	1,374
Provision for loss on construction contracts	3	-
Other	1,426	1,727
Total current liabilities	7,613	7,974
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	2	2
Retirement benefit liability	2,540	2,602
Other	141	204
Total non-current liabilities	2,683	2,809
Total liabilities	10,296	10,784
Net assets		
Shareholders' equity		
Share capital	5,500	5,500
Capital surplus	86	86
Retained earnings	20,904	24,175
Treasury shares	(0)	(0)
Total shareholders' equity	26,489	29,760
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	30	98
Foreign currency translation adjustment	24	30
Remeasurements of defined benefit plans	(27)	(10)
Total accumulated other comprehensive income	27	118
Total net assets	26,516	29,878
Total liabilities and net assets	36,813	40,663

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	43,452	46,188
Cost of sales	34,768	36,785
Gross profit	8,683	9,403
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	144	152
Corporate officer' compensations	191	193
Salaries and bonuses	1,585	1,623
Retirement benefit expenses	71	69
Welfare expenses	311	317
Communication and transportation expenses	124	141
Outsourcing expenses	301	282
Rent expenses	143	298
Other	889	935
Total selling, general and administrative expenses	3,763	4,015
Operating profit	4,919	5,387
Non-operating income		
Purchase discounts	9	11
Foreign exchange gains	-	8
Dividend income of insurance	4	10
Other	95	26
Total non-operating income	108	57
Non-operating expenses		
Loss on sale of receivables	0	0
Foreign exchange losses	1	-
Loss on cancellation of insurance policies	0	0
Other	0	1
Total non-operating expenses	2	2
Ordinary profit	5,025	5,442
Extraordinary income		
Gain on sale of non-current assets	1	0
Gain on sale of investment securities	55	-
Total extraordinary income	57	0
Extraordinary losses		
Loss on retirement of non-current assets	1	2
Loss on sale of non-current assets	-	0
Total extraordinary losses	1	3
Profit before income taxes	5,080	5,439
Income taxes - current	1,734	1,741
Income taxes - deferred	(123)	(392)
Total income taxes	1,610	1,348
Profit	3,469	4,090
Profit attributable to owners of parent	3,469	4,090

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	3,469	4,090
Other comprehensive income		
Valuation difference on available-for-sale securities	20	68
Foreign currency translation adjustment	13	6
Remeasurements of defined benefit plans, net of tax	(9)	17
Total other comprehensive income	24	91
Comprehensive income	3,494	4,181
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,494	4,181

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income				Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders equity	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 period	5,500	86	18,030	(0)	23,615	10	10	(18)	2	23,618
Changes during period										
Dividends of surplus			(595)		(595)					(595)
Profit attributable to owners of parent			3,469		3,469					3,469
Purchase of treasury shares				(0)	(0)					(0)
Net changes in items other than shareholders' equity						20	13	(9)	24	24
Total changes during period	-	-	2,874	(0)	2,873	20	13	(9)	24	2,898
Balance at end of period	5,500	86	20,904	(0)	26,489	30	24	(27)	27	26,516

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income				Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders equity	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 period	5,500	86	20,904	(0)	26,489	30	24	(27)	27	26,516
Changes during period										
Dividends of surplus			(819)		(819)					(819)
Profit attributable to owners of parent			4,090		4,090					4,090
Purchase of treasury shares					-					-
Net changes in items other than shareholders' equity						68	6	17	91	91
Total changes during period	-	-	3,270	-	3,270	68	6	17	91	3,362
Balance at end of period	5,500	86	24,175	(0)	29,760	98	30	(10)	118	29,878

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	5,080	5,439
Depreciation	540	414
Amortization of goodwill	16	29
Increase (decrease) in provision for bonuses	196	21
Increase (decrease) in retirement benefit liability	103	86
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(54)	-
Interest and dividend income	(1)	(1)
Interest expenses	0	-
Loss (gain) on sale and valuation of investment securities	(55)	-
Loss on retirement of non-current assets	1	2
Gain on maturity of insurance contract	(58)	-
Decrease (increase) in trade receivables	(1,114)	(1,765)
Decrease (increase) in inventories	(4)	(674)
Increase (decrease) in trade payables	292	544
Increase (decrease) in advances received	(123)	(65)
Decrease/increase in consumption taxes payable	108	(199)
Other, net	(25)	188
Subtotal	4,903	4,020
Interest and dividends received	1	1
Interest paid	(0)	-
Income taxes paid	(1,172)	(2,024)
Net cash provided by (used in) operating activities	3,732	1,998
Cash flows from investing activities		
Purchase of property, plant and equipment	(243)	(344)
Purchase of intangible assets	(16)	(101)
Proceeds from sale of investment securities	65	-
Payments of leasehold and guarantee deposits	(4)	(405)
Purchase of insurance funds	(12)	(11)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(186)	-
Purchase of long-term prepaid expenses	(73)	(159)
Other, net	127	11
Net cash provided by (used in) investing activities	(344)	(1,010)
Cash flows from financing activities		
Dividends paid	(595)	(818)
Other, net	(12)	-
Net cash provided by (used in) financing activities	(607)	(818)
Effect of exchange rate change on cash and cash equivalents	13	6
Net increase (decrease) in cash and cash equivalents	2,793	175
Cash and cash equivalents at beginning of period	12,383	15,176
Cash and cash equivalents at end of period	15,176	15,352