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Consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

May 13, 2024

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)
Executive Vice President Corporate Officer and Member of the Board

Scheduled date of Annual General Meeting of Shareholders: June 24, 2024
Scheduled date of commencing dividend payments: June 25, 2024
Scheduled date of filing annual securities report: June 24, 2024
Availability of supplementary briefing material on annual financial results: Yes
Schedule of annual financial results briefing session: Yes

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

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

(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, 2024	50,299	8.9	5,862	8.8	5,940	9.2	4,287	4.8
March 31, 2023	46,188	6.3	5,387	9.5	5,442	8.3	4,090	17.9

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥ 4,189 million [0.2%]
Fiscal year ended March 31, 2023: ¥ 4,181 million [19.7%]

	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
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	287.77	-	13.6	14.0	11.7
March 31, 2023	274.54	-	14.5	14.0	11.7

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: ¥ - million
Fiscal year ended March 31, 2023: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	44,138	33,174	75.2	2,226.53
March 31, 2023	40,663	29,878	73.5	2,005.37

(Reference) Equity: As of March 31, 2024: ¥ 33,174 million
As of March 31, 2023: ¥ 29,878 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2024	5,051	(8,703)	(894)	10,812
March 31, 2023	1,998	(1,010)	(818)	15,352

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, 2023	-	25.00	-	30.00	55.00	819	20.0	2.9
March 31, 2024	-	30.00	-	55.00	85.00	1,266	29.5	4.0
Fiscal year ending March 31, 2025 (Forecast)	—	40.00	-	45.00	85.00		30.3	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2024 :

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)

(% 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
Full year	52,000	3.4	6,000	2.3	6,050	1.8	4,175	(2.6)	280.21

* 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, 2024: 14,900,000 shares

March 31, 2023: 14,900,000 shares

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

March 31, 2024: 586 shares

March 31, 2023: 537 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024: 14,899,459 shares

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

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(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, 2024	48,084	9.1	5,683	9.3	5,815	9.4	4,185	3.8
March 31, 2023	44,061	6.5	5,202	8.9	5,316	9.2	4,032	19.3

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	280.90	-
March 31, 2023	270.67	-

(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, 2024	42,967	32,471	75.6	2,179.40
March 31, 2023	39,704	29,261	73.7	1,963.96

(Reference) Equity: As of March 31, 2024: ¥ 32,471 million
As of March 31, 2023: ¥ 29,261 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, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	15,352	18,812
Notes receivable - trade	28	-
Accounts receivable - trade, and contract assets	12,376	12,821
Electronically recorded monetary claims - operating	285	270
Merchandise	918	1,256
Work in process	1,278	647
Supplies	1	1
Other	427	430
Allowance for doubtful accounts	-	(21)
Total current assets	30,669	34,218
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,038	1,893
Tools, furniture and fixtures, net	297	339
Land	3,861	3,493
Other, net	7	8
Total property, plant and equipment	6,205	5,735
Intangible assets		
Software	40	34
Software in progress	92	209
Goodwill	148	58
Other	20	20
Total intangible assets	301	322
Investments and other assets		
Investment securities	158	758
Deferred tax assets	1,705	1,482
Other	1,635	1,634
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	3,486	3,862
Total non-current assets	9,993	9,920
Total assets	40,663	44,138

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	3,478	3,396
Income taxes payable	1,020	745
Accrued consumption taxes	373	498
Provision for bonuses	1,374	1,488
Provision for loss on construction contracts	-	13
Other	1,727	1,916
Total current liabilities	7,974	8,058
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	2	2
Retirement benefit liability	2,602	2,720
Other	204	184
Total non-current liabilities	2,809	2,906
Total liabilities	10,784	10,964
Net assets		
Shareholders' equity		
Share capital	5,500	5,500
Capital surplus	86	86
Retained earnings	24,175	27,568
Treasury shares	(0)	(1)
Total shareholders' equity	29,760	33,153
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	98	17
Foreign currency translation adjustment	30	35
Remeasurements of defined benefit plans	(10)	(33)
Total accumulated other comprehensive income	118	20
Total net assets	29,878	33,174
Total liabilities and net assets	40,663	44,138

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	46,188	50,299
Cost of sales	36,785	40,287
Gross profit	9,403	10,012
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	152	174
Corporate officer' compensations	193	188
Salaries and bonuses	1,623	1,668
Retirement benefit expenses	69	75
Welfare expenses	317	331
Communication and transportation expenses	141	207
Outsourcing expenses	282	313
Rent expenses	298	286
Provision of allowance for doubtful accounts	-	21
Other	935	882
Total selling, general and administrative expenses	4,015	4,149
Operating profit	5,387	5,862
Non-operating income		
Interest income	1	27
Foreign exchange gains	8	13
Dividend income of insurance	10	7
Subsidy income	4	11
Other	32	21
Total non-operating income	57	81
Non-operating expenses		
Loss on sale of receivables	0	0
Loss On Disaster	-	1
Loss on cancellation of insurance policies	0	-
Other	1	0
Total non-operating expenses	2	2
Ordinary profit	5,442	5,940
Extraordinary income		
Gain on sale of non-current assets	0	88
Gain on sale of investment securities	-	135
Total extraordinary income	0	224
Extraordinary losses		
Loss on retirement of non-current assets	2	32
Loss on sale of non-current assets	0	1
Impairment losses	-	63
Total extraordinary losses	3	96
Profit before income taxes	5,439	6,068
Income taxes - current	1,741	1,512
Income taxes - deferred	(392)	268
Total income taxes	1,348	1,781
Profit	4,090	4,287
Profit attributable to owners of parent	4,090	4,287

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	4,090	4,287
Other comprehensive income		
Valuation difference on available-for-sale securities	68	(81)
Foreign currency translation adjustment	6	5
Remeasurements of defined benefit plans, net of tax	17	(22)
Total other comprehensive income	91	(98)
Comprehensive income	4,181	4,189
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,181	4,189

Consolidated Statements of Changes in Equity

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

For the fiscal year ended March 31, 2024

(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	24,175	(0)	29,760	98	30	(10)	118	29,878
Changes during period										
Dividends of surplus			(893)		(893)					(893)
Profit attributable to owners of parent			4,287		4,287					4,287
Purchase of treasury shares				(0)	(0)					(0)
Net changes in items other than shareholders' equity						(81)	5	(22)	(98)	(98)
Total changes during period	-	-	3,393	(0)	3,393	(81)	5	(22)	(98)	3,295
Balance at end of period	5,500	86	27,568	(1)	33,153	17	35	(33)	20	33,174

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	5,439	6,068
Depreciation	414	439
Impairment losses	-	63
Amortization of goodwill	29	27
Increase (decrease) in allowance for doubtful accounts	-	21
Increase (decrease) in provision for bonuses	21	114
Increase (decrease) in provision for loss on construction contracts	(3)	13
Increase (decrease) in retirement benefit liability	86	84
Interest and dividend income	(1)	(27)
Loss (gain) on sale and valuation of investment securities	-	(135)
Loss (gain) on sale of non-current assets	0	(87)
Loss on retirement of non-current assets	2	32
Decrease (increase) in trade receivables	(1,765)	(399)
Decrease (increase) in inventories	(674)	294
Increase (decrease) in trade payables	544	(73)
Increase (decrease) in advances received	(65)	(105)
Decrease/increase in consumption taxes payable	(199)	125
Decrease (increase) in prepaid expenses	(36)	(21)
Increase (decrease) in accounts payable - other	64	93
Increase (decrease) in accrued expenses	172	173
Increase (decrease) in deposits received	6	140
Other, net	(14)	(5)
Subtotal	4,020	6,834
Interest and dividends received	1	0
Income taxes paid	(2,024)	(1,783)
Net cash provided by (used in) operating activities	1,998	5,051
Cash flows from investing activities		
Payments into time deposits	-	(8,100)
Purchase of property, plant and equipment	(344)	(290)
Proceeds from sale of property, plant and equipment	3	466
Purchase of intangible assets	(101)	(109)
Payments for asset retirement obligations	(4)	(26)
Purchase of investment securities	-	(732)
Proceeds from sale of investment securities	-	149
Payments of leasehold and guarantee deposits	(405)	(26)
Proceeds from refund of leasehold and guarantee deposits	7	150
Purchase of insurance funds	(11)	(10)
Purchase of long-term prepaid expenses	(159)	(175)
Other, net	4	-
Net cash provided by (used in) investing activities	(1,010)	(8,703)
Cash flows from financing activities		
Purchase of treasury shares	-	(0)
Dividends paid	(818)	(894)
Net cash provided by (used in) financing activities	(818)	(894)
Effect of exchange rate change on cash and cash equivalents	6	5
Net increase (decrease) in cash and cash equivalents	175	(4,540)

Cash and cash equivalents at beginning of period	15,176	15,352
Cash and cash equivalents at end of period	15,352	10,812