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## Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

November 13, 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: November 14, 2023  
Scheduled date of commencing dividend payments: December 4, 2023  
Availability of supplementary briefing material on quarterly financial results: Yes  
Schedule of quarterly financial results briefing session: Yes

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

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 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	%
Six months ended September 30, 2023	23,782	12.6	2,713	20.7	2,749	20.4	1,940	27.0
September 30, 2022	21,127	2.8	2,248	4.0	2,283	4.4	1,528	2.4

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 1,860 million [ 20.5%]  
Six months ended September 30, 2022: ¥ 1,544 million [ 2.8%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	130.25	-
September 30, 2022	102.57	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	41,858	31,292	74.8
March 31, 2023	40,663	29,878	73.5

(Reference) Equity: As of September 30, 2023: ¥ 31,292 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	-	30.00			
Fiscal year ending March 31, 2024 (Forecast)			-	30.00	60.00

(Note) Revision to the forecast for dividends announced most recently: Yes

(Note) Breakdown of the 2nd 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
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 six months ended September 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):

September 30, 2023: 14,900,000 shares

March 31, 2023: 14,900,000 shares

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

September 30, 2023: 537 shares

March 31, 2023: 537 shares

3) Average number of shares outstanding during the period:

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

Six months ended September 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 September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	15,352	16,800
Notes receivable - trade	28	1
Accounts receivable - trade	12,376	10,949
Electronically recorded monetary claims - operating	285	189
Merchandise	918	793
Work in process	1,278	2,026
Supplies	1	1
Other	427	619
Total current assets	30,669	31,382
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,038	1,905
Tools, furniture and fixtures, net	297	284
Land	3,861	3,861
Other, net	7	6
Total property, plant and equipment	6,205	6,058
Intangible assets		
Software	40	35
Software in progress	92	176
Goodwill	148	135
Other	20	20
Total intangible assets	301	367
Investments and other assets		
Investment securities	158	749
Deferred tax assets	1,705	1,710
Other	1,635	1,604
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	3,486	4,050
Total non-current assets	9,993	10,476
Total assets	40,663	41,858

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	3,478	3,213
Income taxes payable	1,020	1,005
Accrued consumption taxes	373	364
Provision for bonuses	1,374	1,183
Provision for loss on construction contracts	-	16
Other	1,727	1,942
Total current liabilities	7,974	7,726
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	2	2
Retirement benefit liability	2,602	2,655
Other	204	182
Total non-current liabilities	2,809	2,840
Total liabilities	10,784	10,566
Net assets		
Shareholders' equity		
Share capital	5,500	5,500
Capital surplus	86	86
Retained earnings	24,175	25,668
Treasury shares	(0)	(0)
Total shareholders' equity	29,760	31,254
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	98	11
Foreign currency translation adjustment	30	36
Remeasurements of defined benefit plans	(10)	(8)
Total accumulated other comprehensive income	118	38
Total net assets	29,878	31,292
Total liabilities and net assets	40,663	41,858

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

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	21,127	23,782
Cost of sales	16,954	18,965
Gross profit	4,173	4,817
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	75	87
Corporate officer' compensations	100	96
Salaries and bonuses	790	824
Retirement benefit expenses	35	42
Welfare expenses	151	163
Communication and transportation expenses	67	99
Outsourcing expenses	132	166
Rent expenses	111	171
Other	460	452
Total selling, general and administrative expenses	1,924	2,103
Operating profit	2,248	2,713
Non-operating income		
Foreign exchange gains	8	7
Other	26	29
Total non-operating income	35	37
Non-operating expenses		
Loss on sale of receivables	0	0
Loss On Disaster	-	1
Loss on cancellation of insurance policies	0	-
Total non-operating expenses	1	1
Ordinary profit	2,283	2,749
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	-	135
Total extraordinary income	0	135
Extraordinary losses		
Loss on retirement of non-current assets	2	31
Total extraordinary losses	2	31
Profit before income taxes	2,280	2,853
Income taxes - current	585	879
Income taxes - deferred	166	33
Total income taxes	752	913
Profit	1,528	1,940
Profit attributable to owners of parent	1,528	1,940

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

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	1,528	1,940
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	(87)
Foreign currency translation adjustment	14	5
Remeasurements of defined benefit plans, net of tax	1	1
Total other comprehensive income	15	(79)
Comprehensive income	1,544	1,860
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,544	1,860

## Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,280	2,853
Depreciation	207	216
Amortization of goodwill	15	13
Increase (decrease) in provision for bonuses	(393)	(191)
Increase (decrease) in provision for loss on construction contracts	11	16
Increase (decrease) in retirement benefit liability	68	55
Interest and dividend income	(0)	(6)
Loss (gain) on sale of investment securities	-	(135)
Loss on retirement of non-current assets	2	31
Decrease (increase) in trade receivables	1,117	1,551
Decrease (increase) in inventories	(855)	(622)
Increase (decrease) in trade payables	(203)	(296)
Increase (decrease) in advances received	42	42
Increase (decrease) in accrued consumption taxes	(300)	(8)
Decrease (increase) in prepaid expenses	(195)	(67)
Increase (decrease) in accounts payable - other	28	(33)
Increase (decrease) in accrued expenses	2	182
Increase (decrease) in deposits received	10	142
Other, net	(23)	4
Subtotal	1,813	3,749
Interest and dividends received	0	0
Income taxes paid	(1,157)	(898)
Net cash provided by (used in) operating activities	657	2,852
<b>Cash flows from investing activities</b>		
Payments into time deposits	-	(8,000)
Purchase of property, plant and equipment	(86)	(101)
Purchase of intangible assets	(68)	(87)
Purchase of investment securities	-	(732)
Proceeds from sale of investment securities	-	134
Payments of leasehold and guarantee deposits	(405)	(17)
Purchase of long-term prepaid expenses	(116)	(147)
Other, net	(7)	(9)
Net cash provided by (used in) investing activities	(686)	(8,962)
<b>Cash flows from financing activities</b>		
Dividends paid	(446)	(446)
Net cash provided by (used in) financing activities	(446)	(446)
Effect of exchange rate change on cash and cash equivalents	14	5
Net increase (decrease) in cash and cash equivalents	(460)	(6,551)
Cash and cash equivalents at beginning of period	15,176	15,352
Cash and cash equivalents at end of period	14,716	8,800