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Consolidated Financial Results for the Three Months Ended June 30, 2021 [Japanese GAAP]

August 02, 2021

Company name: NIPPON SYSTEMWARE CO., LTD.

Stock exchange listing: Tokyo

Code number: 9739

URL: <https://www.nsw.co.jp/>

Representative: Shoji Tada

President (Representative Director)

Contact: Yuzuru Suka

Executive Corporate Officer and Member of the Board

Phone: 03-3770-1111

Scheduled date of filing quarterly securities report: August 13, 2021

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, 2021 (April 01, 2021 to June 30, 2021)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2021	8,864	15.4	708	31.5	713	32.2	487	18.4
June 30, 2020	7,682	(2.8)	538	(21.9)	540	(22.1)	412	(12.2)

(Note) Comprehensive income: Three months ended June 30, 2021: ¥ 492 million [19.2%]
Three months ended June 30, 2020: ¥ 413 million [(12.3)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2021	32.75	-
June 30, 2020	27.67	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
June 30, 2021	32,081	23,812	74.2
March 31, 2021	32,660	23,618	72.3

(Reference) Equity: As of June 30, 2021: ¥ 23,812 million
As of March 31, 2021: ¥ 23,618 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, 2021	-	20.00	-	20.00	40.00
Fiscal year ending March 31, 2022	-				
Fiscal year ending March 31, 2022 (Forecast)		20.00	-	20.00	40.00

(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, 2022 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022(April 01, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	円 銭
Six months ended September 30, 2021	19,200	8.2	1,800	3.1	1,820	3.3	1,250	11.8	83.90
Full year	42,000	6.9	4,300	2.4	4,340	2.4	2,950	6.7	197.99

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

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2021

(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: Yes

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, 2021: 14,900,000 shares

March 31, 2021: 14,900,000 shares

2) Total number of treasury shares at the end of the period:

June 30, 2021: 460 shares

March 31, 2021: 437 shares

3) Average number of shares during the period:

Three months ended June 30, 2021: 14,899,553 shares

Three months ended June 30, 2020: 14,899,569 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

(Million yen)

	As of March 31,2021	As of June 30,2021
Assets		
Current assets		
Cash and deposits	12,383	12,826
Notes and accounts receivable - trade	9,651	7,383
Electronically recorded monetary claims - operating	111	155
Merchandise	736	901
Work in process	731	1,676
Supplies	2	1
Other	362	761
Total current assets	23,980	23,706
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,995	1,932
Tools, furniture and fixtures, net	302	297
Land	3,861	3,861
Other, net	10	7
Total property, plant and equipment	6,168	6,099
Intangible assets		
Software	76	68
Other	25	24
Total intangible assets	101	93
Investments and other assets		
Investment securities	40	38
Deferred tax assets	1,198	975
Other	1,183	1,181
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	2,409	2,182
Total non-current assets	8,680	8,374
Total assets	32,660	32,081

(Million yen)

	As of March 31,2021	As of June 30,2021
Liabilities		
Current liabilities		
Accounts payable - trade	2,719	2,617
Income taxes payable	709	68
Accrued consumption taxes	464	380
Provision for bonuses	1,132	462
Provision for loss on construction contracts	19	45
Other	1,517	2,190
Total current liabilities	6,563	5,764
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	2	2
Retirement benefit liability	2,407	2,432
Other	69	69
Total non-current liabilities	2,478	2,503
Total liabilities	9,042	8,268
Net assets		
Shareholders' equity		
Share capital	5,500	5,500
Capital surplus	86	86
Retained earnings	18,030	18,220
Treasury shares	(0)	(0)
Total shareholders' equity	23,615	23,805
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10	8
Foreign currency translation adjustment	10	16
Remeasurements of defined benefit plans	(18)	(17)
Total accumulated other comprehensive income	2	7
Total net assets	23,618	23,812
Total liabilities and net assets	32,660	32,081

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

(Million yen)

	For the three months ended June 30,2020	For the three months ended June 30,2021
Net sales	7,682	8,864
Cost of sales	6,339	7,287
Gross profit	1,342	1,576
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	39	35
Corporate officer' compensations	45	47
Salaries and bonuses	374	380
Retirement benefit expenses	16	16
Welfare expenses	68	74
Communication and transportation expenses	25	27
Outsourcing expenses	49	64
Rent expenses	30	38
Other	154	182
Total selling, general and administrative expenses	803	868
Operating profit	538	708
Non-operating income		
Purchase discounts	0	2
Rental income	1	1
Other	3	3
Total non-operating income	5	7
Non-operating expenses		
Foreign exchange losses	0	2
Loss on cancellation of insurance policies	2	-
Other	0	0
Total non-operating expenses	3	2
Ordinary profit	540	713
Extraordinary income		
Gain on sale of non-current assets	-	1
Total extraordinary income	-	1
Extraordinary losses		
Loss on retirement of non-current assets	0	-
Total extraordinary losses	0	-
Profit before income taxes	540	715
Income taxes - current	7	4
Income taxes - deferred	120	223
Total income taxes	127	227
Profit	412	487
Profit attributable to owners of parent	412	487

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

(Million yen)

	For the three months ended June 30,2020	For the three months ended June 30,2021
Profit	412	487
Other comprehensive income		
Valuation difference on available-for-sale securities	2	(1)
Foreign currency translation adjustment	(1)	5
Remeasurements of defined benefit plans, net of tax	0	0
Total other comprehensive income	1	4
Comprehensive income	413	492
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	413	492

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the three months ended June 30,2020	For the three months ended June 30,2021
Cash flows from operating activities		
Profit before income taxes	540	715
Depreciation	118	124
Increase (decrease) in provision for bonuses	(576)	(669)
Increase (decrease) in provision for loss on construction contracts	(9)	25
Increase (decrease) in retirement benefit liability	27	24
Decrease (increase) in trade receivables	2,690	2,222
Decrease (increase) in inventories	(1,083)	(1,107)
Increase (decrease) in trade payables	(442)	(15)
Increase (decrease) in advances received	65	203
Increase (decrease) in accrued consumption taxes	(201)	(84)
Other, net	(66)	(79)
Subtotal	1,062	1,360
Income taxes paid	(607)	(592)
Other, net	0	0
Net cash provided by (used in) operating activities	455	768
Cash flows from investing activities		
Purchase of property, plant and equipment	(69)	(36)
Proceeds from maturity of insurance funds	10	-
Other, net	(126)	(5)
Net cash provided by (used in) investing activities	(185)	(42)
Cash flows from financing activities		
Dividends paid	(216)	(289)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(216)	(289)
Effect of exchange rate change on cash and cash equivalents	(1)	5
Net increase (decrease) in cash and cash equivalents	51	442
Cash and cash equivalents at beginning of period	11,488	12,383
Cash and cash equivalents at end of period	11,540	12,826