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Consolidated Financial Results for the Year Ended March 31, 2022 [Japanese GAAP]

May 16, 2022

Company name: NIPPON SYSTEMWARE CO., LTD.

Stock exchange listing: Tokyo

Code number: 9739

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

Representative: Shoji Tada

Contact: Yuzuru Suka

Phone: 03-3770-1111

Scheduled date of Annual General Meeting of Shareholders: June 22, 2022

Scheduled date of commencing dividend payments: June 23, 2022

Scheduled date of filing annual securities report: June 22, 2022

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: No

President (Representative Director)

Executive Corporate Officer and Member of the Board

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 01, 2021 to March 31, 2022)

(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	%
Fiscal year ended March 31, 2022	43,452	10.6	4,919	17.2	5,025	18.5	3,469	25.5
March 31, 2021	39,282	2.6	4,197	8.7	4,240	8.8	2,765	3.6

(Note) Comprehensive income: Fiscal year ended March 31, 2022: ¥ 3,494 million [26.3%]
Fiscal year ended March 31, 2021: ¥ 2,766 million [4.0%]

	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, 2022	232.89	-	13.8	14.5	11.3
March 31, 2021	185.59	-	12.3	13.4	10.7

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2022: ¥ - million
Fiscal year ended March 31, 2021: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2022	36,813	26,516	72.0	1,779.70
March 31, 2021	32,660	23,618	72.3	1,585.16

(Reference) Equity: As of March 31, 2022: ¥ 26,516 million
As of March 31, 2021: ¥ 23,618 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
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2022	3,732	(344)	(607)	15,176
March 31, 2021	1,998	(583)	(520)	12,383

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	Million yen	%	%
March 31, 2021	-	20.00	-	20.00	40.00	595	21.6	2.6
March 31, 2022	-	20.00	-	30.00	50.00	744	21.5	3.0
Fiscal year ending March 31, 2023 (Forecast)	-	25.00	-	25.00	50.00		21.6	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2022 :

Commemorative dividend - yen

Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 01, 2022 to March 31, 2023)

(% 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	%	Yen
Six months ended September 30, 2022	21,000	2.2	2,180	0.8	2,200	0.6	1,500	0.5	100.67
Full year	45,000	3.6	5,000	1.6	5,040	0.3	3,450	(0.6)	231.55

* 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: Yes

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, 2022: 14,900,000 shares

March 31, 2021: 14,900,000 shares

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

March 31, 2022: 537 shares

March 31, 2021: 437 shares

3) Average number of shares during the period:

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

Fiscal Year ended March 31, 2021: 14,899,565 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 01, 2021 to March 31, 2022)

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

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	41,356	10.1	4,777	18.1	4,870	18.1	3,380	24.9
March 31, 2021	37,567	3.6	4,045	9.4	4,122	9.5	2,706	4.7

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2022	226.86	-
March 31, 2021	181.62	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2022	35,757	25,980	72.7	1,743.72
March 31, 2021	31,896	23,176	72.7	1,555.50

(Reference) Equity: As of March 31, 2022: ¥ 25,980 million
As of March 31, 2021: ¥ 23,176 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

(Million yen)

	As of March 31,2021	As of March 31,2022
Assets		
Current assets		
Cash and deposits	12,383	15,176
Notes and accounts receivable - trade	9,651	-
Notes receivable - trade	-	15
Accounts receivable - trade	-	10,764
Electronically recorded monetary claims - operating	111	143
Merchandise	736	339
Work in process	731	1,183
Supplies	2	2
Other	362	298
Total current assets	23,980	27,924
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,995	1,886
Tools, furniture and fixtures, net	302	294
Land	3,861	3,861
Other, net	10	16
Total property, plant and equipment	6,168	6,058
Intangible assets		
Software	76	64
Goodwill	5	178
Other	19	20
Total intangible assets	101	263
Investments and other assets		
Investment securities	40	59
Deferred tax assets	1,198	1,350
Other	1,183	1,169
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	2,409	2,567
Total non-current assets	8,680	8,888
Total assets	32,660	36,813

(Million yen)

	As of March 31,2021	As of March 31,2022
Liabilities		
Current liabilities		
Accounts payable - trade	2,719	2,942
Income taxes payable	709	1,312
Accrued consumption taxes	464	572
Provision for bonuses	1,132	1,353
Provision for loss on construction contracts	19	3
Other	1,517	1,426
Total current liabilities	6,563	7,613
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	2	2
Retirement benefit liability	2,407	2,540
Other	69	141
Total non-current liabilities	2,478	2,683
Total liabilities	9,042	10,296
Net assets		
Shareholders' equity		
Share capital	5,500	5,500
Capital surplus	86	86
Retained earnings	18,030	20,904
Treasury shares	(0)	(0)
Total shareholders' equity	23,615	26,489
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10	30
Foreign currency translation adjustment	10	24
Remeasurements of defined benefit plans	(18)	(27)
Total accumulated other comprehensive income	2	27
Total net assets	23,618	26,516
Total liabilities and net assets	32,660	36,813

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Net sales	39,282	43,452
Cost of sales	31,702	34,768
Gross profit	7,580	8,683
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	142	144
Corporate officer' compensations	196	191
Salaries and bonuses	1,477	1,585
Retirement benefit expenses	64	71
Welfare expenses	289	311
Communication and transportation expenses	103	124
Outsourcing expenses	216	301
Rent expenses	153	143
Other	738	889
Total selling, general and administrative expenses	3,382	3,763
Operating profit	4,197	4,919
Non-operating income		
Insurance return	-	58
Subsidy income	13	12
Other	32	37
Total non-operating income	46	108
Non-operating expenses		
Loss on sale of receivables	0	0
Foreign exchange losses	1	1
Other	2	0
Total non-operating expenses	3	2
Ordinary profit	4,240	5,025
Extraordinary income		
Gain on sale of non-current assets	-	1
Gain on sale of investment securities	-	55
Total extraordinary income	-	57
Extraordinary losses		
Loss on retirement of non-current assets	51	1
Loss on sale of non-current assets	0	-
Settlement payments	24	-
Loss on compensation for damage	199	-
Total extraordinary losses	276	1
Profit before income taxes	3,964	5,080
Income taxes - current	1,163	1,734
Income taxes - deferred	35	(123)
Total income taxes	1,198	1,610
Profit	2,765	3,469
Profit attributable to owners of parent	2,765	3,469

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Profit	2,765	3,469
Other comprehensive income		
Valuation difference on available-for-sale securities	6	20
Foreign currency translation adjustment	1	13
Remeasurements of defined benefit plans, net of tax	(5)	(9)
Total other comprehensive income	1	24
Comprehensive income	2,766	3,494
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,766	3,494

Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31,2021

(Million 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	15,786	(0)	21,372	3	9	(12)	0	21,372
Changes during period										
Dividends of surplus			(521)		(521)					(521)
Profit attributable to owners of parent			2,765		2,765					2,765
Purchase of treasury shares				(0)	(0)					(0)
Net changes in items other than shareholders' equity						6	1	(5)	1	1
Total changes during period	-	-	2,243	(0)	2,243	6	1	(5)	1	2,245
Balance at end of period	5,500	86	18,030	(0)	23,615	10	10	(18)	2	23,618

For the fiscal year ended March 31,2022

(Million 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

Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Cash flows from operating activities		
Profit before income taxes	3,964	5,080
Depreciation	488	540
Amortization of goodwill	-	16
Increase (decrease) in provision for bonuses	108	196
Increase (decrease) in provision for loss on construction contracts	(201)	(15)
Increase (decrease) in retirement benefit liability	101	103
Increase (decrease) in provision for retirement benefits for directors (and other officers)	-	(54)
Interest and dividend income	(0)	(1)
Interest expenses	-	0
Loss (gain) on sale and valuation of investment securities	-	(55)
Loss on compensation for damage	199	-
Settlement payments	24	-
Loss on retirement of non-current assets	51	1
Gain on maturity of insurance contract	-	(58)
Decrease (increase) in trade receivables	(823)	(1,114)
Decrease (increase) in inventories	(404)	(4)
Increase (decrease) in trade payables	41	292
Increase (decrease) in advances received	(185)	(123)
Decrease/increase in consumption taxes payable	(84)	108
Other, net	118	(9)
Subtotal	3,398	4,903
Interest and dividends received	0	1
Interest paid	-	(0)
Income taxes paid	(1,175)	(1,172)
Settlement paid	(24)	-
Compensation paid for damage	(199)	-
Net cash provided by (used in) operating activities	1,998	3,732
Cash flows from investing activities		
Purchase of property, plant and equipment	(302)	(243)
Purchase of intangible assets	(25)	(16)
Payments for retirement of property, plant and equipment	(45)	-
Proceeds from sale of investment securities	-	65
Proceeds from refund of leasehold and guarantee deposits	31	29
Purchase of insurance funds	(13)	(12)
Proceeds from maturity of insurance funds	10	99
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(186)
Other, net	(239)	(77)
Net cash provided by (used in) investing activities	(583)	(344)
Cash flows from financing activities		
Dividends paid	(520)	(595)
Other, net	(0)	(12)
Net cash provided by (used in) financing activities	(520)	(607)
Effect of exchange rate change on cash and cash equivalents	1	13
Net increase (decrease) in cash and cash equivalents	895	2,793

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Cash and cash equivalents at beginning of period	11,488	12,383
Cash and cash equivalents at end of period	12,383	15,176