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November 7, 2023

Financial Results for the First Half of the Fiscal Year Ending March 31, 2024 (Japanese GAAP, Consolidated)

Company name: Ad-sol Nissin Corporation
 Listing: Tokyo Stock Exchange
 Securities code: 3837
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 Scheduled date to file quarterly securities report: November 8, 2023
 Scheduled date to commence dividend payments: December 1, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the 1st Half of FY'24/3 (from April 1, 2023 to September 30, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
FY'24/3 H1	6,835	9.6	709	33.6	739	34.6	481	30.0
FY'23/3 H1	6,236	0.1	530	(12.7)	549	(12.6)	370	(15.2)

Note: Comprehensive income FY'24/3 H1: ¥382 million [(9.8) %]
 FY'23/3 H1: ¥423 million [(6.1) %]

	Net income per share	Diluted net income per share
Six months ended	Yen	Yen
FY'24/3 H1	51.70	51.06
FY'23/3 H1	39.85	39.37

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' Equity Ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	9,387	6,919	72.2
March 31, 2023	9,338	6,676	70.2

Reference: Equity
 As of September 30, 2023: ¥6,776 million
 As of March 31, 2023: ¥6,556 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY'23/3	-	18.00	-	20.00	38.00
FY'24/3	-	19.00			
FY'24/3 (Forecast)			-	20.00	39.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	13,600	5.9	1,300	7.4	1,340	7.7	897	6.6	96.38

Note: Revisions to the forecast of financial results most recently announced: None

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- 2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: Yes
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2023	9,394,965 shares
As of March 31, 2023	9,390,189 shares

- (ii) Number of treasury shares at the end of the period

As of September 30, 2023	76,839 shares
As of March 31, 2023	76,817 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

FY'24/3 H1	9,315,702 shares
FY'23/3 H1	9,299,738 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements regarding future performance in this material are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable at the time this report was prepared. Therefore, the Company does not make promises about the achievements. Actual results September differ significantly from the forecasts due to various factors.

Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Thousands of yen)

	FY'23/3 Q2 As of March 31, 2023	FY'24/3 Q2 As of September 30, 2023
Assets		
Current assets		
Cash and deposits	3,391,266	3,562,185
Notes and accounts receivable - trade, and contract assets	2,576,083	2,697,629
Electronically recorded monetary claims - operating	44,160	68,102
Merchandise and finished goods	764	764
Work in process	135,660	2,505
Raw materials and supplies	6,409	6,383
Other	90,284	107,480
Allowance for doubtful accounts	(500)	(600)
Total current assets	6,244,129	6,444,451
Non-current assets		
Property, plant and equipment		
Land	371,169	371,169
Other, net	240,674	232,878
Total property, plant and equipment	611,843	604,047
Intangible assets	534,247	484,889
Investments and other assets		
Investment securities	1,508,809	1,365,265
Other	439,052	488,463
Total investments and other assets	1,947,861	1,853,728
Total non-current assets	3,093,952	2,942,665
Total assets	9,338,082	9,387,117

(Thousands of yen)

	FY'23/3 Q2 As of March 31, 2023	FY'24/3 Q2 As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	554,665	571,753
Accounts payable - other	346,469	268,630
Income taxes payable	303,082	292,679
Provision for bonuses	394,639	350,033
Other	346,927	247,092
Total current liabilities	1,945,784	1,730,189
Non-current liabilities		
Retirement benefit liability	704,460	725,548
Other	11,480	11,641
Total non-current liabilities	715,940	737,189
Total liabilities	2,661,724	2,467,378
Net assets		
Shareholders' equity		
Share capital	571,538	575,681
Capital surplus	433,303	437,446
Retained earnings	5,085,834	5,397,067
Treasury shares	(41,612)	(41,612)
Total shareholders' equity	6,049,064	6,368,583
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	507,303	407,712
Total accumulated other comprehensive income	507,303	407,712
Share acquisition rights	119,990	143,442
Total net assets	6,676,357	6,919,738
Total liabilities and net assets	9,338,082	9,387,117

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statement of Income

(Thousands of yen)

	FY'23/3 H1 (April 1, 2022– September 30, 2022)	FY'24/3 H1 (April 1, 2023– September 30, 2023)
Net sales	6,236,909	6,835,783
Cost of sales	4,592,028	4,950,173
Gross profit	1,644,881	1,885,609
Selling, general and administrative expenses	1,113,960	1,176,202
Operating income	530,921	709,407
Non-operating income		
Interest income	12	1
Commission for insurance office work	404	396
Dividend income	18,257	19,329
Subsidy income	-	9,150
Foreign exchange gains	670	110
Miscellaneous income	161	1,590
Total non-operating income	19,506	30,578
Non-operating expenses		
Commitment fees	698	799
Miscellaneous losses	366	14
Total non-operating expenses	1,065	814
Ordinary income	549,361	739,172
Extraordinary losses		
Loss on retirement of non-current assets	3,282	-
Total extraordinary losses	3,282	-
Income before income taxes	546,079	739,172
Income taxes	175,414	257,477
Net income	370,665	481,694
Net income attributable to non-controlling interests	-	-
Net income attributable to owners of parent	370,665	481,694

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	FY'23/3 H1 (April 1, 2022– September 30, 2022)	FY'24/3 H1 (April 1, 2023– September 30, 2023)
Net income	370,665	481,694
Other comprehensive income		
Valuation difference on available-for-sale securities	52,759	(99,590)
Total other comprehensive income	52,759	(99,590)
Comprehensive income	423,424	382,103
(Breakdown)		
Comprehensive income attributable to owners of parent	423,424	382,103
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statement of Cash Flows

(Thousands of yen)

	FY'23/3 H1 (April 1, 2022– September 30, 2022)	FY'24/3 H1 (April 1, 2023– September 30, 2023)
Cash flows from operating activities		
Net income before income taxes	546,079	739,172
Depreciation	46,764	70,011
Increase (decrease) in allowance for doubtful accounts	100	100
Increase (decrease) in provision for bonuses	19,494	(44,605)
Increase (decrease) in retirement benefit liability	10,252	21,088
Interest and dividend income	(18,269)	(19,330)
Loss on retirement of non-current assets	3,282	-
Decrease (increase) in trade receivables	(257,479)	(63,413)
Decrease (increase) in inventories	(27,422)	73,887
Decrease (increase) in prepaid expenses	(26,184)	(8,148)
Increase (decrease) in trade payables	49,591	17,087
Increase (decrease) in accounts payable - other	3,890	(69,076)
Increase (decrease) in contract liabilities	(10,666)	20,712
Increase (decrease) in accrued consumption taxes	34,001	(62,571)
Other, net	(2,308)	(28,912)
Subtotal	371,125	646,000
Interest and dividends received	18,269	19,330
Income taxes paid	(100,531)	(272,371)
Net cash provided by (used in) operating activities	288,862	392,959
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,892)	(16,575)
Purchase of intangible assets	(113,517)	(4,919)
Payments of leasehold and guarantee deposits	(730)	(1,017)
Proceeds from refund of leasehold and guarantee deposits	52,184	476
Other, net	(1,052)	(12,548)
Net cash provided by (used in) investing activities	(65,008)	(34,585)
Cash flows from financing activities		
Dividends paid	(166,751)	(186,392)
Other, net	(1,394)	(1,062)
Net cash provided by (used in) financing activities	(168,145)	(187,454)
Net increase (decrease) in cash and cash equivalents	55,708	170,919
Cash and cash equivalents at beginning of period	2,806,818	3,391,266
Cash and cash equivalents at end of period	2,862,527	3,562,185