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May 9, 2024

Financial Results for the Fiscal Year Ended March 31, 2024 (Japanese GAAP, Consolidated)

Company name: Ad-Sol Nissin Corporation
Listing: Tokyo Stock Exchange
Securities code: 3837
URL: https://www.adniss.jp/en/
Representative: Tomizo Ueda, Chairman and CEO
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Scheduled date of annual general meeting of shareholders: June 26, 2024
Scheduled date to commence dividend payments: June 27, 2024
Scheduled date to file annual securities report: June 27, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated Operating Results for the FY'24/3 (from April 1, 2023 to March 31, 2024)

(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	%
FY'24/3	14,078	9.6	1,437	18.8	1,485	19.4	979	16.4
FY'23/3	12,842	4.9	1,210	11.3	1,244	10.0	841	7.2

Note: Comprehensive income FY'24/3: ¥ 930 million [(8.5)%]
FY'23/3: ¥ 1,017 million [8.7%]

	Net income per share	Diluted net income per share	Return on equity	Ratio on assets	Operating income to sales ratio
	Yen	Yen	%	%	%
FY'24/3	105.09	103.70	14.3	15.2	10.2
FY'23/3	90.41	89.33	13.6	14.3	9.4

Reference: Equity in earnings of affiliates FY'24/3: ¥ - million
FY'23/3: ¥ - million

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
Marcg 31, 2024	10,201	7,290	70.1	767.03
March 31, 2023	9,338	6,676	70.2	703.97

Reference: Equity As of March 31, 2024: ¥7,147 million
As of March 31, 2023: ¥6,556 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 end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY'24/3	804	(71)	(364)	3,759
FY'23/3	1,020	(99)	(336)	3,391

2. Cash dividends

	Annual dividends per share					Total dividend payment	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	End of Q1	End of Q2	End of Q3	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY'23/3	-	18.00	-	20.00	38.00	353	42.0	5.7
FY'24/3	-	19.00	-	24.00	43.00	400	40.9	5.8
FY'25/3 (Forecast)	-	25.00	-	25.00	50.00		46.2	

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
Six months	7,000	2.4	720	1.5	740	0.1	485	0.7	52.03
Full year	14,500	3.0	1,500	4.3	1,540	3.7	1,010	3.2	108.34

*** 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 March 31, 2024	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 March 31, 2024	76,899 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	9,316,894 shares
FY'23/3	9,306,537 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 December differ significantly from the forecasts due to various factors.

Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Thousands of yen)

	FY'23/3 As of March 31, 2023	FY'24/3 As of March 31, 2024
Assets		
Current assets		
Cash and deposits	3,391,266	3,759,855
Accounts receivable - trade	2,479,128	2,819,892
Contract assets	96,955	445,624
Electronically recorded monetary claims - operating	44,160	77,908
Merchandise and finished goods	764	-
Work in process	135,660	4,289
Raw materials and supplies	6,409	1,264
Prepaid expenses	85,737	129,736
Other	4,546	3,420
Allowance for doubtful accounts	(500)	(700)
Total current assets	6,244,129	7,241,293
Non-current assets		
Property, plant and equipment		
Buildings and structures	610,822	651,983
Accumulated depreciation	(383,567)	(402,837)
Buildings and structures, net	227,254	249,146
Tools, furniture and fixtures	123,407	127,029
Accumulated depreciation	(109,987)	(113,668)
Tools, furniture and fixtures, net	13,419	13,361
Land	371,169	371,169
Total property, plant and equipment	611,843	633,676
Intangible assets		
Software	230,462	186,626
Sales rights	303,211	242,569
Other	573	24
Total intangible assets	534,247	429,220
Investments and other assets		
Investment securities	1,508,809	1,419,658
Deferred tax assets	165,947	180,236
Leasehold and guarantee deposits	189,009	202,516
Insurance funds	52,707	55,612
Other	31,387	38,984
Total investments and other assets	1,947,861	1,897,008
Total non-current assets	3,093,952	2,959,905
Total assets	9,338,082	10,201,198

(Thousands of yen)

	FY'23/3 As of March 31, 2023	FY'24/3 As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	554,665	624,446
Accounts payable - other	346,469	556,324
Accrued expenses	63,197	72,548
Income taxes payable	303,082	303,057
Accrued consumption taxes	134,695	140,021
Contract liabilities	27,486	74,422
Deposits received	109,268	62,601
Provision for bonuses	394,639	453,025
Other	12,280	12,901
Total current liabilities	1,945,784	2,299,347
Non-current liabilities		
Long-term accounts payable - other	11,480	11,480
Retirement benefit liability	704,460	599,579
Other	-	40
Total non-current liabilities	715,940	611,099
Total liabilities	2,661,724	2,910,446
Net assets		
Shareholders' equity		
Share capital	571,538	575,681
Capital surplus	433,303	437,446
Retained earnings	5,085,834	5,717,483
Treasury shares	(41,612)	(41,710)
Total shareholders' equity	6,049,064	6,688,900
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	507,303	458,408
Total accumulated other comprehensive income	507,303	458,408
Share acquisition rights	119,990	143,442
Total net assets	6,676,357	7,290,751
Total liabilities and net assets	9,338,082	10,201,198

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	FY'23/3 (April 1, 2022– March 31, 2023)	FY'24/3 (April 1, 2023– March 31, 2024)
Net sales	12,842,071	14,078,418
Cost of sales	9,477,215	10,268,784
Gross profit	3,364,856	3,809,634
Selling, general and administrative expenses	2,154,322	2,371,681
Operating income	1,210,533	1,437,952
Non-operating income		
Interest income	13	3
Commission for insurance office work	802	783
Dividend income	33,429	36,333
Subsidy income	-	9,150
Foreign exchange gains	-	637
Miscellaneous income	1,278	1,819
Total non-operating income	35,524	48,726
Non-operating expenses		
Commitment fees	1,398	1,500
Foreign exchange losses	81	-
Miscellaneous losses	438	16
Total non-operating expenses	1,918	1,517
Ordinary profit	1,244,139	1,485,161
Extraordinary losses		
Loss on valuation of investment securities	-	21,900
Loss on retirement of non-current assets	3,327	2
Total extraordinary losses	3,327	21,903
Income before income taxes	1,240,812	1,463,258
Income taxes - current	422,330	483,790
Income taxes - deferred	(22,944)	314
Total income taxes	399,386	484,104
Net income	841,425	979,153
Net income attributable to non-controlling interests	-	-
Net income attributable to owners of parent	841,425	979,153

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	FY'23/3 (April 1, 2022– March 31, 2023)	FY'24/3 (April 1, 2023– March 31, 2024)
Net income	841,425	979,153
Other comprehensive income		
Valuation difference on available-for-sale securities	175,765	(48,894)
Total other comprehensive income	175,765	(48,894)
Comprehensive income	1,017,191	930,259
(Breakdown)		
Comprehensive income attributable to owners of parent	1,017,191	930,259
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statement of Changes in Equity

FY'23/3 (From April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	571,538	420,025	4,579,199	(56,494)	5,514,268
Changes during period					
Dividends of surplus			(334,790)		(334,790)
Profit attributable to owners of parent			841,425		841,425
Purchase of treasury shares				(79)	(79)
Disposal of treasury shares		13,278		14,961	28,239
Net changes in items other than shareholders' equity					
Total changes during period	-	13,278	506,634	14,882	534,795
Balance at end of period	571,538	433,303	5,085,834	(41,612)	6,049,064

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	331,537	331,537	122,799	5,968,605
Changes during period				
Dividends of surplus				(334,790)
Profit attributable to owners of parent				841,425
Purchase of treasury shares				(79)
Disposal of treasury shares				28,239
Net changes in items other than shareholders' equity	175,765	175,765	(2,809)	172,956
Total changes during period	175,765	175,765	(2,809)	707,752
Balance at end of period	507,303	507,303	119,990	6,676,357

FY’24/3 (From April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	571,538	433,303	5,085,834	(41,612)	6,049,064
Cumulative effects of changes in accounting policies			15,806		15,806
Restated balance	571,538	433,303	5,101,641	(41,612)	6,064,870
Changes during period					
Issuance of new shares	4,143	4,143			8,286
Dividends of surplus			(363,311)		(363,311)
Profit attributable to owners of parent			979,153		979,153
Purchase of treasury shares				(98)	(98)
Net changes in items other than shareholders' equity					
Total changes during period	4,143	4,143	615,842	(98)	624,030
Balance at end of period	575,681	437,446	5,717,483	(41,710)	6,688,900

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	507,303	507,303	119,990	6,676,357
Cumulative effects of changes in accounting policies				15,806
Restated balance	507,303	507,303	119,990	6,692,164
Changes during period				
Issuance of new shares				8,286
Dividends of surplus				(363,311)
Profit attributable to owners of parent				979,153
Purchase of treasury shares				(98)
Net changes in items other than shareholders' equity	(48,894)	(48,894)	23,452	(25,442)
Total changes during period	(48,894)	(48,894)	23,452	598,587
Balance at end of period	458,408	458,408	143,442	7,290,751

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	FY'23/3 (April 1, 2022– March 31, 2023)	FY'24/3 (April 1, 2023– March 31, 2024)
Cash flows from operating activities		
Profit before income taxes	1,240,812	1,463,258
Depreciation	117,788	140,807
Increase (decrease) in allowance for doubtful accounts	100	200
Increase (decrease) in provision for bonuses	89,940	58,386
Increase (decrease) in retirement benefit liability	(33,580)	(104,881)
Interest and dividend income	(33,442)	(36,336)
Loss (gain) on valuation of investment securities	-	21,900
Loss on retirement of non-current assets	3,327	2
Decrease (increase) in trade receivables	(439,464)	(641,106)
Decrease (increase) in inventories	(57,068)	77,986
Decrease (increase) in prepaid expenses	(21,038)	(35,914)
Increase (decrease) in trade payables	71,251	69,780
Increase (decrease) in accounts payable - other	148,643	184,480
Increase (decrease) in contract liabilities	5,504	46,935
Increase (decrease) in accrued consumption taxes	74,213	5,326
Other, net	73,075	2,745
Subtotal	1,240,060	1,253,572
Interest and dividends received	33,442	36,336
Income taxes paid	(253,270)	(484,953)
Cash flows from operating activities	1,020,232	804,956
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,527)	(22,004)
Purchase of intangible assets	(126,017)	(10,089)
Purchase of investment securities	-	(3,223)
Payments of leasehold and guarantee deposits	(7,458)	(18,142)
Proceeds from refund of leasehold and guarantee deposits	52,453	616
Other, net	(15,103)	(18,563)
Cash flows from investing activities	(99,653)	(71,407)
Cash flows from financing activities		
Dividends paid	(334,399)	(363,460)
Other, net	(1,732)	(1,498)
Cash flows from financing activities	(336,131)	(364,958)
Increase (decrease) in cash and cash equivalents	584,447	368,589
Cash and cash equivalents at beginning of period	2,806,818	3,391,266
Cash and cash equivalents at end of period	3,391,266	3,759,855