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November 7, 2024

Financial Results for the First Half of the Fiscal Year Ending March 31, 2025 (Japanese GAAP, Consolidated)

Company name: Ad-Sol Nissin Corporation
Listing: Tokyo Stock Exchange
Securities code: 3837
URL: https://www.adniss.jp/en/
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Scheduled date to file semi-annual securities report: November 8, 2024
Scheduled date to commence dividend payments: December 6, 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 1st Half of FY'25/3 (from April 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	7,651	11.9	879	24.0	906	22.6	596	23.9
September 30, 2023	6,835	9.6	709	33.6	739	34.6	481	30.0

Note: Comprehensive income Six months ended September 30, 2024: ¥ 835 million [118.5%]
Six months ended September 30, 2023: ¥ 382 million [(9.8)%]

	Net income per share	Diluted net income per share
Six months ended	Yen	Yen
September 30, 2024	64.41	63.45
September 30, 2023	51.70	51.06

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	10,314	7,764	73.6
March 31, 2024	10,201	7,290	70.1

Reference: Shareholders' equity As of September 30, 2024: ¥7,589 million
As of March 31, 2024: ¥7,147 million

2. Dividends

	Annual dividends per share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY'24/3	-	19.00	-	24.00	43.00
FY'25/3	-	25.00			
FY'25/3 (Forecast)			-	25.00	50.00

(Note) Revisions to the forecast of cash dividends most recently announced: No

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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	15,300	8.7	1,700	18.2	1,745	17.5	1,130	15.4	121.97

(Note) Revisions to the latest operating results forecast: Yes

*** 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 the semi-annual 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: None

(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, 2024	9,394,965 shares
As of March 31, 2024	9,394,965 shares

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

As of September 30, 2024	171,121 shares
As of March 31, 2024	76,899 shares

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

Six months ended September 30, 2024	9,264,389 shares
Six months ended September 30, 2023	9,315,702 shares

* The semi-annual financial results reports are exempt from the 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 differ significantly from the forecasts due to various factors.

Semi-annual Consolidated Financial Statements

(1) Semi-annual Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	3,759,855	3,180,336
Notes and accounts receivable - trade, and contract assets	3,265,517	3,733,335
Electronically recorded monetary claims - operating	77,908	56,642
Work in process	4,289	19,151
Raw materials and supplies	1,264	1,449
Other	133,157	123,774
Allowance for doubtful accounts	(700)	(800)
Total current assets	7,241,293	7,113,890
Non-current assets		
Property, plant and equipment		
Land	371,169	371,169
Other, net	262,507	255,876
Total property, plant and equipment	633,676	627,045
Intangible assets	429,220	371,440
Investments and other assets		
Investment securities	1,419,658	1,765,068
Other	477,349	437,330
Total investments and other assets	1,897,008	2,202,399
Total non-current assets	2,959,905	3,200,884
Total assets	10,201,198	10,314,775

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	624,446	673,137
Accounts payable - other	556,324	311,057
Income taxes payable	303,057	347,025
Provision for bonuses	453,025	374,173
Other	362,494	235,477
Total current liabilities	2,299,347	1,940,871
Non-current liabilities		
Retirement benefit liability	599,579	597,946
Other	11,520	11,480
Total non-current liabilities	611,099	609,426
Total liabilities	2,910,446	2,550,297
Net assets		
Shareholders' equity		
Share capital	575,681	575,681
Capital surplus	437,446	440,595
Retained earnings	5,717,483	6,090,602
Treasury shares	(41,710)	(213,967)
Total shareholders' equity	6,688,900	6,892,912
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	458,408	696,659
Total accumulated other comprehensive income	458,408	696,659
Share acquisition rights	143,442	174,905
Total net assets	7,290,751	7,764,477
Total liabilities and net assets	10,201,198	10,314,775

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income

(Thousands of yen)

	Six Months Ended September 30, 2023 (April 1, 2023– September 30, 2023)	Six Months Ended September 30, 2024 (April 1, 2024– September 30, 2024)
Net sales	6,835,783	7,651,326
Cost of sales	4,950,173	5,450,093
Gross profit	1,885,609	2,201,232
Selling, general and administrative expenses	1,176,202	1,321,617
Operating income	709,407	879,615
Non-operating income		
Interest income	1	17
Commission for insurance office work	396	379
Dividend income	19,329	20,573
Subsidy income	9,150	7,631
Foreign exchange gains	110	-
Miscellaneous income	1,590	1,574
Total non-operating income	30,578	30,176
Non-operating expenses		
Commitment fees	799	1,924
Foreign exchange losses	-	1,790
Miscellaneous losses	14	52
Total non-operating expenses	814	3,768
Ordinary income	739,172	906,023
Extraordinary income		
Gain on sale of investment securities	-	7,910
Total extraordinary income	-	7,910
Income before income taxes	739,172	913,934
Income taxes	257,477	317,181
Net income	481,694	596,752
Net income attributable to non-controlling interests	-	-
Net income attributable to owners of parent	481,694	596,752

Semi-annual Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Six Months Ended September 30, 2023 (April 1, 2023– September 30, 2023)	Six Months Ended September 30, 2024 (April 1, 2024– September 30, 2024)
Net income	481,694	596,752
Other comprehensive income		
Valuation difference on available-for-sale securities	(99,590)	238,250
Total other comprehensive income	(99,590)	238,250
Comprehensive income	382,103	835,003
(Breakdown)		
Comprehensive income attributable to owners of parent	382,103	835,003
Comprehensive income attributable to non-controlling interests	-	-

(4) Semi-annual Consolidated Statement of Cash Flows

(Thousands of yen)

	Six Months Ended September 30, 2023 (April 1, 2023– September 30, 2023)	Six Months Ended September 30, 2024 (April 1, 2024– September 30, 2024)
Cash flows from operating activities		
Profit before income taxes	739,172	913,934
Depreciation	70,011	71,302
Increase (decrease) in allowance for doubtful accounts	100	100
Increase (decrease) in provision for bonuses	(44,605)	(78,851)
Increase (decrease) in retirement benefit liability	21,088	(1,633)
Interest and dividend income	(19,330)	(20,590)
Loss (gain) on sale of shares of subsidiaries and associates	-	(7,910)
Decrease (increase) in trade receivables	(63,413)	(446,551)
Decrease (increase) in inventories	73,887	(15,047)
Decrease (increase) in prepaid expenses	(8,148)	19,464
Increase (decrease) in trade payables	17,087	48,690
Increase (decrease) in accounts payable - other	(69,076)	(215,194)
Increase (decrease) in contract liabilities	20,712	(47,104)
Increase (decrease) in accrued consumption taxes	(62,571)	(69,240)
Other, net	(28,912)	27,190
Subtotal	646,000	178,558
Interest and dividends received	19,330	20,590
Income taxes paid	(272,371)	(271,402)
Cash flows from operating activities	392,959	(72,253)
Cash flows from investing activities		
Purchase of property, plant and equipment	(16,575)	(37,350)
Purchase of intangible assets	(4,919)	-
Purchase of investment securities	-	(2,010)
Proceeds from sale and redemption of investment securities	-	7,910
Payments of leasehold and guarantee deposits	(1,017)	(72,913)
Proceeds from refund of leasehold and guarantee deposits	476	2,175
Other, net	(12,548)	(950)
Cash flows from investing activities	(34,585)	(103,138)
Cash flows from financing activities		
Dividends paid	(186,392)	(223,247)
Purchase of treasury shares	-	(178,594)
Other, net	(1,062)	(2,285)
Cash flows from financing activities	(187,454)	(404,126)
Increase (decrease) in cash and cash equivalents	170,919	(579,518)
Cash and cash equivalents at beginning of period	3,391,266	3,759,855
Cash and cash equivalents at end of period	3,562,185	3,180,336