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Consolidated Financial Results for the Year Ended March 31, 2023 [Japanese GAAP]

May 11, 2023

Company name: Shin Nippon Air Technologies Co., Ltd.
 Stock exchange listing: Tokyo
 Code number: 1952 URL: <https://www.snk.co.jp>
 Representative: Shinji Maekawa, President and Representative Director
 Contact: Kiyoshi Inoue, Director, Chief Financial Officer
 Phone: 03-3639-2700
 Scheduled date of Annual General Meeting of Shareholders: June 23, 2023
 Scheduled date of commencing dividend payments: June 26, 2023
 Scheduled date of filing annual securities report: June 23, 2023
 Availability of supplementary briefing material on annual financial results: Yes
 Schedule of annual financial results briefing session: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 01, 2022 to March 31, 2023)

(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, 2023	112,234	5.2	7,124	3.5	7,914	7.4	5,597	3.6
March 31, 2022	106,718	(0.5)	6,881	7.8	7,366	10.3	5,403	16.5

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ 6,079 million 30.2 %
 Fiscal year ended March 31, 2022: ¥ 4,670 million (40.6) %

	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
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	239.73	238.87	10.0	7.6	6.3
March 31, 2022	231.88	230.99	10.4	7.4	6.4

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: ¥ - million
 Fiscal year ended March 31, 2022: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2023	109,146	58,212	53.2	2,487.19
March 31, 2022	99,966	53,813	53.7	2,302.99

(Reference) Equity: As of March 31, 2023: ¥ 58,105 million
 As of March 31, 2022: ¥ 53,698 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
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2023	12,820	(1,168)	(2,266)	24,927
March 31, 2022	7,004	414	(4,413)	15,435

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, 2022	-	20.00	-	55.00	75.00	1,748	32.3	3.4
March 31, 2023	-	20.00	-	60.00	80.00	1,868	33.4	3.3
Fiscal year ending March 31, 2024 (Forecast)	-	30.00	-	50.00	80.00		32.8	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2022 : Special dividend 10.00 yen

Breakdown of the year-end dividend for the fiscal year ended March 31, 2023 : Special dividend 5.00 yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 01, 2023 to March 31, 2024)

(% 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
Full year	123,000	9.6	7,700	8.1	8,100	2.3	5,700	1.8	243.99

* Notes:

(1) Changes in significant subsidiaries during the period under review

(changes in specified subsidiaries resulting in changes inscope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

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, 2023: 24,282,225 shares

March 31, 2022: 24,282,225 shares

2) Number of treasury shares at the end of the period:

March 31, 2023: 920,226 shares

March 31, 2022: 965,524 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2023: 23,349,544 shares

Fiscal Year ended March 31, 2022: 23,303,503 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 01, 2022 to March 31, 2023)

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

	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2023	95,179	3.4	5,328	2.7	6,966	5.9	5,234	(0.4)
March 31, 2022	92,049	(0.1)	5,189	5.3	6,579	1.9	5,255	8.9

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended				
March 31, 2023	224.17		223.37	
March 31, 2022	225.53		224.66	

(2) Non-consolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
As of								
March 31, 2023	97,945		53,935		55.0		2,304.12	
March 31, 2022	90,837		49,919		54.8		2,136.01	

(Reference) Equity: As of March 31, 2023: ¥ 53,828 million

As of March 31, 2022: ¥ 49,804 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 01, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	103,400	8.6	5,900	10.7	7,300	4.8	5,300	1.3	226.86

Consolidated Financial Statements

Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of March 31,2023
Assets		
Current assets		
Cash and deposits	15,566	25,004
Notes receivable, accounts receivable from completed construction contracts and other	52,912	51,490
Electronically recorded monetary claims - operating	1,940	2,788
Costs on construction contracts in progress	1,333	1,560
Other inventories	45	36
Other	1,824	929
Allowance for doubtful accounts	(283)	(278)
Total current assets	73,338	81,530
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,237	6,267
Machinery, vehicles, tools, furniture and fixtures	1,201	1,237
Land	609	585
Leased assets	68	77
Accumulated depreciation	(5,414)	(5,540)
Total property, plant and equipment	2,701	2,628
Intangible assets	703	1,062
Investments and other assets		
Investment securities	21,278	21,989
Retirement benefit asset	128	119
Deferred tax assets	245	253
Other	1,759	1,743
Allowance for doubtful accounts	(190)	(181)
Total investments and other assets	23,222	23,924
Total non-current assets	26,627	27,615
Total assets	99,966	109,146

(Million yen)

	As of March 31,2022	As of March 31,2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	27,239	27,836
Electronically recorded obligations - operating	3,118	3,810
Short-term borrowings	3,944	3,267
Current portion of long-term borrowings	200	166
Lease liabilities	30	24
Income taxes payable	1,423	1,573
Advances received on construction contracts in progress	2,486	2,889
Provision for bonuses for directors (and other officers)	161	185
Provision for warranties for completed construction	88	92
Provision for loss on construction contracts	555	1,033
Other	4,686	7,739
Total current liabilities	43,934	48,618
Non-current liabilities		
Long-term borrowings	-	249
Lease liabilities	39	28
Deferred tax liabilities	1,877	1,693
Retirement benefit liability	277	318
Other	24	24
Total non-current liabilities	2,218	2,315
Total liabilities	46,153	50,933
Net assets		
Shareholders' equity		
Share capital	5,158	5,158
Capital surplus	6,913	6,918
Retained earnings	34,282	38,130
Treasury shares	(1,528)	(1,456)
Total shareholders' equity	44,826	48,751
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,477	8,950
Foreign currency translation adjustment	394	403
Total accumulated other comprehensive income	8,871	9,354
Share acquisition rights	114	106
Total net assets	53,813	58,212
Total liabilities and net assets	99,966	109,146

Consolidated Statements of Income and Comprehensive Income
 Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
Net sales of completed construction contracts	106,718	112,234
Cost of sales of completed construction contracts	92,172	96,558
Gross profit on completed construction contracts	14,546	15,676
Selling, general and administrative expenses		
Employees' salaries and allowances	3,447	3,749
Provision for bonuses for directors (and other officers)	161	185
Retirement benefit expenses	227	240
Provision of allowance for doubtful accounts	(31)	33
Rent expenses on land and buildings	676	745
Depreciation	347	306
Other	2,834	3,291
Total selling, general and administrative expenses	7,664	8,551
Operating profit	6,881	7,124
Non-operating income		
Interest income	68	64
Dividend income	330	427
Electricity sale income	-	19
Foreign exchange gains	66	314
Other	47	43
Total non-operating income	512	868
Non-operating expenses		
Interest expenses	14	21
Electricity sale expenses	-	20
Provision of allowance for doubtful accounts	-	27
Guarantee commission	5	4
Other	7	4
Total non-operating expenses	27	78
Ordinary profit	7,366	7,914
Extraordinary income		
Gain on sale of non-current assets	75	7
Gain on sale of investment securities	489	-
Total extraordinary income	565	7
Extraordinary losses		
Loss on retirement of non-current assets	1	7
Loss on sale of investment securities	12	-
Loss on valuation of investment securities	19	21
Total extraordinary losses	33	29
Profit before income taxes	7,898	7,892
Income taxes - current	2,468	2,670
Income taxes - deferred	25	(375)
Total income taxes	2,494	2,294
Profit	5,403	5,597
Profit attributable to owners of parent	5,403	5,597

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
Profit	5,403	5,597
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,058)	473
Foreign currency translation adjustment	324	8
Total other comprehensive income	(733)	482
Comprehensive income	4,670	6,079
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,670	6,079

Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31,2022

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,158	6,906	30,508	(1,623)	40,949
Changes during period					
Dividends of surplus			(1,629)		(1,629)
Profit attributable to owners of parent			5,403		5,403
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares-exercise of subscription rights to shares		(8)		43	34
Restricted stock compensation		15		52	68
Net changes in items other than shareholders' equity					
Total changes during period	-	6	3,774	95	3,876
Balance at end of period	5,158	6,913	34,282	(1,528)	44,826

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	9,535	69	9,605	149	50,704
Changes during period					
Dividends of surplus					(1,629)
Profit attributable to owners of parent					5,403
Purchase of treasury shares					(1)
Disposal of treasury shares-exercise of subscription rights to shares					34
Restricted stock compensation					68
Net changes in items other than shareholders' equity	(1,058)	324	(733)	(34)	(767)
Total changes during period	(1,058)	324	(733)	(34)	3,108
Balance at end of period	8,477	394	8,871	114	53,813

For the fiscal year ended March 31,2023

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,158	6,913	34,282	(1,528)	44,826
Changes during period					
Dividends of surplus			(1,749)		(1,749)
Profit attributable to owners of parent			5,597		5,597
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares-exercise of subscription rights to shares		(1)		9	8
Restricted stock compensation		7		62	70
Net changes in items other than shareholders' equity					
Total changes during period	-	5	3,847	71	3,925
Balance at end of period	5,158	6,918	38,130	(1,456)	48,751

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	8,477	394	8,871	114	53,813
Changes during period					
Dividends of surplus					(1,749)
Profit attributable to owners of parent					5,597
Purchase of treasury shares					(0)
Disposal of treasury shares-exercise of subscription rights to shares					8
Restricted stock compensation					70
Net changes in items other than shareholders' equity	473	8	482	(8)	474
Total changes during period	473	8	482	(8)	4,399
Balance at end of period	8,950	403	9,354	106	58,212

Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
Cash flows from operating activities		
Profit before income taxes	7,898	7,892
Depreciation	473	444
Loss (gain) on sale of non-current assets	(75)	(7)
Loss on retirement of non-current assets	1	7
Loss (gain) on sale of investment securities	(477)	-
Loss (gain) on valuation of investment securities	19	21
Increase (decrease) in allowance for doubtful accounts	(29)	(14)
Increase (decrease) in provision for bonuses for directors (and other officers)	(4)	24
Increase (decrease) in retirement benefit liability	43	62
Increase (decrease) in provision for loss on construction contracts	(107)	477
Interest and dividend income	(399)	(491)
Interest expenses	14	21
Foreign exchange losses (gains)	7	129
Decrease (increase) in trade receivables	1,431	1,017
Decrease (increase) in inventories	(227)	(222)
Increase (decrease) in trade payables	952	1,222
Increase (decrease) in advances received on construction contracts in progress	(227)	298
Increase (decrease) in accrued consumption taxes	(285)	2,496
Decrease (increase) in consumption taxes refund receivable	(882)	936
Other, net	495	549
Subtotal	8,622	14,866
Interest and dividends received	399	491
Interest paid	(13)	(11)
Income taxes paid	(2,002)	(2,526)
Net cash provided by (used in) operating activities	7,004	12,820
Cash flows from investing activities		
Payments into time deposits	(68)	(126)
Proceeds from withdrawal of time deposits	17	185
Purchase of property, plant and equipment	(193)	(217)
Purchase of intangible assets	(267)	(491)
Proceeds from sale of non-current assets	225	16
Purchase of investment securities	(95)	(107)
Proceeds from sale of investment securities	802	-
Loan advances	(16)	(20)
Proceeds from collection of loans receivable	18	16
Other, net	(8)	(423)
Net cash provided by (used in) investing activities	414	(1,168)

(Million yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,550)	(700)
Proceeds from long-term borrowings	-	500
Repayments of long-term borrowings	(200)	(283)
Repayments of lease liabilities	(33)	(33)
Dividends paid	(1,629)	(1,749)
Purchase of treasury shares	(1)	(0)
Other, net	0	0
Net cash provided by (used in) financing activities	(4,413)	(2,266)
Effect of exchange rate change on cash and cash equivalents	333	106
Net increase (decrease) in cash and cash equivalents	3,339	9,491
Cash and cash equivalents at beginning of period	12,095	15,435
Cash and cash equivalents at end of period	15,435	24,927