

TSE Prime 3837

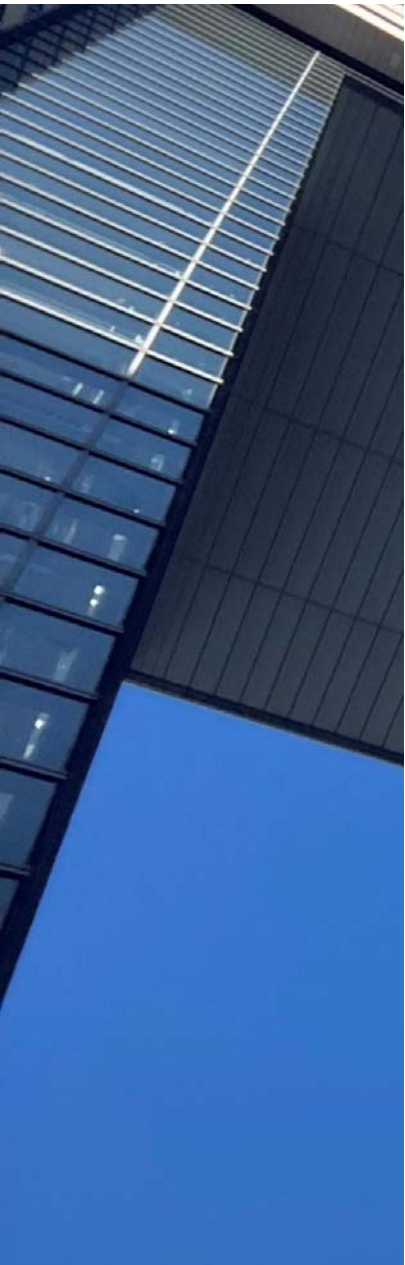


**Ad-Sol Nissin**

FY'24/3

# Financial Results

May 9, 2024



**01** Performance Highlights

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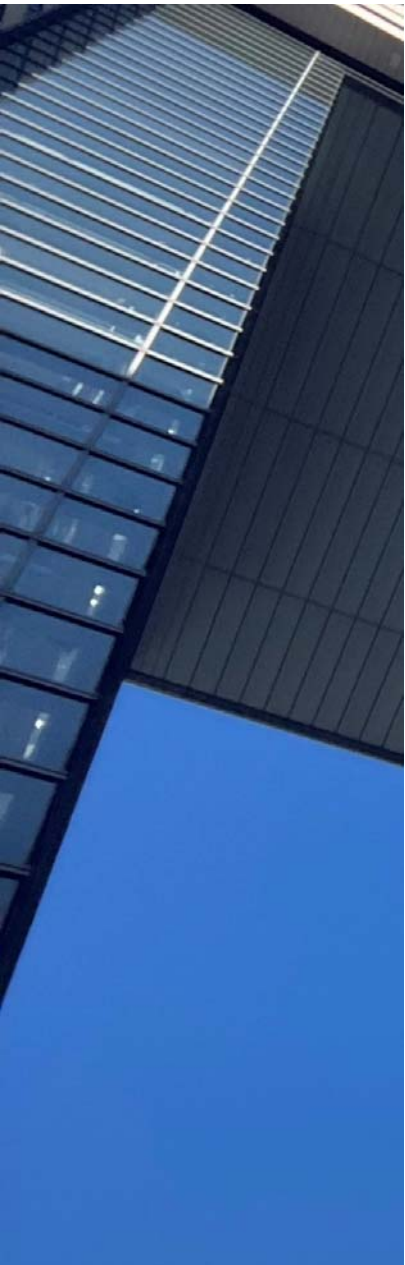
**02** FY'24/3 Financial Results

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**03** FY'25/3 Operating Forecast

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**04** Shareholders Return



# 01 Performance Highlights

- Summary
- Key Points of FY'24/3  
(Net sales / Operating income / Orders received / Order backlog)
- Trends in Net sales in Energy (Electric power field)
- Dividend for FY'24/3

## 1. Performance Highlights

### Summary

FY'24/3  
Results

#### Highest sales, operating income and operating income margins to date

■ Net sales **14.07** billion yen (YoY +**9.6%**)

- Solid growth in **social infrastructure** related systems (electric power and gas, aviation, space, etc.) .
- **Digital transformation (DX)-related projects** leading to operational efficiency and new service creation were performing well.

■ Operating income **1.43** billion yen (YoY +**18.8%**)  
(Operating income margin **10.2%**)

- **Gross profit margin increased** due to strengthening our focus on highly profitable upstream projects, reviewing contract terms, and quality improvement activities, offshore development etc.
- **Generated profits in excess of strategic investments**

Strategic investments: compensation revisions for all employees (average 5%, maximum 30%), human resource development, generative AI initiatives, strengthening of the offshore development system in Vietnam, strengthening and promoting our services and solutions, expansion of facilities, and promotion activities.

FY'24/3  
Dividend

#### Increased “Year-end Dividend”

■ Annual Dividend per share **43** yen (YoY +**5** yen)

- **Dividend increased by 4 yen** from the initial forecast, based on the achievement of the earnings forecast and the dividend policy, etc.
- Dividends increased for **14 consecutive terms**

1. Performance Highlights

Key Points of FY'24/3 (Net sales / Operating income)

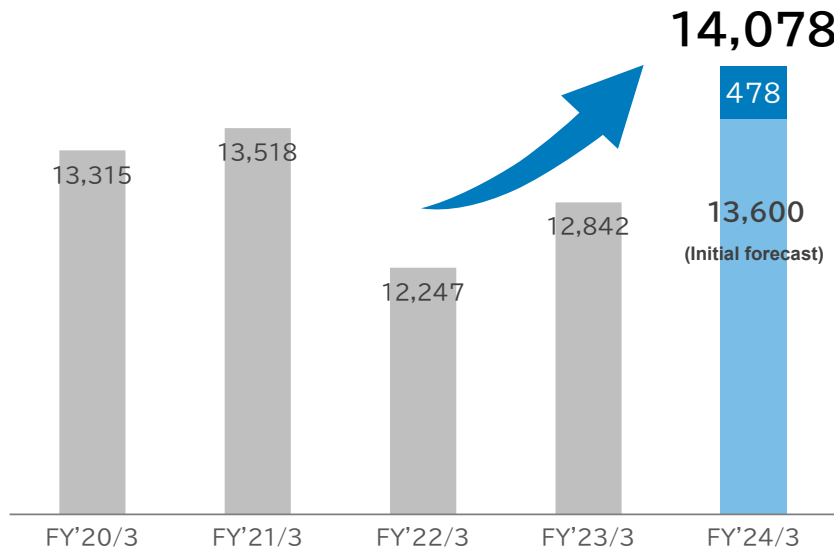
Highest sales, operating income and operating income margins to date

Net sales

**14,078** million yen (YoY +9.6%)

Social Infrastructure : Energy (electric power) / Transportation (space & aviation)  
Advanced Industry : Manufacturing / Service (digital transformation)

(Million yen)

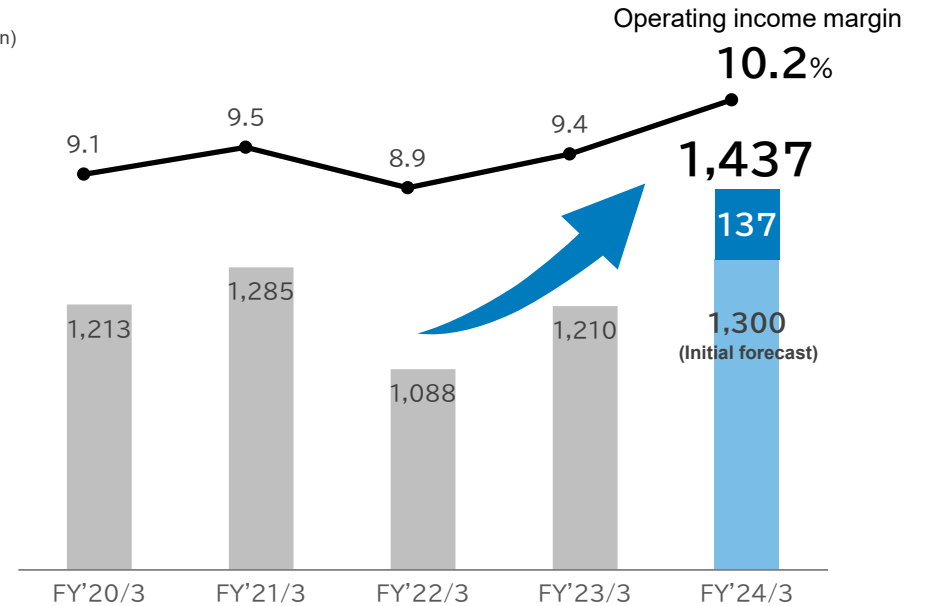


Operating income

**1,437** million yen (YoY +18.8%)

- Increase in consulting projects, review of contract terms, offshore development, etc.  
- Strategic investments (human resources, AI initiatives, etc.) and cost control

(Million yen)



1. Performance Highlights

Key Points of FY'24/3 (Orders received / Order backlog)

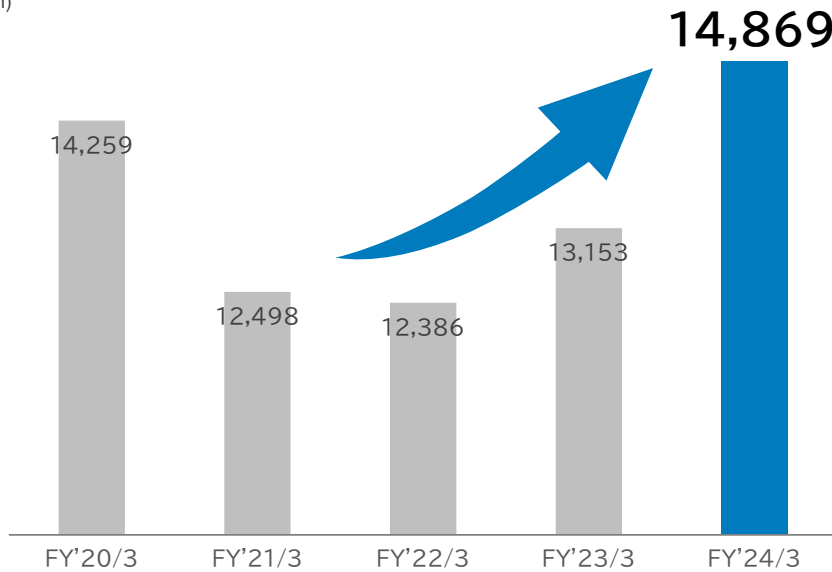
Highest orders received and order backlog to date

Orders received (cumulative)

**14,869** million yen (YoY +13.0%)

Record-high annual orders received  
(Increase in DX projects in energy, public and service sectors)

(Million yen)

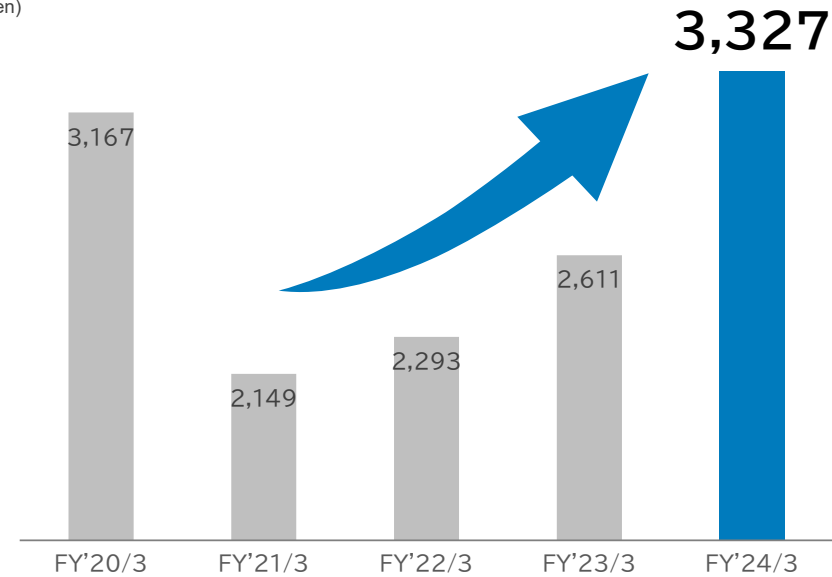


Order backlog

**3,327** million yen (YoY +27.4%)

Orders backlog at the end of the period Record high  
(Long-term and large orders in energy, public sector, etc.)

(Million yen)



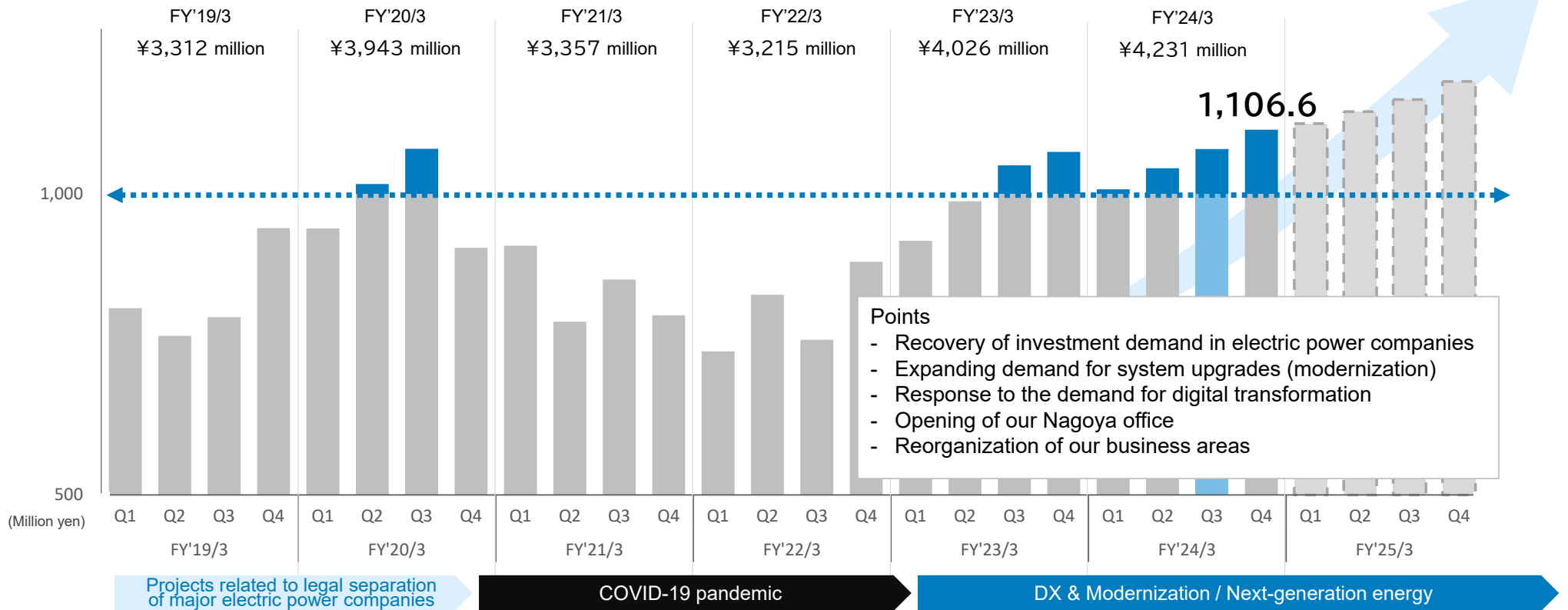
1. Performance Highlights

Trends in Net sales in Energy (Electric power field)

Recorded highest sales (annual/quarterly) in energy (electric power field)

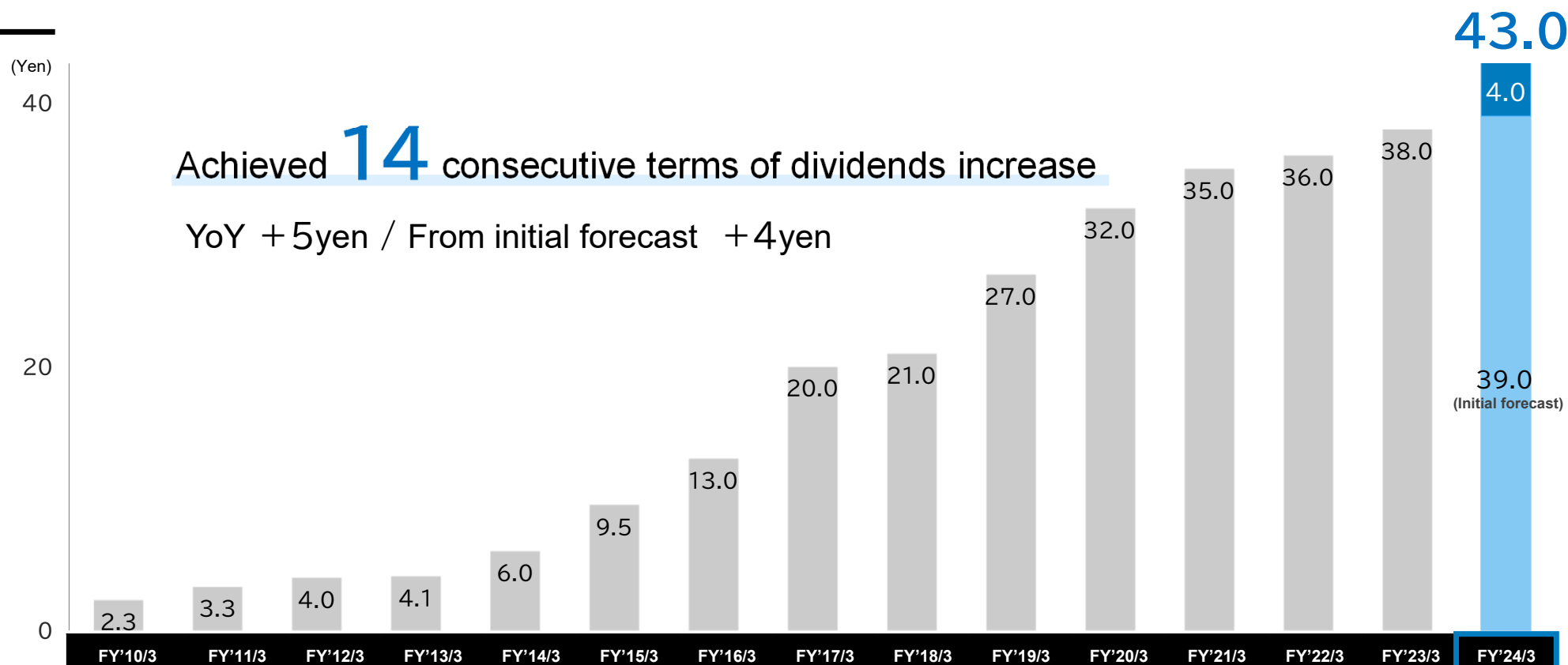
Received multiple orders for long-term DX projects, mainly in the Chubu region

● Quarterly trends in sales in the electric power field



## 1. Performance Highlights

### Dividend for FY'24/3

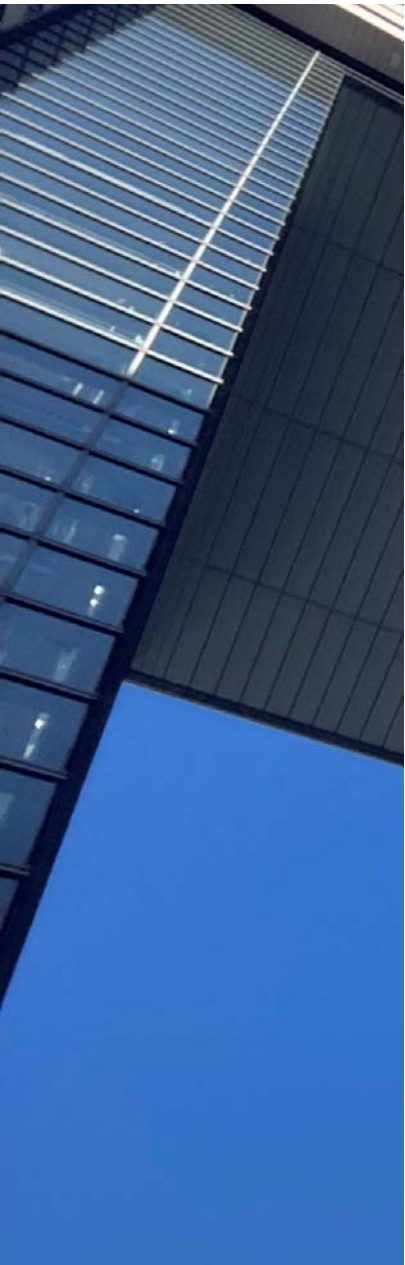


	FY'10/3	FY'11/3	FY'12/3	FY'13/3	FY'14/3	FY'15/3	FY'16/3	FY'17/3	FY'18/3	FY'19/3	FY'20/3	FY'21/3	FY'22/3	FY'23/3	FY'24/3
Net income per share(yen)	3.12	10.81	8.82	13.60	19.90	26.35	32.51	59.18	61.31	75.90	89.98	97.31	84.61	90.41	105.09
Dividend per share(yen) <sup>1</sup>	2.3	3.3	4.0	4.1	6.0	9.5	13.0	20.0	21.0	27.0	32.0	35.0	36.0	38.0	43.0
Dividend payout ratio	74.7%	30.9%	45.4%	30.7%	30.2%	36.1%	40.0%	33.8%	34.3%	35.6%	35.6%	36.0%	42.5%	42.0%	40.9%
ROE	1.6%	5.5%	4.4%	6.3%	8.8%	10.4%	11.5%	18.8%	17.2%	18.9%	19.8%	17.2%	14.2%	13.6%	14.3%
DOE <sup>2</sup>	1.2%	1.7%	2.0%	1.9%	2.7%	3.8%	4.6%	6.4%	5.9%	6.7%	7.0%	6.2%	6.0%	5.7%	5.8%

<sup>1</sup> Net income per share and dividends per share for FY'10/3 to FY'17/3 are shown after taking into account stock splits (2-for-1 stock split on October 1, 2016 and 3-for-1 stock split on January 1, 2014).

<sup>2</sup> DOE (Dividend on equity ratio) = Dividend payout ratio \* ROE





## 02 FY'24/3 Financial Results

- Consolidated Statement of Income
- Sales by Segment
- Quarterly Trends
- Ordinary Income
- Balance Sheet
- Cash Flows

2. FY'24/3 Financial Results

Consolidated Statement of Income

[Net sales] Acceleration of growth [Profit] Record high gross profit margin

(Million Yen)	FY'23/3	FY'24/3			Key Points
	Results	Results	Increase/ decrease	Ratio of change %	
<b>Net sales</b>	12,842	<b>14,078</b>	<b>1,236</b>	<b>9.6</b>	<b>Expansion of investment in ICT</b> • Social Infrastructure Business - <b>Energy</b> : Received an order for a new modernization project • Advanced Industry Business: Expansion - <b>Manufacturing and Service</b> : DX projects
Social Infrastructure Business	7,545	8,275	729	9.7	
Advanced Industry Business	5,296	5,803	506	9.6	
Solution Business	889	1,078	189	21.4	
<b>Gross profit</b>	3,364	<b>3,809</b>	<b>444</b>	<b>13.2</b>	<b>Gross profit margin: Record high</b> • Review of contract terms and conditions • Focus on highly profitable upstream projects (Consulting) • Offshore development (Da Nang in Vietnam) • Quality control
Gross profit margin (%)	26.2	27.1	-	-	
<b>SG&amp;A expenses</b>	2,154	<b>2,371</b>	<b>217</b>	<b>10.1</b>	<b>Strategic investment continued</b> • <b>Human resources</b> : New graduates (FY'23/3; 34 people, FY'24/3; 38 people) • Engagement: <b>Increase compensation</b> • DX of internal systems • Opened <b>Nagoya Office</b> , expansion of <b>project room space in head office</b>
SG&A ratio (%)	16.8	16.8	-	-	
<b>Operating income</b>	1,210	<b>1,437</b>	<b>227</b>	<b>18.8</b>	<b>Increase in profits and profit margins</b> • Increase in sales → Expansion of <b>Energy &amp; DX</b> -related businesses • Cost control • <b>Compensation revision</b> (Average 5%, Maximum 30%)
Operating income margin(%)	9.4	10.2	-	-	
<b>Ordinary income</b>	1,244	<b>1,485</b>	<b>241</b>	<b>19.4</b>	
Ordinary income margin (%)	9.7	10.5	-	-	
<b>Net income attributable to owners of parent</b>	841	<b>979</b>	<b>137</b>	<b>16.4</b>	
Net income margin(%)	6.6	7.0	-	-	

\* As a result of a partial change in the method of recording sales from the first quarter of the fiscal year ended March 31, 2024, there is an impact of +42 million yen on net sales and +15 million yen on operating income.

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## 2. FY'24/3 Financial Results

### Sales by Segment

Growth drivers: [Social Infrastructure] Energy (electric power & gas), Transportation [Advanced Industry] Service (DX projects)

(Million Yen)	FY'23/3		FY'24/3			
	Results	Ratio to sales %	Results	Ratio to sales %	Increase/decrease	Ratio of change %
<b>Net sales</b>	12,842	-	<b>14,078</b>	-	<b>1,236</b>	<b>9.6</b>
<b>Social infrastructure business</b>	7,545	58.8	<b>8,275</b>	<b>58.8</b>	<b>729</b>	<b>9.7</b>
Energy	6,051	47.1	<b>6,544</b>	<b>46.5</b>	<b>492</b>	<b>8.1</b>
Transportation	689	5.4	<b>826</b>	<b>5.9</b>	<b>136</b>	<b>19.8</b>
Public works	344	2.7	<b>548</b>	<b>3.9</b>	<b>204</b>	<b>59.4</b>
Communication / Network	460	3.6	<b>355</b>	<b>2.5</b>	<b>(104)</b>	<b>(22.8)</b>
<b>Advanced Industry business</b>	5,296	41.2	<b>5,803</b>	<b>41.2</b>	<b>506</b>	<b>9.6</b>
Manufacturing	1,557	12.1	<b>1,657</b>	<b>11.8</b>	<b>100</b>	<b>6.4</b>
Service	2,506	19.5	<b>2,755</b>	<b>19.6</b>	<b>248</b>	<b>9.9</b>
Enterprise	1,232	9.6	<b>1,390</b>	<b>9.9</b>	<b>158</b>	<b>12.8</b>
<b>Solution business</b>	889	6.9	<b>1,078</b>	<b>7.7</b>	<b>189</b>	<b>21.4</b>

Effective from the fiscal year ended March 31, 2024, the sub-segments of the Advanced Industry Business have been reclassified as "Manufacturing," "Services," and "Enterprise." In addition, the "Solutions", which was previously classified as a sub-segment of the Advanced Industry Business, is now positioned as a strategic business across the entire company. As a result, the figures for the "Solutions" for the previous fiscal year have been reclassified into the sub-segments of Social Infrastructure Business and Advanced Industry Business.  
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2. FY'24/3 Financial Results

## Social Infrastructure Business

	Net sales		Order backlog		Key Points	
	(Million Yen)	FY'23/3	FY'24/3	FY'23/3		FY'24/3
<b>Social Infrastructure Business</b>		7,545	<b>8,275</b>	1,505	<b>2,214</b>	<p>Modernization projects, such as cloud migration and system renewal, have been strong.</p> <p>We have received multiple orders for long-term, large-scale projects.</p>
Energy		6,051	<b>6,544</b>	1,190	<b>1,803</b>	<p>[Energy]</p> <ul style="list-style-type: none"> <li>• Electric power: Expanded business areas in Chubu region</li> <li>• Gas: Modernization, cloud migration</li> </ul>
Transportation		689	<b>826</b>	108	<b>95</b>	<p>[Transportation]</p> <ul style="list-style-type: none"> <li>• Aviation: Completed large project &amp; continued maintenance</li> <li>• Road: Expanded commercial distribution &amp; business areas</li> <li>• Space: Expanded business areas</li> </ul>
Public works		344	<b>548</b>	86	<b>227</b>	<p>[Public works]</p> <ul style="list-style-type: none"> <li>• Disaster prevention: Expansion</li> <li>• National security related system: Expanded business areas</li> </ul>
Communication / Network		460	<b>355</b>	120	<b>88</b>	<p>[Communication / Network]</p> <ul style="list-style-type: none"> <li>• Wireless base station-related projects: Ongoing</li> </ul>

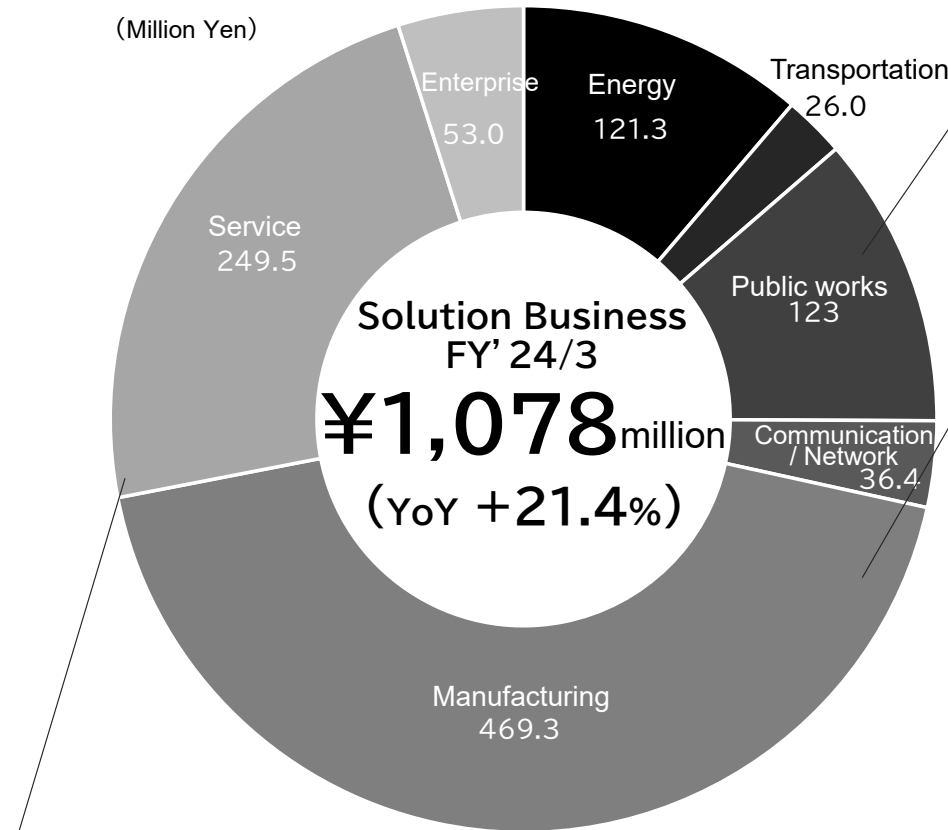
2. FY'24/3 Financial Results

## Advanced Industry Business

	Net sales		Order backlog		Key Points	
	(Million Yen)	FY'23/3	FY'24/3	FY'23/3		FY'24/3
<b>Advanced Industry Business</b>		5,296	<b>5,803</b>	1,105	<b>1,112</b>	<ul style="list-style-type: none"> <li>• Business expansion centered on DX projects (Creation of new services, business transformation, productivity improvement, etc.)</li> </ul>
Manufacturing		1,557	<b>1,657</b>	308	<b>275</b>	<ul style="list-style-type: none"> <li>[Manufacturing] <ul style="list-style-type: none"> <li>• DX projects: Expansion (Product development, core system renewal, etc.)</li> <li>• Automotive: Ongoing (Advanced EV, autonomous driving)</li> </ul> </li> </ul>
Service		2,506	<b>2,755</b>	652	<b>697</b>	<ul style="list-style-type: none"> <li>[Service] <ul style="list-style-type: none"> <li>• Payments: Expansion (digital services, upstream projects etc.)</li> <li>• DX projects: Expansion</li> </ul> </li> </ul>
Enterprise		1,232	<b>1,390</b>	143	<b>139</b>	<ul style="list-style-type: none"> <li>[Enterprise] <ul style="list-style-type: none"> <li>• Core system DX: Ongoing</li> <li>• Medical / Healthcare: Ongoing (medical equipment, medical information system)</li> </ul> </li> </ul>

2. FY'24/3 Financial Results

## Solution Business



### Sales increased

- Public works sector expanded (disaster prevention field) and Manufacturing, Service were performing well



#### [Public works]

- GIS solutions for local governments (disaster prevention, etc.)



#### [Manufacturing]

- IoT solutions for the manufacturing sector

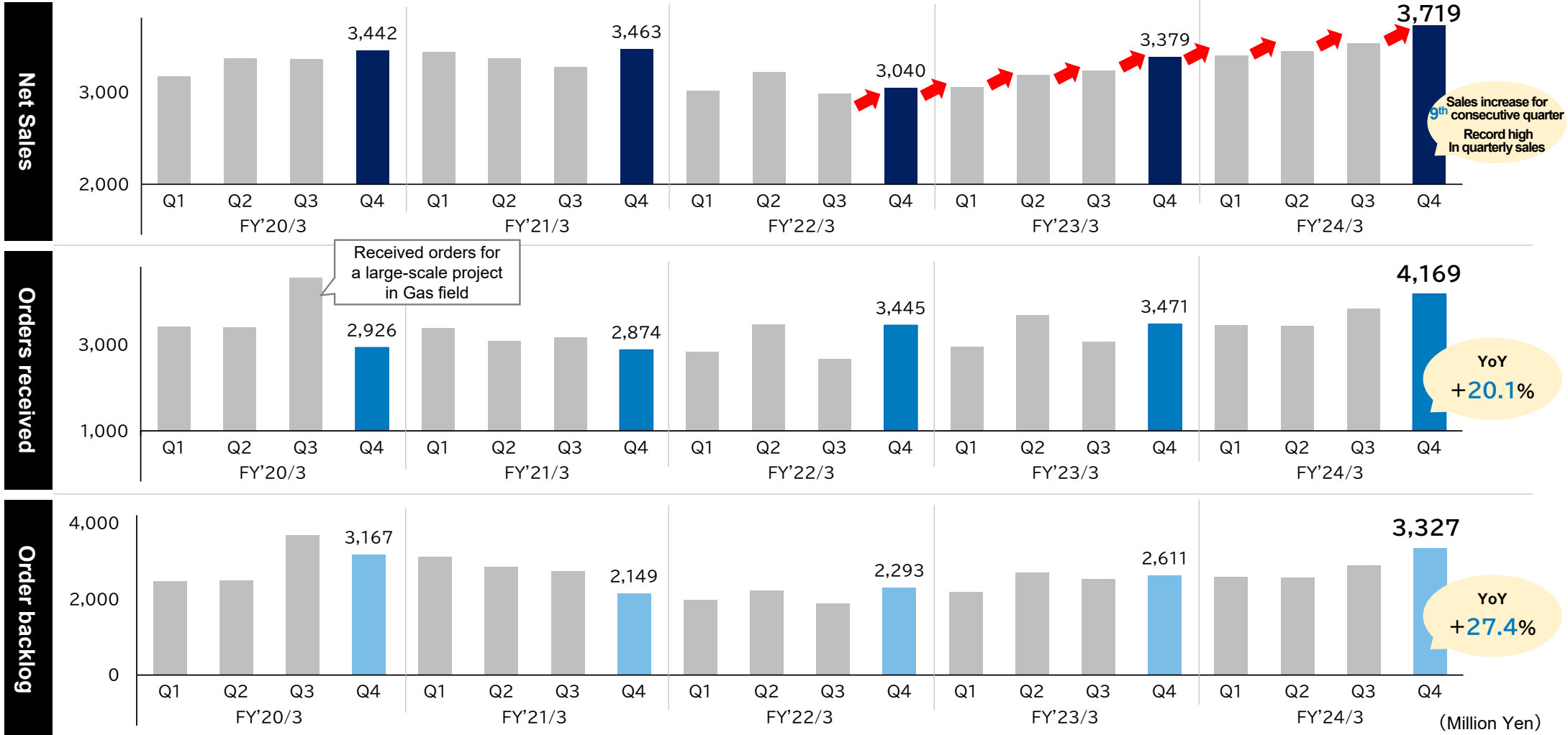


#### [Service]

- GIS solutions for construction and surveying consultants
- IoT solutions for logistics

## 2. FY'24/3 Financial Results

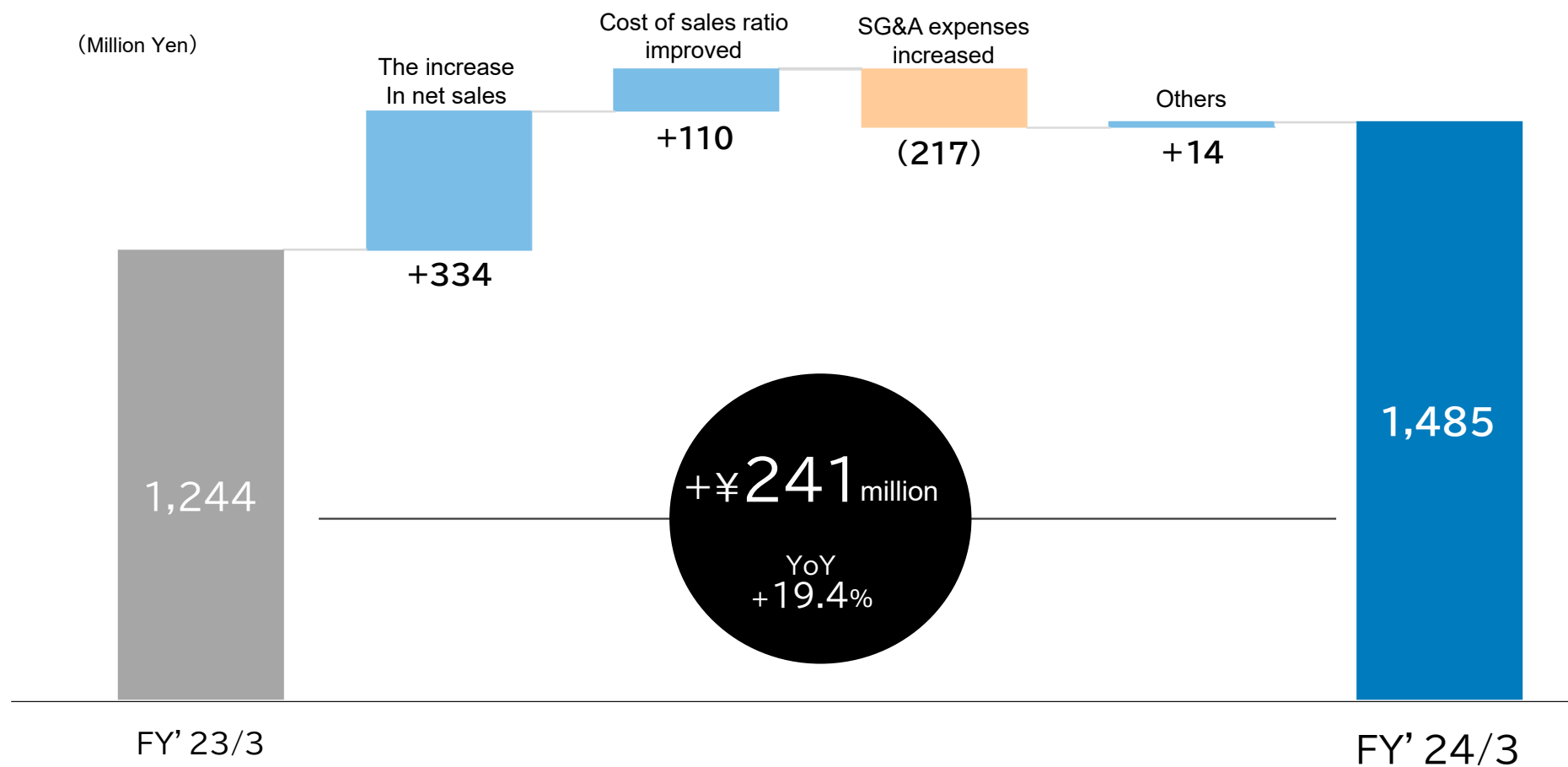
### Quarterly Trends



## 2. FY'24/3 Financial Results

### Ordinary Income

- The increase in net sales and the improvement of the cost of sales ratio absorbed the increase in SG&A expenses (personnel expenses, opening of new offices, office expansion, etc.), resulting in an increase in ordinary income.





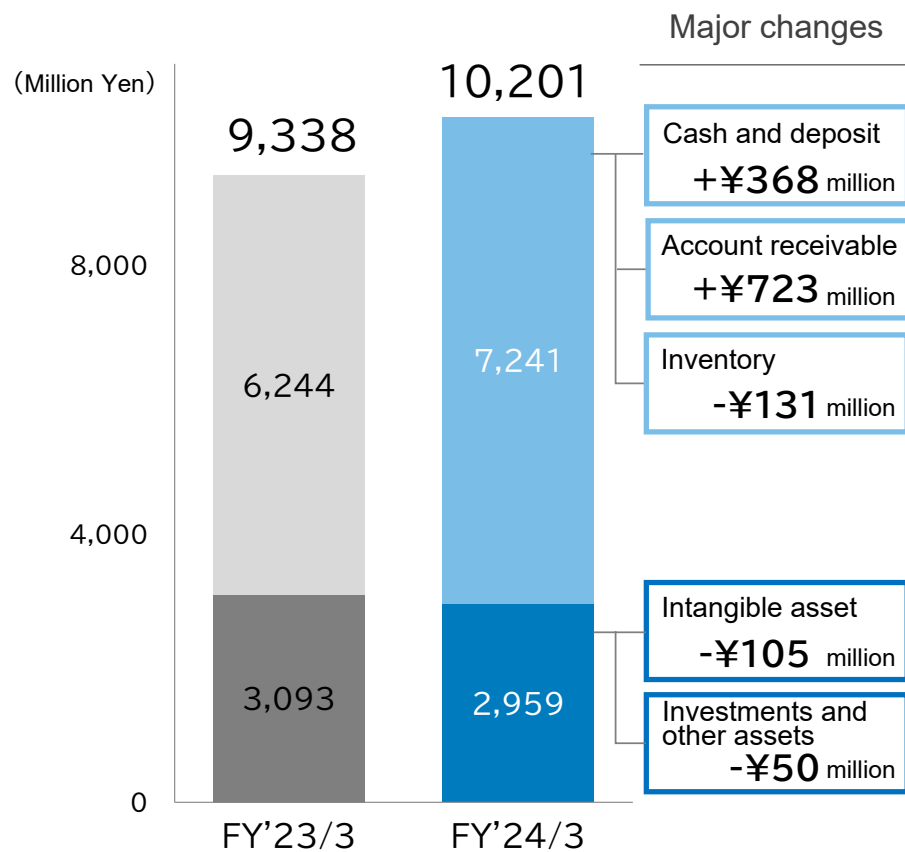
## 2. FY'24/3 Financial Results

### Balance Sheet

#### Asset

• Total Assets **10.2** billion yen

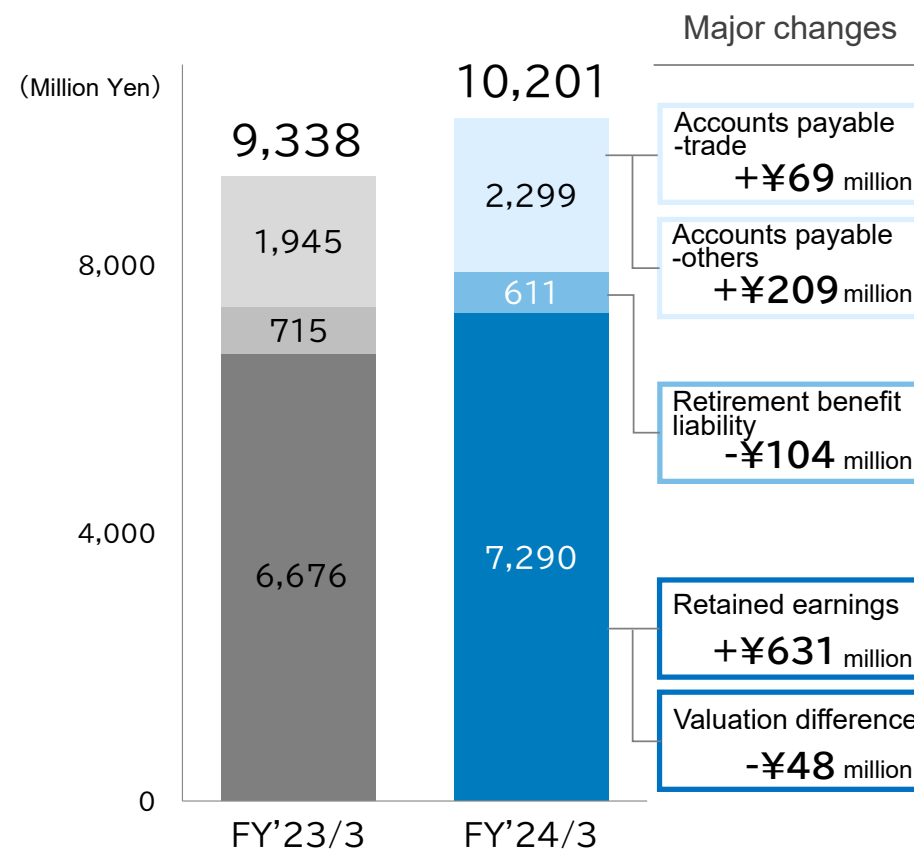
■ Current assets ■ Non-current assets



#### Liabilities and net assets

• Equity ratio **70.1%**

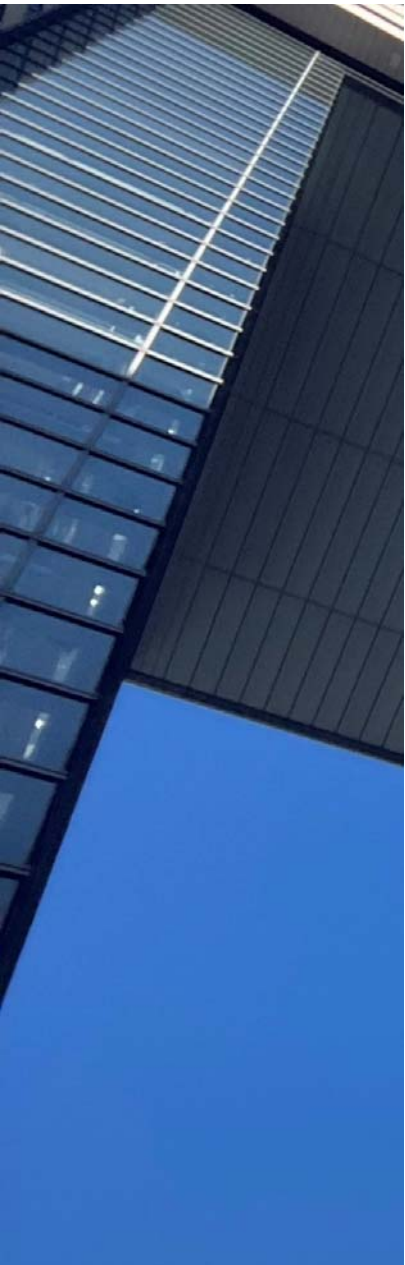
■ Current Liabilities ■ Non-current Liabilities ■ Net assets



## 2. FY'24/3 Financial Results

### Cash flows

(Million Yen)	FY' 23/3	FY' 24/3	Key points	
Operating activities	1,020	<b>804</b>	Net income before income taxes	1,463
			Depreciation	140
			Increase (decrease) in retirement benefit liability	(104)
			Decrease (increase) in trade receivables	(641)
			Increase (decrease) in accounts payable - other	184
Investing activities	(99)	<b>(71)</b>	Purchase of property, plant and equipment	(22)
Financing activities	(336)	<b>(364)</b>	Dividends paid	(363)
Cash and cash equivalents at end of period	3,391	<b>3,759</b>		



## 03 FY'25/3 Operating Forecast

- FY'25/3 Operating Forecast
- Toward Business Expansion

### 3. FY'25/3 Operating Forecast

## FY'25/3 Operating Forecast

### Record high sales, operating income, and operating income margin in consecutive years (Full year)

Plans to make more strategic investments than in the FY'24/3.

Achieve consecutive record-high sales and profits in both the first half and full year to absorb cost increases.

Plan to achieve medium-term plan performance target for operating income ahead of schedule.

#### Strategic investments

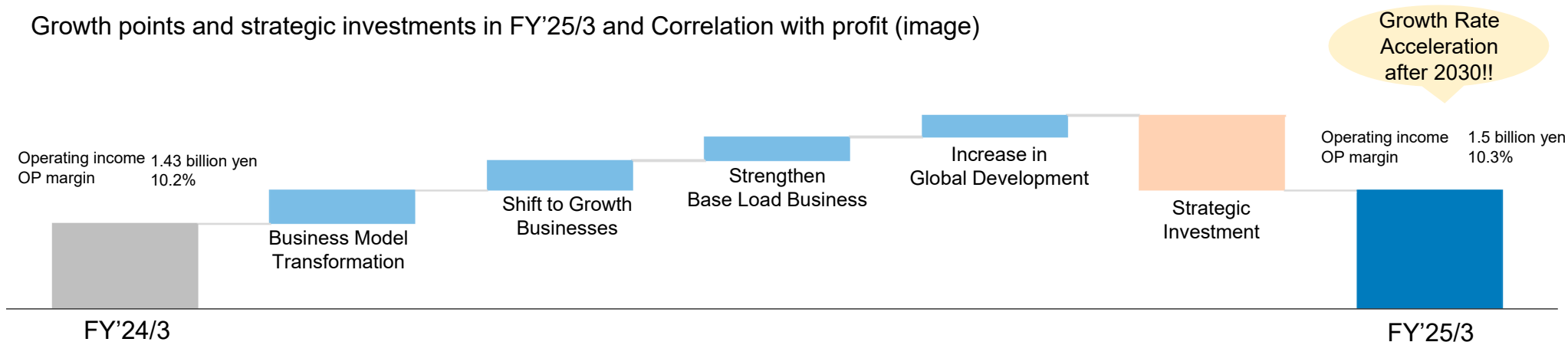
- 1H: Expansion of the project room in the head office, relocation of the Kyushu branch (initial costs), strengthening of an offshore development system in Vietnam, and increased personnel costs.
- 2H: Human resource development, relocation of the Kyushu branch office relocation (running costs), and construction of a new internal system

(Million Yen)	FY'24/3 Results		FY'25/3 Forecast		Full year	Fu;; year
	First Half	Full year	First Half	Full year	Increase/ decrease	Ratio of change %
<b>Net sales</b>	6,835	14,078	<b>7,000</b>	<b>14,500</b>	421	3.0
<b>Operating income</b>	709	1,437	<b>720</b>	<b>1,500</b>	62	4.3
Operating income margin (%)	10.4	10.2	10.3	10.3	-	-
<b>Ordinary income</b>	739	1,485	<b>740</b>	<b>1,540</b>	54	3.7
Ordinary income margin (%)	10.8	10.5	10.6	10.6	-	-
<b>Net income attributable to owners of parent</b>	481	979	<b>485</b>	<b>1,010</b>	30	3.2
Net income margin (%)	7.0	7.0	6.9	7.0	-	-

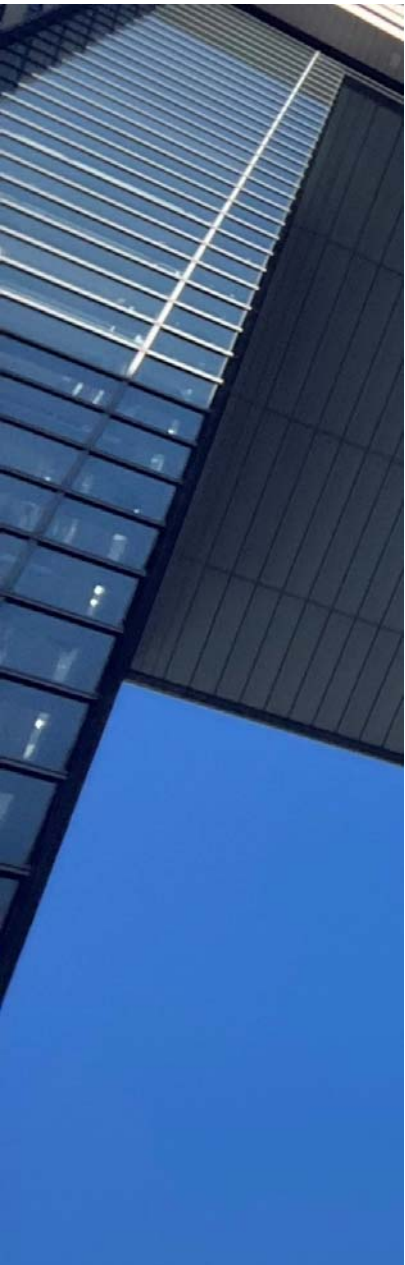
### 3. FY'25/3 Operating Forecast

## Toward Business Expansion: Our Approach

Growth points and strategic investments in FY'25/3 and Correlation with profit (image)



Growth Points	(1) Business Model Transformation	- Shift to upstream process (consulting) projects - Expand solution business (GIS: geographic information system and other new solutions) - Expand alliance strategy
	(2) Shift to Growth Businesses	- Next-generation energy (smart grid, VPP, etc.) - Smart infrastructure/smart life (mobility, resilience, energy)
	(3) Strengthen Base Load Business	- Expand digital transformation/modernization business - Revise contract terms
	(4) Increase in Global Development	- Area strategy (Nagoya branch, Fukuoka branch) - Offshore development (Da Nang Development Center in Vietnam)
Strategic Investment	(1) Human Resources	- Acquire the latest technology, reskilling (consulting, project managers, etc.), compensation revisions, hiring (new graduates, mid-career)
	(2) Solution	- Create and expand new solutions, strengthen sales network (GIS: geographic information system, IoT spatial information)
	(3) Global	- Strengthen the response capability of Da Nang Development Center in Vietnam, cultivate advanced IT personnel (to 1,000 IT personnel in Vietnam)
	(4) R&D	- AI, development model, etc. (San Jose R&D Center in the U.S., AI Research Institute (in-house R&D organization), industry-academia collaboration, national research institutions, etc.)
	(5) Office	- Relocation/renewal (Kyushu branch, etc.), floor space expansion (project rooms for ICT system development)
	(6) Promotion	- Marketing, sales improvement, brand enhancement

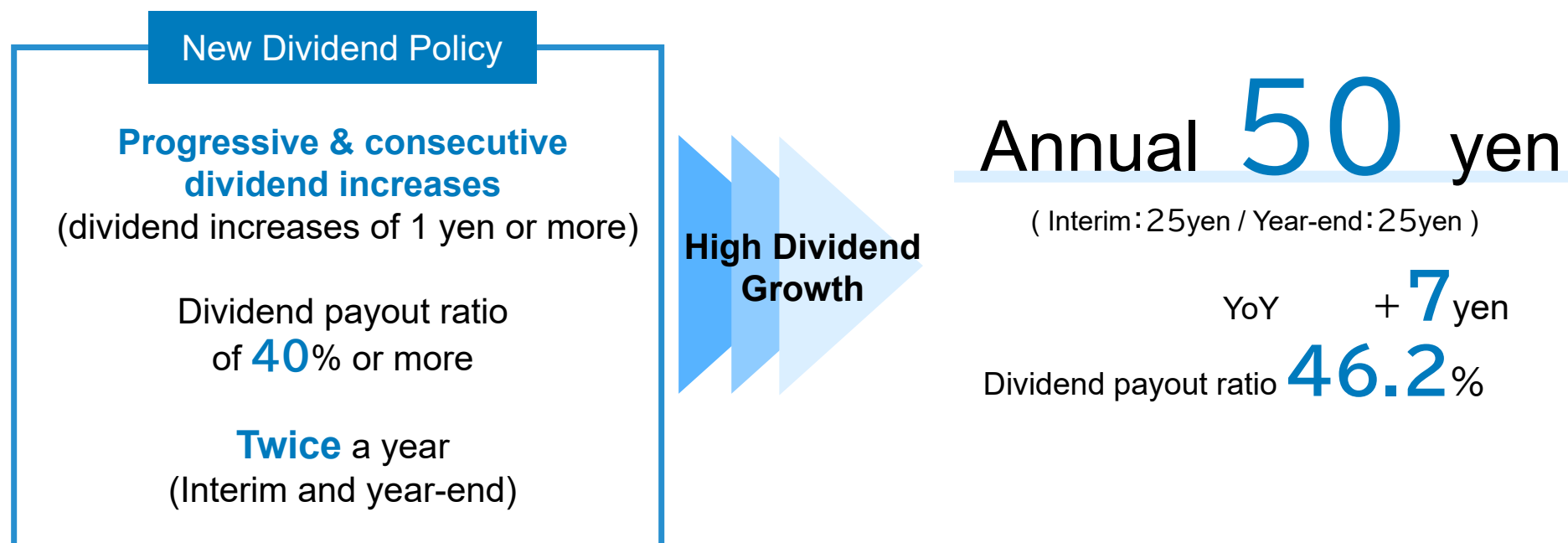


## 04 Shareholders Return

- FY'25/3 Dividend Forecast
- Trends in Dividends per Share
- Shareholder Benefit

## FY'25/3 Dividend Forecast

Revision of Dividend Policy to strengthen shareholder returns / Increase dividend for 15 consecutive terms



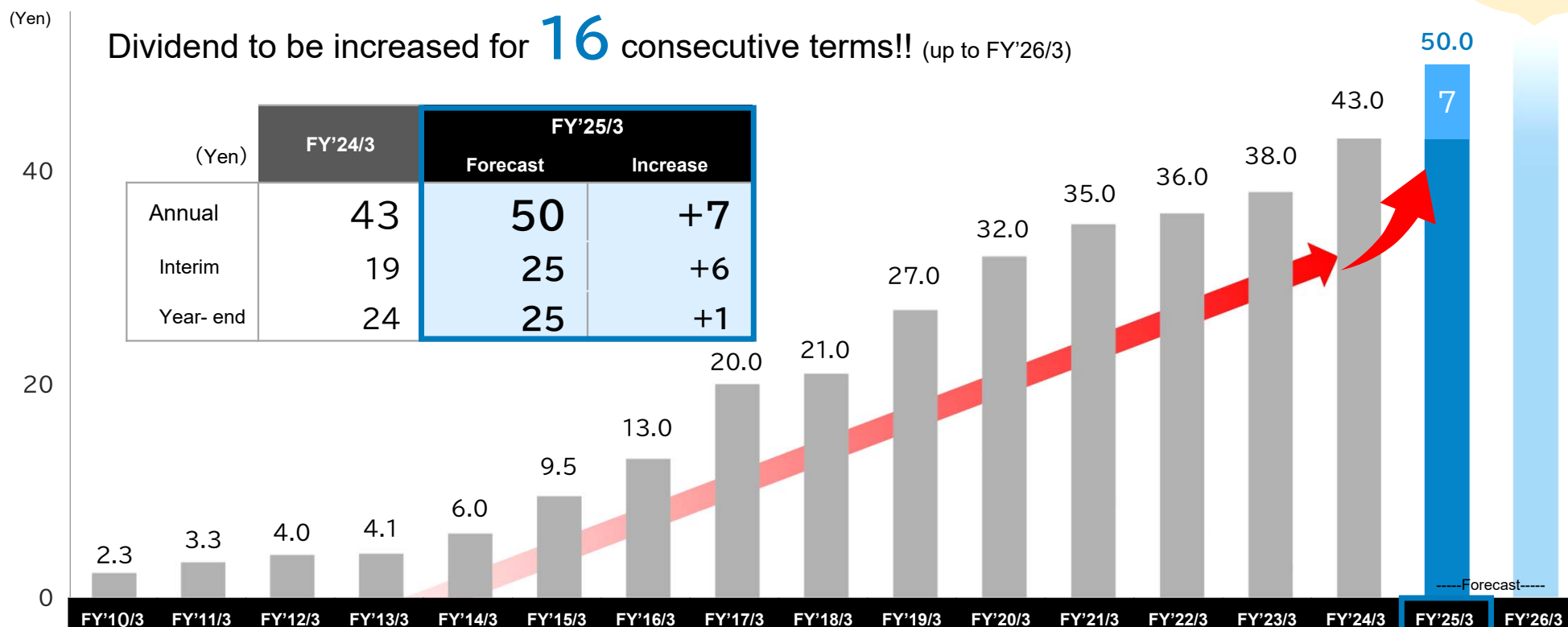
#### 4. Shareholders Return

### Trends in Dividends per Share

50th Anniversary

Dividend to be increased for **16** consecutive terms!! (up to FY'26/3)

(Yen)	FY'24/3	FY'25/3	
		Forecast	Increase
Annual	43	50	+7
Interim	19	25	+6
Year-end	24	25	+1



	FY'10/3	FY'11/3	FY'12/3	FY'13/3	FY'14/3	FY'15/3	FY'16/3	FY'17/3	FY'18/3	FY'19/3	FY'20/3	FY'21/3	FY'22/3	FY'23/3	FY'24/3	FY'25/3	FY'26/3
Net income per share(yen)	3.12	10.81	8.82	13.60	19.90	26.35	32.51	59.18	61.31	75.90	89.98	97.31	84.61	90.41	105.09	108.34	
Dividend per share(yen) <sup>1</sup>	2.3	3.3	4.0	4.1	6.0	9.5	13.0	20.0	21.0	27.0	32.0	35.0	36.0	38.0	43.0	50.0	
Dividend payout ratio	1.6%	5.5%	4.4%	6.3%	8.8%	10.4%	11.5%	18.8%	17.2%	18.9%	19.8%	17.2%	14.2%	13.6%	14.3%	Increase from FY'24/3	
ROE	74.7%	30.9%	45.4%	30.7%	30.2%	36.1%	40.0%	33.8%	34.3%	35.6%	35.6%	36.0%	42.5%	42.0%	40.9%	46.2%	
DOE <sup>2</sup>	1.2%	1.7%	2.0%	1.9%	2.7%	3.8%	4.6%	6.4%	5.9%	6.7%	7.0%	6.2%	6.0%	5.7%	5.8%	Increase from FY'24/3	

<sup>1</sup> Net income per share and dividends per share for FY'10/3 to FY'17/3 are shown after taking into account stock splits (2-for-1 stock split on October 1, 2016 and 3-for-1 stock split on January 1, 2014).

<sup>2</sup> DOE (Dividend on equity ratio) = Dividend payout ratio \* ROE



#### 4. Shareholders Return

### Shareholder Benefit

#### Eligible shareholders and timing

##### • Frequency of distribution

- Twice a year  
( For shareholders as of the end of Sep. and Mar.)

##### • Timing of the benefits

200 - 4,000 shares

- QUO cards will be shipped in Dec. / Jun.

More than 4,000 shares

- Catalog scheduled to be shipped in Nov. / May

#### Details of benefits

##### • 200 - 4,000 shares

QUO Card with “Green Fundraising”

200 - 1,000 shares	500 yen
1,000 - 2,000 shares	1,000 yen
2,000 - 4,000 shares	1,500 yen

##### ◆ Benefit for long-term holding

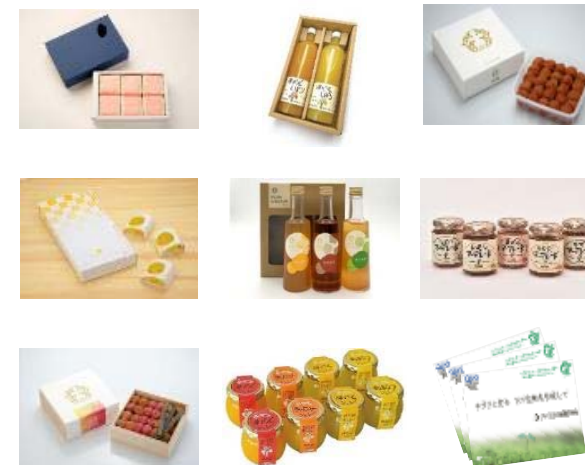
2 additional QUO Cards (500 yen) will be distributed to shareholders holding shares for more than 1 year.



##### • More than 4,000 shares

Items worth 3,000 yen will be presented according to the requests.

- QUO Card with “Green Fundraising”
- Catalog  
Kishu Ume, Mikan juice, Mikan jelly, Rice etc.,



(Note) Product image for illustration purposes only. Actual product may vary.

## Note

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These materials have been prepared only for the purpose of providing information to shareholders and are not to solicit buying and selling.

Forward-looking statements in these materials are based on targets and predictions and are not to provide assurance or guarantee.

Moreover, please be aware that the company's future performance may differ from its current forecasts.

Furthermore, descriptions of performance, etc. are based on various data deemed reliable but the company does not guarantee the accuracy or safety.

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