

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 5, 2021

Company name: NITTOC CONSTRUCTION CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 1929 URL <https://www.nittoc.co.jp>  
 Representative: President & Representative Director Yasuo Wada  
 Manager,  
 Inquiries: Accounting Department, Masakazu Itabashi TEL 03-5645-5047  
 Administration Division  
 Scheduled date to file Quarterly Securities Report: November 8, 2021  
 Scheduled date to commence dividend payments: November 30, 2021  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

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

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2021	29,811	(3.1)	1,374	(32.9)	1,416	(31.9)	938	(31.0)
Six months ended September 30, 2020	30,767	7.9	2,047	11.6	2,081	13.4	1,358	13.6

Note: Comprehensive income Six months ended September 30, 2021 ¥985 million [(30.4)%]  
 Six months ended September 30, 2020 ¥1,416 million [13.7%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	22.49		-	
Six months ended September 30, 2020	32.57		-	

Note: The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations from the beginning of the first quarter of the current fiscal year, and each figure for the first six months of the fiscal year ending March 31, 2022, is the figure after applying the accounting standard and relevant revised ASBJ regulations.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2021	47,705	28,719	59.8	684.36
As of March 31, 2021	51,971	28,800	55.1	686.19

Reference: Equity As of September 30, 2021 ¥28,543 million  
 As of March 31, 2021 ¥28,619 million

Note: The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations from the beginning of the first quarter of the current fiscal year, and each figure for the first six months of the fiscal year ending March 31, 2022, is the figure after applying the accounting standard and relevant revised ASBJ regulations.

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2021	-	8.00	-	28.00	36.00
Year ending March 31, 2022	-	8.00	-	-	-
Year ending March 31, 2022 (Forecast)	-	-	-	21.00	29.00

Note: Revision of cash dividend forecast most recently announced: No

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	69,400	2.1	4,460	(16.8)	4,450	(17.9)	2,930	(16.3)	70.25

Note: Revision of consolidated financial results forecast most recently announced: No

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2021	41,708,367 shares	As of March 31, 2021	43,919,291 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	555 shares	As of March 31, 2021	2,210,924 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	41,708,063 shares	Six months ended September 30, 2020	41,709,531 shares
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Note: The Company canceled 2,210,924 treasury shares on May 31, 2021, in accordance with a resolution passed at a meeting of the Board of Directors held on May 7, 2021.

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

\* Proper use of forecasts of financial results, and other special matters

Financial results forecasts are based on information available to the Company at the time of release of this document. Actual financial results may differ from the forecast figures due to various factors going forward.

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	17,722	18,229
Notes receivable, accounts receivable from completed construction contracts and other	19,666	–
Notes receivable, accounts receivable from completed construction contracts and other and contract assets	–	16,497
Electronically recorded monetary claims - operating	2,921	2,327
Merchandise and finished goods	9	20
Real estate for sale	0	0
Costs on construction contracts in progress	1,359	510
Raw materials and supplies	243	263
Other	360	561
Allowance for doubtful accounts	(2)	(1)
Total current assets	42,282	38,407
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,645	1,617
Machinery, vehicles, tools, furniture and fixtures, net	1,133	1,079
Land	2,638	2,578
Leased assets, net	13	4
Construction in progress	166	189
Other, net	2	2
Total property, plant and equipment	5,598	5,471
Intangible assets	445	631
Investments and other assets		
Investment securities	974	1,013
Deferred tax assets	2,127	1,794
Other	602	430
Allowance for doubtful accounts	(59)	(44)
Total investments and other assets	3,644	3,194
Total non-current assets	9,689	9,297
Total assets	51,971	47,705

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	11,339	10,715
Short-term borrowings	278	141
Advances received on construction contracts in progress	2,032	528
Lease obligations	3	0
Income taxes payable	1,274	266
Provision for warranties for completed construction	24	23
Provision for loss on construction contracts	286	154
Provision for bonuses	1,501	1,015
Provision for bonuses for directors (and other officers)	36	–
Other	2,156	1,777
<b>Total current liabilities</b>	<b>18,931</b>	<b>14,622</b>
<b>Non-current liabilities</b>		
Lease obligations	5	2
Retirement benefit liability	4,162	4,289
Other	71	71
<b>Total non-current liabilities</b>	<b>4,239</b>	<b>4,363</b>
<b>Total liabilities</b>	<b>23,171</b>	<b>18,985</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	6,052	6,052
Capital surplus	2,022	1,753
Retained earnings	21,419	20,502
Treasury shares	(1,057)	(0)
<b>Total shareholders' equity</b>	<b>28,436</b>	<b>28,308</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	312	338
Foreign currency translation adjustment	(34)	(26)
Remeasurements of defined benefit plans	(95)	(76)
<b>Total accumulated other comprehensive income</b>	<b>183</b>	<b>235</b>
<b>Non-controlling interests</b>	<b>180</b>	<b>176</b>
<b>Total net assets</b>	<b>28,800</b>	<b>28,719</b>
<b>Total liabilities and net assets</b>	<b>51,971</b>	<b>47,705</b>

## Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

### Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales		
Net sales of completed construction contracts	30,613	29,702
Sales in other businesses	154	109
Total net sales	30,767	29,811
Cost of sales		
Cost of sales of completed construction contracts	24,987	24,456
Cost of sales in other businesses	108	59
Total cost of sales	25,095	24,516
Gross profit		
Gross profit on completed construction contracts	5,626	5,245
Gross profit - other business	45	49
Total gross profit	5,671	5,295
Selling, general and administrative expenses	3,623	3,920
Operating profit	2,047	1,374
Non-operating income		
Interest income	9	4
Dividend income	17	18
license income	5	10
Foreign exchange gains	19	5
Other	3	21
Total non-operating income	55	60
Non-operating expenses		
Interest expenses	4	3
Guarantee commission	14	11
Other	2	3
Total non-operating expenses	21	18
Ordinary profit	2,081	1,416
Extraordinary income		
Gain on sale of non-current assets	–	0
Total extraordinary income	–	0
Extraordinary losses		
Loss on sale and retirement of non-current assets	3	2
Total extraordinary losses	3	2
Profit before income taxes	2,078	1,414
Income taxes - current	507	212
Income taxes - deferred	215	271
Total income taxes	722	484
Profit	1,355	929
Loss attributable to non-controlling interests	(3)	(8)
Profit attributable to owners of parent	1,358	938

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	1,355	929
Other comprehensive income		
Valuation difference on available-for-sale securities	5	25
Foreign currency translation adjustment	35	12
Remeasurements of defined benefit plans, net of tax	21	17
Total other comprehensive income	61	55
Comprehensive income	1,416	985
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,408	989
Comprehensive income attributable to non-controlling interests	8	(4)

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	2,078	1,414
Depreciation	185	207
Increase (decrease) in allowance for doubtful accounts	(4)	(15)
Increase (decrease) in provision for warranties for completed construction	(2)	(0)
Increase (decrease) in provision for loss on construction contracts	158	(85)
Increase (decrease) in provision for bonuses	(619)	(485)
Increase (decrease) in retirement benefit liability	139	152
Interest and dividend income	(27)	(23)
Interest expenses	4	3
Foreign exchange losses (gains)	(22)	(4)
Loss (gain) on sale of property, plant and equipment	–	2
Loss on retirement of non-current assets	3	0
Decrease (increase) in trade receivables	(17)	4,350
Decrease (increase) in costs on construction contracts in progress	(673)	18
Decrease (increase) in other assets	(35)	(158)
Increase (decrease) in trade payables	(377)	(527)
Increase (decrease) in advances received on construction contracts in progress	701	(1,143)
Increase (decrease) in accrued consumption taxes	(844)	78
Increase (decrease) in other liabilities	74	(195)
Subtotal	721	3,588
Interest and dividends received	29	23
Interest paid	(5)	(4)
Income taxes paid	(1,186)	(1,296)
Net cash provided by (used in) operating activities	(440)	2,311
Cash flows from investing activities		
Purchase of investment securities	(2)	(2)
Purchase of property, plant and equipment	(329)	(305)
Proceeds from sale of property, plant and equipment	–	75
Purchase of intangible assets	(18)	(255)
Payments for asset retirement obligations	–	(9)
Proceeds from collection of loans receivable	46	–
Payments of guarantee deposits	(3)	(11)
Proceeds from refund of guarantee deposits	3	4
Other payments	(40)	(0)
Other proceeds	5	2
Net cash provided by (used in) investing activities	(338)	(501)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from financing activities		
Repayments of long-term borrowings	(137)	(137)
Repayments of lease obligations	(6)	(6)
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,162)	(1,167)
Net cash provided by (used in) financing activities	(1,306)	(1,311)
Effect of exchange rate change on cash and cash equivalents	42	8
Net increase (decrease) in cash and cash equivalents	(2,042)	507
Cash and cash equivalents at beginning of period	18,713	17,722
Cash and cash equivalents at end of period	16,671	18,229