

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

February 4, 2022

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: February 7, 2022
 Scheduled date to commence dividend payments: –
 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 nine months ended December 31, 2021 (from April 1, 2021 to December 31, 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	%
Nine months ended December 31, 2021	48,018	(3.0)	3,298	(19.4)	3,357	(18.8)	2,229	(19.0)
Nine months ended December 31, 2020	49,485	5.5	4,090	12.0	4,135	11.8	2,751	12.2

Note: Comprehensive income
 Nine months ended December 31, 2021 ¥2,326 million [(19.4)%]
 Nine months ended December 31, 2020 ¥2,884 million [10.0%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	53.46		–	
Nine months ended December 31, 2020	65.97		–	

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 nine 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 December 31, 2021	49,954	29,725	59.1	708.09
As of March 31, 2021	51,971	28,800	55.1	686.19

Reference: Equity
 As of December 31, 2021 ¥29,532 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 nine 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)				32.00	40.00

Notes: 1. Revision of cash dividend forecast most recently announced: Yes

2. Breakdown of fiscal year-end dividends for the fiscal year ending March 31, 2022 (forecast):

Ordinary dividend of ¥25.00, and special dividend of ¥7.00

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 nine months ended December 31, 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 December 31, 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 December 31, 2021	906 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)

Nine months ended December 31, 2021	41,707,907 shares	Nine months ended December 31, 2020	41,709,369 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 December 31, 2021
Assets		
Current assets		
Cash and deposits	17,722	19,446
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	–	17,273
Electronically recorded monetary claims - operating	2,921	2,493
Merchandise and finished goods	9	23
Real estate for sale	0	0
Costs on construction contracts in progress	1,359	542
Raw materials and supplies	243	261
Other	360	976
Allowance for doubtful accounts	(2)	(1)
Total current assets	42,282	41,016
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,645	1,603
Machinery, vehicles, tools, furniture and fixtures, net	1,133	1,028
Land	2,638	2,578
Leased assets, net	13	1
Construction in progress	166	206
Other, net	2	2
Total property, plant and equipment	5,598	5,419
Intangible assets	445	609
Investments and other assets		
Investment securities	974	1,027
Deferred tax assets	2,127	1,501
Other	602	420
Allowance for doubtful accounts	(59)	(39)
Total investments and other assets	3,644	2,909
Total non-current assets	9,689	8,938
Total assets	51,971	49,954

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	11,339	11,944
Short-term borrowings	278	–
Advances received on construction contracts in progress	2,032	1,139
Lease obligations	3	0
Income taxes payable	1,274	35
Provision for warranties for completed construction	24	23
Provision for loss on construction contracts	286	154
Provision for bonuses	1,501	316
Provision for bonuses for directors (and other officers)	36	–
Other	2,156	2,199
Total current liabilities	18,931	15,813
Non-current liabilities		
Lease obligations	5	4
Retirement benefit liability	4,162	4,339
Other	71	71
Total non-current liabilities	4,239	4,415
Total liabilities	23,171	20,229
Net assets		
Shareholders' equity		
Share capital	6,052	6,052
Capital surplus	2,022	1,753
Retained earnings	21,419	21,461
Treasury shares	(1,057)	(0)
Total shareholders' equity	28,436	29,266
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	312	346
Foreign currency translation adjustment	(34)	(12)
Remeasurements of defined benefit plans	(95)	(67)
Total accumulated other comprehensive income	183	266
Non-controlling interests	180	193
Total net assets	28,800	29,725
Total liabilities and net assets	51,971	49,954

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales		
Net sales of completed construction contracts	49,291	47,865
Sales in other businesses	193	152
Total net sales	<u>49,485</u>	<u>48,018</u>
Cost of sales		
Cost of sales of completed construction contracts	39,863	39,041
Cost of sales in other businesses	124	80
Total cost of sales	<u>39,988</u>	<u>39,121</u>
Gross profit		
Gross profit on completed construction contracts	9,428	8,824
Gross profit - other business	68	72
Total gross profit	<u>9,497</u>	<u>8,897</u>
Selling, general and administrative expenses	<u>5,406</u>	<u>5,598</u>
Operating profit	<u>4,090</u>	<u>3,298</u>
Non-operating income		
Interest income	13	5
Dividend income	32	33
license income	10	15
Foreign exchange gains	16	6
Other	6	24
Total non-operating income	<u>78</u>	<u>85</u>
Non-operating expenses		
Interest expenses	5	4
Guarantee commission	23	17
Other	4	3
Total non-operating expenses	<u>33</u>	<u>25</u>
Ordinary profit	<u>4,135</u>	<u>3,357</u>
Extraordinary income		
Gain on sale of non-current assets	3	0
Total extraordinary income	<u>3</u>	<u>0</u>
Extraordinary losses		
Loss on sale and retirement of non-current assets	3	4
Total extraordinary losses	<u>3</u>	<u>4</u>
Profit before income taxes	<u>4,135</u>	<u>3,353</u>
Income taxes - current	1,038	564
Income taxes - deferred	353	557
Total income taxes	<u>1,391</u>	<u>1,122</u>
Profit	<u>2,744</u>	<u>2,231</u>
Profit (loss) attributable to non-controlling interests	(6)	1
Profit attributable to owners of parent	<u>2,751</u>	<u>2,229</u>

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	2,744	2,231
Other comprehensive income		
Valuation difference on available-for-sale securities	59	34
Foreign currency translation adjustment	48	33
Remeasurements of defined benefit plans, net of tax	32	27
Total other comprehensive income	140	95
Comprehensive income	2,884	2,326
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,875	2,313
Comprehensive income attributable to non-controlling interests	9	12