

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 5, 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: August 10, 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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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	%
Three months ended June 30, 2022	14,431	7.4	345	10.4	436	29.2	248	16.2
Three months ended June 30, 2021	13,438	–	313	–	337	–	214	–

Note: Comprehensive income Three months ended June 30, 2022 ¥329 million [70.0%]
 Three months ended June 30, 2021 ¥193 million [–%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	5.96		–	
Three months ended June 30, 2021	5.13		–	

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 previous fiscal year, and each figure for the first three months of the fiscal year ended March 31, 2022, is the figure after applying the accounting standard and relevant revised ASBJ regulations. The percentage of year-on-year change is not shown.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2022	48,623	29,605	60.4	704.43
As of March 31, 2022	51,712	30,610	58.8	729.42

Reference: Equity As of June 30, 2022 ¥29,379 million
 As of March 31, 2022 ¥30,422 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	–	8.00	–	32.00	40.00
Year ending March 31, 2023	–				
Year ending March 31, 2023 (Forecast)		20.00	–	25.00	45.00

Notes: 1. Revision of cash dividend forecast most recently announced: No

2. Breakdown of fiscal year-end dividends for the fiscal year ending March 31, 2023 (forecast):

Ordinary dividend of ¥20.00, and commemorative dividend of ¥5.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

	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
Six months ending September 30, 2022	31,000	4.0	1,400	1.9	1,400	(1.2)	920	(1.9)	22.06
Full year	68,500	3.7	4,600	1.7	4,550	(1.6)	3,050	(8.4)	73.13

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

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
(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 June 30, 2022	41,708,367 shares	As of March 31, 2022	41,708,367 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	1,526 shares	As of March 31, 2022	1,321 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	41,706,945 shares	Three months ended June 30, 2021	41,708,193 shares
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* 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, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	20,723	22,420
Notes receivable, accounts receivable from completed construction contracts and other	17,934	12,880
Electronically recorded monetary claims - operating	2,563	2,903
Merchandise and finished goods	25	18
Real estate for sale	0	0
Costs on construction contracts in progress	301	453
Raw materials and supplies	285	272
Other	693	559
Allowance for doubtful accounts	(2)	(1)
Total current assets	42,526	39,507
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,639	1,630
Machinery, vehicles, tools, furniture and fixtures, net	1,314	1,268
Land	2,578	2,578
Leased assets, net	0	0
Construction in progress	253	257
Other, net	2	2
Total property, plant and equipment	5,787	5,736
Intangible assets	607	592
Investments and other assets		
Investment securities	417	426
Deferred tax assets	2,003	1,993
Other	403	393
Allowance for doubtful accounts	(32)	(26)
Total investments and other assets	2,791	2,786
Total non-current assets	9,185	9,115
Total assets	51,712	48,623

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	11,921	10,056
Advances received on construction contracts in progress	593	1,145
Lease liabilities	0	–
Income taxes payable	555	105
Provision for warranties for completed construction	25	27
Provision for loss on construction contracts	168	55
Provision for bonuses	1,150	565
Provision for bonuses for directors (and other officers)	33	–
Other	2,341	2,735
Total current liabilities	16,790	14,691
Non-current liabilities		
Lease liabilities	4	5
Retirement benefit liability	4,209	4,223
Other	97	97
Total non-current liabilities	4,311	4,326
Total liabilities	21,101	19,017
Net assets		
Shareholders' equity		
Share capital	6,052	6,052
Capital surplus	1,753	1,753
Retained earnings	22,560	21,475
Treasury shares	(0)	(1)
Total shareholders' equity	30,365	29,279
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	112	118
Foreign currency translation adjustment	3	33
Remeasurements of defined benefit plans	(58)	(51)
Total accumulated other comprehensive income	56	99
Non-controlling interests	188	226
Total net assets	30,610	29,605
Total liabilities and net assets	51,712	48,623

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales		
Net sales of completed construction contracts	13,380	14,378
Sales in other businesses	57	52
Total net sales	13,438	14,431
Cost of sales		
Cost of sales of completed construction contracts	11,250	12,093
Cost of sales in other businesses	30	27
Total cost of sales	11,280	12,121
Gross profit		
Gross profit on completed construction contracts	2,130	2,285
Gross profit - other business	27	24
Total gross profit	2,157	2,310
Selling, general and administrative expenses	1,844	1,964
Operating profit	313	345
Non-operating income		
Interest income	2	1
Dividend income	14	2
license income	6	5
Foreign exchange gains	6	82
Other	2	3
Total non-operating income	32	95
Non-operating expenses		
Interest expenses	0	0
Guarantee commission	6	4
Other	0	0
Total non-operating expenses	7	5
Ordinary profit	337	436
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	1	1
Total extraordinary losses	1	1
Profit before income taxes	335	434
Income taxes - current	136	160
Income taxes - deferred	(11)	4
Total income taxes	125	164
Profit	210	269
Profit (loss) attributable to non-controlling interests	(3)	21
Profit attributable to owners of parent	214	248

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	210	269
Other comprehensive income		
Valuation difference on available-for-sale securities	(25)	5
Foreign currency translation adjustment	(0)	46
Remeasurements of defined benefit plans, net of tax	8	7
Total other comprehensive income	(16)	59
Comprehensive income	193	329
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	197	292
Comprehensive income attributable to non-controlling interests	(3)	37