

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021 (Based on Japanese GAAP)

August 6, 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: August 6, 2021
 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, 2021 (from April 1, 2021 to June 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	%
Three months ended June 30, 2021	13,438	(2.1)	313	(54.9)	337	(55.6)	214	(56.1)
Three months ended June 30, 2020	13,725	3.0	694	28.5	760	41.1	487	45.9

Note: Comprehensive income Three months ended June 30, 2021 ¥193 million [(65.1)%]
 Three months ended June 30, 2020 ¥556 million [68.6%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2021	5.13		–	
Three months ended June 30, 2020	11.68		–	

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 three 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 June 30, 2021	47,668	27,927	58.2	665.37
As of March 31, 2021	51,971	28,800	55.1	686.19

Reference: Equity As of June 30, 2021 ¥27,751 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 three 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				
Year ended March 31, 2021	–	8.00	–	28.00	36.00
Year ending March 31, 2022	–	–	–	–	–
Year ending March 31, 2022 (Forecast)	–	8.00	–	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)

	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, 2021	30,000	(2.5)	1,150	(43.8)	1,150	(44.7)	750	(44.8)	17.98
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 three months ended June 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 June 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 June 30, 2021	246 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)

Three months ended June 30, 2021	41,708,193 shares	Three months ended June 30, 2020	41,709,683 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 June 30, 2021
Assets		
Current assets		
Cash and deposits	17,722	18,537
Notes receivable, accounts receivable from completed construction contracts and other	19,666	–
Notes receivable, accounts receivable from completed construction contracts, contract assets and other	–	14,763
Electronically recorded monetary claims - operating	2,921	3,124
Merchandise and finished goods	9	18
Real estate for sale	0	0
Costs on construction contracts in progress	1,359	805
Raw materials and supplies	243	241
Other	360	491
Allowance for doubtful accounts	(2)	(1)
Total current assets	42,282	37,980
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,645	1,641
Machinery, vehicles, tools, furniture and fixtures, net	1,133	1,091
Land	2,638	2,578
Leased assets, net	13	10
Construction in progress	166	145
Other, net	2	2
Total property, plant and equipment	5,598	5,468
Intangible assets	445	638
Investments and other assets		
Investment securities	974	939
Deferred tax assets	2,127	2,104
Other	602	587
Allowance for doubtful accounts	(59)	(50)
Total investments and other assets	3,644	3,581
Total non-current assets	9,689	9,688
Total assets	51,971	47,668

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	11,339	10,200
Short-term borrowings	278	141
Advances received on construction contracts in progress	2,032	1,039
Lease obligations	3	2
Income taxes payable	1,274	148
Provision for warranties for completed construction	24	24
Provision for loss on construction contracts	286	193
Provision for bonuses	1,501	507
Provision for bonuses for directors (and other officers)	36	–
Other	2,156	3,181
Total current liabilities	18,931	15,438
Non-current liabilities		
Lease obligations	5	3
Retirement benefit liability	4,162	4,227
Other	71	71
Total non-current liabilities	4,239	4,302
Total liabilities	23,171	19,740
Net assets		
Shareholders' equity		
Share capital	6,052	6,052
Capital surplus	2,022	1,753
Retained earnings	21,419	19,778
Treasury shares	(1,057)	(0)
Total shareholders' equity	28,436	27,584
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	312	287
Foreign currency translation adjustment	(34)	(34)
Remeasurements of defined benefit plans	(95)	(86)
Total accumulated other comprehensive income	183	166
Non-controlling interests	180	176
Total net assets	28,800	27,927
Total liabilities and net assets	51,971	47,668

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, 2020	Three months ended June 30, 2021
Net sales		
Net sales of completed construction contracts	13,607	13,380
Sales in other businesses	117	57
Total net sales	13,725	13,438
Cost of sales		
Cost of sales of completed construction contracts	11,206	11,250
Cost of sales in other businesses	90	30
Total cost of sales	11,297	11,280
Gross profit		
Gross profit on completed construction contracts	2,400	2,130
Gross profit - other business	27	27
Total gross profit	2,428	2,157
Selling, general and administrative expenses	1,733	1,844
Operating profit	694	313
Non-operating income		
Interest income	4	2
Dividend income	14	14
license income	3	6
Foreign exchange gains	46	6
Other	6	2
Total non-operating income	75	32
Non-operating expenses		
Interest expenses	2	0
Guarantee commission	7	6
Other	0	0
Total non-operating expenses	9	7
Ordinary profit	760	337
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
Total extraordinary losses	–	1
Profit before income taxes	760	335
Income taxes - current	314	136
Income taxes - deferred	(36)	(11)
Total income taxes	277	125
Profit	482	210
Loss attributable to non-controlling interests	(4)	(3)
Profit attributable to owners of parent	487	214

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit	482	210
Other comprehensive income		
Valuation difference on available-for-sale securities	0	(25)
Foreign currency translation adjustment	62	(0)
Remeasurements of defined benefit plans, net of tax	9	8
Total other comprehensive income	73	(16)
Comprehensive income	556	193
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	538	197
Comprehensive income attributable to non-controlling interests	17	(3)