

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 3, 2023

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 10, 2023
 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, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	53,904	12.3	4,384	32.9	4,323	28.8	2,810	26.0
Nine months ended December 31, 2021	48,018	–	3,298	–	3,357	–	2,229	–

Note: Comprehensive income
 Nine months ended December 31, 2022 ¥2,927 million [25.9%]
 Nine months ended December 31, 2021 ¥2,326 million [–%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	67.38		–	
Nine months ended December 31, 2021	53.46		–	

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 nine 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 December 31, 2022	51,221	31,368	60.7	745.81
As of March 31, 2022	51,712	30,610	58.8	729.42

Reference: Equity
 As of December 31, 2022 ¥31,104 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	–	20.00	–		
Year ending March 31, 2023 (Forecast)				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)

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	71,000	7.5	5,000	10.5	5,000	8.1	3,300	(0.9)	79.12

Note: Revision of consolidated financial results forecast most recently announced: Yes

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2022	2,415 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)

Nine months ended December 31, 2022	41,706,629 shares	Nine months ended December 31, 2021	41,707,907 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 December 31, 2022
Assets		
Current assets		
Cash and deposits	20,723	16,989
Notes receivable, accounts receivable from completed construction contracts and other	17,934	19,569
Electronically recorded monetary claims - operating	2,563	3,912
Merchandise and finished goods	25	19
Real estate for sale	0	0
Costs on construction contracts in progress	301	643
Raw materials and supplies	285	330
Other	693	536
Allowance for doubtful accounts	(2)	(2)
Total current assets	42,526	41,999
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,639	1,685
Machinery, vehicles, tools, furniture and fixtures, net	1,314	1,230
Land	2,578	2,578
Leased assets, net	0	–
Construction in progress	253	480
Other, net	2	2
Total property, plant and equipment	5,787	5,977
Intangible assets	607	556
Investments and other assets		
Investment securities	417	696
Deferred tax assets	2,003	1,640
Other	403	373
Allowance for doubtful accounts	(32)	(21)
Total investments and other assets	2,791	2,689
Total non-current assets	9,185	9,222
Total assets	51,712	51,221

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	11,921	12,294
Advances received on construction contracts in progress	593	714
Lease liabilities	0	–
Income taxes payable	555	349
Provision for warranties for completed construction	25	26
Provision for loss on construction contracts	168	17
Provision for bonuses	1,150	558
Provision for bonuses for directors (and other officers)	33	–
Other	2,341	1,472
Total current liabilities	16,790	15,434
Non-current liabilities		
Lease liabilities	4	–
Retirement benefit liability	4,209	4,320
Other	97	97
Total non-current liabilities	4,311	4,418
Total liabilities	21,101	19,852
Net assets		
Shareholders' equity		
Share capital	6,052	6,052
Capital surplus	1,753	1,753
Retained earnings	22,560	23,202
Treasury shares	(0)	(1)
Total shareholders' equity	30,365	31,005
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	112	142
Foreign currency translation adjustment	3	(6)
Remeasurements of defined benefit plans	(58)	(36)
Total accumulated other comprehensive income	56	98
Non-controlling interests	188	263
Total net assets	30,610	31,368
Total liabilities and net assets	51,712	51,221

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, 2021	Nine months ended December 31, 2022
Net sales		
Net sales of completed construction contracts	47,865	53,737
Sales in other businesses	152	166
Total net sales	48,018	53,904
Cost of sales		
Cost of sales of completed construction contracts	39,041	43,406
Cost of sales in other businesses	80	84
Total cost of sales	39,121	43,490
Gross profit		
Gross profit on completed construction contracts	8,824	10,331
Gross profit - other business	72	82
Total gross profit	8,897	10,413
Selling, general and administrative expenses	5,598	6,029
Operating profit	3,298	4,384
Non-operating income		
Interest income	5	2
Dividend income	33	8
license income	15	10
Foreign exchange gains	6	–
Other	24	10
Total non-operating income	85	31
Non-operating expenses		
Interest expenses	4	7
Guarantee commission	17	12
Foreign exchange losses	–	14
Commission for syndicated loans	2	52
Other	1	5
Total non-operating expenses	25	92
Ordinary profit	3,357	4,323
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	4	14
Total extraordinary losses	4	14
Profit before income taxes	3,353	4,309
Income taxes - current	564	1,080
Income taxes - deferred	557	338
Total income taxes	1,122	1,419
Profit	2,231	2,890
Profit attributable to non-controlling interests	1	80
Profit attributable to owners of parent	2,229	2,810

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	2,231	2,890
Other comprehensive income		
Valuation difference on available-for-sale securities	34	30
Foreign currency translation adjustment	33	(15)
Remeasurements of defined benefit plans, net of tax	27	22
Total other comprehensive income	95	37
Comprehensive income	2,326	2,927
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,313	2,852
Comprehensive income attributable to non-controlling interests	12	75