

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 7, 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: August 8, 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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, 2023	16,120	11.7	256	(25.9)	325	(25.3)	176	(29.0)
Three months ended June 30, 2022	14,431	7.4	345	10.4	436	29.2	248	16.2

Note: Comprehensive income Three months ended June 30, 2023 ¥480 million [45.8%]
 Three months ended June 30, 2022 ¥329 million [70.0%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	4.23		–	
Three months ended June 30, 2022	5.96		–	

(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, 2023	51,142	31,564	61.2	750.55
As of March 31, 2023	52,809	32,127	60.3	763.67

Reference: Equity As of June 30, 2023 ¥31,301 million
 As of March 31, 2023 ¥31,849 million

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, 2023	–	20.00	–	25.00	45.00
Year ending March 31, 2024	–	–	–	–	–
Year ending March 31, 2024 (Forecast)	–	22.00	–	25.00	47.00

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

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

	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, 2023	33,000	0.8	2,050	(0.9)	2,050	(4.1)	1,350	0.1	32.37
Full year	71,200	(2.4)	5,030	(7.7)	5,050	(7.6)	3,350	(5.0)	80.33

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, 2023
(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: No
- 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, 2023	41,708,367 shares	As of March 31, 2023	41,708,367 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	3,113 shares	As of March 31, 2023	2,817 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, 2023	41,705,353 shares	Three months ended June 30, 2022	41,706,945 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, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	19,457	20,601
Notes receivable, accounts receivable from completed construction contracts and other	18,395	15,083
Electronically recorded monetary claims - operating	3,462	3,286
Merchandise and finished goods	31	35
Real estate for sale	0	0
Costs on construction contracts in progress	284	309
Raw materials and supplies	355	316
Other	446	571
Allowance for doubtful accounts	(2)	(1)
Total current assets	42,431	40,202
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,674	1,669
Machinery, vehicles, tools, furniture and fixtures, net	1,542	1,754
Land	2,578	2,578
Construction in progress	633	462
Other, net	2	2
Total property, plant and equipment	6,430	6,465
Intangible assets	578	576
Investments and other assets		
Investment securities	1,040	1,561
Deferred tax assets	1,978	1,991
Other	370	365
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	3,368	3,896
Total non-current assets	10,377	10,939
Total assets	52,809	51,142

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	11,539	10,961
Advances received on construction contracts in progress	423	648
Income taxes payable	1,149	319
Provision for warranties for completed construction	170	170
Provision for loss on construction contracts	28	182
Provision for bonuses	1,138	610
Provision for bonuses for directors (and other officers)	39	–
Other	2,070	2,692
Total current liabilities	16,559	15,586
Non-current liabilities		
Retirement benefit liability	4,023	3,883
Other	98	106
Total non-current liabilities	4,122	3,990
Total liabilities	20,681	19,577
Net assets		
Shareholders' equity		
Share capital	6,052	6,052
Capital surplus	1,753	1,753
Retained earnings	23,918	23,052
Treasury shares	(2)	(2)
Total shareholders' equity	31,722	30,855
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	138	277
Foreign currency translation adjustment	17	61
Remeasurements of defined benefit plans	(29)	107
Total accumulated other comprehensive income	126	446
Non-controlling interests	278	263
Total net assets	32,127	31,564
Total liabilities and net assets	52,809	51,142

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, 2022	Three months ended June 30, 2023
Net sales		
Net sales of completed construction contracts	14,378	16,070
Sales in other businesses	52	49
Total net sales	14,431	16,120
Cost of sales		
Cost of sales of completed construction contracts	12,093	13,724
Cost of sales in other businesses	27	22
Total cost of sales	12,121	13,747
Gross profit		
Gross profit on completed construction contracts	2,285	2,345
Gross profit - other business	24	27
Total gross profit	2,310	2,373
Selling, general and administrative expenses	1,964	2,116
Operating profit	345	256
Non-operating income		
Interest income	1	2
Dividend income	2	22
license income	5	3
Foreign exchange gains	82	51
Other	3	3
Total non-operating income	95	83
Non-operating expenses		
Interest expenses	0	0
Guarantee commission	4	11
Other	0	2
Total non-operating expenses	5	14
Ordinary profit	436	325
Extraordinary losses		
Loss on retirement of non-current assets	1	0
Total extraordinary losses	1	0
Profit before income taxes	434	325
Income taxes - current	160	319
Income taxes - deferred	4	(135)
Total income taxes	164	183
Profit	269	141
Profit (loss) attributable to non-controlling interests	21	(34)
Profit attributable to owners of parent	248	176

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	269	141
Other comprehensive income		
Valuation difference on available-for-sale securities	5	138
Foreign currency translation adjustment	46	67
Remeasurements of defined benefit plans, net of tax	7	133
Total other comprehensive income	59	339
Comprehensive income	329	480
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	292	495
Comprehensive income attributable to non-controlling interests	37	(15)