

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 9, 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: November 10, 2023  
 Scheduled date to commence dividend payments: November 30, 2023  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 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	%
Six months ended September 30, 2023	34,977	6.8	1,566	(24.2)	1,630	(23.7)	1,100	(18.5)
Six months ended September 30, 2022	32,752	9.9	2,067	50.4	2,137	50.9	1,349	43.8

Note: Comprehensive income Six months ended September 30, 2023 ¥1,511 million [0.6%]  
 Six months ended September 30, 2022 ¥1,503 million [52.5%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	26.37		-	
Six months ended September 30, 2022	32.35		-	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2023	53,258	32,620	60.8	776.01
As of March 31, 2023	52,809	32,127	60.3	763.67

Reference: Equity As of September 30, 2023 ¥32,381 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	-	22.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	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)

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	71,200	(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 six months ended September 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 September 30, 2023	41,731,951 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 September 30, 2023	3,213 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)

Six months ended September 30, 2023	41,714,558 shares	Six months ended September 30, 2022	41,706,795 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 September 30, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	19,457	18,604
Notes receivable, accounts receivable from completed construction contracts and other	18,395	17,911
Electronically recorded monetary claims - operating	3,462	3,584
Merchandise and finished goods	31	34
Real estate for sale	0	0
Costs on construction contracts in progress	284	515
Raw materials and supplies	355	723
Other	446	696
Allowance for doubtful accounts	(2)	(2)
<b>Total current assets</b>	<b>42,431</b>	<b>42,067</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	1,674	1,664
Machinery, vehicles, tools, furniture and fixtures, net	1,542	1,757
Land	2,578	2,578
Construction in progress	633	444
Other, net	2	2
<b>Total property, plant and equipment</b>	<b>6,430</b>	<b>6,446</b>
Intangible assets	578	563
Investments and other assets		
Investment securities	1,040	2,073
Deferred tax assets	1,978	1,759
Other	370	370
Allowance for doubtful accounts	(21)	(21)
<b>Total investments and other assets</b>	<b>3,368</b>	<b>4,181</b>
<b>Total non-current assets</b>	<b>10,377</b>	<b>11,190</b>
<b>Total assets</b>	<b>52,809</b>	<b>53,258</b>

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	11,539	12,598
Advances received on construction contracts in progress	423	595
Income taxes payable	1,149	688
Provision for warranties for completed construction	170	189
Provision for loss on construction contracts	28	105
Provision for bonuses	1,138	1,233
Provision for bonuses for directors (and other officers)	39	–
Other	2,070	1,167
<b>Total current liabilities</b>	<b>16,559</b>	<b>16,577</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	4,023	3,955
Other	98	105
<b>Total non-current liabilities</b>	<b>4,122</b>	<b>4,060</b>
<b>Total liabilities</b>	<b>20,681</b>	<b>20,638</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	6,052	6,064
Capital surplus	1,753	1,765
Retained earnings	23,918	23,976
Treasury shares	(2)	(2)
<b>Total shareholders' equity</b>	<b>31,722</b>	<b>31,803</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	138	410
Foreign currency translation adjustment	17	61
Remeasurements of defined benefit plans	(29)	107
<b>Total accumulated other comprehensive income</b>	<b>126</b>	<b>578</b>
<b>Non-controlling interests</b>	<b>278</b>	<b>238</b>
<b>Total net assets</b>	<b>32,127</b>	<b>32,620</b>
<b>Total liabilities and net assets</b>	<b>52,809</b>	<b>53,258</b>

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

### Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales		
Net sales of completed construction contracts	32,635	34,903
Sales in other businesses	116	73
Total net sales	32,752	34,977
Cost of sales		
Cost of sales of completed construction contracts	26,541	29,110
Cost of sales in other businesses	61	38
Total cost of sales	26,603	29,148
Gross profit		
Gross profit on completed construction contracts	6,094	5,792
Gross profit - other business	54	35
Total gross profit	6,148	5,828
Selling, general and administrative expenses	4,081	4,261
Operating profit	2,067	1,566
Non-operating income		
Interest income	2	3
Dividend income	6	28
license income	7	5
Foreign exchange gains	64	49
Other	8	6
Total non-operating income	88	93
Non-operating expenses		
Interest expenses	6	1
Guarantee commission	8	18
Other	3	9
Total non-operating expenses	18	29
Ordinary profit	2,137	1,630
Extraordinary income		
Gain on sale of businesses	–	99
Total extraordinary income	–	99
Extraordinary losses		
Loss on retirement of non-current assets	2	0
Total extraordinary losses	2	0
Profit before income taxes	2,134	1,729
Income taxes - current	594	650
Income taxes - deferred	134	38
Total income taxes	729	688
Profit	1,405	1,040
Profit (loss) attributable to non-controlling interests	55	(59)
Profit attributable to owners of parent	1,349	1,100

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	1,405	1,040
Other comprehensive income		
Valuation difference on available-for-sale securities	13	271
Foreign currency translation adjustment	70	66
Remeasurements of defined benefit plans, net of tax	14	133
Total other comprehensive income	98	471
Comprehensive income	1,503	1,511
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,422	1,551
Comprehensive income attributable to non-controlling interests	80	(39)

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	2,134	1,729
Depreciation	282	363
Increase (decrease) in allowance for doubtful accounts	(9)	0
Increase (decrease) in provision for warranties for completed construction	2	19
Increase (decrease) in provision for loss on construction contracts	(161)	77
Increase (decrease) in provision for bonuses	(37)	95
Increase (decrease) in retirement benefit liability	82	128
Increase (decrease) in provision for bonuses for directors (and other officers)	(33)	(39)
Interest and dividend income	(8)	(32)
Interest expenses	6	1
Foreign exchange losses (gains)	(59)	(66)
Loss (gain) on sale of businesses	–	(99)
Loss on retirement of non-current assets	2	0
Decrease (increase) in trade receivables	1,304	382
Decrease (increase) in costs on construction contracts in progress	(184)	(230)
Decrease (increase) in other assets	261	(556)
Increase (decrease) in trade payables	(1,248)	1,065
Increase (decrease) in advances received on construction contracts in progress	96	171
Increase (decrease) in accrued consumption taxes	(120)	22
Increase (decrease) in other liabilities	(362)	(708)
Subtotal	1,949	2,322
Interest and dividends received	8	32
Interest paid	(3)	(1)
Income taxes paid	(592)	(1,162)
Net cash provided by (used in) operating activities	1,361	1,191
Cash flows from investing activities		
Purchase of investment securities	(3)	(641)
Purchase of property, plant and equipment	(343)	(467)
Purchase of intangible assets	(27)	(58)
Payments of guarantee deposits	(3)	(22)
Proceeds from refund of guarantee deposits	6	10
Proceeds from sale of businesses	–	99
Other payments	(0)	(0)
Other proceeds	10	–
Net cash provided by (used in) investing activities	(360)	(1,080)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from financing activities		
Proceeds from short-term borrowings	182	–
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,332)	(1,042)
Other payments	(2)	(5)
Net cash provided by (used in) financing activities	(1,153)	(1,048)
Effect of exchange rate change on cash and cash equivalents	92	84
Net increase (decrease) in cash and cash equivalents	(60)	(852)
Cash and cash equivalents at beginning of period	20,723	19,457
Cash and cash equivalents at end of period	20,662	18,604