

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 9, 2024

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 of ordinary general meeting of shareholders: June 21, 2024
 Scheduled date to file Securities Report: June 24, 2024
 Scheduled date to commence dividend payments: June 24, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

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	%
Year ended March 31, 2024	71,880	(1.4)	4,356	(20.1)	4,397	(19.5)	3,066	(13.1)
Year ended March 31, 2023	72,918	10.4	5,451	20.5	5,462	18.1	3,526	5.9

Note: Comprehensive income Year ended March 31, 2024 ¥3,848 million [4.4%]
 Year ended March 31, 2023 ¥3,686 million [14.8%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	73.49	–	9.3	8.2	6.1
Year ended March 31, 2023	84.56	–	11.3	10.5	7.5

Reference: Share of profit (loss) of entities accounted for using equity method Year ended March 31, 2024 ¥– million
 Year ended March 31, 2023 ¥– million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	54,425	34,037	62.2	811.40
As of March 31, 2023	52,809	32,127	60.3	763.67

Reference: Equity As of March 31, 2024 ¥33,858 million
 As of March 31, 2023 ¥31,849 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	4,421	(2,287)	(1,965)	19,644
Year ended March 31, 2023	2,659	(1,788)	(2,171)	19,457

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	20.00	–	25.00	45.00	1,876	53.2	6.0
Year ended March 31, 2024	–	22.00	–	25.00	47.00	1,961	64.0	6.0
Year ending March 31, 2025 (Forecast)	–	22.00	–	26.00	48.00		55.6	

Note: Breakdown of fiscal year-end dividends for the fiscal year ended March 31, 2023:

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

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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
Six months ending September 30, 2024	32,300	(7.7)	1,500	(4.3)	1,500	(8.0)	1,100	(0.0)	26.36
Full year	73,000	1.6	5,400	23.9	5,400	22.8	3,600	17.4	86.27

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	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 March 31, 2024	3,732 shares	As of March 31, 2023	2,817 shares
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Average number of shares during the period

Year ended March 31, 2024	41,721,561 shares	Year ended March 31, 2023	41,706,414 shares
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Reference: Summary of non-consolidated financial results

1. Non-consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	69,878	1.0	4,480	(7.3)	4,746	(2.3)	3,324	5.6
Year ended March 31, 2023	69,206	8.3	4,831	12.0	4,857	6.1	3,147	(6.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Year ended March 31, 2024	79.68		-	
Year ended March 31, 2023	75.46		-	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of March 31, 2024	52,884		33,061		62.5		792.30	
As of March 31, 2023	51,347		31,102		60.6		745.77	

Reference: Equity As of March 31, 2024 ¥33,061 million
 As of March 31, 2023 ¥31,102 million

2. Forecast of non-consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	31,000	(9.3)	1,450	(11.9)	1,450	(24.1)	1,050	(20.0)	25.16
Full year	69,000	(1.3)	5,000	11.6	5,100	7.5	3,400	2.3	81.48

* Financial results reports are exempt from audit 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.

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	19,457	19,644
Notes receivable, accounts receivable from completed construction contracts and other	18,395	17,992
Electronically recorded monetary claims - operating	3,462	2,979
Merchandise and finished goods	31	29
Real estate for sale	0	0
Costs on construction contracts in progress	284	235
Raw materials and supplies	355	698
Other	446	641
Allowance for doubtful accounts	(2)	–
Total current assets	42,431	42,222
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,674	1,632
Machinery, vehicles, tools, furniture and fixtures, net	1,542	1,731
Land	2,578	2,578
Construction in progress	633	654
Other, net	2	2
Total property, plant and equipment	6,430	6,598
Intangible assets	578	557
Investments and other assets		
Investment securities	1,040	3,119
Deferred tax assets	1,978	1,555
Other	370	393
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	3,368	5,046
Total non-current assets	10,377	12,202
Total assets	52,809	54,425

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	11,539	12,133
Income taxes payable	1,149	658
Advances received on construction contracts in progress	423	980
Provision for warranties for completed construction	170	172
Provision for loss on construction contracts	28	248
Provision for bonuses	1,138	845
Provision for bonuses for directors (and other officers)	39	35
Other	2,070	1,349
Total current liabilities	16,559	16,422
Non-current liabilities		
Retirement benefit liability	4,023	3,866
Other	98	98
Total non-current liabilities	4,122	3,964
Total liabilities	20,681	20,387
Net assets		
Shareholders' equity		
Share capital	6,052	6,064
Capital surplus	1,753	1,765
Retained earnings	23,918	25,024
Treasury shares	(2)	(3)
Total shareholders' equity	31,722	32,850
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	138	709
Foreign currency translation adjustment	17	56
Remeasurements of defined benefit plans	(29)	241
Total accumulated other comprehensive income	126	1,007
Non-controlling interests	278	179
Total net assets	32,127	34,037
Total liabilities and net assets	52,809	54,425

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales		
Net sales of completed construction contracts	72,697	71,752
Sales in other businesses	221	127
Total net sales	72,918	71,880
Cost of sales		
Cost of sales of completed construction contracts	59,117	59,102
Cost of sales in other businesses	115	69
Total cost of sales	59,233	59,172
Gross profit		
Gross profit on completed construction contracts	13,579	12,650
Gross profit - other business	105	58
Total gross profit	13,685	12,708
Selling, general and administrative expenses	8,233	8,351
Operating profit	5,451	4,356
Non-operating income		
Interest income	6	10
Dividend income	12	66
Patent income	14	12
Foreign exchange gains	40	17
Compensation income	–	39
Other	23	11
Total non-operating income	97	157
Non-operating expenses		
Interest expenses	7	13
Guarantee commission	17	42
Commission for syndicated loans	55	11
Settlement payments	–	43
Other	6	6
Total non-operating expenses	86	116
Ordinary profit	5,462	4,397
Extraordinary income		
Gain on sale of non-current assets	–	8
Gain on sale of businesses	–	99
Total extraordinary income	–	107
Extraordinary losses		
Loss on retirement of non-current assets	22	2
Impairment losses	4	–
Total extraordinary losses	27	2
Profit before income taxes	5,435	4,503
Income taxes - current	1,827	1,500
Income taxes - deferred	(0)	49
Total income taxes	1,826	1,550
Profit	3,608	2,952
Profit (loss) attributable to non-controlling interests	81	(113)
Profit attributable to owners of parent	3,526	3,066

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	3,608	2,952
Other comprehensive income		
Valuation difference on available-for-sale securities	26	571
Foreign currency translation adjustment	22	59
Remeasurements of defined benefit plans, net of tax	29	264
Total other comprehensive income	78	895
Comprehensive income	3,686	3,848
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,597	3,946
Comprehensive income attributable to non-controlling interests	89	(98)

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,052	1,753	22,560	(0)	30,365
Changes during period					
Dividends of surplus			(2,168)		(2,168)
Profit attributable to owners of parent			3,526		3,526
Purchase of treasury shares				(1)	(1)
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	1,357	(1)	1,356
Balance at end of period	6,052	1,753	23,918	(2)	31,722

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	112	3	(58)	56	188	30,610
Changes during period						
Dividends of surplus						(2,168)
Profit attributable to owners of parent						3,526
Purchase of treasury shares						(1)
Net changes in items other than shareholders' equity	26	14	29	70	89	159
Total changes during period	26	14	29	70	89	1,516
Balance at end of period	138	17	(29)	126	278	32,127

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,052	1,753	23,918	(2)	31,722
Changes during period					
Issuance of new shares	12	12			24
Dividends of surplus			(1,960)		(1,960)
Profit attributable to owners of parent			3,066		3,066
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					-
Total changes during period	12	12	1,105	(0)	1,128
Balance at end of period	6,064	1,765	25,024	(3)	32,850

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	138	17	(29)	126	278	32,127
Changes during period						
Issuance of new shares						24
Dividends of surplus						(1,960)
Profit attributable to owners of parent						3,066
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	571	38	270	880	(98)	781
Total changes during period	571	38	270	880	(98)	1,910
Balance at end of period	709	56	241	1,007	179	34,037

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	5,435	4,503
Depreciation	583	781
Increase (decrease) in allowance for doubtful accounts	(11)	(2)
Increase (decrease) in provision for warranties for completed construction	144	2
Increase (decrease) in provision for loss on construction contracts	(140)	220
Increase (decrease) in provision for bonuses	(11)	(293)
Increase (decrease) in provision for bonuses for directors (and other officers)	6	(4)
Increase (decrease) in retirement benefit liability	(143)	231
Loss (gain) on sale of property, plant and equipment	–	(8)
Loss (gain) on sale of businesses	–	(99)
Loss on retirement of non-current assets	22	2
Interest and dividend income	(19)	(76)
Interest expenses	7	13
Foreign exchange losses (gains)	(11)	(17)
Impairment losses	4	–
Decrease (increase) in trade receivables	(1,314)	869
Decrease (increase) in costs on construction contracts in progress	17	48
Decrease (increase) in other assets	156	(417)
Increase (decrease) in trade payables	(379)	661
Increase (decrease) in advances received on construction contracts in progress	(172)	551
Increase (decrease) in accrued consumption taxes	(45)	118
Increase (decrease) in other liabilities	(48)	(579)
Subtotal	4,079	6,505
Interest and dividends received	19	76
Interest paid	(7)	(13)
Income taxes paid	(1,432)	(2,147)
Net cash provided by (used in) operating activities	2,659	4,421
Cash flows from investing activities		
Purchase of investment securities	(585)	(1,256)
Purchase of property, plant and equipment	(1,130)	(976)
Proceeds from sale of property, plant and equipment	–	0
Purchase of intangible assets	(62)	(107)
Payments for retirement of non-current assets	(15)	–
Payments for asset retirement obligations	–	(1)
Payments of guarantee deposits	(6)	(44)
Proceeds from refund of guarantee deposits	12	11
Proceeds from sale of businesses	–	99
Other payments	(0)	(11)
Other proceeds	0	–
Net cash provided by (used in) investing activities	(1,788)	(2,287)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Repayments of lease liabilities	(5)	(5)
Purchase of treasury shares	(1)	(0)
Dividends paid	(2,165)	(1,958)
Net cash provided by (used in) financing activities	(2,171)	(1,965)
Effect of exchange rate change on cash and cash equivalents	34	18
Net increase (decrease) in cash and cash equivalents	(1,266)	187
Cash and cash equivalents at beginning of period	20,723	19,457
Cash and cash equivalents at end of period	19,457	19,644

Non-consolidated financial statements
Non-consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	18,520	18,507
Notes receivable - trade	1,805	1,300
Electronically recorded monetary claims - operating	3,462	2,979
Accounts receivable from completed construction contracts	15,700	15,848
Real estate for sale	0	0
Costs on construction contracts in progress	278	228
Raw materials and supplies	214	549
Accounts receivable - other	298	323
Other	441	726
Allowance for doubtful accounts	(2)	–
Total current assets	40,720	40,463
Non-current assets		
Property, plant and equipment		
Buildings	3,936	3,987
Accumulated depreciation	(2,400)	(2,477)
Buildings, net	1,536	1,509
Structures	569	570
Accumulated depreciation	(395)	(417)
Structures, net	174	153
Machinery and equipment	5,198	5,523
Accumulated depreciation	(3,902)	(4,120)
Machinery and equipment, net	1,296	1,403
Tools, furniture and fixtures	204	230
Accumulated depreciation	(157)	(163)
Tools, furniture and fixtures, net	47	66
Land	2,634	2,634
Leased assets	3	3
Accumulated depreciation	(3)	(3)
Leased assets, net	–	–
Construction in progress	614	545
Other, net	2	2
Total property, plant and equipment	6,305	6,314
Intangible assets		
Leasehold interests in land	50	50
Software	264	229
Other	261	276
Total intangible assets	576	556

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Investments and other assets		
Investment securities	1,040	3,119
Shares of subsidiaries and associates	439	439
Guarantee deposits	304	331
Distressed receivables	20	20
Deferred tax assets	1,924	1,622
Other	36	37
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	3,743	5,550
Total non-current assets	10,626	12,421
Total assets	51,347	52,884
Liabilities		
Current liabilities		
Notes payable - trade	5,614	6,454
Accounts payable for construction contracts	5,780	5,491
Income taxes payable	1,060	615
Advances received on construction contracts in progress	405	475
Provision for warranties for completed construction	170	172
Provision for loss on construction contracts	28	240
Provision for bonuses	1,121	830
Provision for bonuses for directors (and other officers)	28	25
Other	1,995	1,248
Total current liabilities	16,203	15,554
Non-current liabilities		
Provision for retirement benefits	3,941	4,171
Other	98	98
Total non-current liabilities	4,040	4,269
Total liabilities	20,244	19,823

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Net assets		
Shareholders' equity		
Share capital	6,052	6,064
Capital surplus		
Legal capital surplus	1,753	1,765
Total capital surplus	1,753	1,765
Retained earnings		
Other retained earnings		
Retained earnings brought forward	23,160	24,524
Total retained earnings	23,160	24,524
Treasury shares	(2)	(3)
Total shareholders' equity	30,964	32,351
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	138	709
Total valuation and translation adjustments	138	709
Total net assets	31,102	33,061
Total liabilities and net assets	51,347	52,884

Non-consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales		
Net sales of completed construction contracts	69,206	69,878
Total net sales	69,206	69,878
Cost of sales		
Cost of sales of completed construction contracts	56,601	57,550
Total cost of sales	56,601	57,550
Gross profit		
Gross profit on completed construction contracts	12,605	12,327
Total gross profit	12,605	12,327
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	205	189
Provision for bonuses for directors (and other officers)	28	25
Salaries, allowances and bonuses	3,161	3,182
Provision for bonuses	449	333
Retirement benefit expenses	241	233
Legal welfare expenses	772	795
Welfare expenses	299	308
Repair and maintenance expenses	16	42
Stationery expenses	359	339
Communication and transportation expenses	396	435
Power utilities expenses	55	49
Research study expenses	257	310
Advertising expenses	31	72
Provision of allowance for doubtful accounts	0	(2)
Entertainment expenses	69	83
Donations	3	6
Rent expenses on land and buildings	403	424
Depreciation	209	222
Taxes and dues	268	236
Insurance expenses	20	23
Miscellaneous expenses	523	534
Total selling, general and administrative expenses	7,773	7,846
Operating profit	4,831	4,480
Non-operating income		
Interest income	10	21
Dividend income	12	243
Patent income	30	22
Foreign exchange gains	30	28
Compensation income	–	39
Other	18	9
Total non-operating income	102	364
Non-operating expenses		
Interest expenses	4	2
Guarantee commission	16	41
Commission for syndicated loans	55	11
Settlement payments	–	43
Other	0	2
Total non-operating expenses	76	99
Ordinary profit	4,857	4,746

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Extraordinary income		
Gain on sale of non-current assets	–	22
Total extraordinary income	–	22
Extraordinary losses		
Loss on retirement of non-current assets	22	0
Impairment losses	4	–
Total extraordinary losses	27	0
Profit before income taxes	4,830	4,768
Income taxes - current	1,692	1,394
Income taxes - deferred	(8)	49
Total income taxes	1,683	1,444
Profit	3,147	3,324

Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
		Legal capital surplus	Other retained earnings		
			Retained earnings brought forward		
Balance at beginning of period	6,052	1,753	22,182	(0)	29,987
Changes during period					
Dividends of surplus			(2,168)		(2,168)
Profit			3,147		3,147
Purchase of treasury shares				(1)	(1)
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	978	(1)	977
Balance at end of period	6,052	1,753	23,160	(2)	30,964

	Valuation and translation adjustments	Total net assets
	Valuation difference on available-for-sale securities	
Balance at beginning of period	112	30,099
Changes during period		
Dividends of surplus		(2,168)
Profit		3,147
Purchase of treasury shares		(1)
Net changes in items other than shareholders' equity	26	26
Total changes during period	26	1,003
Balance at end of period	138	31,102

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
		Legal capital surplus	Other retained earnings		
			Retained earnings brought forward		
Balance at beginning of period	6,052	1,753	23,160	(2)	30,964
Changes during period					
Issuance of new shares	12	12			24
Dividends of surplus			(1,960)		(1,960)
Profit			3,324		3,324
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					-
Total changes during period	12	12	1,363	(0)	1,386
Balance at end of period	6,064	1,765	24,524	(3)	32,351

	Valuation and translation adjustments	Total net assets
	Valuation difference on available-for-sale securities	
Balance at beginning of period	138	31,102
Changes during period		
Issuance of new shares		24
Dividends of surplus		(1,960)
Profit		3,324
Purchase of treasury shares		(0)
Net changes in items other than shareholders' equity	571	571
Total changes during period	571	1,958
Balance at end of period	709	33,061