

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

November 8, 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 to file Semi-annual Securities Report: November 11, 2024
 Scheduled date to commence dividend payments: November 29, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of 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, 2024 (from April 1, 2024 to September 30, 2024)

(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, 2024	30,036	(14.1)	453	(71.1)	482	(70.4)	235	(78.6)
Six months ended September 30, 2023	34,977	6.8	1,566	(24.2)	1,630	(23.7)	1,100	(18.5)

Note: Comprehensive income Six months ended September 30, 2024 ¥150 million [(90.0)%]
 Six months ended September 30, 2023 ¥1,511 million [0.6%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2024	5.64		-	
Six months ended September 30, 2023	26.37		-	

(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, 2024	52,212	33,168	63.3	791.02
As of March 31, 2024	54,425	34,037	62.2	811.40

Reference: Equity As of September 30, 2024 ¥33,024 million
 As of March 31, 2024 ¥33,858 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, 2024	-	22.00	-	25.00	47.00
Year ending March 31, 2025	-	22.00	-	-	-
Year ending March 31, 2025 (Forecast)	-	-	-	26.00	48.00

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

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
Full year	73,000	1.6	5,400	23.9	5,400	22.8	3,600	17.4	86.27

Note: Revision of consolidated financial results forecast most recently announced: No

4. Notes

- (1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No
- (2) Application of special accounting methods for preparing semi-annual consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
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| 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 September 30, 2024	41,753,765 shares	As of March 31, 2024	41,731,951 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	4,296 shares	As of March 31, 2024	3,732 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, 2024	41,736,744 shares	Six months ended September 30, 2023	41,714,558 shares
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* Semi-annual financial results reports are exempt from 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.

Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	19,644	20,237
Notes receivable, accounts receivable from completed construction contracts and other	17,992	15,028
Electronically recorded monetary claims - operating	2,979	1,930
Merchandise and finished goods	29	29
Real estate for sale	0	0
Costs on construction contracts in progress	235	551
Raw materials and supplies	698	756
Other	641	597
Allowance for doubtful accounts	—	(1)
Total current assets	42,222	39,128
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,632	1,597
Machinery, vehicles, tools, furniture and fixtures, net	1,731	1,685
Land	2,578	2,578
Construction in progress	654	809
Other, net	2	2
Total property, plant and equipment	6,598	6,672
Intangible assets	557	520
Investments and other assets		
Investment securities	3,119	3,651
Deferred tax assets	1,555	1,674
Other	393	586
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	5,046	5,890
Total non-current assets	12,202	13,083
Total assets	54,425	52,212

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	12,133	10,255
Income taxes payable	658	466
Advances received on construction contracts in progress	980	1,647
Provision for warranties for completed construction	172	172
Provision for loss on construction contracts	248	11
Provision for bonuses	845	1,386
Provision for bonuses for directors (and other officers)	35	–
Other	1,349	1,006
Total current liabilities	16,422	14,946
Non-current liabilities		
Retirement benefit liability	3,866	3,998
Other	98	98
Total non-current liabilities	3,964	4,096
Total liabilities	20,387	19,043
Net assets		
Shareholders' equity		
Share capital	6,064	6,076
Capital surplus	1,765	1,777
Retained earnings	25,024	24,216
Treasury shares	(3)	(3)
Total shareholders' equity	32,850	32,066
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	709	669
Foreign currency translation adjustment	56	53
Remeasurements of defined benefit plans	241	234
Total accumulated other comprehensive income	1,007	957
Non-controlling interests	179	144
Total net assets	34,037	33,168
Total liabilities and net assets	54,425	52,212

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, 2023	Six months ended September 30, 2024
Net sales		
Net sales of completed construction contracts	34,903	29,950
Sales in other businesses	73	86
Total net sales	34,977	30,036
Cost of sales		
Cost of sales of completed construction contracts	29,110	25,036
Cost of sales in other businesses	38	63
Total cost of sales	29,148	25,099
Gross profit		
Gross profit on completed construction contracts	5,792	4,914
Gross profit - other business	35	22
Total gross profit	5,828	4,936
Selling, general and administrative expenses	4,261	4,483
Operating profit	1,566	453
Non-operating income		
Interest income	3	1
Dividend income	28	52
license income	5	3
Foreign exchange gains	49	–
Other	6	11
Total non-operating income	93	68
Non-operating expenses		
Interest expenses	1	1
Guarantee commission	18	16
Foreign exchange losses	–	14
Other	9	7
Total non-operating expenses	29	39
Ordinary profit	1,630	482
Extraordinary income		
Gain on sale of non-current assets	–	1
Gain on sale of businesses	99	–
Total extraordinary income	99	1
Extraordinary losses		
Loss on retirement of non-current assets	0	1
Total extraordinary losses	0	1
Profit before income taxes	1,729	482
Income taxes - current	650	363
Income taxes - deferred	38	(82)
Total income taxes	688	280
Profit	1,040	201
Loss attributable to non-controlling interests	(59)	(33)
Profit attributable to owners of parent	1,100	235

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	1,040	201
Other comprehensive income		
Valuation difference on available-for-sale securities	271	(39)
Foreign currency translation adjustment	66	(4)
Remeasurements of defined benefit plans, net of tax	133	(6)
Total other comprehensive income	471	(50)
Comprehensive income	1,511	150
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,551	185
Comprehensive income attributable to non-controlling interests	(39)	(35)

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	1,729	482
Depreciation	363	408
Increase (decrease) in allowance for doubtful accounts	0	1
Increase (decrease) in provision for warranties for completed construction	19	0
Increase (decrease) in provision for loss on construction contracts	77	(237)
Increase (decrease) in provision for bonuses	95	541
Increase (decrease) in retirement benefit liability	128	122
Increase (decrease) in provision for bonuses for directors (and other officers)	(39)	(35)
Interest and dividend income	(32)	(53)
Interest expenses	1	1
Foreign exchange losses (gains)	(66)	3
Loss (gain) on sale of businesses	(99)	–
Loss on retirement of non-current assets	0	1
Loss (gain) on sale of property, plant and equipment	–	(1)
Decrease (increase) in trade receivables	382	3,996
Decrease (increase) in costs on construction contracts in progress	(230)	(315)
Decrease (increase) in other assets	(556)	(7)
Increase (decrease) in trade payables	1,065	(1,808)
Increase (decrease) in advances received on construction contracts in progress	171	675
Increase (decrease) in accrued consumption taxes	22	(257)
Increase (decrease) in other liabilities	(708)	(102)
Subtotal	2,322	3,415
Interest and dividends received	32	53
Interest paid	(1)	(1)
Income taxes paid	(1,162)	(608)
Net cash provided by (used in) operating activities	1,191	2,858
Cash flows from investing activities		
Payments into time deposits	–	(200)
Purchase of investment securities	(641)	(588)
Purchase of property, plant and equipment	(467)	(419)
Proceeds from sale of property, plant and equipment	–	11
Purchase of intangible assets	(58)	(21)
Payments of guarantee deposits	(22)	(18)
Proceeds from refund of guarantee deposits	10	18
Proceeds from sale of businesses	99	–
Other payments	(0)	(0)
Net cash provided by (used in) investing activities	(1,080)	(1,218)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from financing activities		
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,042)	(1,043)
Other payments	(5)	–
Net cash provided by (used in) financing activities	(1,048)	(1,043)
Effect of exchange rate change on cash and cash equivalents	84	(3)
Net increase (decrease) in cash and cash equivalents	(852)	592
Cash and cash equivalents at beginning of period	19,457	19,644
Cash and cash equivalents at end of period	18,604	20,237