

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: NISSHIN GROUP HOLDINGS Company, Limited
 Stock exchange listing: Tokyo
 Stock code: 8881 URL <https://www.nisshin-hd.co.jp/>
 Representative: Representative Director and President Yuki Yoshi Tsutsumi
 Representative Director and Senior Managing Director Hideki Kuroiwa TEL 03-5360-2016
 Inquiries: Director
 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: Yes (for analysts)

(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	46,216	0.5	297	(78.2)	85	(92.9)	69	(90.5)
Nine months ended December 31, 2021	45,981	(16.5)	1,364	(56.4)	1,213	(58.4)	731	(62.1)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	1.48		–	
Nine months ended December 31, 2021	15.62		–	

(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	116,874	63,168	53.9	1,348.81
As of March 31, 2022	114,969	64,132	55.7	1,370.11

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	–	0.00	–	22.00	22.00
Year ending March 31, 2023	–	0.00	–		
Year ending March 31, 2023 (Forecast)				22.00	22.00

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	85,000	4.3	3,900	(25.2)	3,700	(26.3)	2,600	(26.2)	55.63

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	46,951,260 shares	As of March 31, 2022	46,951,260 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	213,592 shares	As of March 31, 2022	219,232 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	46,735,000 shares	Nine months ended December 31, 2021	46,820,502 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	61,302,820	51,048,563
Notes receivable, accounts receivable from completed construction contracts and other	16,344,272	19,242,443
Electronically recorded monetary claims - operating	662,069	2,078,183
Real estate for sale	3,533,277	4,572,784
Costs on real estate business	16,446,116	22,322,219
Costs on construction contracts in progress	15,284	8,555
Short-term loans receivable	2,190	2,299
Accounts receivable - other	313,702	1,219,695
Other	1,036,435	1,038,339
Allowance for doubtful accounts	(75,060)	(68,578)
Total current assets	99,581,107	101,464,504
Non-current assets		
Property, plant and equipment	10,847,204	10,712,293
Intangible assets	74,215	84,989
Investments and other assets	4,467,454	4,612,771
Total non-current assets	15,388,874	15,410,054
Total assets	114,969,982	116,874,559
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	4,218,411	5,223,722
Electronically recorded obligations - operating	7,991,480	4,293,285
Short-term borrowings	10,481,426	20,575,479
Current portion of bonds payable	88,000	88,000
Income taxes payable	700,062	62,337
Provisions		
Provision for bonuses	523,157	170,391
Provision for warranties for completed construction	203,624	206,339
Provision for loss on construction contracts	5,905	35,972
Provision for shareholder benefit program	34,136	–
Other	3,231,845	4,146,070
Total current liabilities	27,478,049	34,801,597
Non-current liabilities		
Bonds payable	312,000	268,000
Long-term borrowings	20,975,474	16,523,822
Provisions		
Provision for loss on guarantees	2,460	26
Provision for share awards for directors (and other officers)	20,964	36,223
Retirement benefit liability	1,662,796	1,692,555
Other	385,675	383,645
Total non-current liabilities	23,359,370	18,904,273
Total liabilities	50,837,420	53,705,871

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Net assets		
Shareholders' equity		
Share capital	10,111,411	10,111,411
Capital surplus	425,478	425,478
Retained earnings	53,380,500	52,420,249
Treasury shares	(112,694)	(109,853)
Total shareholders' equity	63,804,696	62,847,285
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	226,354	193,633
Remeasurements of defined benefit plans	(2,665)	(666)
Total accumulated other comprehensive income	223,688	192,967
Non-controlling interests	104,176	128,434
Total net assets	64,132,561	63,168,687
Total liabilities and net assets	114,969,982	116,874,559

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	45,981,773	46,216,494
Cost of sales	39,521,647	41,144,722
Gross profit	6,460,125	5,071,771
Selling, general and administrative expenses	5,095,882	4,773,966
Operating profit	1,364,243	297,805
Non-operating income		
Interest income	1,228	1,927
Dividend income	15,452	16,829
Gain on sale of securities	28,905	–
Reversal of allowance for doubtful accounts	14,999	22,948
Reversal of provision for loss on guarantees	250	24
Reversal of allowance for Shareholder benefit	8,323	534
Insurance return	20,123	5,990
Other	64,956	63,406
Total non-operating income	154,238	111,661
Non-operating expenses		
Interest expenses	276,718	314,728
Commission expenses	3,824	3,855
Other	24,449	5,156
Total non-operating expenses	304,992	323,739
Ordinary profit	1,213,489	85,728
Extraordinary income		
Gain on sale of non-current assets	27,440	8,068
Gain on sale of investment securities	–	54,604
Total extraordinary income	27,440	62,672
Extraordinary losses		
Loss on retirement of non-current assets	13,680	870
Loss on valuation of shares of subsidiaries and associates	120,165	–
Total extraordinary losses	133,845	870
Profit before income taxes	1,107,084	147,529
Income taxes - current	231,079	119,470
Income taxes - deferred	149,575	(55,388)
Total income taxes	380,654	64,081
Profit	726,429	83,448
Profit (loss) attributable to non-controlling interests	(5,349)	14,258
Profit attributable to owners of parent	731,778	69,189

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	726,429	83,448
Other comprehensive income		
Valuation difference on available-for-sale securities	(21,041)	(32,720)
Remeasurements of defined benefit plans, net of tax	3,553	1,999
Total other comprehensive income	(17,487)	(30,721)
Comprehensive income	708,941	52,726
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	714,290	38,468
Comprehensive income attributable to non-controlling interests	(5,349)	14,258