

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

March 3, 2023

Consolidated Financial Results for the Three Months Ended January 31, 2023 (Under Japanese GAAP)



Company name: NIHON HOUSE HOLDINGS Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 1873
 URL: <http://www.nihonhouse-hd.co.jp/>
 Representative: Kazuyuki Narita: Chairman and Representative Director, Group CEO
 Inquiries: Hirokazu Kawase: Managing Director
 Telephone: +81-3-5215-9907
 Scheduled date to file quarterly securities report: March 10, 2023
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended January 31, 2023 (from November 1, 2022 to January 31, 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								
January 31, 2023	5,589	(20.8)	(1,331)	—	(1,392)	—	(1,401)	—
January 31, 2022	7,056	8.5	(606)	—	(637)	—	(667)	—

Note: Comprehensive income For the three months ended January 31, 2023: ¥(1,316) million [—%]
 For the three months ended January 31, 2022: ¥(632) million [—%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
January 31, 2023	(35.04)	—
January 31, 2022	(16.68)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
January 31, 2023	47,603	21,523	44.5
October 31, 2022	47,540	23,239	48.2

Reference: Shareholders' equity
 As of January 31, 2023: ¥ 21,193 million
 As of October 31, 2022: ¥ 22,915 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended October 31, 2022	—	10.00	—	10.00	20.00
Fiscal year ending October 31, 2023	—				
Fiscal year ending October 31, 2023 (Forecast)		6.00	—	6.00	12.00

Note: Revisions to the forecasts of cash dividends most recently announced: None

3. Consolidated financial results forecasts for the fiscal year ending October 31, 2023 (from November 1, 2022 to October 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	14,500	(6.4)	(830)	—	(960)	—	(1,100)	—	(27.50)
Full year	42,800	0.1	3,020	19.7	2,740	17.6	1,530	3.8	38.25

Note: Revisions to the financial result forecasts most recently announced: None

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Change in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Change in accounting policies other than (i): None
 - (iii) Change in accounting estimates: None
 - (iv) Restatement: None
- (4) Number of issued shares (common shares)

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

As of January 31, 2023	40,000,000 shares
As of October 31, 2022	40,000,000 shares

- (ii) Number of treasury shares at the end of the period

As of January 31, 2023	1,593 shares
As of October 31, 2022	1,593 shares

- (iii) Average number of shares outstanding during the period (cumulative)

Three months ended January 31, 2023	39,998,407 shares
Three months ended January 31, 2022	39,998,407 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Explanation of proper use of financial results forecasts and other special matters
(Note on forward-looking statements, etc.)

Forward-looking statements, including the financial results forecasts, contained in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual results may differ substantially due to various factors.

Quarterly Consolidated Financial Statements and Principal Notes
(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of October 31, 2022	As of January 31, 2023
Assets		
Current assets		
Cash and deposits	7,384	8,047
Notes receivable, accounts receivable from completed construction contracts and other	2,686	1,245
Costs on construction contracts in progress	510	635
Real estate for sale	4,221	4,486
Merchandise and finished goods	80	72
Raw materials and supplies	640	696
Other	756	804
Allowance for doubtful accounts	(3)	(3)
Total current assets	16,277	15,984
Non-current assets		
Property, plant and equipment		
Buildings and structures	43,184	45,750
Machinery, vehicles, tools, furniture and fixtures	4,206	4,197
Land	10,299	10,299
Leased assets	3,913	3,857
Construction in progress	2,195	151
Accumulated depreciation and impairment	(36,275)	(36,494)
Total property, plant and equipment	27,524	27,762
Intangible assets	701	688
Investments and other assets		
Investment securities	229	234
Long-term loans receivable	231	306
Retirement benefit asset	442	457
Deferred tax assets	1,221	1,183
Distressed receivables	8	8
Other	1,098	1,175
Allowance for doubtful accounts	(253)	(253)
Total investments and other assets	2,978	3,113
Total non-current assets	31,203	31,564
Deferred assets		
Bond issuance costs	59	54
Total deferred assets	59	54
Total assets	47,540	47,603

(Millions of yen)

	As of October 31, 2022	As of January 31, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	5,382	2,623
Short-term borrowings	2,320	7,592
Current portion of bonds payable	120	120
Current portion of long-term borrowings	1,658	1,650
Lease liabilities	361	349
Income taxes payable	387	28
Advances received on construction contracts in progress	1,398	2,197
Provision for warranties for completed construction	160	161
Provision for bonuses	496	180
Other	2,599	2,065
Total current liabilities	14,884	16,968
Non-current liabilities		
Bonds payable	1,880	1,760
Long-term borrowings	4,827	4,720
Lease liabilities	649	563
Deferred tax liabilities	22	20
Provision for retirement benefits for directors (and other officers)	799	813
Retirement benefit liability	79	81
Asset retirement obligations	342	342
Other	815	809
Total non-current liabilities	9,417	9,111
Total liabilities	24,301	26,079
Net assets		
Shareholders' equity		
Share capital	3,873	3,873
Capital surplus	20	20
Retained earnings	19,053	17,252
Treasury shares	(0)	(0)
Total shareholders' equity	22,947	21,145
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3	8
Deferred gains or losses on hedges	(13)	65
Remeasurements of defined benefit plans	(20)	(26)
Total accumulated other comprehensive income	(31)	48
Non-controlling interests	324	329
Total net assets	23,239	21,523
Total liabilities and net assets	47,540	47,603

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three Months Ended January 31

(Millions of yen)

	For the three months ended January 31, 2022	For the three months ended January 31, 2023
Net sales	7,056	5,589
Cost of sales	4,538	3,826
Gross profit	2,517	1,763
Selling, general and administrative expenses	3,123	3,095
Operating loss	(606)	(1,331)
Non-operating income		
Interest income	0	1
Subsidies for employment adjustment	28	—
Reversal of allowance for doubtful accounts	0	0
Miscellaneous income	5	11
Total non-operating income	35	12
Non-operating expenses		
Interest expenses	44	53
Amortization of bond issuance costs	4	4
Miscellaneous expenses	17	14
Total non-operating expenses	66	72
Ordinary loss	(637)	(1,392)
Extraordinary losses		
Loss on retirement of non-current assets	—	1
Total extraordinary losses	—	1
Loss before income taxes	(637)	(1,393)
Income taxes - current	19	(1)
Income taxes - deferred	4	3
Total income taxes	24	2
Net loss	(661)	(1,396)
Profit attributable to non-controlling interests	5	5
Net loss attributable to owners of parent	(667)	(1,401)

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended January 31

(Millions of yen)

	For the three months ended January 31, 2022	For the three months ended January 31, 2023
Net loss	(661)	(1,396)
Other comprehensive income		
Valuation difference on available-for-sale securities	1	5
Deferred gains or losses on hedges	25	79
Remeasurements of defined benefit plans, net of tax	2	(5)
Total other comprehensive income	29	79
Comprehensive income	(632)	(1,316)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(638)	(1,321)
Comprehensive income attributable to non-controlling interests	5	5