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September 4, 2023

Consolidated Financial Results for the Nine Months Ended July 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
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 Scheduled date to file quarterly securities report: September 11, 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 nine months ended July 31, 2023 (from November 1, 2022 to July 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	%
Nine months ended								
July 31, 2023	23,000	(18.2)	(1,502)	—	(1,703)	—	(1,791)	—
July 31, 2022	28,105	17.6	535	242.5	427	208.6	279	—

Note: Comprehensive income For the nine months ended July 31, 2023: ¥(1,730) million [—%]
 For the nine months ended July 31, 2022: ¥402 million [—%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
July 31, 2023	(44.78)	—
July 31, 2022	6.99	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
July 31, 2023	48,376	20,869	42.4
October 31, 2022	47,540	23,239	48.2

Reference: Shareholders' equity
 As of July 31, 2023: ¥ 20,530 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	—	6.00	—		
Fiscal year ending October 31, 2023 (Forecast)				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
Full year	40,200	(6.0)	2,440	(3.3)	2,170	(6.9)	1,210	(17.9)	30.25

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

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

Nine months ended July 31, 2023	39,998,407 shares
Nine months ended July 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
(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of October 31, 2022	As of July 31, 2023
Assets		
Current assets		
Cash and deposits	7,384	7,949
Notes receivable, accounts receivable from completed construction contracts and other	2,686	1,658
Costs on construction contracts in progress	510	1,166
Real estate for sale	4,221	4,453
Merchandise and finished goods	80	95
Raw materials and supplies	640	529
Other	756	919
Allowance for doubtful accounts	(3)	(3)
Total current assets	16,277	16,770
Non-current assets		
Property, plant and equipment		
Buildings and structures	43,184	46,174
Machinery, vehicles, tools, furniture and fixtures	4,206	4,395
Land	10,299	10,304
Leased assets	3,913	3,555
Construction in progress	2,195	216
Accumulated depreciation and impairment	(36,275)	(36,673)
Total property, plant and equipment	27,524	27,972
Intangible assets	701	473
Investments and other assets		
Investment securities	229	239
Long-term loans receivable	231	317
Retirement benefit asset	442	511
Deferred tax assets	1,221	1,208
Distressed receivables	8	7
Other	1,098	1,083
Allowance for doubtful accounts	(253)	(252)
Total investments and other assets	2,978	3,115
Total non-current assets	31,203	31,561
Deferred assets		
Bond issuance costs	59	45
Total deferred assets	59	45
Total assets	47,540	48,376

(Millions of yen)

	As of October 31, 2022	As of July 31, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	5,382	3,625
Short-term borrowings	2,320	7,045
Current portion of bonds payable	120	120
Current portion of long-term borrowings	1,658	1,052
Lease liabilities	361	392
Income taxes payable	387	13
Advances received on construction contracts in progress	1,398	2,840
Provision for warranties for completed construction	160	149
Provision for bonuses	496	229
Other	2,599	2,337
Total current liabilities	14,884	17,804
Non-current liabilities		
Bonds payable	1,880	1,760
Long-term borrowings	4,827	5,112
Lease liabilities	649	715
Deferred tax liabilities	22	23
Provision for retirement benefits for directors (and other officers)	799	839
Retirement benefit liability	79	87
Asset retirement obligations	342	347
Other	815	817
Total non-current liabilities	9,417	9,702
Total liabilities	24,301	27,507
Net assets		
Shareholders' equity		
Share capital	3,873	3,873
Capital surplus	20	20
Retained earnings	19,053	16,622
Treasury shares	(0)	(0)
Total shareholders' equity	22,947	20,516
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3	13
Deferred gains or losses on hedges	(13)	20
Remeasurements of defined benefit plans	(20)	(19)
Total accumulated other comprehensive income	(31)	14
Non-controlling interests	324	339
Total net assets	23,239	20,869
Total liabilities and net assets	47,540	48,376

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Nine Months Ended July 31

(Millions of yen)

	For the nine months ended July 31, 2022	For the nine months ended July 31, 2023
Net sales	28,105	23,000
Cost of sales	18,410	14,836
Gross profit	9,694	8,164
Selling, general and administrative expenses	9,159	9,666
Operating profit (loss)	535	(1,502)
Non-operating income		
Interest income	3	3
Gain on forfeiture of unclaimed dividends	7	3
Subsidies for employment adjustment	75	—
Reversal of allowance for doubtful accounts	0	0
Miscellaneous income	30	33
Total non-operating income	116	41
Non-operating expenses		
Interest expenses	152	167
Miscellaneous expenses	71	74
Total non-operating expenses	223	242
Ordinary profit (loss)	427	(1,703)
Extraordinary income		
Gain on sale of non-current assets	0	—
Total extraordinary income	0	—
Extraordinary losses		
Loss on sale of non-current assets	0	3
Loss on retirement of non-current assets	8	13
Total extraordinary losses	9	16
Profit (loss) before income taxes	418	(1,719)
Income taxes - current	124	58
Income taxes - deferred	(1)	(1)
Total income taxes	123	56
Net profit (loss)	295	(1,776)
Profit attributable to non-controlling interests	16	14
Net profit (loss) attributable to owners of parent	279	(1,791)

Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended July 31

(Millions of yen)

	For the nine months ended July 31, 2022	For the nine months ended July 31, 2023
Net profit (loss)	295	(1,776)
Other comprehensive income		
Valuation difference on available-for-sale securities	1	9
Deferred gains or losses on hedges	98	34
Remeasurements of defined benefit plans, net of tax	7	1
Total other comprehensive income	107	45
Comprehensive income	402	(1,730)
Comprehensive income attributable to:		
Owners of parent	386	(1,745)
Non-controlling interests	16	14