

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 6, 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 Yukiyoshi Tsutsumi
 Representative Director and Senior Managing Director Hideki Kuroiwa TEL 03-5360-2016
 Inquiries: Director
 Scheduled date to file Quarterly Securities Report: November 14, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 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	%
Six months ended September 30, 2023	25,206	(16.0)	(462)	–	(594)	–	(488)	–
Six months ended September 30, 2022	30,003	0.6	436	(53.6)	300	(65.1)	241	(46.3)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	(10.45)	–
Six months ended September 30, 2022	5.15	–

(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, 2023	116,694	64,472	55.2	1,377.23
As of March 31, 2023	120,933	65,808	54.3	1,406.12

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, 2023	–	0.00	–	22.00	22.00
Year ending March 31, 2024	–	0.00			
Year ending March 31, 2024 (Forecast)			–	22.00	22.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	86,000	4.4	4,000	(4.6)	3,700	(8.8)	2,100	(24.0)	44.93

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023
(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: No
- 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, 2023	46,951,260 shares	As of March 31, 2023	46,951,260 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	204,412 shares	As of March 31, 2023	213,592 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, 2023	46,739,148 shares	Six months ended September 30, 2022	46,733,645 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	60,943,865	48,219,915
Notes receivable, accounts receivable from completed construction contracts and other	14,259,955	14,308,264
Electronically recorded monetary claims - operating	3,659,462	3,031,368
Real estate for sale	8,477,186	6,749,404
Costs on real estate business	16,557,175	26,401,214
Costs on construction contracts in progress	6,278	13,119
Short-term loans receivable	2,259	6,679
Accounts receivable - other	579,908	894,127
Other	948,327	1,020,871
Allowance for doubtful accounts	(81,552)	(74,396)
Total current assets	105,352,867	100,570,569
Non-current assets		
Property, plant and equipment	10,776,025	10,792,442
Intangible assets	151,366	239,226
Investments and other assets	4,652,789	5,092,309
Total non-current assets	15,580,181	16,123,978
Total assets	120,933,049	116,694,548
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	4,571,634	3,813,131
Electronically recorded obligations - operating	11,725,230	2,945,992
Short-term borrowings	16,676,315	19,432,637
Current portion of bonds payable	72,000	38,000
Income taxes payable	559,685	117,055
Provisions		
Provision for bonuses	551,804	363,358
Provision for warranties for completed construction	223,664	187,530
Provision for loss on construction contracts	5,769	18,872
Provision for shareholder benefit program	45,578	10,116
Other	3,153,743	3,190,247
Total current liabilities	37,585,426	30,116,941
Non-current liabilities		
Bonds payable	240,000	230,000
Long-term borrowings	15,087,137	19,625,792
Provisions		
Provision for share awards for directors (and other officers)	42,314	47,535
Retirement benefit liability	1,707,217	1,743,039
Other	462,782	458,633
Total non-current liabilities	17,539,451	22,105,001
Total liabilities	55,124,877	52,221,942

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	10,111,411	10,111,411
Capital surplus	427,262	427,262
Retained earnings	55,111,615	53,591,171
Treasury shares	(109,853)	(105,239)
Total shareholders' equity	65,540,436	64,024,606
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	186,235	360,910
Remeasurements of defined benefit plans	(7,791)	(3,895)
Total accumulated other comprehensive income	178,444	357,014
Non-controlling interests	89,290	90,984
Total net assets	65,808,171	64,472,606
Total liabilities and net assets	120,933,049	116,694,548

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	30,003,095	25,206,107
Cost of sales	26,368,158	22,410,262
Gross profit	3,634,936	2,795,844
Selling, general and administrative expenses	3,198,145	3,258,520
Operating profit (loss)	436,791	(462,675)
Non-operating income		
Interest income	1,736	588
Dividend income	11,241	10,137
Reversal of allowance for doubtful accounts	19,725	15,796
Reversal of provision for loss on guarantees	10	–
Reversal of allowance for Shareholder benefit	534	–
Insurance return	5,990	4,902
Other	32,157	47,242
Total non-operating income	71,396	78,667
Non-operating expenses		
Interest expenses	202,617	194,587
Commission expenses	1,646	6,594
Other	3,786	8,915
Total non-operating expenses	208,051	210,097
Ordinary profit (loss)	300,136	(594,105)
Extraordinary income		
Gain on sale of non-current assets	6,477	2,593
Gain on sale of investment securities	54,604	–
Total extraordinary income	61,081	2,593
Extraordinary losses		
Loss on retirement of non-current assets	530	–
Loss on sale of non-current assets	–	1,992
Total extraordinary losses	530	1,992
Profit (loss) before income taxes	360,687	(593,504)
Income taxes - current	87,574	62,213
Income taxes - deferred	23,091	(168,888)
Total income taxes	110,666	(106,675)
Profit (loss)	250,020	(486,829)
Profit attributable to non-controlling interests	9,008	1,694
Profit (loss) attributable to owners of parent	241,011	(488,523)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	250,020	(486,829)
Other comprehensive income		
Valuation difference on available-for-sale securities	(29,365)	174,674
Remeasurements of defined benefit plans, net of tax	1,332	3,895
Total other comprehensive income	(28,032)	178,570
Comprehensive income	221,987	(308,259)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	212,979	(309,953)
Comprehensive income attributable to non-controlling interests	9,008	1,694