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Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]

February 6, 2024

Company name: Nishimatsu Construction Co., Ltd.

Stock exchange listing: Tokyo

Code number: 1820

URL: <https://www.nishimatsu.co.jp/>

Representative: Nobutoshi Takase

Contact: Junichi Usuki

Phone: +81-3(3502)0232

Scheduled date of filing quarterly securities report: February 6, 2024

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: No

Representative Director and President
General Manager of Finance & Accounting Department

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	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, 2023	294,843	20.3	14,877	24.5	15,638	25.3	10,293	17.3
December 31, 2022	245,065	4.1	11,948	(36.8)	12,479	(33.7)	8,777	(19.9)

(Note) Comprehensive income:
 Nine months ended December 31, 2023: ¥ 18,272 million [74.6%]
 Nine months ended December 31, 2022: ¥ 10,466 million [25.5%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	260.78	-
December 31, 2022	222.36	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	603,789	168,056	26.5
March 31, 2023	513,623	156,148	29.0

(Reference) Equity:
 As of December 31, 2023: ¥ 160,157 million
 As of March 31, 2023: ¥ 148,841 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	140.00	-	81.00	221.00
Fiscal year ending March 31, 2024	-	80.00	-		
Fiscal year ending March 31, 2024 (Forecast)				93.00	173.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	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	387,500	14.1	16,500	30.8	17,000	29.0	11,400	18.2	288.81

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2023: 55,591,502 shares

March 31, 2023: 55,591,502 shares

2) Number of treasury shares at the end of the period:

December 31, 2023: 16,120,182 shares

March 31, 2023: 16,119,098 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2023: 39,471,955 shares

Nine months ended December 31, 2022: 39,472,972 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	53,726	71,555
Notes receivable, accounts receivable from completed construction contracts and other	190,506	232,980
Securities	1	1
Real estate for sale	11,275	3,814
Costs on construction contracts in progress	6,949	14,212
Costs on real estate business and other	3,121	2,863
Raw materials and supplies	662	741
Advances paid	12,411	16,992
Other	12,109	19,649
Allowance for doubtful accounts	(20)	(116)
Total current assets	290,744	362,694
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	58,415	58,474
Machinery, vehicles, tools, furniture and fixtures, net	1,416	1,335
Land	100,727	103,845
Leased assets, net	38	46
Construction in progress	2,771	5,847
Total property, plant and equipment	163,369	169,547
Intangible assets	6,461	7,043
Investments and other assets		
Investment securities	35,868	48,688
Long-term loans receivable	998	7,210
Retirement benefit asset	2,572	2,676
Deferred tax assets	7,437	1,216
Other	6,242	4,785
Allowance for doubtful accounts	(70)	(72)
Total investments and other assets	53,048	64,504
Total non-current assets	222,878	241,095
Total assets	513,623	603,789

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	73,826	80,926
Short-term borrowings	59,239	59,764
Commercial papers	-	49,000
Current portion of bonds payable	15,000	20,000
Lease liabilities	28	25
Income taxes payable	1,905	548
Advances received on construction contracts in progress	17,236	16,744
Provision for warranties for completed construction	1,657	1,248
Provision for bonuses	2,827	1,395
Provision for bonuses for directors (and other officers)	31	46
Provision for loss on construction contracts	7,920	5,319
Provision for loss on real estate business and other	34	-
Deposits received	64,421	71,462
Other	3,542	3,492
Total current liabilities	247,670	309,973
Non-current liabilities		
Bonds payable	91,000	91,000
Long-term borrowings	3,157	20,127
Lease liabilities	986	992
Deferred tax liabilities	305	321
Provision for share awards for directors (and other officers)	106	145
Retirement benefit liability	6,740	6,697
Asset retirement obligations	757	791
Other	6,749	5,684
Total non-current liabilities	109,804	125,759
Total liabilities	357,475	435,732
Net assets		
Shareholders' equity		
Share capital	23,513	23,513
Capital surplus	20,792	20,792
Retained earnings	157,326	161,263
Treasury shares	(57,338)	(57,342)
Total shareholders' equity	144,294	148,227
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,467	10,187
Deferred gains or losses on hedges	9	40
Foreign currency translation adjustment	1,636	3,164
Remeasurements of defined benefit plans	(1,566)	(1,462)
Total accumulated other comprehensive income	4,546	11,930
Non-controlling interests	7,306	7,899
Total net assets	156,148	168,056
Total liabilities and net assets	513,623	603,789

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net sales		
Net sales of completed construction contracts	215,653	269,888
Net sales in real estate business and other	29,411	24,954
Total net sales	245,065	294,843
Cost of sales		
Cost of sales of completed construction contracts	199,928	249,027
Cost of sales in real estate business and other	17,901	15,467
Total cost of sales	217,830	264,495
Gross profit		
Gross profit on completed construction contracts	15,725	20,860
Gross profit on real estate business and other	11,509	9,486
Total gross profit	27,234	30,347
Selling, general and administrative expenses	15,285	15,469
Operating profit	11,948	14,877
Non-operating income		
Interest income	58	150
Dividend income	477	502
Foreign exchange gains	216	561
Other	460	341
Total non-operating income	1,213	1,555
Non-operating expenses		
Interest expenses	509	549
Share of loss of entities accounted for using equity method	-	3
Financing expenses	103	166
Other	69	75
Total non-operating expenses	682	794
Ordinary profit	12,479	15,638
Extraordinary income		
Gain on sale of non-current assets	230	24
Total extraordinary income	230	24
Extraordinary losses		
Loss on sale of non-current assets	0	176
Loss on support to subsidiaries	-	92
Office relocation expenses	23	52
Settlement payments	60	-
Other	12	30
Total extraordinary losses	96	351
Profit before income taxes	12,613	15,311
Income taxes	3,755	4,901
Profit	8,857	10,409
Profit attributable to non-controlling interests	80	116
Profit attributable to owners of parent	8,777	10,293

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	8,857	10,409
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,031)	5,719
Deferred gains or losses on hedges	-	62
Foreign currency translation adjustment	2,626	1,976
Remeasurements of defined benefit plans, net of tax	14	104
Total other comprehensive income	1,609	7,862
Comprehensive income	10,466	18,272
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,706	17,677
Comprehensive income attributable to non-controlling interests	759	595