

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

November 04, 2022

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: 03(3502)0232

Scheduled date of filing quarterly securities report: November 04, 2022

Scheduled date of commencing dividend payments: December 02, 2022

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

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 Six Months Ended September 30, 2022 (April 01, 2022 to September 30, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2022	157,273	2.8	9,706	(4.2)	10,558	(0.2)	7,364	(0.4)
September 30, 2021	152,960	(5.4)	10,130	31.8	10,580	32.6	7,394	47.5

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ 9,349 million [18.3%]
Six months ended September 30, 2021: ¥ 7,901 million [10.2%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	186.58	-
September 30, 2021	135.18	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2022	487,771	161,842	31.7
March 31, 2022	477,613	157,715	31.7

(Reference) Equity: As of September 30, 2022: ¥ 154,637 million
As of March 31, 2022: ¥ 151,328 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, 2022	-	90.00	-	131.00	221.00
Fiscal year ending March 31, 2023	-	140.00			
Fiscal year ending March 31, 2023 (Forecast)			-	145.00	285.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	337,000	4.1	20,000	(15.0)	20,000	(14.9)	13,500	(10.6)	342.01

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2022

(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: Yes

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):

September 30, 2022: 55,591,502 shares

March 31, 2022: 55,591,502 shares

2) Total number of treasury shares at the end of the period:

September 30, 2022: 16,118,542 shares

March 31, 2022: 16,118,423 shares

3) Average number of shares during the period:

Six months ended September 30, 2022: 39,473,095 shares

Six months ended September 30, 2021: 54,700,321 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of September 30,2022
Assets		
Current assets		
Cash and deposits	47,121	67,992
Notes receivable, accounts receivable from completed construction contracts and other	183,464	164,259
Costs on construction contracts in progress	6,227	6,818
Real estate for sale	4,646	3,957
Costs on real estate business	4,100	4,326
Raw materials and supplies	294	514
Advances paid	10,992	11,697
Other	5,462	12,420
Allowance for doubtful accounts	(19)	(17)
Total current assets	262,292	271,968
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	63,370	61,621
Machinery, vehicles, tools, furniture and fixtures, net	1,680	1,263
Land	95,720	95,007
Leased assets, net	61	49
Construction in progress	1,297	4,078
Total property, plant and equipment	162,131	162,020
Intangible assets	1,254	1,233
Investments and other assets		
Investment securities	35,485	35,903
Long-term loans receivable	1,047	979
Retirement benefit asset	2,801	3,438
Deferred tax assets	6,095	5,144
Other	6,580	7,156
Allowance for doubtful accounts	(75)	(73)
Total investments and other assets	51,935	52,548
Total non-current assets	215,320	215,803
Total assets	477,613	487,771

(Million yen)

	As of March 31,2022	As of September 30,2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	60,532	58,600
Short-term borrowings	43,039	47,039
Commercial papers	20,000	-
Current portion of bonds payable	10,000	15,000
Income taxes payable	5,879	2,623
Advances received on construction contracts in progress	14,802	20,154
Provision for warranties for completed construction	7,923	4,679
Provision for bonuses	3,673	3,462
Provision for bonuses for directors (and other officers)	58	-
Provision for loss on construction contracts	2,820	3,535
Provision for loss on real estate business and other	38	49
Deposits received	45,883	58,673
Asset retirement obligations	27	-
Other	2,987	3,134
Total current liabilities	217,663	216,951
Non-current liabilities		
Bonds payable	87,000	91,000
Long-term borrowings	-	2,714
Provision for share awards for directors (and other officers)	54	52
Deferred tax liabilities	292	301
Retirement benefit liability	6,509	6,567
Asset retirement obligations	734	755
Other	7,642	7,587
Total non-current liabilities	102,233	108,978
Total liabilities	319,897	325,929
Net assets		
Shareholders' equity		
Share capital	23,513	23,513
Capital surplus	20,795	20,792
Retained earnings	158,485	160,601
Treasury shares	(57,335)	(57,336)
Total shareholders' equity	145,459	147,571
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,389	5,915
Foreign currency translation adjustment	326	1,989
Remeasurements of defined benefit plans	(847)	(837)
Total accumulated other comprehensive income	5,868	7,066
Non-controlling interests	6,387	7,204
Total net assets	157,715	161,842
Total liabilities and net assets	477,613	487,771

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

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Net sales		
Net sales of completed construction contracts	145,130	135,918
Net sales in real estate business and other	7,829	21,354
Total net sales	152,960	157,273
Cost of sales		
Cost of sales of completed construction contracts	128,110	122,882
Cost of sales in real estate business and other	5,258	14,452
Total cost of sales	133,369	137,335
Gross profit		
Gross profit on completed construction contracts	17,019	13,036
Gross profit on real estate business and other	2,570	6,901
Total gross profit	19,590	19,938
Selling, general and administrative expenses	9,460	10,231
Operating profit	10,130	9,706
Non-operating income		
Interest income	16	27
Dividend income	364	297
Reversal of allowance for doubtful accounts	147	4
Foreign exchange gains	76	655
Other	301	349
Total non-operating income	905	1,334
Non-operating expenses		
Interest expenses	245	334
Financing expenses	9	99
Other	199	49
Total non-operating expenses	455	482
Ordinary profit	10,580	10,558
Extraordinary income		
Gain on sale of non-current assets	2	181
Reversal of provision for environmental measures	0	-
Total extraordinary income	3	181
Extraordinary losses		
Loss on sale of non-current assets	59	0
Loss on valuation of investment securities	21	4
Increase (decrease) in employee deposits	10	-
Office relocation expenses	-	23
Settlement payments	-	35
Other	0	7
Total extraordinary losses	91	71
Profit before income taxes	10,492	10,668
Income taxes	3,070	3,270
Profit	7,422	7,398
Profit attributable to non-controlling interests	27	33
Profit attributable to owners of parent	7,394	7,364

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

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit	7,422	7,398
Other comprehensive income		
Valuation difference on available-for-sale securities	72	(474)
Foreign currency translation adjustment	409	2,415
Remeasurements of defined benefit plans, net of tax	(2)	9
Total other comprehensive income	479	1,950
Comprehensive income	7,901	9,349
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,855	8,562
Comprehensive income attributable to non-controlling interests	45	786

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Cash flows from operating activities		
Profit before income taxes	10,492	10,668
Depreciation	1,756	1,962
Amortization of goodwill	-	4
Increase (decrease) in allowance for doubtful accounts	(147)	(4)
Increase (decrease) in provision for loss on construction contracts	517	715
Increase (decrease) in provision for loss on real estate business and other	-	11
Increase (decrease) in provision for warranties for completed construction	(2,005)	(3,243)
Increase (decrease) in retirement benefit liability	(1,085)	(580)
Interest and dividend income	(380)	(324)
Interest expenses	245	334
Foreign exchange losses (gains)	6	(676)
Loss (gain) on sale of non-current assets	56	(181)
Loss (gain) on valuation of investment securities	21	4
Decrease (increase) in trade receivables	25,841	19,292
Decrease (increase) in costs on construction contracts in progress	606	(586)
Decrease (increase) in other inventories	700	9,008
Decrease (increase) in other assets	(11,049)	(8,037)
Increase (decrease) in trade payables	(796)	(2,105)
Increase (decrease) in advances received on construction contracts in progress	1,471	5,300
Increase (decrease) in deposits received	28,402	12,788
Increase (decrease) in other liabilities	(2,315)	(292)
Other, net	(27)	(321)
Subtotal	52,308	43,735
Interest and dividends received	380	323
Interest paid	(246)	(326)
Income taxes paid	(7,526)	(5,427)
Net cash provided by (used in) operating activities	44,916	38,304
Cash flows from investing activities		
Purchase of short-term and long-term investment securities	(7)	(635)
Proceeds from sale and redemption of short-term and long-term investment securities	82	85
Purchase of property, plant and equipment and intangible assets	(14,742)	(9,732)
Proceeds from sale of property, plant and equipment and intangible assets	344	415
Loan advances	(90)	(260)
Proceeds from collection of loans receivable	2	2
Net decrease (increase) in time deposits	194	-
Other payments	(1,793)	(343)
Other proceeds	426	172
Net cash provided by (used in) investing activities	(15,582)	(10,295)

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(15,000)	4,000
Net increase (decrease) in commercial papers	-	(20,000)
Proceeds from long-term borrowings	-	2,714
Proceeds from issuance of bonds	-	19,000
Redemption of bonds	-	(10,000)
Net decrease (increase) in treasury shares	(3)	(0)
Dividends paid	(5,736)	(5,191)
Proceeds from share issuance to non-controlling shareholders	-	30
Dividends paid to non-controlling interests	(2)	(2)
Other, net	(13)	(16)
Net cash provided by (used in) financing activities	(20,755)	(9,466)
Effect of exchange rate change on cash and cash equivalents	313	1,968
Net increase (decrease) in cash and cash equivalents	8,892	20,511
Cash and cash equivalents at beginning of period	43,574	47,121
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	(3)	359
Cash and cash equivalents at end of period	52,463	67,992