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Consolidated Financial Results for the Six Months Ended September 30, 2021 [Japanese GAAP]

November 05, 2021

Company name: Nishimatsu Construction Co., Ltd.

Stock exchange listing: Tokyo

Code number: 1820

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

Representative: Nobutoshi Takase

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Scheduled date of filing quarterly securities report: November 05, 2021

Scheduled date of commencing dividend payments: December 02, 2021

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, 2021 (April 01, 2021 to September 30, 2021)

(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, 2021	152,960	(5.4)	10,130	31.8	10,580	32.6	7,394	47.5
September 30, 2020	161,703	(4.6)	7,683	(21.4)	7,982	(19.6)	5,012	(34.0)

(Note) Comprehensive income: Six months ended September 30, 2021: ¥ 7,901 million [10.2%]
Six months ended September 30, 2020: ¥ 7,172 million [38.4%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2021	135.18	-
September 30, 2020	91.63	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2021	481,162	209,697	43.2
March 31, 2021	472,440	207,537	43.6

(Reference) Equity: As of September 30, 2021: ¥ 208,098 million
As of March 31, 2021: ¥ 205,982 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, 2021	-	-	-	105.00	105.00
Fiscal year ending March 31, 2022	-	90.00			
Fiscal year ending March 31, 2022 (Forecast)			-	131.00	221.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022(April 01, 2021 to March 31, 2022)

(% 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	0.2	21,000	0.2	21,200	(1.7)	14,300	(16.7)	295.15

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2021

(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, 2021: 55,591,502 shares

March 31, 2021: 55,591,502 shares

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

September 30, 2021: 891,708 shares

March 31, 2021: 890,792 shares

3) Average number of shares during the period:

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

Six months ended September 30, 2020: 54,701,549 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of September 30,2021
Assets		
Current assets		
Cash and deposits	43,769	52,463
Notes receivable, accounts receivable from completed construction contracts and other	203,082	177,265
Costs on construction contracts in progress	6,373	5,767
Real estate for sale	2,543	1,644
Costs on real estate business	4,794	5,081
Raw materials and supplies	670	582
Advances paid	9,306	11,647
Other	4,897	13,282
Allowance for doubtful accounts	(163)	(18)
Total current assets	275,273	267,715
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	52,473	60,319
Machinery, vehicles, tools, furniture and fixtures, net	1,180	1,453
Land	83,759	87,984
Leased assets, net	68	59
Construction in progress	4,155	5,210
Total property, plant and equipment	141,636	155,026
Intangible assets	1,189	1,119
Investments and other assets		
Investment securities	44,641	44,770
Long-term loans receivable	599	686
Retirement benefit asset	961	2,104
Deferred tax assets	3,314	2,930
Other	4,905	6,886
Allowance for doubtful accounts	(80)	(78)
Total investments and other assets	54,340	57,300
Total non-current assets	197,166	213,446
Total assets	472,440	481,162

(Million yen)

	As of March 31,2021	As of September 30,2021
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	56,305	55,518
Short-term borrowings	35,039	20,039
Commercial papers	20,000	20,000
Current portion of bonds payable	-	10,000
Income taxes payable	7,968	2,965
Advances received on construction contracts in progress	18,703	20,177
Provision for warranties for completed construction	9,815	7,810
Provision for bonuses	2,894	3,232
Provision for loss on construction contracts	1,488	2,005
Provision for loss on real estate business and other	28	28
Deposits received	34,306	62,708
Other	4,579	1,963
Total current liabilities	191,127	206,447
Non-current liabilities		
Bonds payable	60,000	50,000
Deferred tax liabilities	301	301
Provision for environmental measures	2	-
Retirement benefit liability	6,340	6,401
Asset retirement obligations	636	698
Other	6,494	7,616
Total non-current liabilities	73,775	65,017
Total liabilities	264,903	271,465
Net assets		
Shareholders' equity		
Share capital	23,513	23,513
Capital surplus	20,780	20,780
Retained earnings	154,041	155,700
Treasury shares	(2,177)	(2,180)
Total shareholders' equity	196,158	197,813
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,627	10,699
Foreign currency translation adjustment	(296)	95
Remeasurements of defined benefit plans	(506)	(509)
Total accumulated other comprehensive income	9,824	10,284
Non-controlling interests	1,554	1,598
Total net assets	207,537	209,697
Total liabilities and net assets	472,440	481,162

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 30,2020	For the six months ended September 30,2021
Net sales		
Net sales of completed construction contracts	155,599	145,130
Net sales in real estate business and other	6,103	7,829
Total net sales	161,703	152,960
Cost of sales		
Cost of sales of completed construction contracts	141,190	128,110
Cost of sales in real estate business and other	3,830	5,258
Total cost of sales	145,020	133,369
Gross profit		
Gross profit on completed construction contracts	14,408	17,019
Gross profit on real estate business and other	2,273	2,570
Total gross profit	16,682	19,590
Selling, general and administrative expenses	8,998	9,460
Operating profit	7,683	10,130
Non-operating income		
Interest income	39	16
Dividend income	488	364
Reversal of allowance for doubtful accounts	8	147
Foreign exchange gains	-	76
Other	270	301
Total non-operating income	806	905
Non-operating expenses		
Interest expenses	237	245
Foreign exchange losses	29	-
Financing expenses	136	9
Other	105	199
Total non-operating expenses	508	455
Ordinary profit	7,982	10,580
Extraordinary income		
Gain on sale of non-current assets	0	2
Gain on sale of investment securities	226	-
Reversal of provision for environmental measures	-	0
Total extraordinary income	227	3
Extraordinary losses		
Loss on sale of non-current assets	2	59
Loss on valuation of investment securities	-	21
Head office relocation expenses	112	-
Increase (decrease) in employee deposits	375	10
Other	140	0
Total extraordinary losses	630	91
Profit before income taxes	7,579	10,492
Income taxes	2,383	3,070
Profit	5,195	7,422
Profit attributable to non-controlling interests	183	27
Profit attributable to owners of parent	5,012	7,394

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

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Profit	5,195	7,422
Other comprehensive income		
Valuation difference on available-for-sale securities	2,146	72
Foreign currency translation adjustment	(271)	409
Remeasurements of defined benefit plans, net of tax	101	(2)
Total other comprehensive income	1,976	479
Comprehensive income	7,172	7,901
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,087	7,855
Comprehensive income attributable to non-controlling interests	84	45

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Cash flows from operating activities		
Profit before income taxes	7,579	10,492
Depreciation	1,614	1,756
Increase (decrease) in allowance for doubtful accounts	(8)	(147)
Increase (decrease) in provision for loss on construction contracts	232	517
Increase (decrease) in provision for loss on real estate business and other	3	-
Increase (decrease) in provision for warranties for completed construction	244	(2,005)
Increase (decrease) in retirement benefit liability	(843)	(1,085)
Interest and dividend income	(527)	(380)
Interest expenses	237	245
Loss (gain) on sale of non-current assets	1	56
Loss (gain) on sale of investment securities	(226)	-
Loss (gain) on valuation of investment securities	-	21
Decrease (increase) in trade receivables	20,974	25,841
Decrease (increase) in costs on construction contracts in progress	(1,915)	606
Decrease (increase) in other inventories	(120)	700
Decrease (increase) in other assets	2,999	(11,049)
Increase (decrease) in trade payables	(34,011)	(796)
Increase (decrease) in advances received on construction contracts in progress	891	1,471
Increase (decrease) in deposits received	4,176	28,402
Increase (decrease) in other liabilities	(2,418)	(2,315)
Other, net	(109)	(21)
Subtotal	(1,228)	52,308
Interest and dividends received	537	380
Interest paid	(247)	(246)
Income taxes paid	(4,550)	(7,526)
Net cash provided by (used in) operating activities	(5,488)	44,916
Cash flows from investing activities		
Purchase of short-term and long-term investment securities	(217)	(7)
Proceeds from sale and redemption of short-term and long-term investment securities	953	82
Purchase of property, plant and equipment and intangible assets	(7,274)	(14,742)
Proceeds from sale of property, plant and equipment and intangible assets	0	344
Loan advances	(41)	(90)
Proceeds from collection of loans receivable	3	2
Net decrease (increase) in time deposits	-	194
Other payments	(273)	(1,793)
Other proceeds	307	426
Net cash provided by (used in) investing activities	(6,541)	(15,582)

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,000	(15,000)
Net increase (decrease) in commercial papers	5,000	-
Proceeds from issuance of bonds	30,000	-
Redemption of bonds	(15,000)	-
Dividends paid	(5,739)	(5,736)
Dividends paid to non-controlling interests	(2)	(2)
Other, net	(19)	(16)
Net cash provided by (used in) financing activities	16,239	(20,755)
Effect of exchange rate change on cash and cash equivalents	(255)	313
Net increase (decrease) in cash and cash equivalents	3,954	8,892
Cash and cash equivalents at beginning of period	46,459	43,574
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	(0)	(3)
Cash and cash equivalents at end of period	50,413	52,463