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## Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

November 7, 2023

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 7, 2023

Scheduled date of commencing dividend payments: December 4, 2023

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, 2023 (April 1, 2023 to September 30, 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	%
Six months ended September 30, 2023	190,964	21.4	9,911	2.1	10,656	0.9	7,151	(2.9)
September 30, 2022	157,273	2.8	9,706	(4.2)	10,558	(0.2)	7,364	(0.4)

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 13,514 million [ 44.6%]  
Six months ended September 30, 2022: ¥ 9,349 million [ 18.3%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	181.18	-
September 30, 2022	186.58	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	543,635	166,477	29.2
March 31, 2023	513,623	156,148	29.0

(Reference) Equity: As of September 30, 2023: ¥ 158,683 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	385,000	13.3	15,000	18.9	14,700	11.6	9,700	0.5	245.74

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

\* Notes:

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

September 30, 2023: 55,591,502 shares

March 31, 2023: 55,591,502 shares

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

September 30, 2023: 16,119,644 shares

March 31, 2023: 16,119,098 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 39,472,176 shares

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

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	53,726	57,564
Notes receivable, accounts receivable from completed construction contracts and other	190,506	200,911
Securities	1	1
Real estate for sale	11,275	3,775
Costs on construction contracts in progress	6,949	13,665
Costs on real estate business and other	3,121	2,477
Raw materials and supplies	662	1,235
Advances paid	12,411	15,142
Other	12,109	14,903
Allowance for doubtful accounts	(20)	(97)
Total current assets	290,744	309,580
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	58,415	59,127
Machinery, vehicles, tools, furniture and fixtures, net	1,416	1,242
Land	100,727	103,748
Leased assets, net	38	39
Construction in progress	2,771	4,379
Total property, plant and equipment	163,369	168,537
Intangible assets	6,461	6,967
Investments and other assets		
Investment securities	35,868	46,150
Long-term loans receivable	998	2,120
Retirement benefit asset	2,572	2,643
Deferred tax assets	7,437	2,851
Other	6,242	4,857
Allowance for doubtful accounts	(70)	(73)
Total investments and other assets	53,048	58,550
Total non-current assets	222,878	234,054
Total assets	513,623	543,635

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	73,826	73,450
Short-term borrowings	59,239	36,114
Commercial papers	-	40,000
Current portion of bonds payable	15,000	20,000
Lease liabilities	28	25
Income taxes payable	1,905	1,087
Advances received on construction contracts in progress	17,236	13,216
Provision for warranties for completed construction	1,657	1,692
Provision for bonuses	2,827	3,459
Provision for bonuses for directors (and other officers)	31	30
Provision for loss on construction contracts	7,920	6,296
Provision for loss on real estate business and other	34	4
Deposits received	64,421	68,856
Other	3,542	2,799
Total current liabilities	247,670	267,034
Non-current liabilities		
Bonds payable	91,000	91,000
Long-term borrowings	3,157	4,456
Lease liabilities	986	986
Deferred tax liabilities	305	314
Provision for share awards for directors (and other officers)	106	132
Retirement benefit liability	6,740	6,713
Asset retirement obligations	757	752
Other	6,749	5,768
Total non-current liabilities	109,804	110,123
Total liabilities	357,475	377,157
<b>Net assets</b>		
Shareholders' equity		
Share capital	23,513	23,513
Capital surplus	20,792	20,792
Retained earnings	157,326	161,296
Treasury shares	(57,338)	(57,340)
Total shareholders' equity	144,294	148,262
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,467	9,065
Deferred gains or losses on hedges	9	26
Foreign currency translation adjustment	1,636	2,825
Remeasurements of defined benefit plans	(1,566)	(1,496)
Total accumulated other comprehensive income	4,546	10,420
Non-controlling interests	7,306	7,794
Total net assets	156,148	166,477
Total liabilities and net assets	513,623	543,635

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

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
<b>Net sales</b>		
Net sales of completed construction contracts	135,918	169,558
Net sales in real estate business and other	21,354	21,405
Total net sales	157,273	190,964
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	122,882	157,075
Cost of sales in real estate business and other	14,452	13,304
Total cost of sales	137,335	170,379
<b>Gross profit</b>		
Gross profit on completed construction contracts	13,036	12,483
Gross profit on real estate business and other	6,901	8,101
Total gross profit	19,938	20,584
Selling, general and administrative expenses	10,231	10,673
Operating profit	9,706	9,911
<b>Non-operating income</b>		
Interest income	27	65
Dividend income	297	288
Foreign exchange gains	655	702
Other	353	242
Total non-operating income	1,334	1,298
<b>Non-operating expenses</b>		
Interest expenses	334	352
Share of loss of entities accounted for using equity method	-	2
Financing expenses	99	135
Other	49	63
Total non-operating expenses	482	554
Ordinary profit	10,558	10,656
<b>Extraordinary income</b>		
Gain on sale of non-current assets	181	8
Total extraordinary income	181	8
<b>Extraordinary losses</b>		
Loss on sale of non-current assets	0	-
Loss on support to subsidiaries	-	76
Office relocation expenses	23	0
Settlement payments	35	-
Other	12	11
Total extraordinary losses	71	87
Profit before income taxes	10,668	10,576
Income taxes	3,270	3,363
Profit	7,398	7,213
Profit attributable to non-controlling interests	33	61
Profit attributable to owners of parent	7,364	7,151

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

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	7,398	7,213
Other comprehensive income		
Valuation difference on available-for-sale securities	(474)	4,597
Deferred gains or losses on hedges	-	34
Foreign currency translation adjustment	2,415	1,599
Remeasurements of defined benefit plans, net of tax	9	69
Total other comprehensive income	1,950	6,301
Comprehensive income	9,349	13,514
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,562	13,024
Comprehensive income attributable to non-controlling interests	786	490

Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	10,668	10,576
Depreciation	1,962	1,951
Amortization of goodwill	4	4
Increase (decrease) in allowance for doubtful accounts	(4)	79
Increase (decrease) in provision for loss on construction contracts	715	(1,624)
Increase (decrease) in provision for loss on real estate business and other	11	(30)
Increase (decrease) in provision for warranties for completed construction	(3,243)	34
Increase (decrease) in retirement benefit liability	(580)	(6)
Interest and dividend income	(324)	(354)
Interest expenses	334	352
Foreign exchange losses (gains)	(676)	(544)
Share of loss (profit) of entities accounted for using equity method	-	2
Loss (gain) on sale of non-current assets	(181)	(8)
Decrease (increase) in trade receivables	19,292	(10,307)
Decrease (increase) in costs on construction contracts in progress	(586)	(6,448)
Decrease (increase) in other inventories	9,008	7,960
Decrease (increase) in other assets	(8,037)	(4,807)
Increase (decrease) in trade payables	(2,105)	(616)
Increase (decrease) in advances received on construction contracts in progress	5,300	(4,136)
Increase (decrease) in deposits received	12,788	4,433
Increase (decrease) in other liabilities	(292)	(845)
Other, net	(317)	889
Subtotal	43,735	(3,443)
Interest and dividends received	323	346
Interest paid	(326)	(335)
Income taxes paid	(5,427)	(1,629)
Net cash provided by (used in) operating activities	38,304	(5,062)
<b>Cash flows from investing activities</b>		
Purchase of short-term and long-term investment securities	(635)	(4,158)
Proceeds from sale and redemption of short-term and long-term investment securities	85	728
Purchase of property, plant and equipment and intangible assets	(9,732)	(7,758)
Proceeds from sale of property, plant and equipment and intangible assets	415	8
Loan advances	(260)	(1,115)
Proceeds from collection of loans receivable	2	2
Other payments	(343)	(62)
Other proceeds	172	3
Net cash provided by (used in) investing activities	(10,295)	(12,350)

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	4,000	(23,125)
Net increase (decrease) in commercial papers	(20,000)	40,000
Proceeds from long-term borrowings	2,714	1,119
Proceeds from issuance of bonds	19,000	20,000
Redemption of bonds	(10,000)	(15,000)
Net decrease (increase) in treasury shares	(0)	(1)
Dividends paid	(5,191)	(3,219)
Proceeds from share issuance to non-controlling shareholders	30	-
Dividends paid to non-controlling interests	(2)	(2)
Other, net	(16)	(16)
Net cash provided by (used in) financing activities	(9,466)	19,753
Effect of exchange rate change on cash and cash equivalents	1,968	1,516
Net increase (decrease) in cash and cash equivalents	20,511	3,856
Cash and cash equivalents at beginning of period	47,121	53,726
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	359	(18)
Cash and cash equivalents at end of period	67,992	57,564