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Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

November 8, 2024

Company name: Nishimatsu Construction Co., Ltd.

Listing: Tokyo

Securities code: 1820

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

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Scheduled date to file semi-annual securities report: November 8, 2024

Scheduled date to commence dividend payments: December 3, 2024

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

Representative Director and President
General Manager of Finance & Accounting Department

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(1) Consolidated Operating Results

(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, 2024	173,873	(8.9)	9,137	(7.8)	8,326	(21.9)	6,008	(16.0)
September 30, 2023	190,964	21.4	9,911	2.1	10,656	0.9	7,151	(2.9)

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ 4,867 million [(64.0) %]
Six months ended September 30, 2023: ¥ 13,514 million [44.6 %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	152.24	-
September 30, 2023	181.18	-

(2) Consolidated Financial Position

	Total assets	Net assets	Owner's equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	576,929	176,204	29.1
March 31, 2024	579,624	176,856	29.1

(Reference) Equity: As of September 30, 2024: ¥ 167,731 million
As of March 31, 2024: ¥ 168,819 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, 2024	-	80.00	-	140.00	220.00
Fiscal year ending March 31, 2025	-	100.00			
Fiscal year ending March 31, 2025 (Forecast)			-	120.00	220.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results (Forecast) for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	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	345,000	(14.1)	18,000	(4.4)	17,600	(10.1)	12,400	0.1	314.16

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)
Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(Note) For details, please see page 11 of the attached document "2. Interim Consolidated Financial Statements and Major Notes (4) Notes Regarding Interim Consolidated Financial Statements (Notes Regarding Changes in Accounting Policies)."

(4) Number of issued shares (common shares)

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

September 30, 2024: 41,791,502 shares
March 31, 2024: 55,591,502 shares

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

September 30, 2024: 2,320,155 shares
March 31, 2024: 16,120,643 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024: 39,471,077 shares
Six months ended September 30, 2023: 39,472,176 shares

(Note) 1 The number of treasury shares at the end of the interim period includes the Company's shares held by the Board BenefitTrust (BBT) (224,000 shares for the interim period of the fiscal year ending March 2025, and 225,300 shares for the fiscal year ended March 2024). The Company's shares held by the BBT are included in the number of treasury shares to be deducted when calculating the average number of shares during the period (224,650 shares for the interim period of the fiscal year ending March 2025 and 225,300 shares for the interim period of the fiscal year ended March 2024).

2 Pursuant to the resolution of the Board of Directors meeting held on April 26, 2024, 13,800,000 shares of treasury shares were cancelled on July 1, 2024.

* This interim (1st half of current fiscal year) financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Explanation about the appropriate usage of earnings forecasts and other special notes

The earnings forecasts contained in this document have been prepared based on information available as of the date of the announcement of this document. Therefore, actual results may differ due to various factors in the future. For the conditions that form the assumptions for earnings forecasts and notes on the usage of earnings forecasts, please refer to “Information Regarding Consolidated Earnings Forecasts and Other Forward-Looking Information” on page 4 of the attached document.

■ Overview of Non-consolidated Operating Results (for reference)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(1) Operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net profit	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	168,075	(8.7)	9,193	(5.1)	8,724	(16.7)	6,414	(9.9)
September 30, 2023	184,156	19.9	9,691	3.7	10,479	2.4	7,122	(1.2)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	162.51	—
September 30, 2023	180.43	—

(2) Financial Position

	Total assets	Net assets	Owner's equity ratio
Six months ended	Millions of yen	Millions of yen	%
September 30, 2024	529,685	161,099	30.4
March 31, 2024	540,571	163,336	30.2

(Reference) Equity: As of September 30, 2024: ¥ 161,099 million

As of March 31, 2024: ¥ 163,336 million

2. Non-Consolidated Financial Results (Forecast) for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net profit		Basic earnings per share
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	323,500	(17.1)	17,700	(3.4)	17,500	(8.2)	12,600	3.1	319.22

(Note) Revision to the financial results forecast announced most recently: None

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1. Qualitative Information Regarding Second Quarter (Interim) Financial Results

(1) Description Regarding Operating Results

The Japanese economy during the consolidated second quarter of the fiscal year under review continued to recover gradually thanks to improvements in the employment and income environment. However, looking ahead, there are risks of a downturn in overseas economies, including the continued high interest rate levels in Europe and the United States, and the impact of the prolonged stagnation of the real estate market in China. We are also paying careful attention to the effects of rising prices, the situation in the Middle East, and fluctuations in financial and capital markets, etc.

The construction industry, in both public and private sectors, construction investment remained at the same level as the previous fiscal year. The factors continuing to require close attention are the effects of rising construction material prices and rising labor costs attributable to manpower shortages.

Under such business climate, our corporate group's consolidated performance for the second quarter (interim) under review was as follows:

Construction business's orders received reached 219,367 million yen, an increase by 101,248 million yen (up 85.7% year on year), owing to an increase in both domestic and overseas construction.

Net sales decreased by 17,090 million yen (down 8.9% year on year) to 173,873 million yen, caused mainly by a decrease in domestic building construction and real estate business, etc. Operating profit decreased by 774 million yen (down 7.8% year on year) to 9,137 million yen, owing primarily to a decrease in gross profit on real estate business and other, despite an increase led by gross profit on completed domestic building contracts. Ordinary profit decreased by 2,329 million yen (down 21.9% year on year) to 8,326 million yen, due to factors including the recording of foreign exchange losses in the current interim consolidated accounting period, contrary to the recording of foreign exchange gains during the previous year's same period. Interim net income attributable to owners of parent decreased by 1,142 million yen (down 16.0% year on year) to 6,008 million yen.

The results of the reportable segments are as follows (segment results include internal net sales or transfers between segments).

① Civil Engineering Business

This reporting segment is mainly composed of sales from domestic civil engineering projects. Net sales in this segment increased 6.8% year on year to 50,261 million yen, thanks to the smooth progress overall of construction projects. The segment's profit decreased 12.1% year on year to 3,881 million yen, affected by a decrease in gross profit on completed construction contracts, which partly stemmed from the reactionary decline of design change contracts for large-scale works we were able to secure during the previous fiscal year's same period.

On the Company's non-consolidated basis, orders received from domestic civil engineering projects increased by 63,664 million yen (up 145.1%) to 107,529 million yen, attributable to securing large-scale public-sector construction projects and closing of discretionary contracts.

② Building Business

This reporting segment is mainly composed of sales of domestic building projects. The segment's net sales decreased 10.7% year on year to 97,391 million yen, partly affected by the reactionary decline of some large-scale building projects being completed in the previous fiscal year. However, as the gross margin on completed construction contracts improved, which was helped by the percentage decrease of construction projects affected by rising prices, segment profit showed 2,221 million yen (compared to a segment loss of 597 million yen of the previous fiscal year's same period).

On the Company's non-consolidated basis, orders received for domestic building projects increased by 28,429 million yen (up 43.1%) to 94,424 million yen due to an increase in both private-sector and public-sector building construction projects.

③ International Business

This reporting segment is mainly composed of sales from overseas civil engineering and overseas building projects. The segment's net sales decreased by 4.2% year on year to 15,079 million yen, with the segment loss of 693 million yen (compared to a segment loss of 163 million yen of the previous year's same period).

On the Company's non-consolidated basis, orders received for overseas civil engineering and building projects increased 7,270 million yen (up 105.6%) to 14,155 million yen, due in part to securing a large-scale civil engineering contract in Singapore.

④ Asset Value-Added Business

This reporting segment is mainly composed of sales and leasing income from real estate properties owned. Sales in this segment decreased 36.3% year on year to 12,606 million yen, mostly resulting from a decrease in the segment's sales business, which led to a segment profit decrease by 39.2% year on year to 4,082 million yen due to a decrease in sales business profit.

⑤ Regional Environmental Solution Business

This reporting segment is mainly composed of sales from the renewable energy business and the community development projects. The segment's net sales increased 803.2% year on year to 214 million yen, while the segment showed loss of 298 million yen (compared to a segment loss of 445 million yen of the previous year's same period).

(2) Description Regarding the Company's Financial Position

Total assets at the end of the second quarter of the current consolidated fiscal year decreased by 2,694 million yen (down 0.5%) to 576,929 million yen, compared to the end of the previous consolidated fiscal year, primarily owing to decreases in notes receivable, accounts receivable from completed construction contracts and other, and advances paid, despite increases in property, plant and equipment and costs on construction contracts in progress.

Total liabilities decreased by 2,042 million yen (down 0.5%) compared to the end of the previous consolidated fiscal year to 400,725 million yen, owing to a decrease in notes payable, accounts payable for construction contracts and other, deposits received, and advances received on construction contracts in progress, despite an increase in interest-bearing debt.

Net assets decreased by 652 million yen (down 0.4%) compared to the end of the previous consolidated fiscal year to 176,204 million yen, mainly due to a decrease in the valuation difference on available-for-sale securities. As a result, the owner's equity ratio proved to be 29.1%, the same level as at the end of the previous consolidated fiscal year.

(3) Description Regarding the Company's Cash Flow Situation

The balance of cash and cash equivalents at the end of the second quarter of the current consolidated fiscal year increased by 667 million yen (up 1.2%) compared to the end of the previous year's same period to 58,232 million yen.

Cash flows from operating activities showed interim profit before income taxes of 8,347 million yen, owing to the increased fund resulting from a decrease in trade receivables. However, as trade payables and deposits received decreased, net cash provided by (used in) operating activities resulted in an excessive expenditure of 26,558 million yen (compared to 5,062 million yen excessive expenditure of the previous year's same period).

Cash flows from investing activities showed a decrease in funds due to the purchase of property, plant and equipment and investment securities, resulting in an excessive expenditure of 13,263 million yen (compared to 12,350 million yen excessive expenditure of the previous year's same period).

Net cash provided by (used in) financing activities showed an excess of income of 40,898 million yen (compared to 19,753 million yen excess of income of the previous year's same period) owing to an increase in funds due to the issuance of commercial papers, etc.

(4) Information Regarding Consolidated Earnings Forecasts and Other Forward-Looking Information

There are no changes to the earnings forecasts announced in the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Japanese GAAP]," dated May 13, 2024. We will promptly notify you of any future revisions to the earnings forecasts, etc.

2. Interim Consolidated Financial Statements and Major Notes

(1) Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	56,532	58,232
Notes receivable, accounts receivable from completed construction contracts and other	204,715	195,910
Real estate for sale	5,462	6,454
Costs on construction contracts in progress	15,110	17,296
Costs on real estate business and other	2,229	1,986
Raw materials and supplies	751	500
Advances paid	19,397	10,979
Other	7,876	12,884
Allowance for doubtful accounts	(89)	(103)
Total current assets	311,985	304,139
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	60,140	61,837
Machinery, vehicles, tools, furniture and fixtures, net	1,522	3,100
Land	100,135	99,838
Leased assets, net	41	56
Construction in progress	6,982	6,204
Total property, plant and equipment	168,821	171,036
Intangible assets	7,350	8,136
Investments and other assets		
Investment securities	75,754	77,165
Long-term loans receivable	7,211	7,760
Retirement benefit asset	3,760	3,862
Deferred tax assets	173	154
Other	4,939	5,043
Allowance for doubtful accounts	(373)	(370)
Total investments and other assets	91,466	93,616
Total non-current assets	267,638	272,789
Total assets	579,624	576,929

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Consolidated Financial Results for the Six Months Ended September 30, 2024

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	80,942	58,685
Short-term borrowings	49,929	46,186
Commercial papers	-	40,000
Current portion of bonds payable	20,000	15,000
Income taxes payable	3,471	1,703
Advances received on construction contracts in progress	27,805	23,060
Deposits received	69,666	57,084
Provision for warranties for completed construction	2,189	2,752
Provision for bonuses	4,405	3,520
Provision for bonuses for directors (and other officers)	96	32
Provision for loss on construction contracts	4,380	2,401
Provision for loss on real estate business and other	-	5
Asset retirement obligations	36	-
Other	8,389	2,709
Total current liabilities	271,314	253,141
Non-current liabilities		
Bonds payable	91,000	96,000
Long-term borrowings	25,221	36,561
Deferred tax liabilities	1,357	859
Provision for share awards for directors (and other officers)	177	194
Retirement benefit liability	6,361	6,392
Asset retirement obligations	880	889
Other	6,455	6,686
Total non-current liabilities	131,453	147,583
Total liabilities	402,767	400,725
Net assets		
Shareholders' equity		
Share capital	23,513	23,513
Capital surplus	20,792	20,795
Retained earnings	163,358	114,684
Treasury shares	(57,344)	(8,218)
Total shareholders' equity	150,320	150,775
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,905	13,810
Deferred gains or losses on hedges	19	21
Foreign currency translation adjustment	2,053	3,551
Remeasurements of defined benefit plans	(479)	(426)
Total accumulated other comprehensive income	18,498	16,956
Non-controlling interests	8,037	8,472
Total net assets	176,856	176,204
Total liabilities and net assets	579,624	576,929

(2) Interim Consolidated Statements of Income and Comprehensive Income

Interim Consolidated Statements of Income

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales		
Net sales of completed construction contracts	169,558	159,808
Net sales in real estate business and other	21,405	14,065
Total net sales	190,964	173,873
Cost of sales		
Cost of sales of completed construction contracts	157,075	145,480
Cost of sales in real estate business and other	13,304	8,545
Total cost of sales	170,379	154,025
Gross profit		
Gross profit on completed construction contracts	12,483	14,327
Gross profit on real estate business and other	8,101	5,520
Total gross profit	20,584	19,848
Selling, general and administrative expenses	10,673	10,710
Operating profit	9,911	9,137
Non-operating income		
Interest income	65	206
Dividend income	288	343
Foreign exchange gains	702	-
Other	242	221
Total non-operating income	1,298	772
Non-operating expenses		
Interest expenses	352	630
Share of loss of entities accounted for using equity method	2	2
Foreign exchange losses	-	678
Financing expenses	135	106
Other	63	165
Total non-operating expenses	554	1,582
Ordinary profit	10,656	8,326
Extraordinary income		
Gain on sale of non-current assets	8	2
Compensation income	-	345
Total extraordinary income	8	348
Extraordinary losses		
Loss on retirement of non-current assets	0	327
Loss on support to subsidiaries	76	-
Other	11	-
Total extraordinary losses	87	327
Profit before income taxes	10,576	8,347
Income taxes	3,363	2,359
Profit	7,213	5,987
Profit (loss) attributable to non-controlling interests	61	(21)
Profit attributable to owners of parent	7,151	6,008

Consolidated Financial Results for the Six Months Ended September 30, 2024

Interim Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Interim Profit	7,213	5,987
Other comprehensive income		
Valuation difference on available-for-sale securities	4,597	(3,094)
Deferred gains or losses on hedges	34	2
Foreign currency translation adjustment	1,599	1,982
Remeasurements of defined benefit plans, net of tax	69	52
Share of other comprehensive income of entities accounted for using equity method	-	(62)
Total other comprehensive income	6,301	(1,119)
Interim Comprehensive income	13,514	4,867
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,024	4,466
Comprehensive income attributable to non-controlling interests	490	401

(3) Interim Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	10,576	8,347
Depreciation	1,951	2,136
Amortization of goodwill	4	4
Increase (decrease) in allowance for doubtful accounts	79	10
Increase (decrease) in provision for loss on construction contracts	(1,624)	(1,979)
Increase (decrease) in provision for loss on real estate business and other	(30)	5
Increase (decrease) in provision for warranties for completed construction	34	562
Increase (decrease) in retirement benefit liability	(6)	(1)
Interest and dividend income	(354)	(550)
Interest expenses	352	630
Foreign exchange losses (gains)	(544)	236
Share of loss (profit) of entities accounted for using equity method	2	2
Loss (gain) on sale of non-current assets	(8)	(2)
Loss on retirement of non-current assets	4	316
Compensation income	-	(345)
Decrease (increase) in trade receivables	(10,307)	8,934
Decrease (increase) in costs on construction contracts in progress	(6,448)	(2,138)
Decrease (increase) in other inventories	7,960	3,250
Decrease (increase) in other assets	(4,807)	4,254
Increase (decrease) in trade payables	(616)	(22,446)
Increase (decrease) in advances received on construction contracts in progress	(4,136)	(4,842)
Increase (decrease) in deposits received	4,433	(12,583)
Increase (decrease) in other liabilities	(845)	(7,078)
Other, net	884	(486)
Subtotal	(3,443)	(23,764)
Interest and dividends received	346	686
Interest paid	(335)	(602)
Proceeds from compensation	-	345
Income taxes paid	(1,629)	(3,223)
Net cash provided by (used in) operating activities	(5,062)	(26,558)
Cash flows from investing activities		
Purchase of short-term and long-term investment securities	(4,158)	(4,401)
Proceeds from sale and redemption of short-term and long-term investment securities	728	57
Purchase of property, plant and equipment and intangible assets	(7,758)	(8,348)
Proceeds from sale of property, plant and equipment and intangible assets	8	2
Loan advances	(1,115)	(525)
Proceeds from collection of loans receivable	2	14
Other payments	(62)	(63)
Other proceeds	3	0
Net cash provided by (used in) investing activities	(12,350)	(13,263)

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(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(23,125)	(4,500)
Net increase (decrease) in commercial papers	40,000	40,000
Proceeds from long-term borrowings	1,119	10,929
Proceeds from issuance of bonds	20,000	20,000
Redemption of bonds	(15,000)	(20,000)
Net decrease (increase) in treasury shares	(1)	0
Dividends paid	(3,219)	(5,553)
Proceeds from share issuance to non-controlling shareholders	-	39
Dividends paid to non-controlling interests	(2)	(2)
Other, net	(16)	(15)
Net cash provided by (used in) financing activities	19,753	40,898
Effect of exchange rate change on cash and cash equivalents	1,516	623
Net increase (decrease) in cash and cash equivalents	3,856	1,699
Cash and cash equivalents at beginning of period	53,726	56,532
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	(18)	-
Cash and cash equivalents at end of period	57,564	58,232

(4) Notes Regarding Interim Consolidated Financial Statements**(Notes Regarding the Going Concern Assumption)**

Not applicable.

(Notes in the Scope of Significant Changes in the Amount of Shareholders' Equity)

Pursuant to the resolution of the Board of Directors held on April 26, 2024, the Company canceled 13,800,000 treasury shares as of July 1, 2024. As a result, retained earnings and treasury shares decreased by 49,125 million yen each during this interim consolidated accounting period. Therefore, at the end of this interim consolidated accounting period, retained earnings showed 114,684 million yen and treasury shares showed 8,218 million yen.

(Notes Regarding Changes in Accounting Policies)

(Application of Accounting Standards for Current Income Taxes, etc.)

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter, “Revised Accounting Standard 2022”), etc. has been applied since the beginning of the first quarter of the fiscal year ending March 31, 2025.

Revisions concerning the categories in which current income taxes should be recorded (taxes on other comprehensive income) are subject to the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter, “Revised Guidance 2022”). The change in accounting policies had no impact on the consolidated financial statements for the interim consolidated financial statements under review.

With regard to revisions related to changes in the accounting treatment for consolidated financial statements when gains/losses on sale of shares, etc. in subsidiaries resulting from transactions between consolidated subsidiaries are deferred for tax purposes, the Company has applied the Revised Guidance 2022 from the beginning of the interim consolidated financial statements under review. The change in accounting policies was applied retrospectively to the consolidated financial statements for the interim consolidated period of the previous fiscal year and the entire previous fiscal year. The change in the accounting policies had no impact on the consolidated financial statements for the interim consolidated financial statements of the previous fiscal year or the entire previous fiscal year.

(Segment Information)**I FY2023 Interim Consolidated Accounting Period (from April 1, 2023 to September 30, 2023)****Information Regarding Net Sales and Profit or Loss Amounts by Reportable Segment**

(Millions of yen)

	Reportable Segments					Total	Adjustment (Note) 1	Amount stated on the Interim Consolidated Statement of Income (Note) 2
	Civil Engineering Business	Building Business	International Business	Asset Value- Added Business	Regional Environmental Solution Business			
Net sales								
Sales to external clients	47,042	108,934	15,297	19,666	23	190,964	—	190,964
Internal sales or transfers between segments	—	137	434	136	—	708	(708)	—
Total	47,042	109,071	15,732	19,803	23	191,673	(708)	190,964
Segment profit (loss)	4,416	(597)	(163)	6,715	(445)	9,926	(15)	9,911

(Note) 1: The segment profit (loss) adjustment amount of (15) million yen is the result of elimination of inter-segment transactions.

2: The segment profit (loss) is adjusted to be recorded as operating profit (loss) in the Interim Consolidated Statements of Income.

II FY2024 Interim Consolidated Accounting Period (from April 1, 2024 to September 30, 2024)**Information Regarding Net Sales and Profit or Loss Amounts by Reportable Segment**

(Millions of yen)

	Reportable Segments					Total	Adjustment (Note) 1	Amount stated on the Interim Consolidated Statement of Income (Note) 2
	Civil Engineering Business	Building Business	International Business	Asset Value- Added Business	Regional Environmental Solution Business			
Net sales								
Sales to external clients	50,261	97,187	13,740	12,468	214	173,873	—	173,873
Internal sales or transfers between segments	—	203	1,338	137	—	1,679	(1,679)	—
Total	50,261	97,391	15,079	12,606	214	175,552	(1,679)	173,873
Segment profit (loss)	3,881	2,221	(693)	4,082	(298)	9,193	(56)	9,137

(Note) 1: The segment profit (loss) adjustment amount of (56) million yen is the result of elimination of inter-segment transactions.

2: The segment profit (loss) is adjusted to be recorded as operating profit (loss) in the Interim Consolidated Statements of Income.

3. Supplementary Information
(1) Interim Non-consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	45,633	43,110
Notes receivable, accounts receivable from completed construction contracts and other	203,865	194,961
Real estate for sale	5,462	6,457
Costs on construction contracts in progress	14,230	16,333
Costs on real estate business and other	2,229	1,986
Raw materials and supplies	724	482
Other	25,823	22,388
Allowance for doubtful accounts	(89)	(103)
Total current assets	297,879	285,617
Non-current assets		
Property, plant and equipment	141,909	141,800
Intangible assets	7,109	7,904
Investments and other assets		
Investment securities	55,638	52,609
Other	38,408	42,123
Allowance for doubtful accounts	(373)	(370)
Total investments and other assets	93,673	94,363
Total non-current assets	242,692	244,068
Total assets	540,571	529,685

NISHIMATSU CONSTRUCTION CO., LTD. (1820)
Consolidated Financial Results for the Six Months Ended September 30, 2024

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	77,473	55,235
Short-term borrowings	39,970	35,470
Commercial papers	-	40,000
Current portion of bonds payable	20,000	15,000
Income taxes payable	3,161	1,661
Advances received on construction contracts in progress	26,621	22,445
Deposits received	69,610	56,991
Provision for warranties for completed construction	2,189	2,752
Provision for loss on construction contracts	4,380	2,401
Other provisions	4,390	3,468
Other	7,883	1,932
Total current liabilities	255,681	237,358
Non-current liabilities		
Bonds payable	91,000	96,000
Long-term borrowings	17,500	22,500
Provision for retirement benefits	6,047	6,090
Asset retirement obligations	814	823
Other	6,192	5,813
Total non-current liabilities	121,553	131,227
Total liabilities	377,235	368,585
Net assets		
Shareholders' equity		
Share capital	23,513	23,513
Capital surplus	20,780	20,780
Retained earnings	159,481	111,212
Treasury shares	(57,344)	(8,218)
Total shareholders' equity	146,430	147,288
Valuation, translation adjustments and others		
Valuation difference on available-for-sale securities	16,905	13,810
Total Valuation, translation adjustments and others	16,905	13,810
Total net assets	163,336	161,099
Total liabilities and net assets	540,571	529,685

(2) Interim Non-consolidated Statement of Income

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales		
Net sales of completed construction contracts	164,121	155,549
Net sales in real estate business and other	20,035	12,526
Total net sales	184,156	168,075
Cost of sales		
Cost of sales of completed construction contracts	151,969	141,380
Cost of sales in real estate business and other	12,721	7,753
Total cost of sales	164,691	149,134
Gross profit		
Gross profit on completed construction contracts	12,151	14,169
Gross profit on real estate business and other	7,313	4,772
Total gross profit	19,465	18,941
Selling, general and administrative expenses	9,774	9,747
Operating profit	9,691	9,193
Non-operating income		
Interest income	30	143
Dividend income	346	423
Foreign exchange gains	710	-
Other	223	197
Total non-operating income	1,310	765
Non-operating expenses		
Interest expenses	101	259
Bond interest expenses	221	257
Foreign exchange losses	-	514
Other	198	203
Total non-operating expenses	522	1,235
Ordinary profit	10,479	8,724
Extraordinary income	8	347
Extraordinary losses	87	327
Interim profit before income taxes	10,399	8,744
Income taxes	3,277	2,330
Interim profit	7,122	6,414

- (Note) 1 Interim non-consolidated financial statements are not subject to interim review for statutory disclosure.
- 2 The interim non-consolidated financial statements have been prepared in accordance with the Regulation on Interim Financial Statements, and are presented in accordance with the Regulation for Enforcement of the Construction Business Act, although some of the classification of accounts has been summarized.

(3) Overview of Construction Contracts Received

- ① Actual amounts of orders received for the second quarter (interim period) of the fiscal year ending March 2025
(Millions of yen)

Consolidated / Non-consolidated	FY2023 Interim Period (From April 1, 2023 to September 30, 2023)	FY2024 Interim Period (From April 1, 2024 to September 30, 2024)	Comparison Increase/Decrease	
	Amount	Amount	Amount	Increase/ Decrease rate (%)
Consolidated	118,118	219,367	101,248	85.7
Non-consolidated	116,745	216,109	99,364	85.1

(Reference) Breakdown of orders received (non-consolidated)

(Millions of yen)

Segment / Client Type		FY2023 Interim Period (From April 1, 2023 to September 30, 2023)		FY2024 Interim Period (From April 1, 2024 to September 30, 2024)		Comparison Increase/Decrease	
		Amount	Component ratio (%)	Amount	Component ratio (%)	Amount	Increase/ Decrease rate (%)
Civil Engineer- ing	Domestic Public Sector	29,630	25.4	96,797	44.8	67,167	226.7
	Domestic Private Sector	14,234	12.2	10,731	5.0	(3,502)	(24.6)
	Overseas	6,803	5.8	14,145	6.5	7,342	107.9
	Total	50,667	43.4	121,675	56.3	71,007	140.1
Building	Domestic Public Sector	5,093	4.4	6,496	3.0	1,403	27.6
	Domestic Private Sector	60,902	52.2	87,928	40.7	27,025	44.4
	Overseas	81	0.1	9	0.0	(72)	(88.3)
	Total	66,077	56.6	94,434	43.7	28,356	42.9
Total	Domestic Public Sector	34,723	29.7	103,294	47.8	68,570	197.5
	Domestic Private Sector	75,137	64.4	98,660	45.7	23,522	31.3
	Overseas	6,884	5.9	14,155	6.6	7,270	105.6
	Total	116,745	100.0	216,109	100.0	99,364	85.1

② Forecast for orders received for the fiscal year ending March 2025 (entire fiscal year)

(Millions of yen)

Consolidated / Non-consolidated	Actual Results for the Fiscal Year Ended March 2024 (From April 1, 2023 to March 31, 2024)	Forecast for the Fiscal Year Ending March 2025 (From April 1, 2024 to March 31, 2025)	Comparison Increase/Decrease	
	Amount	Amount	Amount	Increase/ decrease rate (%)
Consolidated	360,273	455,000	94,726	26.3
Non-consolidated	351,245	430,000	78,754	22.4

(Note) The forecast for orders received has been prepared based on information available as of the date of publication of this document. Therefore, actual orders received may vary due to various factors in the future.