

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 12, 2022

Company name: NISSHIN GROUP HOLDINGS Company, Limited  
 Stock exchange listing: Tokyo  
 Stock code: 8881 URL <https://www.nisshin-hd.co.jp/>  
 Representative: Representative Director and President Yukiyoshi Tsutsumi  
 Representative Director and Senior Managing Director Hideki Kuroiwa TEL 03-5360-2016  
 Inquiries: Director  
 Scheduled date of ordinary general meeting of shareholders: June 24, 2022  
 Scheduled date to file Securities Report: June 27, 2022  
 Scheduled date to commence dividend payments: June 27, 2022  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

#### (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	%
Year ended March 31, 2022	81,465	0.8	5,214	(1.0)	5,017	0.2	3,522	2.9
Year ended March 31, 2021	80,815	(1.6)	5,266	4.1	5,004	5.5	3,422	(13.3)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	75.27	–	5.6	4.5	6.4
Year ended March 31, 2021	72.97	–	5.7	4.6	6.5

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	114,969	64,132	55.7	1,370.11
As of March 31, 2021	107,461	61,566	57.2	1,309.64

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	840	(2,484)	1,854	37,200
Year ended March 31, 2021	11,975	(7,276)	(1,087)	36,990

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	–	0.00	–	18.00	18.00	844	24.7	1.4
Year ended March 31, 2022	–	0.00	–	22.00	22.00	1,031	29.2	1.6
Year ending March 31, 2023 (Forecast)	–	0.00	–	22.00	22.00		28.6	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	86,000	5.6	5,300	1.6	5,100	1.6	3,600	2.2	76.92

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

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

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

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

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2022	46,951,260 shares	As of March 31, 2021	46,951,260 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	219,232 shares	As of March 31, 2021	45,632 shares
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Average number of shares during the period

Year ended March 31, 2022	46,798,383 shares	Year ended March 31, 2021	46,905,653 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	57,874,450	61,302,820
Notes receivable, accounts receivable from completed construction contracts and other	11,388,596	16,344,272
Electronically recorded monetary claims - operating	311,840	662,069
Real estate for sale	5,925,878	3,533,277
Costs on real estate business	14,360,079	16,446,116
Costs on construction contracts in progress	131,391	15,284
Merchandise	3,837	–
Short-term loans receivable	14,320	2,190
Accounts receivable - other	93,978	313,702
Other	1,008,102	1,036,435
Allowance for doubtful accounts	(72,529)	(75,060)
<b>Total current assets</b>	<b>91,039,946</b>	<b>99,581,107</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	7,241,264	7,278,113
Accumulated depreciation	(2,186,835)	(2,225,039)
Buildings and structures, net	5,054,428	5,053,074
Land	5,875,808	5,425,905
Leased assets	515,000	495,962
Accumulated depreciation	(222,526)	(256,421)
Leased assets, net	292,473	239,541
Other	460,487	422,545
Accumulated depreciation	(285,548)	(293,861)
Other, net	174,938	128,683
<b>Total property, plant and equipment</b>	<b>11,397,649</b>	<b>10,847,204</b>
<b>Intangible assets</b>		
Leased assets	60,565	39,190
Other	33,507	35,025
<b>Total intangible assets</b>	<b>94,073</b>	<b>74,215</b>
<b>Investments and other assets</b>		
Investment securities	3,537,045	3,147,859
Long-term loans receivable	288,491	265,588
Deferred tax assets	571,574	446,757
Other	671,859	662,561
Allowance for doubtful accounts	(138,980)	(55,312)
<b>Total investments and other assets</b>	<b>4,929,991</b>	<b>4,467,454</b>
<b>Total non-current assets</b>	<b>16,421,714</b>	<b>15,388,874</b>
<b>Total assets</b>	<b>107,461,660</b>	<b>114,969,982</b>

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	5,037,443	4,218,411
Electronically recorded obligations - operating	4,605,403	7,991,480
Short-term borrowings	14,513,961	10,481,426
Current portion of bonds payable	88,000	88,000
Lease liabilities	123,175	104,290
Income taxes payable	985,486	700,062
Provision for bonuses	455,121	523,157
Provision for warranties for completed construction	174,904	203,624
Provision for loss on construction contracts	–	5,905
Provision for shareholder benefit program	31,993	34,136
Advances received	262,278	571,628
Advances received on construction contracts in progress	434,464	706,691
Deposits received	1,331,952	1,235,742
Other	848,974	613,492
<b>Total current liabilities</b>	<b>28,893,158</b>	<b>27,478,049</b>
<b>Non-current liabilities</b>		
Bonds payable	400,000	312,000
Long-term borrowings	13,890,208	20,975,474
Lease liabilities	226,684	155,680
Provision for retirement benefits for directors (and other officers)	590,970	–
Provision for loss on guarantees	3,102	2,460
Provision for share awards for directors (and other officers)	–	20,964
Retirement benefit liability	1,744,039	1,662,796
Other	146,737	229,994
<b>Total non-current liabilities</b>	<b>17,001,742</b>	<b>23,359,370</b>
<b>Total liabilities</b>	<b>45,894,900</b>	<b>50,837,420</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	10,111,411	10,111,411
Capital surplus	427,432	425,478
Retained earnings	50,698,293	53,380,500
Treasury shares	(25,395)	(112,694)
<b>Total shareholders' equity</b>	<b>61,211,742</b>	<b>63,804,696</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	222,660	226,354
Remeasurements of defined benefit plans	(4,738)	(2,665)
<b>Total accumulated other comprehensive income</b>	<b>217,922</b>	<b>223,688</b>
<b>Non-controlling interests</b>	<b>137,095</b>	<b>104,176</b>
<b>Total net assets</b>	<b>61,566,759</b>	<b>64,132,561</b>
<b>Total liabilities and net assets</b>	<b>107,461,660</b>	<b>114,969,982</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	80,815,338	81,465,366
Cost of sales	67,829,489	69,115,185
Gross profit	12,985,849	12,350,181
Selling, general and administrative expenses		
Advertising expenses	264,283	267,544
Commission expenses	243,070	275,120
Provision of allowance for doubtful accounts	8,236	22,940
Provision for shareholder benefit program	31,993	34,136
Remuneration for directors (and other officers)	402,300	396,731
Salaries and allowances	2,637,351	2,712,536
Bonuses	321,283	403,061
Provision for bonuses	330,204	402,114
Retirement benefit expenses	482,167	117,498
Provision for retirement benefits for directors (and other officers)	246,220	6,270
Provision for share awards for directors (and other officers)		21,626
Depreciation	158,910	193,790
Taxes and dues	529,035	519,315
Other	2,064,349	1,763,068
Total selling, general and administrative expenses	7,719,406	7,135,756
Operating profit	5,266,442	5,214,425
Non-operating income		
Interest income	16,744	1,575
Dividend income	15,206	17,406
Penalty income	5,959	11,909
Reversal of allowance for doubtful accounts	47,151	30,774
Reversal of provision for loss on guarantees	523	642
Reversal of provision for shareholder benefit program		8,323
Gain on sale of securities		28,905
Insurance return	4,240	30,535
An introduction fee	25,621	36,128
Other	44,842	48,907
Total non-operating income	160,290	215,109
Non-operating expenses		
Interest expenses	395,304	377,591
Commission expenses	17,917	6,351
Other	8,539	28,142
Total non-operating expenses	421,761	412,084
Ordinary profit	5,004,971	5,017,449

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Extraordinary income		
Gain on sale of non-current assets	92,455	305,640
Total extraordinary income	92,455	305,640
Extraordinary losses		
Loss on sale of non-current assets	68,913	70,960
Loss on retirement of non-current assets	93,967	13,680
Loss on liquidation of subsidiaries and associates	65,144	156,470
Total extraordinary losses	228,026	241,110
Profit before income taxes	4,869,401	5,081,978
Income taxes - current	1,411,910	1,426,407
Income taxes - deferred	27,018	121,227
Total income taxes	1,438,929	1,547,634
Profit	3,430,472	3,534,344
Profit attributable to non-controlling interests	7,510	11,668
Profit attributable to owners of parent	3,422,961	3,522,675

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	3,430,472	3,534,344
Other comprehensive income		
Valuation difference on available-for-sale securities	128,245	3,693
Foreign currency translation adjustment	51,742	–
Remeasurements of defined benefit plans, net of tax	43,990	2,072
Total other comprehensive income	223,978	5,766
Comprehensive income	3,654,450	3,540,110
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,646,963	3,528,441
Comprehensive income attributable to non-controlling interests	7,487	11,668

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,111,411	427,432	48,119,634	(25,372)	58,633,106
Cumulative effects of changes in accounting policies					
Restated balance	10,111,411	427,432	48,119,634	(25,372)	58,633,106
Changes during period					
Dividends of surplus			(844,302)		(844,302)
Effect of Change of scope of consolidation					
Profit attributable to owners of parent			3,422,961		3,422,961
Purchase of treasury shares				(23)	(23)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	2,578,659	(23)	2,578,635
Balance at end of period	10,111,411	427,432	50,698,293	(25,395)	61,211,742

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	94,391	(51,742)	(48,728)	(6,079)	129,716	58,756,743
Cumulative effects of changes in accounting policies						
Restated balance	94,391	(51,742)	(48,728)	(6,079)	129,716	58,756,743
Changes during period						
Dividends of surplus						(844,302)
Effect of Change of scope of consolidation						–
Profit attributable to owners of parent						3,422,961
Purchase of treasury shares						(23)
Net changes in items other than shareholders' equity	128,268	51,742	43,990	224,002	7,378	231,380
Total changes during period	128,268	51,742	43,990	224,002	7,378	2,810,016
Balance at end of period	222,660	–	(4,738)	217,922	137,095	61,566,759



Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,111,411	427,432	50,698,293	(25,395)	61,211,742
Cumulative effects of changes in accounting policies	–	–	3,832	–	3,832
Restated balance	10,111,411	427,432	50,702,126	(25,395)	61,215,575
Changes during period					
Dividends of surplus			(844,301)		(844,301)
Effect of Change of scope of consolidation		(1,954)			(1,954)
Profit attributable to owners of parent			3,522,675		3,522,675
Purchase of treasury shares				(87,298)	(87,298)
Net changes in items other than shareholders' equity					
Total changes during period	–	(1,954)	2,678,374	(87,298)	2,589,121
Balance at end of period	10,111,411	425,478	53,380,500	(112,694)	63,804,696

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	222,660	–	(4,738)	217,922	137,095	61,566,759
Cumulative effects of changes in accounting policies	–	–	–	–	–	3,832
Restated balance	222,660	–	(4,738)	217,922	137,095	61,570,592
Changes during period						
Dividends of surplus						(844,301)
Effect of Change of scope of consolidation						(1,954)
Profit attributable to owners of parent						3,522,675
Purchase of treasury shares						(87,298)
Net changes in items other than shareholders' equity	3,693		2,072	5,766	(32,918)	(27,152)
Total changes during period	3,693	–	2,072	5,766	(32,918)	2,561,968
Balance at end of period	226,354	–	(2,665)	223,688	104,176	64,132,561

## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	4,869,401	5,081,978
Depreciation	341,243	356,150
Increase (decrease) in allowance for doubtful accounts	(33,614)	(8,779)
Increase (decrease) in provision for bonuses	40,402	68,035
Increase (decrease) in retirement benefit liability	293,618	(74,414)
Increase (decrease) in other provisions	169,740	(533,878)
Interest and dividend income	(31,951)	(18,982)
Gain on maturity of insurance contract	(4,240)	(30,535)
Interest expenses	395,304	377,591
Commission expenses	17,917	6,351
Loss on retirement of property, plant and equipment and intangible assets	93,967	13,680
Loss (gain) on sale of property, plant and equipment and intangible assets	(23,541)	(234,679)
Loss (gain) on liquidation of subsidiaries and associates	65,144	156,470
Decrease (increase) in trade receivables	140,234	(5,296,942)
Decrease (increase) in inventories	10,535,625	314,193
Decrease (increase) in other assets	920,389	(300,176)
Increase (decrease) in trade payables	(4,789,675)	2,622,573
Increase (decrease) in other liabilities	(99,311)	358,862
Increase (decrease) in other non-current liabilities	(266)	61,829
Other, net	(22,722)	(61,791)
Subtotal	12,877,666	2,857,536
Income taxes refund	166,429	406
Income taxes paid	(729,462)	(1,659,352)
Interest and dividends received	61,297	19,197
Interest paid	(400,749)	(377,641)
Net cash provided by (used in) operating activities	11,975,181	840,145

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from investing activities		
Payments into time deposits	(39,157,503)	(41,304,503)
Proceeds from withdrawal of time deposits	31,355,262	38,086,409
Proceeds from sale and redemption of investment securities	550,412	499,048
Purchase of investment securities	(526,046)	(232,714)
Loan advances	(5,000)	–
Proceeds from collection of loans receivable	5,610	660
Purchase of property, plant and equipment and intangible assets	(114,067)	(443,199)
Proceeds from sale of property, plant and equipment and intangible assets	644,894	918,975
Payments for retirement of property, plant and equipment and intangible assets	–	(13,680)
Proceeds from maturity of insurance funds	27,025	61,277
Other payments	(133,101)	(77,038)
Other proceeds	76,168	20,557
Net cash provided by (used in) investing activities	(7,276,344)	(2,484,208)
Cash flows from financing activities		
Proceeds from short-term borrowings	13,747,027	15,201,497
Repayments of short-term borrowings	(11,359,772)	(18,063,541)
Proceeds from long-term borrowings	12,407,700	17,454,800
Repayments of long-term borrowings	(14,800,994)	(11,540,025)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(46,540)
Dividends paid	(844,231)	(843,753)
Purchase of treasury shares	(23)	(87,298)
Repayments of lease liabilities	(131,279)	(126,447)
Redemption of bonds	(88,000)	(88,000)
Other payments	(17,917)	(6,351)
Net cash provided by (used in) financing activities	(1,087,490)	1,854,337
Net increase (decrease) in cash and cash equivalents	3,611,346	210,275
Cash and cash equivalents at beginning of period	33,378,693	36,990,040
Cash and cash equivalents at end of period	36,990,040	37,200,316