

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 4, 2023

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 to file Quarterly Securities Report: August 8, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(1) Consolidated operating results (cumulative)

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	%
Three months ended June 30, 2023	12,498	(0.8)	(368)	–	(419)	–	(327)	–
Three months ended June 30, 2022	12,599	0.6	(129)	–	(189)	–	(166)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	(7.00)	–
Three months ended June 30, 2022	(3.55)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2023	112,702	64,541	57.2	1,379.01
As of March 31, 2023	120,933	65,808	54.3	1,406.12

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	0.00	–	22.00	22.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		0.00	–	22.00	22.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	4.4	4,000	(4.6)	3,700	(8.8)	2,100	(24.0)	44.93

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of June 30, 2023	46,951,260 shares	As of March 31, 2023	46,951,260 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	213,652 shares	As of March 31, 2023	213,592 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	46,737,648 shares	Three months ended June 30, 2022	46,732,695 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	60,943,865	51,798,511
Notes receivable, accounts receivable from completed construction contracts and other	14,259,955	11,721,641
Electronically recorded monetary claims - operating	3,659,462	5,636,603
Real estate for sale	8,477,186	7,633,641
Costs on real estate business	16,557,175	18,319,292
Costs on construction contracts in progress	6,278	34,971
Short-term loans receivable	2,259	6,719
Accounts receivable - other	579,908	857,502
Other	948,327	950,759
Allowance for doubtful accounts	(81,552)	(75,456)
Total current assets	105,352,867	96,884,187
Non-current assets		
Property, plant and equipment	10,776,025	10,783,326
Intangible assets	151,366	153,763
Investments and other assets	4,652,789	4,880,729
Total non-current assets	15,580,181	15,817,819
Total assets	120,933,049	112,702,007
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	4,571,634	3,754,417
Electronically recorded obligations - operating	11,725,230	5,318,516
Short-term borrowings	16,676,315	16,527,707
Current portion of bonds payable	72,000	72,000
Income taxes payable	559,685	42,526
Provisions		
Provision for bonuses	551,804	170,662
Provision for warranties for completed construction	223,664	173,904
Provision for loss on construction contracts	5,769	7,491
Provision for shareholder benefit program	45,578	19,063
Other	3,153,743	3,818,137
Total current liabilities	37,585,426	29,904,428
Non-current liabilities		
Bonds payable	240,000	240,000
Long-term borrowings	15,087,137	15,787,626
Provisions		
Provision for share awards for directors (and other officers)	42,314	48,406
Retirement benefit liability	1,707,217	1,728,767
Other	462,782	451,658
Total non-current liabilities	17,539,451	18,256,458
Total liabilities	55,124,877	48,160,887

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Net assets		
Shareholders' equity		
Share capital	10,111,411	10,111,411
Capital surplus	427,262	427,262
Retained earnings	55,111,615	53,752,396
Treasury shares	(109,853)	(109,886)
Total shareholders' equity	65,540,436	64,181,184
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	186,235	276,561
Remeasurements of defined benefit plans	(7,791)	(5,843)
Total accumulated other comprehensive income	178,444	270,718
Non-controlling interests	89,290	89,217
Total net assets	65,808,171	64,541,120
Total liabilities and net assets	120,933,049	112,702,007

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	12,599,531	12,498,346
Cost of sales	11,108,615	11,233,069
Gross profit	1,490,916	1,265,276
Selling, general and administrative expenses	1,619,964	1,633,392
Operating loss	(129,048)	(368,115)
Non-operating income		
Interest income	1,403	229
Dividend income	10,505	9,319
Reversal of allowance for doubtful accounts	12,010	13,499
Reversal of provision for loss on guarantees	154	–
Other	15,642	25,253
Total non-operating income	39,716	48,301
Non-operating expenses		
Interest expenses	97,110	93,617
Commission expenses	1,108	1,178
Other	1,866	4,895
Total non-operating expenses	100,085	99,691
Ordinary loss	(189,416)	(419,505)
Extraordinary income		
Gain on sale of non-current assets	–	319
Gain on sale of investment securities	54,604	–
Total extraordinary income	54,604	319
Loss before income taxes	(134,812)	(419,186)
Income taxes - current	24,703	17,247
Income taxes - deferred	(4,556)	(109,060)
Total income taxes	20,146	(91,813)
Loss	(154,959)	(327,372)
Profit (loss) attributable to non-controlling interests	11,135	(73)
Loss attributable to owners of parent	(166,095)	(327,299)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Loss	(154,959)	(327,372)
Other comprehensive income		
Valuation difference on available-for-sale securities	(17,377)	90,326
Remeasurements of defined benefit plans, net of tax	666	1,947
Total other comprehensive income	(16,711)	92,273
Comprehensive income	(171,670)	(235,098)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(182,806)	(235,025)
Comprehensive income attributable to non-controlling interests	11,135	(73)