

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 2, 2024

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: February 14, 2024
 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 nine months ended December 31, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	40,739	(11.9)	(339)	–	(555)	–	(523)	–
Nine months ended December 31, 2022	46,216	0.5	297	(78.2)	85	(92.9)	69	(90.5)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	(11.19)	–
Nine months ended December 31, 2022	1.48	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2023	118,370	64,531	54.4	1,378.25
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	–	0.00	–		
Year ending March 31, 2024 (Forecast)				20.00	20.00

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	80,500	(2.2)	3,500	(16.6)	3,100	(23.6)	1,700	(38.5)	36.37

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2023	204,412 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)

Nine months ended December 31, 2023	46,741,715 shares	Nine months ended December 31, 2022	46,735,000 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	60,943,865	47,788,127
Notes receivable, accounts receivable from completed construction contracts and other	14,259,955	15,132,493
Electronically recorded monetary claims - operating	3,659,462	951,297
Real estate for sale	8,477,186	9,934,662
Costs on real estate business	16,557,175	25,459,002
Costs on construction contracts in progress	6,278	22,528
Short-term loans receivable	2,259	14,481
Accounts receivable - other	579,908	1,783,599
Other	948,327	1,268,652
Allowance for doubtful accounts	(81,552)	(75,755)
Total current assets	105,352,867	102,279,089
Non-current assets		
Property, plant and equipment	10,776,025	10,781,354
Intangible assets	151,366	278,406
Investments and other assets	4,652,789	5,031,572
Total non-current assets	15,580,181	16,091,334
Total assets	120,933,049	118,370,424
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	4,571,634	4,796,600
Electronically recorded obligations - operating	11,725,230	4,787,909
Short-term borrowings	16,676,315	18,628,138
Current portion of bonds payable	72,000	38,000
Income taxes payable	559,685	33,708
Provisions		
Provision for bonuses	551,804	180,100
Provision for warranties for completed construction	223,664	164,301
Provision for loss on construction contracts	5,769	13,243
Provision for shareholder benefit program	45,578	10,116
Other	3,153,743	3,587,107
Total current liabilities	37,585,426	32,239,226
Non-current liabilities		
Bonds payable	240,000	230,000
Long-term borrowings	15,087,137	19,096,410
Provisions		
Provision for share awards for directors (and other officers)	42,314	53,460
Retirement benefit liability	1,707,217	1,759,142
Other	462,782	460,957
Total non-current liabilities	17,539,451	21,599,970
Total liabilities	55,124,877	53,839,197

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Share capital	10,111,411	10,111,411
Capital surplus	427,262	427,262
Retained earnings	55,111,615	53,615,533
Treasury shares	(109,853)	(105,239)
Total shareholders' equity	65,540,436	64,048,968
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	186,235	381,981
Remeasurements of defined benefit plans	(7,791)	(1,947)
Total accumulated other comprehensive income	178,444	380,033
Non-controlling interests	89,290	102,225
Total net assets	65,808,171	64,531,226
Total liabilities and net assets	120,933,049	118,370,424

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	46,216,494	40,739,538
Cost of sales	41,144,722	35,997,917
Gross profit	5,071,771	4,741,620
Selling, general and administrative expenses	4,773,966	5,081,404
Operating profit (loss)	297,805	(339,783)
Non-operating income		
Interest income	1,927	779
Dividend income	16,829	16,780
Reversal of allowance for doubtful accounts	22,948	15,966
Reversal of provision for loss on guarantees	24	–
Reversal of allowance for Shareholder benefit	534	–
Insurance return	5,990	4,902
Other	63,406	67,313
Total non-operating income	111,661	105,741
Non-operating expenses		
Interest expenses	314,728	301,627
Commission expenses	3,855	7,803
Other	5,156	12,232
Total non-operating expenses	323,739	321,663
Ordinary profit (loss)	85,728	(555,705)
Extraordinary income		
Gain on sale of non-current assets	8,068	4,864
Gain on sale of investment securities	54,604	–
Total extraordinary income	62,672	4,864
Extraordinary losses		
Loss on retirement of non-current assets	870	–
Loss on sale of non-current assets	–	1,992
Total extraordinary losses	870	1,992
Profit (loss) before income taxes	147,529	(552,833)
Income taxes - current	119,470	82,453
Income taxes - deferred	(55,388)	(115,053)
Total income taxes	64,081	(32,599)
Profit (loss)	83,448	(520,234)
Profit attributable to non-controlling interests	14,258	2,928
Profit (loss) attributable to owners of parent	69,189	(523,162)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	83,448	(520,234)
Other comprehensive income		
Valuation difference on available-for-sale securities	(32,720)	195,752
Remeasurements of defined benefit plans, net of tax	1,999	5,843
Total other comprehensive income	(30,721)	201,595
Comprehensive income	52,726	(318,638)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	38,468	(321,566)
Comprehensive income attributable to non-controlling interests	14,258	2,928