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March 8, 2024

Summary of Consolidated Financial Results for the Three Months Ended January 31, 2024 (Under Japanese GAAP)



Company name: NIHON HOUSE HOLDINGS Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 1873
 URL: <http://www.nihonhouse-hd.co.jp/>
 Representative: Kazuyuki Narita: Chairman, President and Group CEO
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 Scheduled date to file quarterly securities report: March 11, 2024
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

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

1. Consolidated financial results for the three months ended January 31, 2024 (from November 1, 2023 to January 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
January 31, 2024	5,599	0.2	(1,244)	—	(1,312)	—	(1,348)	—
January 31, 2023	5,589	(20.8)	(1,331)	—	(1,392)	—	(1,401)	—

Note: Comprehensive income For the three months ended January 31, 2024: ¥(1,381) million [—%]
 For the three months ended January 31, 2023: ¥(1,316) million [—%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
January 31, 2024	(33.72)	—
January 31, 2023	(35.04)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
January 31, 2024	44,713	21,112	46.4
October 31, 2023	43,705	22,694	51.1

Reference: Shareholders' equity
 As of January 31, 2024: ¥ 20,763 million
 As of October 31, 2023: ¥ 22,350 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended October 31, 2023	—	6.00	—	5.00	11.00
Fiscal year ending April 30, 2024	—				
Fiscal year ending April 30, 2024 (Forecast)		—	—	5.00	5.00

Notes: 1. Revisions to the forecasts of cash dividends most recently announced: None

2. The Company changed its closing date from October 31 to April 30 subject to the approval of the proposal “Partial Amendments to the Articles of Incorporation” at the annual general meeting of shareholders held on January 25, 2024.

In accordance with the change in accounting period, the fiscal year ending April 30, 2024 will cover the six months from November 1, 2023 to April 30, 2024. Accordingly, the dividend forecast for the fiscal year ending April 30, 2024 (¥5 fiscal year-end dividend) corresponds to the second quarter-end dividend under the previous accounting period.

3. Consolidated financial results forecasts for the fiscal year ending April 30, 2024 (from November 1, 2023 to April 30, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net 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	12,200	—	(1,980)	—	(2,110)	—	(1,650)	—	(41.25)

Notes: 1. Revisions to the financial result forecasts most recently announced: None

2. In accordance with the change in accounting period, the fiscal year ending April 30, 2024 will cover the six months. Due to the different comparative periods, no year-on-year changes are provided for the full-year forecasts.

3. The Group’s mainstay housing business generates a high proportion of sales in the snowy regions of Hokkaido and Tohoku. As a result, sales and profits are skewed toward the second half of the fiscal year (May to October) and the first half of the fiscal year (November to April) tends to record losses. For the fiscal year ending April 30, 2025, a 12-month period, the Company expects to return to profitability as follows.

- Consolidated financial results forecasts for the fiscal year ending April 30, 2025 (from May 1, 2024 to April 30, 2025)
 Net sales: ¥40,500 million; Operating profit: ¥2,820 million; Ordinary profit: ¥2,550 million;
 Net profit attributable to owners of parent: ¥1,560 million

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): None

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

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

- (i) Change in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Change in accounting policies other than (i): None
- (iii) Change in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of January 31, 2024	40,000,000 shares
As of October 31, 2023	40,000,000 shares

- (ii) Number of treasury shares at the end of the period

As of January 31, 2024	1,593 shares
As of October 31, 2023	1,593 shares

(iii) Average number of shares outstanding during the period (cumulative)

Three months ended January 31, 2024	39,998,407 shares
Three months ended January 31, 2023	39,998,407 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Explanation of proper use of financial results forecasts and other special matters
(Note on forward-looking statements, etc.)

Forward-looking statements, including the financial results forecasts, contained in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual results may differ substantially due to various factors.

Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of October 31, 2023	As of January 31, 2024
Assets		
Current assets		
Cash and deposits	4,957	7,190
Notes receivable, accounts receivable from completed construction contracts and other	2,218	1,230
Costs on construction contracts in progress	457	715
Real estate for sale	3,914	3,472
Merchandise and finished goods	84	80
Raw materials and supplies	449	493
Other	517	727
Allowance for doubtful accounts	(3)	(3)
Total current assets	12,595	13,907
Non-current assets		
Property, plant and equipment		
Buildings and structures	45,902	46,137
Machinery, vehicles, tools, furniture and fixtures	4,387	4,389
Land	10,304	10,329
Leased assets	3,823	3,798
Construction in progress	188	11
Accumulated depreciation and impairment	(36,888)	(37,225)
Total property, plant and equipment	27,718	27,441
Intangible assets	480	460
Investments and other assets		
Investment securities	241	243
Long-term loans receivable	318	316
Retirement benefit asset	709	786
Deferred tax assets	626	647
Distressed receivables	7	7
Other	1,218	1,119
Allowance for doubtful accounts	(252)	(252)
Total investments and other assets	2,870	2,869
Total non-current assets	31,069	30,771
Deferred assets		
Bond issuance costs	40	35
Total deferred assets	40	35
Total assets	43,705	44,713

(Millions of yen)

	As of October 31, 2023	As of January 31, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	4,847	2,112
Short-term borrowings	768	6,853
Current portion of bonds payable	120	120
Current portion of long-term borrowings	425	412
Lease liabilities	456	416
Income taxes payable	100	27
Advances received on construction contracts in progress	1,515	2,017
Provision for warranties for completed construction	149	150
Provision for bonuses	418	201
Other	2,392	1,887
Total current liabilities	11,194	14,197
Non-current liabilities		
Bonds payable	1,760	1,640
Long-term borrowings	5,009	4,872
Lease liabilities	913	823
Deferred tax liabilities	18	26
Provision for retirement benefits for directors (and other officers)	852	753
Retirement benefit liability	86	103
Asset retirement obligations	356	362
Other	818	821
Total non-current liabilities	9,816	9,403
Total liabilities	21,010	23,601
Net assets		
Shareholders' equity		
Share capital	3,873	3,873
Capital surplus	20	20
Retained earnings	18,365	16,816
Treasury shares	(0)	(0)
Total shareholders' equity	22,259	20,710
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15	17
Deferred gains or losses on hedges	105	50
Remeasurements of defined benefit plans	(29)	(14)
Total accumulated other comprehensive income	91	53
Non-controlling interests	344	349
Total net assets	22,694	21,112
Total liabilities and net assets	43,705	44,713

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three Months Ended January 31

(Millions of yen)

	For the three months ended January 31, 2023	For the three months ended January 31, 2024
Net sales	5,589	5,599
Cost of sales	3,826	3,761
Gross profit	1,763	1,837
Selling, general and administrative expenses	3,095	3,082
Operating loss	(1,331)	(1,244)
Non-operating income		
Interest income	1	1
Reversal of allowance for doubtful accounts	0	0
Miscellaneous income	11	8
Total non-operating income	12	10
Non-operating expenses		
Interest expenses	53	49
Amortization of bond issuance costs	4	4
Miscellaneous expenses	14	23
Total non-operating expenses	72	78
Ordinary loss	(1,392)	(1,312)
Extraordinary losses		
Loss on retirement of non-current assets	1	5
Total extraordinary losses	1	5
Loss before income taxes	(1,393)	(1,318)
Income taxes - current	(1)	21
Income taxes - deferred	3	3
Total income taxes	2	25
Net loss	(1,396)	(1,343)
Profit attributable to non-controlling interests	5	4
Net loss attributable to owners of parent	(1,401)	(1,348)

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended January 31

(Millions of yen)

	For the three months ended January 31, 2023	For the three months ended January 31, 2024
Net loss	(1,396)	(1,343)
Other comprehensive income		
Valuation difference on available-for-sale securities	5	2
Deferred gains or losses on hedges	79	(55)
Remeasurements of defined benefit plans, net of tax	(5)	15
Total other comprehensive income	79	(37)
Comprehensive income	(1,316)	(1,381)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,321)	(1,386)
Comprehensive income attributable to non-controlling interests	5	4