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Consolidated Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP]

August 9, 2024

Company name: NIPPON RIETEC CO.,LTD.
 Listing: Tokyo
 Securities code: 1938
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 Representative: Shigeru Egusa, Representative Director and President
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 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	%
Three months ended June 30, 2024	11,257	24.9	(370)	-	(258)	-	(192)	-
June 30, 2023	9,014	12.7	(893)	-	(873)	-	(653)	-

(Note) Comprehensive income: Three months ended June 30, 2024: ¥ (309) million [-%]
 Three months ended June 30, 2023: ¥ (154) million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended June 30, 2024	Yen (7.78)	Yen -
June 30, 2023	(26.17)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of June 30, 2024	Millions of yen 81,970	Millions of yen 58,599	71.5%
March 31, 2024	87,315	59,775	68.5

(Reference) Equity: As of June 30, 2024: ¥ 58,599 million
 As of March 31, 2024: ¥ 59,775 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	-	-	-	35.00	35.00
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (Forecast)		-	-	36.00	36.00

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

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending March 31, 2025 :

Commemorative dividend	- yen
Special dividend	- yen

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	63,700	8.8	3,500	2.0	4,000	2.3	2,800	1.1	113.13

(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 quarterly 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

(4) Number of issued shares (common shares)

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

June 30, 2024:	25,617,717 shares
March 31, 2024:	25,617,717 shares

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

June 30, 2024:	866,465 shares
March 31, 2024:	866,465 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2024:	24,751,252 shares
Three months ended June 30, 2023:	24,951,252 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes(voluntary)

* Proper use of earnings forecasts, and other special matters

Forward-looking statements, including the consolidated forecasts, stated in these materials are based on information currently available to the Company and certain assumptions deemed reasonable. Results may differ from the consolidated forecasts due to various factors.

Quarterly Consolidated Financial Statements
 Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	8,905,864	7,293,378
Notes receivable, accounts receivable from completed construction contracts and other	38,019,556	32,352,773
Costs on construction contracts in progress	747,401	1,854,064
Merchandise and finished goods	84,681	64,817
Work in process	6,796	6,194
Raw materials and supplies	313,005	321,458
Other	820,886	1,459,380
Total current assets	48,898,193	43,352,067
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,085,051	8,979,713
Machinery and vehicles, net	339,005	367,281
Tools, furniture and fixtures, net	248,246	268,653
Land	9,030,936	9,030,936
Leased assets, net	1,905,719	1,789,606
Construction in progress	364,912	880,553
Total property, plant and equipment	20,973,872	21,316,744
Intangible assets	437,339	426,492
Investments and other assets		
Investment securities	16,285,910	16,044,173
Other	724,772	835,592
Allowance for doubtful accounts	(4,425)	(4,425)
Total investments and other assets	17,006,258	16,875,340
Total non-current assets	38,417,469	38,618,577
Total assets	87,315,663	81,970,644

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	7,435,563	5,459,322
Electronically recorded obligations - operating	3,069,936	2,990,199
Short-term borrowings	500,000	1,000,000
Income taxes payable	1,305,823	27,107
Advances received on construction contracts in progress	338,802	554,475
Provision for warranties for completed construction	301	2,457
Provision for bonuses	1,679,044	495,280
Other	5,685,468	5,452,984
Total current liabilities	20,014,939	15,981,827
Non-current liabilities		
Retirement benefit liability	5,509,752	5,539,455
Provision for retirement benefits for directors (and other officers)	22,849	18,197
Other	1,992,222	1,831,510
Total non-current liabilities	7,524,824	7,389,162
Total liabilities	27,539,764	23,370,990
Net assets		
Shareholders' equity		
Share capital	1,430,962	1,430,962
Capital surplus	3,205,423	3,205,423
Retained earnings	53,121,873	52,063,091
Treasury shares	(769,543)	(769,543)
Total shareholders' equity	56,988,715	55,929,933
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,687,740	2,595,138
Remeasurements of defined benefit plans	99,443	74,582
Total accumulated other comprehensive income	2,787,183	2,669,720
Total net assets	59,775,898	58,599,654
Total liabilities and net assets	87,315,663	81,970,644

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the three months)

(Thousands of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Net sales	9,014,864	11,257,317
Cost of sales	8,564,572	10,266,171
Gross profit	450,291	991,145
Selling, general and administrative expenses	1,343,671	1,361,883
Operating loss	(893,379)	(370,737)
Non-operating income		
Interest income	172	158
Dividend income	89,073	109,446
Gain on sale of goods	63,391	64,591
Other	14,155	17,847
Total non-operating income	166,792	192,044
Non-operating expenses		
Interest expenses	12,893	12,467
Share of loss of entities accounted for using equity method	128,269	51,598
Bad debt expenses	-	12,215
Other	5,927	3,088
Total non-operating expenses	147,090	79,369
Ordinary loss	(873,677)	(258,063)
Extraordinary income		
Gain on sale of non-current assets	2,251	181
Total extraordinary income	2,251	181
Extraordinary losses		
Loss on sale and retirement of non-current assets	10	18,044
Total extraordinary losses	10	18,044
Loss before income taxes	(871,436)	(275,925)
Income taxes - current	9,432	(6,716)
Income taxes - deferred	(227,793)	(76,721)
Total income taxes	(218,360)	(83,438)
Loss	(653,075)	(192,487)
Profit attributable to non-controlling interests	-	-
Loss attributable to owners of parent	(653,075)	(192,487)

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Thousands of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Loss	(653,075)	(192,487)
Other comprehensive income		
Valuation difference on available-for-sale securities	466,697	(74,901)
Remeasurements of defined benefit plans, net of tax	20,091	(24,860)
Share of other comprehensive income of entities accounted for using equity method	12,013	(17,700)
Total other comprehensive income	498,803	(117,462)
Comprehensive income	(154,272)	(309,950)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(154,272)	(309,950)
Comprehensive income attributable to non-controlling interests	-	-