

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2021 (Based on Japanese GAAP)

November 12, 2021

Company name: Nippon Commercial Development Co., Ltd.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 3252 URL <https://www.ncd-jp.com>
 Representative: Chief Executive Officer Tetsuya Matsuoka
 Inquiries: General Manager Accounting Dept. Takahiro Tanaka TEL 06-4706-7501
 Scheduled date to file Quarterly Securities Report: November 15, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended September 30, 2021 (from January 1, 2021 to September 30, 2021)

(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 September 30, 2021	39,685	–	3,594	–	3,660	–	2,591	–
Nine months ended September 29, 2020	–	–	–	–	–	–	–	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2021	141.71	–
Nine months ended September 29, 2020	–	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	77,751	27,063	34.8
As of December 31, 2020	71,220	24,841	34.9

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 December 31, 2020	–	0.00	–	25.00	25.00
Year ending December 31, 2021	–	0.00	–		
Year ending December 31, 2021 (Forecast)				50.00	50.00

3. Forecast of consolidated financial results for the year ending December 31, 2021 (from January 1, 2021 to December 31, 2021)

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	51,000	–	5,400	–	4,200	–	2,900	–	158.59

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2021
(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 September 30, 2021	18,285,800 shares	As of December 31, 2020	18,285,800 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	141 shares	As of December 31, 2020	141 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2021	18,285,659 shares	Nine months ended September 29, 2020	– shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of December 31, 2020	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	20,897	21,710
Operating accounts receivable	198	101
Real estate for sale	38,387	43,209
Advance payments - trade	371	283
Prepaid expenses	102	188
Other	116	60
Total current assets	60,074	65,553
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	390	370
Vehicles, tools, furniture and fixtures, net	60	58
Land	2,883	2,961
Leased assets, net	102	86
Total property, plant and equipment	3,436	3,476
Intangible assets		
Other	54	256
Total intangible assets	54	256
Investments and other assets		
Investment securities	293	602
Shares of subsidiaries and associates	6,175	6,373
Investments in capital of subsidiaries and associates	4	4
Investments in capital	505	673
Leasehold and guarantee deposits	497	619
Long-term prepaid expenses	91	66
Other	175	214
Allowance for doubtful accounts	(89)	(89)
Total investments and other assets	7,654	8,463
Total non-current assets	11,146	12,197
Total assets	71,220	77,751

(Millions of yen)

	As of December 31, 2020	As of September 30, 2021
Liabilities		
Current liabilities		
Trade accounts payable	187	258
Short-term borrowings	797	196
Current portion of long-term borrowings	2,034	935
Accounts payable - other	383	317
Income taxes payable	5	3,065
Accrued consumption taxes	4	40
Advances received	20	973
Current portion of guarantee deposits received	1,634	1,701
Other	333	299
Total current liabilities	5,400	7,787
Non-current liabilities		
Long-term borrowings	40,357	41,455
Long-term leasehold and guarantee deposits received	163	319
Deferred tax liabilities	234	878
Other	222	246
Total non-current liabilities	40,978	42,900
Total liabilities	46,379	50,688
Net assets		
Shareholders' equity		
Share capital	3,048	3,048
Capital surplus	4,657	4,657
Retained earnings	17,634	19,768
Treasury shares	(0)	(0)
Total shareholders' equity	25,341	27,475
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(32)	(17)
Foreign currency translation adjustment	(467)	(394)
Total accumulated other comprehensive income	(499)	(412)
Total net assets	24,841	27,063
Total liabilities and net assets	71,220	77,751

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

Consolidated statements of income (cumulative)

	(Millions of yen)
	Nine months ended September 30, 2021
Net sales	39,685
Cost of sales	33,329
Gross profit	6,355
Selling, general and administrative expenses	2,761
Operating profit	3,594
Non-operating income	
Interest income	0
Interest on securities	4
Foreign exchange gains	127
Share of profit of entities accounted for using equity method	325
Outsourcing service income	84
Other	13
Total non-operating income	555
Non-operating expenses	
Interest expenses	320
Financing expenses	167
Other	1
Total non-operating expenses	489
Ordinary profit	3,660
Profit before distributions of profit or loss on silent partnerships and income taxes	3,660
Distributions of profit or loss on silent partnerships	0
Profit before income taxes	3,659
Income taxes - current	3,343
Income taxes - deferred	(2,274)
Total income taxes	1,068
Profit	2,591
Profit attributable to non-controlling interests	—
Profit attributable to owners of parent	2,591

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended September 30, 2021
Profit	2,591
Other comprehensive income	
Valuation difference on available-for-sale securities	15
Foreign currency translation adjustment	72
Total other comprehensive income	87
Comprehensive income	2,678
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	2,678
Comprehensive income attributable to non-controlling interests	—