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February 7, 2023

## Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Under Japanese GAAP)

Company name: NIPPON RIETEC CO., LTD.  
 Listing: Tokyo Stock Exchange  
 Securities code: 1938  
 URL: <https://www.j-rietec.co.jp/>  
 Representative: Shigeru Egusa, Representative Director and President  
 Inquiries: Masaaki Sawamura, Director and General Manager of Finance Department  
 Telephone: +81-3-6880-2710  
 Scheduled date to file quarterly securities report: February 10, 2023  
 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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

#### (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, 2022	32,305	(5.2)	(862)	–	(667)	–	(535)	–
December 31, 2021	34,081	(3.0)	218	(89.7)	403	(84.3)	237	(86.5)

Note: Comprehensive income For the nine months ended December 31, 2022 ¥(447) million [–%]  
 For the nine months ended December 31, 2021 ¥(202) million [–%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	(21.29)	–
December 31, 2021	9.44	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2022	82,224	54,377	66.1
March 31, 2022	79,857	55,504	69.5

Reference: Equity  
 As of December 31, 2022: ¥54,377 million  
 As of March 31, 2022: ¥55,504 million

## 2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	–	–	–	27.00	27.00
Fiscal year ending March 31, 2023	–	–	–		
Fiscal year ending March 31, 2023 (Forecast)				27.00	27.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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
Fiscal year ending March 31, 2023	50,500	(5.1)	1,800	(41.3)	2,150	(34.9)	1,570	(34.7)	62.42

Note: Revisions to the earnings forecasts most recently announced: Yes

**\* Notes**

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

Newly included: – companies

Excluded: – companies

(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) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes 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 December 31, 2022	25,617,717 shares
As of March 31, 2022	25,617,717 shares

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

As of December 31, 2022	466,416 shares
As of March 31, 2022	466,416 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	25,151,301 shares
Nine months ended December 31, 2021	25,151,320 shares

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

\* 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

### (1) Quarterly consolidated balance sheet

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	7,841,834	5,257,755
Notes receivable, accounts receivable from completed construction contracts and other	35,052,626	36,138,296
Costs on construction contracts in progress	667,010	3,177,969
Merchandise and finished goods	85,021	85,561
Work in process	7,728	12,031
Raw materials and supplies	250,867	282,256
Other	199,692	1,125,372
Total current assets	44,104,781	46,079,243
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,421,878	9,170,651
Machinery and vehicles, net	259,979	307,853
Tools, furniture and fixtures, net	284,386	264,192
Land	8,132,696	8,132,764
Leased assets, net	1,658,931	1,957,570
Construction in progress	112,402	201,730
Total property, plant and equipment	19,870,274	20,034,762
Intangible assets	605,945	612,705
Investments and other assets		
Investment securities	14,397,294	14,429,163
Other	883,800	1,073,239
Allowance for doubtful accounts	(4,425)	(4,425)
Total investments and other assets	15,276,669	15,497,977
Total non-current assets	35,752,889	36,145,445
<b>Total assets</b>	<b>79,857,670</b>	<b>82,224,688</b>

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	6,750,303	4,653,998
Electronically recorded obligations - operating	2,719,159	2,700,131
Short-term borrowings	–	6,500,000
Income taxes payable	825,223	47,253
Advances received on construction contracts in progress	110,265	334,693
Provision for warranties for completed construction	7,708	2,557
Provision for bonuses	1,205,657	623,908
Other	5,515,364	5,452,633
<b>Total current liabilities</b>	<b>17,133,682</b>	<b>20,315,176</b>
Non-current liabilities		
Retirement benefit liability	5,317,423	5,372,380
Provision for retirement benefits for directors (and other officers)	31,387	29,937
Other	1,870,831	2,129,497
<b>Total non-current liabilities</b>	<b>7,219,642</b>	<b>7,531,815</b>
<b>Total liabilities</b>	<b>24,353,325</b>	<b>27,846,991</b>
Net assets		
Shareholders' equity		
Share capital	1,430,962	1,430,962
Capital surplus	3,205,423	3,205,423
Retained earnings	49,567,246	48,352,655
Treasury shares	(343,500)	(343,500)
<b>Total shareholders' equity</b>	<b>53,860,131</b>	<b>52,645,540</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,660,479	1,736,222
Remeasurements of defined benefit plans	(16,265)	(4,066)
<b>Total accumulated other comprehensive income</b>	<b>1,644,213</b>	<b>1,732,156</b>
<b>Total net assets</b>	<b>55,504,345</b>	<b>54,377,697</b>
<b>Total liabilities and net assets</b>	<b>79,857,670</b>	<b>82,224,688</b>

**(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income**

## Quarterly consolidated statement of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	34,081,109	32,305,550
Cost of sales	30,450,744	29,478,922
Gross profit	3,630,364	2,826,627
Selling, general and administrative expenses	3,411,819	3,688,884
Operating profit (loss)	218,545	(862,256)
Non-operating income		
Interest income	422	467
Dividend income	129,384	122,001
Gain on sale of goods	136,329	117,792
Other	52,085	51,196
Total non-operating income	318,222	291,457
Non-operating expenses		
Interest expenses	43,583	40,512
Share of loss of entities accounted for using equity method	80,440	22,224
Other	9,705	33,681
Total non-operating expenses	133,730	96,417
Ordinary profit (loss)	403,037	(667,216)
Extraordinary income		
Gain on sale of non-current assets	40,383	1,174
Gain on sale of investment securities	-	100
Total extraordinary income	40,383	1,275
Extraordinary losses		
Loss on sale and retirement of non-current assets	2,287	44,783
Total extraordinary losses	2,287	44,783
Profit (loss) before income taxes	441,134	(710,725)
Income taxes - current	64,694	42,504
Income taxes - deferred	139,109	(217,724)
Total income taxes	203,803	(175,219)
Profit (loss)	237,330	(535,505)
Profit attributable to non-controlling interests	-	-
Profit (loss) attributable to owners of parent	237,330	(535,505)

## Quarterly consolidated statement of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit (loss)	237,330	(535,505)
Other comprehensive income		
Valuation difference on available-for-sale securities	(359,395)	84,743
Remeasurements of defined benefit plans, net of tax	(70,871)	12,199
Share of other comprehensive income of entities accounted for using equity method	(9,784)	(9,000)
Total other comprehensive income	(440,051)	87,942
Comprehensive income	(202,721)	(447,563)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(202,721)	(447,563)
Comprehensive income attributable to non- controlling interests	—	—