

# Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

August 13, 2019

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: Chief Financial Officer Kenji Irie TEL 06-4706-7501  
 Scheduled date to file Quarterly Securities Report: August 14, 2019  
 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 three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

#### (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	%
Three months ended June 30, 2019	8,615	(51.1)	475	(76.0)	308	(85.7)	205	(86.6)
Three months ended June 30, 2018	17,635	408.8	1,982	782.3	2,156	683.2	1,533	734.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2019	11.41	11.38
Three months ended June 30, 2018	85.65	84.96

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	96,874	20,903	21.6
As of March 31, 2019	99,597	21,611	21.7

### 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, 2019	–	0.00	–	55.00	55.00
Year ending March 31, 2020	–				
Year ending March 31, 2020 (Forecast)		0.00	–	55.00	55.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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	50,000	25.5	5,000	12.4	4,000	(7.6)	2,700	0.6	149.62

#### 4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2019  
(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 June 30, 2019	18,060,200 shares	As of March 31, 2019	18,039,200 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	141 shares	As of March 31, 2019	141 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2019	18,046,213 shares	Three months ended June 30, 2018	17,905,938 shares
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## Quarterly consolidated financial statements

### Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	18,856,819	16,390,968
Operating accounts receivable	99,399	212,462
Real estate for sale	69,516,193	69,144,757
Advance payments - trade	1,300,963	1,298,486
Prepaid expenses	197,713	159,341
Other	49,279	16,174
Total current assets	90,020,368	87,222,189
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	334,414	269,508
Tools, furniture and fixtures, net	52,256	48,845
Land	3,758	3,758
Leased assets, net	65,505	82,526
Total property, plant and equipment	455,934	404,638
Intangible assets		
Other	9,347	8,685
Total intangible assets	9,347	8,685
Investments and other assets		
Investment securities	1,520,154	1,510,236
Shares of subsidiaries and associates	6,285,426	6,467,940
Investments in capital of subsidiaries and associates	4,000	4,000
Investments in capital	505,161	505,161
Leasehold and guarantee deposits	452,639	463,953
Long-term prepaid expenses	135,107	121,856
Other	421,832	378,140
Allowance for doubtful accounts	(212,582)	(212,540)
Total investments and other assets	9,111,738	9,238,747
Total non-current assets	9,577,020	9,652,071
Total assets	99,597,389	96,874,260

(Thousands of yen)

	As of March 31, 2019	As of June 30, 2019
Liabilities		
Current liabilities		
Trade accounts payable	102,436	62,500
Short-term borrowings	4,967,800	5,183,300
Current portion of long-term borrowings	3,519,042	1,667,095
Accounts payable - other	447,211	400,135
Income taxes payable	919,968	103,792
Accrued consumption taxes	43,928	10,840
Advances received	30,648	20,648
Current portion of guarantee deposits received	1,385,877	1,494,949
Other	459,470	513,050
Total current liabilities	11,876,383	9,456,312
Non-current liabilities		
Long-term borrowings	65,207,001	65,692,748
Long-term leasehold and guarantee deposits received	178,055	163,955
Retirement benefit liability	43,367	—
Other	680,721	657,369
Total non-current liabilities	66,109,145	66,514,073
Total liabilities	77,985,528	75,970,385
Net assets		
Shareholders' equity		
Share capital	2,900,258	2,912,886
Capital surplus	4,509,668	4,522,296
Retained earnings	14,810,593	14,024,291
Treasury shares	(79)	(79)
Total shareholders' equity	22,220,441	21,459,395
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(24,217)	(28,708)
Foreign currency translation adjustment	(604,579)	(533,053)
Total accumulated other comprehensive income	(628,797)	(561,761)
Share acquisition rights	20,216	6,241
Total net assets	21,611,860	20,903,875
Total liabilities and net assets	99,597,389	96,874,260

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

## Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	17,635,804	8,615,691
Cost of sales	14,799,307	7,313,330
Gross profit	2,836,496	1,302,361
Selling, general and administrative expenses	853,568	826,669
Operating profit	1,982,927	475,691
Non-operating income		
Interest income	4,051	3,069
Interest on securities	1,470	1,482
Share of profit of entities accounted for using equity method	153,112	145,484
Foreign exchange gains	84,440	—
Gain on bad debts recovered	54,086	42
Outsourcing service income	25,824	25,558
Other	19,138	2,526
Total non-operating income	342,125	178,162
Non-operating expenses		
Interest expenses	123,367	196,905
Financing expenses	43,105	84,058
Foreign exchange losses	—	64,296
Other	2,388	418
Total non-operating expenses	168,861	345,678
Ordinary profit	2,156,191	308,175
Extraordinary income		
Gain on reversal of share acquisition rights	—	13,394
Total extraordinary income	—	13,394
Profit before income taxes	2,156,191	321,569
Income taxes - current	588,964	74,527
Income taxes - deferred	33,566	41,196
Total income taxes	622,530	115,723
Profit	1,533,661	205,846
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	1,533,661	205,846

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	1,533,661	205,846
Other comprehensive income		
Valuation difference on available-for-sale securities	41,756	(4,490)
Foreign currency translation adjustment	(627,839)	71,526
Total other comprehensive income	(586,083)	67,035
Comprehensive income	947,577	272,881
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	947,577	272,881
Comprehensive income attributable to non-controlling interests	—	—