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Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

October 31, 2024

Company name: NIPPON DENSETSU KOGYO CO., LTD.

Listing: Tokyo

Securities code: 1950

URL: <https://www.densetsuko.co.jp/>

Representative: Kazushige Yasuda

, President and Representative Director

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Scheduled date to file semi-annual securities report: November 7, 2024

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 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	%
Six months ended September 30, 2024	75,625	6.5	338	5.3	1,038	17.6	284	(41.2)
September 30, 2023	71,039	16.7	321	-	883	-	483	-

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ (599) million [-%]
Six months ended September 30, 2023: ¥ 3,879 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	4.83	-
September 30, 2023	7.87	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	253,369	195,652	71.9
March 31, 2024	282,597	199,115	65.7

(Reference) Equity: As of September 30, 2024: ¥ 182,257 million
As of March 31, 2024: ¥ 185,793 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	-	-	-	47.00	47.00
Fiscal year ending March 31, 2025	-	-	-	-	-
Fiscal year ending March 31, 2025 (Forecast)	-	-	-	50.00	50.00

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

(Note) Breakdown of the 2nd 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	205,160	5.7	14,670	9.1	15,830	6.2	10,500	4.6	178.05

(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 semi-annual 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: None
- 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):

September 30, 2024:	61,537,219 shares
March 31, 2024:	61,537,219 shares

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

September 30, 2024:	2,565,305 shares
March 31, 2024:	2,565,390 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024:	58,971,838 shares
Six months ended September 30, 2023:	61,471,939 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Semi-annual Consolidated Financial Statements
Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	10,415	9,191
Notes receivable, accounts receivable from completed construction contracts and other	119,952	89,183
Electronically recorded monetary claims - operating	482	3,131
Securities	25,799	17,697
Costs on construction contracts in progress	4,640	10,728
Other	5,882	9,375
Allowance for doubtful accounts	(11)	(9)
Total current assets	167,161	139,297
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,095	22,507
Land	29,197	29,197
Other, net	6,085	6,729
Total property, plant and equipment	58,378	58,434
Intangible assets	7,085	6,897
Investments and other assets		
Investment securities	42,375	41,232
Deferred tax assets	2,517	2,357
Other	5,084	5,155
Allowance for doubtful accounts	(6)	(6)
Total investments and other assets	49,971	48,739
Total non-current assets	115,435	114,071
Total assets	282,597	253,369
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	34,962	21,276
Electronically recorded obligations - operating	11,808	9,481
Short-term borrowings	100	100
Income taxes payable	5,810	432
Advances received on construction contracts in progress	1,272	3,780
Provision for warranties for completed construction	62	41
Provision for loss on construction contracts	1,012	921
Provision for bonuses	6,935	4,354
Provision for bonuses for directors (and other officers)	87	12
Other	6,920	2,948
Total current liabilities	68,971	43,347
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	90	96
Retirement benefit liability	10,652	11,017
Provision for share awards	-	78
Other	3,767	3,177
Total non-current liabilities	14,511	14,370
Total liabilities	83,482	57,717

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	8,494	8,494
Capital surplus	7,792	7,595
Retained earnings	158,440	155,950
Treasury shares	(5,241)	(5,044)
Total shareholders' equity	169,485	166,996
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,979	13,172
Remeasurements of defined benefit plans	2,328	2,088
Total accumulated other comprehensive income	16,307	15,261
Non-controlling interests	13,321	13,394
Total net assets	199,115	195,652
Total liabilities and net assets	282,597	253,369

Semi-annual Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales of completed construction contracts	71,039	75,625
Cost of sales of completed construction contracts	63,681	67,995
Gross profit on completed construction contracts	7,358	7,629
Selling, general and administrative expenses	7,036	7,290
Operating profit	321	338
Non-operating income		
Interest income	16	33
Dividend income	490	588
Other	199	190
Total non-operating income	706	811
Non-operating expenses		
Interest expenses	0	0
Share of loss of entities accounted for using equity method	145	112
Other	0	-
Total non-operating expenses	145	112
Ordinary profit	883	1,038
Extraordinary income		
Gain on sale of investment securities	53	-
Total extraordinary income	53	-
Extraordinary losses		
Loss on sale and retirement of non-current assets	244	217
Total extraordinary losses	244	217
Profit before income taxes	692	820
Income taxes	279	366
Profit	413	453
Profit (loss) attributable to non-controlling interests	(70)	168
Profit attributable to owners of parent	483	284

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	413	453
Other comprehensive income		
Valuation difference on available-for-sale securities	3,539	(805)
Remeasurements of defined benefit plans, net of tax	(87)	(239)
Share of other comprehensive income of entities accounted for using equity method	13	(7)
Total other comprehensive income	3,465	(1,053)
Comprehensive income	3,879	(599)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,927	(761)
Comprehensive income attributable to non-controlling interests	(48)	161