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Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]

February 12, 2025

Company name: NIPPON RIETEC CO.,LTD.
 Listing: Tokyo
 Securities code: 1938
 URL: <https://www.j-rietec.co.jp/>
 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 Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 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 | % |
| Nine months ended December 31, 2024 | 43,897 | 20.6 | 1,830 | 296.9 | 2,327 | 193.2 | 1,633 | 230.4 |
| December 31, 2023 | 36,398 | 12.7 | 461 | - | 793 | - | 494 | - |

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥ 1,450 million [25.9%]
 Nine months ended December 31, 2023: ¥ 1,152 million [-%]

| | Basic earnings per share | Diluted earnings per share |
|-------------------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Nine months ended December 31, 2024 | 65.98 | - |
| December 31, 2023 | 19.84 | - |

(2) Consolidated Financial Position

| | Total assets | Net assets | Capital adequacy ratio |
|-------------------------|-----------------|-----------------|------------------------|
| | Millions of yen | Millions of yen | % |
| As of December 31, 2024 | 95,844 | 60,360 | 63.0 |
| March 31, 2024 | 87,315 | 59,775 | 68.5 |

(Reference) Equity: As of December 31, 2024: ¥ 60,360 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) | | | | 60.00 | 60.00 |

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

(Note) Breakdown of the 3rd 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 | 66,200 | 13.1 | 4,000 | 16.5 | 4,560 | 16.6 | 3,580 | 29.2 | 144.64 |

(Note) Revision to the financial results forecast announced most recently: Yes

* 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):

| | |
|--------------------|-------------------|
| December 31, 2024: | 25,617,717 shares |
| March 31, 2024: | 25,617,717 shares |

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

| | |
|--------------------|----------------|
| December 31, 2024: | 866,465 shares |
| March 31, 2024: | 866,465 shares |

3) Average number of shares outstanding during the period:

| | |
|--------------------------------------|-------------------|
| Nine months ended December 31, 2024: | 24,751,252 shares |
| Nine months ended December 31, 2023: | 24,911,252 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 December 31, 2024 |
|---------------------------------------------------------------------------------------|----------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 8,905,864 | 7,561,058 |
| Notes receivable, accounts receivable from completed construction contracts and other | 38,019,556 | 45,696,939 |
| Costs on construction contracts in progress | 747,401 | 2,164,054 |
| Merchandise and finished goods | 84,681 | 61,585 |
| Work in process | 6,796 | 6,719 |
| Raw materials and supplies | 313,005 | 300,629 |
| Other | 820,886 | 1,762,206 |
| Total current assets | 48,898,193 | 57,553,193 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 9,085,051 | 8,834,292 |
| Machinery and vehicles, net | 339,005 | 323,363 |
| Tools, furniture and fixtures, net | 248,246 | 254,851 |
| Land | 9,030,936 | 9,030,936 |
| Leased assets, net | 1,905,719 | 1,629,957 |
| Construction in progress | 364,912 | 867,572 |
| Total property, plant and equipment | 20,973,872 | 20,940,974 |
| Intangible assets | 437,339 | 393,911 |
| Investments and other assets | | |
| Investment securities | 16,285,910 | 16,311,780 |
| Other | 724,772 | 649,209 |
| Allowance for doubtful accounts | (4,425) | (4,425) |
| Total investments and other assets | 17,006,258 | 16,956,564 |
| Total non-current assets | 38,417,469 | 38,291,450 |
| Total assets | 87,315,663 | 95,844,643 |

(Thousands of yen)

| | As of March 31, 2024 | As of December 31, 2024 |
|----------------------------------------------------------------------|----------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes payable, accounts payable for construction contracts and other | 7,435,563 | 6,040,806 |
| Electronically recorded obligations - operating | 3,069,936 | 3,540,416 |
| Short-term borrowings | 500,000 | 10,000,000 |
| Income taxes payable | 1,305,823 | 192,123 |
| Advances received on construction contracts in progress | 338,802 | 781,585 |
| Provision for warranties for completed construction | 301 | 2,686 |
| Provision for bonuses | 1,679,044 | 641,695 |
| Other | 5,685,468 | 6,680,663 |
| Total current liabilities | 20,014,939 | 27,879,976 |
| Non-current liabilities | | |
| Retirement benefit liability | 5,509,752 | 5,616,132 |
| Provision for retirement benefits for directors (and other officers) | 22,849 | 21,445 |
| Other | 1,992,222 | 1,966,648 |
| Total non-current liabilities | 7,524,824 | 7,604,225 |
| Total liabilities | 27,539,764 | 35,484,202 |
| 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 | 53,888,680 |
| Treasury shares | (769,543) | (769,543) |
| Total shareholders' equity | 56,988,715 | 57,755,522 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2,687,740 | 2,580,057 |
| Remeasurements of defined benefit plans | 99,443 | 24,860 |
| Total accumulated other comprehensive income | 2,787,183 | 2,604,918 |
| Total net assets | 59,775,898 | 60,360,441 |
| Total liabilities and net assets | 87,315,663 | 95,844,643 |

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

(Thousands of yen)

| | For the nine months ended December 31, 2023 | For the nine months ended December 31, 2024 |
|---------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Net sales | 36,398,877 | 43,897,764 |
| Cost of sales | 32,173,193 | 38,139,130 |
| Gross profit | 4,225,684 | 5,758,634 |
| Selling, general and administrative expenses | 3,764,423 | 3,927,841 |
| Operating profit | 461,260 | 1,830,792 |
| Non-operating income | | |
| Interest income | 494 | 605 |
| Dividend income | 131,441 | 162,437 |
| Gain on sale of goods | 139,617 | 147,884 |
| Share of profit of entities accounted for using equity method | 63,811 | 209,308 |
| Other | 49,677 | 53,792 |
| Total non-operating income | 385,041 | 574,029 |
| Non-operating expenses | | |
| Interest expenses | 41,469 | 55,680 |
| Bad debt expenses | - | 12,215 |
| Other | 10,969 | 9,442 |
| Total non-operating expenses | 52,439 | 77,339 |
| Ordinary profit | 793,862 | 2,327,482 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 2,251 | 101 |
| National subsidies | - | 650 |
| Total extraordinary income | 2,251 | 751 |
| Extraordinary losses | | |
| Loss on sale and retirement of non-current assets | 41,644 | 23,198 |
| Total extraordinary losses | 41,644 | 23,198 |
| Profit before income taxes | 754,469 | 2,305,035 |
| Income taxes - current | 61,517 | 246,496 |
| Income taxes - deferred | 198,689 | 425,437 |
| Total income taxes | 260,207 | 671,933 |
| Profit | 494,261 | 1,633,101 |
| Profit attributable to non-controlling interests | - | - |
| Profit attributable to owners of parent | 494,261 | 1,633,101 |

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

(Thousands of yen)

| | For the nine months ended December 31, 2023 | For the nine months ended December 31, 2024 |
|--------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Profit | 494,261 | 1,633,101 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 585,875 | (93,617) |
| Remeasurements of defined benefit plans, net of tax | 60,274 | (74,582) |
| Share of other comprehensive income of entities accounted for using equity method | 12,352 | (14,065) |
| Total other comprehensive income | 658,502 | (182,264) |
| Comprehensive income | 1,152,764 | 1,450,836 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,152,764 | 1,450,836 |
| Comprehensive income attributable to non-controlling interests | - | - |