

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect, or any other forms of damages arising from this translation.



January 31, 2025



Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under Japanese GAAP)

Company name: THE NIPPON ROAD CO., LTD.
 Listing: Tokyo Stock Exchange Prime Market
 Securities code: 1884
 URL: <https://www.nipponroad.co.jp/>
 Representative: Toshiyuki Ishii, Representative Director and President
 Inquiries: Minoru Kaiho, General Manager, Accounting Department, Administration Division
 Telephone: +81-3-4477-4051
 Scheduled date of commencing 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 (from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	120,843	2.1	7,079	31.2	7,336	32.9	4,417	23.2
December 31, 2023	118,329	3.9	5,396	56.6	5,519	51.5	3,584	(7.2)

Note: Comprehensive income For the nine months ended December 31, 2024: ¥4,561 million [18.0%]
 For the nine months ended December 31, 2023: ¥3,867 million [50.8%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	100.52	–
December 31, 2023	81.57	–

Note: The Company conducted a share split at a rate of five shares per share of common shares on October 1, 2023. Basic earnings per share has been calculated assuming this stock split was conducted at the beginning of the previous consolidated fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	153,099	102,133	66.6
March 31, 2024	149,926	100,214	66.7

Reference: Equity
 As of December 31, 2024: ¥101,948 million
 As of March 31, 2024: ¥100,051 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	—	—	60.00	60.00
Fiscal year ending March 31, 2025	—	—	—		
Fiscal year ending March 31, 2025 (Forecast)				60.00	60.00

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

3. Consolidated financial results forecast for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
Full year	165,000	2.8	8,500	8.5	8,600	7.6	5,200	2.9	Yen 118.33

Note: Revisions to the financial results forecast most recently announced: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: 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: Yes

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For details, please refer to “2. Quarterly Consolidated Financial Statements and Major Notes (3) Notes to quarterly consolidated financial statements (Note on changes in accounting policies)” on page 7 of the attached materials.

(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, 2024	43,946,340 shares
As of March 31, 2024	43,946,340 shares

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

As of December 31, 2024	3,701 shares
As of March 31, 2024	3,105 shares

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

Nine months ended December 31, 2024	43,942,970 shares
Nine months ended December 31, 2023	43,943,899 shares

Note: The Company conducted a share split at a rate of five shares per share of common shares on October 1, 2023. Total number of issued shares at the end of the period, number of treasury shares at the end of the period, and average number of shares outstanding during the period have been calculated assuming this stock split was conducted at the beginning of the previous consolidated fiscal year.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements, etc.)

Financial results forecasts and other forward-looking statements provided in these materials are based on information available to the Company and certain other assumptions deemed reasonable as of the date of publication of this document, and do not represent any guarantee that the Company will achieve these results. Actual financial results and other aspects of business performance may differ significantly from these forecasts owing to various factors. Please refer to “1. Overview of Operating Results, etc. (3) Explanation of future forecast information such as consolidated financial results forecast” on page 2 of the attached materials for conditions forming the basis for financial results forecasts, notes regarding the use of financial results forecasts, and other information.

○ Table of Contents of the Attached Materials

1. Overview of Operating Results, etc.....	2
(1) Overview of operating results for the nine months under review	2
(2) Overview of financial position for the nine months under review.....	2
(3) Explanation of future forecast information such as consolidated financial results forecast	2
2. Quarterly Consolidated Financial Statements and Major Notes.....	3
(1) Quarterly consolidated balance sheets	3
(2) Quarterly consolidated statements of income and comprehensive income.....	5
(Quarterly consolidated statements of income)	
(Nine months ended December 31)	5
(Quarterly consolidated statements of comprehensive income)	
(Nine months ended December 31)	6
(3) Notes to quarterly consolidated financial statements.....	7
(Note on changes in accounting policies).....	7
(Note on segment information)	8
(Note on significant changes in the amounts of net assets).....	10
(Note on entity's ability to continue as going concern).....	10
(Note on quarterly consolidated statements of income)	10
(Note on quarterly consolidated statements of cash flows)	10
3. Supplementary Information.....	11
Amount of orders received, net sales, and amount carried forward to next period by business (non-consolidated).....	11

1. Overview of Operating Results, etc.

(1) Overview of operating results for the nine months under review

The Japanese economy in the nine months under review showed a moderate recovery trend, supported by improvement in the employment and income environment due to steady corporate revenue and robust capital investment.

In the construction industry, the main business of the Group (the Company and its consolidated subsidiaries; the same applies hereinafter), government construction investment was expected to remain strong at a level exceeding ¥20 trillion, and private sector construction investment remained firm as capital investment for corporations remained strong against a backdrop of high corporate revenue.

Under such circumstances, the Group conducted strategic sales that were compatible with area environments in order to acquire orders in new domains by collaborating with the other Shimizu Group companies as a member of the Shimizu Group, secure orders by enhancing integration accuracy and proposals of technology for government projects, and increase the number of high-quality orders for private sector projects. As a result, the amount of construction orders received was ¥104,590 million (down 0.4% year-on-year), the amount of construction sales was ¥97,857 million (up 1.1% year-on-year), and total net sales including products were ¥120,843 million (up 2.1% year-on-year).

Concerning profits, mainly due to increased profitability with thorough construction management in the Construction Business, operating income was ¥7,079 million (up 31.2% year-on-year), ordinary income was ¥7,336 million (up 32.9% year-on-year), and profit attributable to owners of parent amounted to ¥4,417 million (up 23.2% year-on-year).

Business performance by segment is as follows. (Business performance by segment includes inter-segment net sales and transfers.)

Starting from the beginning of the three months ended June 30, 2024, the Company has changed the classification of its reportable segments. The following year-on-year comparisons have been analyzed using figures for the same consolidated nine-month period of the previous fiscal year that were reclassified according to the new segment classification.

(Construction Business)

As the Group's key division, net sales amounted to ¥97,861 million (up 1.1% year-on-year) and operating income was ¥7,664 million (up 25.3% year-on-year) in the Construction Business.

(Manufacturing & Sales Business)

Net sales amounted to ¥25,474 million (up 5.3% year-on-year) and operating income was ¥1,898 million (up 16.5% year-on-year).

(Co-creation Business)

Net sales amounted to ¥6,228 million (up 3.5% year-on-year) and operating income was ¥695 million (up 14.2% year-on-year).

(2) Overview of financial position for the nine months under review

(Assets)

Total assets as of the end of the nine months under review amounted to ¥153,099 million (up ¥3,173 million year-on-year). The main factors were increases of ¥4,062 million in cash and deposits and ¥381 million in notes receivable, accounts receivable from completed construction contracts and other, and a decrease of ¥1,368 million in electronically recorded monetary claims.

(Liabilities)

Total liabilities as of the end of the nine months under review amounted to ¥50,965 million (up ¥1,254 million year-on-year). The main factors were increases of ¥1,364 million in electronically recorded obligations and ¥730 million in advances received on uncompleted construction contracts, and a decrease of ¥551 million in income taxes payable included in "Other" under current liabilities.

(Net assets)

Total net assets as of the end of the nine months under review totaled ¥102,133 million (up ¥1,919 million year-on-year). The main factors were a recording of ¥4,417 million to profit attributable to owners of parent and a payment of ¥2,636 million in shareholder dividends.

(3) Explanation of future forecast information such as consolidated financial results forecast

The full year financial results forecast for the fiscal year ending March 31, 2025 has not been changed from the financial results forecast announced on May 13, 2024.

In the future, if the financial results forecast requires revisions, they will be promptly disclosed.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly consolidated balance sheets

	(Unit: millions of yen)	
	Previous consolidated fiscal year (March 31, 2024)	Consolidated nine months under review (December 31, 2024)
Assets		
Current assets		
Cash and deposits	33,601	37,663
Notes receivable, accounts receivable from completed construction contracts and other	56,613	56,995
Electronically recorded monetary claims	6,100	4,731
Merchandise	160	143
Costs of uncompleted construction contracts	63	165
Raw materials	1,158	1,004
Other	11,382	12,095
Less: allowance for doubtful accounts	(37)	(35)
Total current assets	109,042	112,763
Non-current assets		
Tangible fixed assets		
Land	17,035	16,891
Other	18,622	18,358
Total tangible fixed assets	35,657	35,250
Intangible assets	2,180	1,972
Investments and other assets		
Investment securities	1,624	1,970
Other	1,503	1,223
Less: allowance for doubtful accounts	(83)	(81)
Total investments and other assets	3,044	3,112
Total non-current assets	40,883	40,335
Total assets	149,926	153,099

(Unit: millions of yen)

	Previous consolidated fiscal year (March 31, 2024)	Consolidated nine months under review (December 31, 2024)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	27,663	28,374
Electrically recorded obligations	2,275	3,640
Short-term loans payable	1,000	250
Advances received on uncompleted construction contracts	1,373	2,103
Warranty provision for completed construction contracts	90	79
Provision for loss on construction contracts	36	56
Other	7,990	6,271
Total current liabilities	40,430	40,777
Non-current liabilities		
Long-term loans payable	8,700	9,700
Net defined benefit liability	251	205
Other	330	283
Total non-current liabilities	9,281	10,188
Total liabilities	49,711	50,965
Net assets		
Shareholders' equity		
Capital stock	12,290	12,290
Capital surplus	14,523	14,523
Retained earnings	72,884	74,662
Less: treasury stock	(4)	(5)
Total shareholders' equity	99,693	101,470
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	442	495
Foreign currency translation adjustments	(403)	(317)
Retirement benefits liability adjustments	320	300
Total accumulated other comprehensive income	358	478
Non-controlling interests	162	184
Total net assets	100,214	102,133
Total liabilities and net assets	149,926	153,099

(2) Quarterly consolidated statements of income and comprehensive income
(Quarterly consolidated statements of income)
(Nine months ended December 31)

(Unit: millions of yen)

	Previous consolidated nine-month period (from April 1, 2023 to December 31, 2023)	Consolidated nine months under review (from April 1, 2024 to December 31, 2024)
Net sales	118,329	120,843
Cost of sales	105,569	106,057
Gross profit	12,760	14,786
Selling, general and administrative expenses	7,364	7,707
Operating income	5,396	7,079
Non-operating income		
Interest income	18	15
Dividend income	38	33
Dividend income of group term insurance	18	30
Foreign currency transaction gain	32	83
Reversal of allowance for doubtful accounts	11	8
Subsidy income	—	100
Other	49	43
Total non-operating income	168	313
Non-operating expenses		
Interest expenses	24	35
Other	22	20
Total non-operating expenses	46	55
Ordinary income	5,519	7,336
Extraordinary income		
Gain on sale of tangible fixed assets	659	9
Gain on receipt of donated non-current assets	—	33
Gain on sale of investment securities	2	13
Total extraordinary income	661	57
Extraordinary losses		
Loss on disposal of tangible fixed assets	70	153
Impairment losses on tangible fixed assets	492	359
Other	42	3
Total extraordinary losses	604	516
Profit before income taxes	5,576	6,877
Current	1,801	2,008
Deferred	176	428
Total income taxes	1,978	2,436
Profit	3,598	4,441
Profit attributable to non-controlling interests	13	24
Profit attributable to owners of parent	3,584	4,417

(Quarterly consolidated statements of comprehensive income)
(Nine months ended December 31)

(Unit: millions of yen)

	Previous consolidated nine-month period (from April 1, 2023 to December 31, 2023)	Consolidated nine months under review (from April 1, 2024 to December 31, 2024)
Profit	3,598	4,441
Other comprehensive income		
Valuation difference on available-for-sale securities	188	52
Foreign currency translation adjustments	61	86
Retirement benefits liability adjustments	18	(19)
Total other comprehensive income	268	120
Comprehensive income	3,867	4,561
Comprehensive income attributable to:		
Owners of parent	3,853	4,537
Non-controlling interests	13	24

(3) Notes to quarterly consolidated financial statements

(Note on changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes, etc.)

The Company has applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022, hereinafter referred to as the “2022 Revised Accounting Standard”) and other regulations from the beginning of the three months ended June 30, 2024.

Regarding the amendments on the classification of income taxes, etc. (taxation on other comprehensive income), the Company complies with the transitional treatments specified in the proviso to paragraph 20-3 of the 2022 Revised Accounting Standard and the proviso to paragraph 65-2, (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022, hereinafter referred to as the “2022 Revised Guidance”). This change in accounting policy has no impact on the quarterly consolidated financial statements.

Furthermore, regarding the amendments related to the review of the treatment in the consolidated financial statements for the deferral of tax on gains and losses arising from the sale of shares of subsidiaries within the group, the Company has applied the 2022 Revised Guidance from the beginning of the three months ended June 30, 2024. This change in accounting policy has been applied retrospectively, and the quarterly consolidated financial statements for the same consolidated nine-month period of the previous fiscal year and the consolidated financial statements for the previous fiscal year have been restated accordingly. This change in accounting policy has no impact on the quarterly consolidated financial statements for the same consolidated nine-month period of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

(Note on segment information)

I. Previous consolidated nine-month period (from April 1, 2023 to December 31, 2023)

1. Disclosure of net sales and profit (loss) for each reportable segment

(Unit: millions of yen)

	Reportable segment			
	Construction Business	Manufacturing & Sales Business	Co-creation Business	Total
Net sales				
Net sales to external customers	96,768	16,369	5,191	118,329
Inter-segment net sales and transfers	2	7,822	826	8,651
Total	96,771	24,192	6,017	126,981
Segment profit	6,117	1,629	609	8,355

	Adjustments (Note) 1	Per quarterly consolidated statements of income (Note) 2
Net sales		
Net sales to external customers	—	118,329
Inter-segment net sales and transfers	(8,651)	—
Total	(8,651)	118,329
Segment profit	(2,959)	5,396

Notes: 1. The ¥(2,959) million adjustment in segment profit includes ¥6 million in elimination of inter-segment transactions and ¥(2,966) million in corporate expenses not allocated to each reportable segment. Corporate expenses are mainly expenses that do not belong to any reportable segment concerning the head office administration of the submitting company.
2. Segment profit is adjusted with the operating income in the quarterly consolidated statements of income.

2. Disclosure of impairment loss on non-current assets and goodwill, etc., by reportable segment

(Significant impairment loss on non-current assets)

Information is omitted as it was immaterial.

(Significant changes in amount of goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

II. Consolidated nine months under review (from April 1, 2024 to December 31, 2024)

1. Disclosure of net sales and profit (loss) for each reportable segment

(Unit: millions of yen)

	Reportable segment			
	Construction Business	Manufacturing & Sales Business	Co-creation Business	Total
Net sales				
Net sales to external customers	97,857	17,620	5,365	120,843
Inter-segment net sales and transfers	3	7,854	862	8,720
Total	97,861	25,474	6,228	129,564
Segment profit	7,664	1,898	695	10,259

	Adjustments (Note) 1	Per quarterly consolidated statements of income (Note) 2
Net sales		
Net sales to external customers	—	120,843
Inter-segment net sales and transfers	(8,720)	—
Total	(8,720)	120,843
Segment profit	(3,180)	7,079

Notes: 1. The ¥(3,180) million adjustment in segment profit includes ¥(44) million in elimination of inter-segment transactions and ¥(3,135) million in corporate expenses not allocated to each reportable segment. Corporate expenses are mainly expenses that do not belong to any reportable segment concerning the head office administration of the submitting company.

2. Segment profit is adjusted with the operating income in the quarterly consolidated statements of income.

2. Matters related to changes in reportable segments

Starting from the beginning of the three months ended June 30, 2024, the Company has unified some reportable segments from the previous “Leasing Business” and “Other” to “Co-creation Business” to promote new business development with multi-stakeholders. Accordingly, the Company’s reportable segments have been changed into three categories: “Construction Business,” “Manufacturing & Sales Business,” and “Co-creation Business.”

The disclosed segment information for the previous consolidated nine-month period has been prepared based on the revised reportable segment classification.

3. Disclosure of impairment loss on non-current assets and goodwill, etc., by reportable segment

(Significant impairment loss on non-current assets)

(Unit: millions of yen)

	Construction Business	Manufacturing & Sales Business	Co-creation Business	Total	Corporate & Elimination	Total
Impairment loss	359	—	—	359	—	359

(Significant changes in amount of goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

(Note on significant changes in the amounts of net assets)

Not applicable.

(Note on entity's ability to continue as going concern)

Not applicable.

(Note on quarterly consolidated statements of income)

Previous consolidated nine-month period (from April 1, 2023 to December 31, 2023) and consolidated nine months under review (from April 1, 2024 to December 31, 2024)

The Group experiences seasonal fluctuations, with a higher proportion of net sales occurring in the second half of the consolidated fiscal year.

(Note on quarterly consolidated statements of cash flows)

The quarterly consolidated statements of cash flows for the nine months under review have not been prepared. Depreciation (including amortization of intangible assets excluding goodwill) for nine months ended December 31 is as follows:

	(Unit: millions of yen)	
	Previous consolidated nine-month period (from April 1, 2023 to December 31, 2023)	Consolidated nine months under review (from April 1, 2024 to December 31, 2024)
Depreciation	2,669	2,899

3. Supplementary Information

Amount of orders received, net sales, and amount carried forward to next period by business (non-consolidated)
(Unit: millions of yen)

Segment			Previous nine-month period (from April 1, 2023 to December 31, 2023)		Nine months under review (from April 1, 2024 to December 31, 2024)		Increase or decrease	
			Amount	Proportion	Amount	Proportion	Amount	Percentage change
Orders received	Construction Business	Pavement construction	60,653	54.4	55,782	51.9	(4,870)	(8.0)
		Civil works construction	32,868	29.5	30,602	28.4	(2,266)	(6.9)
		Construction	14	0.0	2,226	2.1	2,211	—
		Total	93,536	83.9	88,611	82.4	(4,925)	(5.3)
	Manufacturing & Sales Business		17,865	16.0	18,922	17.6	1,056	5.9
	Co-creation Business		53	0.1	59	0.0	5	10.2
	Total		111,456	100	107,593	100	(3,862)	(3.5)
Net sales	Construction Business	Pavement construction	57,072	55.4	55,784	53.2	(1,288)	(2.3)
		Civil works construction	27,687	26.8	29,787	28.4	2,099	7.6
		Construction	384	0.4	330	0.3	(53)	(13.9)
		Total	85,144	82.6	85,902	81.9	757	0.9
	Manufacturing & Sales Business		17,865	17.3	18,922	18.0	1,056	5.9
	Co-creation Business		53	0.1	59	0.1	5	10.2
	Total		103,064	100	104,884	100	1,819	1.8
Amount carried forward to next period	Construction Business	Pavement construction	44,923	62.0	47,859	59.9	2,935	6.5
		Civil works construction	27,533	38.0	30,063	37.7	2,530	9.2
		Construction	—	—	1,899	2.4	1,899	—
		Total	72,457	100	79,822	100	7,365	10.2
	Manufacturing & Sales Business		—	—	—	—	—	—
	Co-creation Business		—	—	—	—	—	—
	Total		72,457	100	79,822	100	7,365	10.2