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Non-consolidated Financial Results for the Year Ended March 31, 2022 [Japanese GAAP]

April 28, 2022

Company name: KAWASAKI SETSUBI KOGYO CO., LTD.

Stock exchange listing: Nagoya

Code number: 1777

URL: <http://www.kawasaki-sk.co.jp/>

Representative: Katsushi Hiroe

Contact: Takashi Miwa

Phone: 052-221-7700

Scheduled date of Annual General Meeting of Shareholders: June 29, 2022

Scheduled date of commencing dividend payments: June 30, 2022

Scheduled date of filing annual securities report: June 29, 2022

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: No

President and Representative Director
General Manager of Corporate Planning Department

(Amounts of less than one million yen are rounded down)

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 01, 2021 to March 31, 2022)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2022	23,604	7.8	1,268	18.4	1,286	16.0	850	13.5
March 31, 2021	21,894	(5.3)	1,071	(33.8)	1,108	(32.9)	749	(34.1)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2022	71.13	-	8.4	7.2	5.4
March 31, 2021	62.67	-	7.9	6.6	4.9

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2022: ¥ - million
Fiscal year ended March 31, 2021: ¥ - million

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2022	19,025	10,430	54.8	871.80
March 31, 2021	16,771	9,756	58.2	815.45

(Reference) Equity: As of March 31, 2022: ¥ 10,430 million
As of March 31, 2021: ¥ 9,756 million

(3) Non-consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2022	2,383	(28)	(317)	4,822
March 31, 2021	1,762	(42)	(219)	2,785

2. Dividends

	Annual dividends					Total dividends	Payout ratio	Dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2021	-	5.00	-	5.00	10.00	119	16.0	1.3
March 31, 2022	-	10.00	-	8.00	18.00	215	25.3	2.1
Fiscal year ending								
March 31, 2023 (Forecast)	-	8.00	-	10.00	18.00		31.5	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2022 :

Commemorative dividend	5.00 yen
Special dividend	3.00 yen

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended September 30, 2022	10,000	(10.6)	243	(64.0)	253	(63.3)	150	(66.6)	12.54
Full year	22,500	(4.7)	1,000	(21.1)	1,020	(20.7)	684	(19.6)	57.17

* Notes:

(1) Changes in accounting policies, changes in accounting estimates and retrospective restatement

- 1) Changes in accounting policies due to the revision of accounting standards: Yes
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

(2) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2022:	12,000,000 shares
March 31, 2021:	12,000,000 shares

2) Total number of treasury shares at the end of the period:

March 31, 2022:	35,827 shares
March 31, 2021:	35,827 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2022:	11,964,173 shares
Fiscal Year ended March 31, 2021:	11,964,180 shares

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of March 31,2022
Assets		
Current assets		
Cash and deposits	2,785	4,822
Notes receivable - trade	175	113
Electronically recorded monetary claims - operating	1,797	1,811
Accounts receivable from completed construction contracts	6,928	6,853
Costs on construction contracts in progress	269	262
Prepaid expenses	22	30
Advances paid	177	224
Other	363	467
Allowance for doubtful accounts	(97)	(97)
Total current assets	12,423	14,489
Non-current assets		
Property, plant and equipment		
Buildings	3,881	3,963
Accumulated depreciation	(2,339)	(2,388)
Buildings, net	1,541	1,575
Structures	93	90
Accumulated depreciation	(64)	(63)
Structures, net	29	26
Machinery and equipment	35	40
Accumulated depreciation	(32)	(33)
Machinery and equipment, net	2	7
Vehicles	6	6
Accumulated depreciation	(3)	(4)
Vehicles, net	3	2
Tools, furniture and fixtures	65	65
Accumulated depreciation	(46)	(45)
Tools, furniture and fixtures, net	18	20
Land	1,620	1,606
Construction in progress	-	4
Leased assets	231	250
Accumulated depreciation	(195)	(214)
Leased assets, net	36	36
Total property, plant and equipment	3,252	3,279
Intangible assets		
Leasehold interests in land	0	-
Leased assets	221	357
Other	3	2
Total intangible assets	226	359

(Million yen)

	As of March 31,2021	As of March 31,2022
Investments and other assets		
Investment securities	168	161
Investments in capital	5	5
Deferred tax assets	536	560
Membership	93	92
Other	92	105
Allowance for doubtful accounts	(27)	(28)
Total investments and other assets	870	897
Total non-current assets	4,348	4,536
Total assets	16,771	19,025

(Million yen)

	As of March 31,2021	As of March 31,2022
Liabilities		
Current liabilities		
Notes payable - trade	225	229
Electronically recorded obligations - operating	1,012	1,060
Accounts payable for construction contracts	2,864	3,101
Lease liabilities	100	127
Accounts payable - other	24	83
Accrued expenses	176	332
Income taxes payable	106	325
Advances received on construction contracts in progress	461	845
Deposits received	49	303
Provision for bonuses	535	493
Provision for bonuses for directors (and other officers)	16	15
Provision for warranties for completed construction	17	12
Provision for loss on construction contracts	36	68
Other	140	180
Total current liabilities	5,768	7,180
Non-current liabilities		
Lease liabilities	178	291
Provision for retirement benefits	1,052	1,058
Asset retirement obligations	-	43
Other	16	20
Total non-current liabilities	1,247	1,414
Total liabilities	7,015	8,595
Net assets		
Shareholders' equity		
Share capital	1,581	1,581
Capital surplus		
Legal capital surplus	395	395
Total capital surplus	395	395
Retained earnings		
Other retained earnings		
Retained earnings brought forward	7,759	8,439
Total retained earnings	7,759	8,439
Treasury shares	(7)	(7)
Total shareholders' equity	9,727	10,407
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	28	22
Total valuation and translation adjustments	28	22
Total net assets	9,756	10,430
Total liabilities and net assets	16,771	19,025

Non-consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Net sales of completed construction contracts	21,894	23,604
Cost of sales of completed construction contracts	18,896	20,252
Gross profit on completed construction contracts	2,997	3,351
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	96	87
Employees' salaries and allowances	677	727
Provision for bonuses	210	218
Provision for bonuses for directors (and other officers)	16	16
Retirement benefit expenses	37	37
Legal welfare expenses	174	175
Welfare expenses	37	38
Repair and maintenance expenses	41	50
Stationery expenses	57	81
Communication and transportation expenses	76	82
Power utilities expenses	18	20
Research study expenses	10	10
Advertising expenses	11	18
Provision of allowance for doubtful accounts	(12)	0
Entertainment expenses	20	32
Donations	0	11
Rent expenses on land and buildings	66	66
Depreciation	167	192
Taxes and dues	91	75
Insurance expenses	2	2
Miscellaneous expenses	123	137
Total selling, general and administrative expenses	1,926	2,083
Operating profit	1,071	1,268
Non-operating income		
Interest income	0	0
Dividend income	3	4
Gain on sale of investment securities	13	-
Rental income from real estate	42	42
Gain on sale of non-current assets	-	7
Other	8	7
Total non-operating income	68	62
Non-operating expenses		
Interest expenses	0	1
Rental expenses on real estate	20	27
Stocks maintenance fee	5	5
Office relocation expenses	-	5
Other	4	4
Total non-operating expenses	30	44
Ordinary profit	1,108	1,286

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Profit before income taxes	1,108	1,286
Income taxes - current	326	456
Income taxes - deferred	32	(21)
Total income taxes	358	435
Profit	749	850

Non-consolidated Statements of Changes in Net Assets
For the fiscal year ended March 31,2021

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus		Retained earnings	
		Legal capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at beginning of period	1,581	395	395	7,129	7,129
Changes during period					
Dividends of surplus				(119)	(119)
Profit				749	749
Purchase of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period	-	-	-	630	630
Balance at end of period	1,581	395	395	7,759	7,759

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(7)	9,097	16	16	9,114
Changes during period					
Dividends of surplus		(119)			(119)
Profit		749			749
Purchase of treasury shares	0	0			0
Net changes in items other than shareholders' equity			11	11	11
Total changes during period	0	630	11	11	641
Balance at end of period	(7)	9,727	28	28	9,756

For the fiscal year ended March 31,2022

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus		Retained earnings	
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings
			Retained earnings brought forward		
Balance at beginning of period	1,581	395	395	7,759	7,759
Cumulative effects of changes in accounting policies				8	8
Restated balance	1,581	395	395	7,767	7,767
Changes during period					
Dividends of surplus				(179)	(179)
Profit				850	850
Net changes in items other than shareholders' equity					
Total changes during period	-	-	-	671	671
Balance at end of period	1,581	395	395	8,439	8,439

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(7)	9,727	28	28	9,756
Cumulative effects of changes in accounting policies		8			8
Restated balance	(7)	9,735	28	28	9,764
Changes during period					
Dividends of surplus		(179)			(179)
Profit		850			850
Net changes in items other than shareholders' equity			(5)	(5)	(5)
Total changes during period	-	671	(5)	(5)	666
Balance at end of period	(7)	10,407	22	22	10,430

Non-consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Cash flows from operating activities		
Profit before income taxes	1,108	1,286
Depreciation	177	203
Increase (decrease) in allowance for doubtful accounts	(12)	0
Increase (decrease) in provision for bonuses for directors (and other officers)	16	(1)
Increase (decrease) in provision for bonuses	(11)	(41)
Increase (decrease) in provision for warranties for completed construction	(20)	(4)
Increase (decrease) in provision for loss on construction contracts	(46)	32
Increase (decrease) in provision for retirement benefits	(4)	5
Interest and dividend income	(3)	(4)
Interest expenses	0	1
Loss (gain) on sale of investment securities	(13)	-
Loss (gain) on disposal of non-current assets	0	2
Loss (gain) on sale of non-current assets	-	(7)
Decrease (increase) in trade receivables	1,396	212
Decrease (increase) in costs on construction contracts in progress	92	(65)
Decrease (increase) in advances paid	(87)	(47)
Decrease (increase) in accounts receivable - other	(82)	(91)
Decrease (increase) in consumption taxes refund receivable	146	-
Decrease (increase) in other current assets	(52)	(20)
Increase (decrease) in trade payables	(82)	289
Increase (decrease) in advances received on construction contracts in progress	(266)	384
Increase (decrease) in accrued consumption taxes	156	57
Increase (decrease) in deposits received	(59)	254
Increase (decrease) in accrued expenses	(38)	155
Increase (decrease) in other current liabilities	3	20
Other, net	0	1
Subtotal	2,317	2,621
Interest and dividends received	3	4
Interest paid	(0)	(1)
Income taxes paid	(557)	(241)
Net cash provided by (used in) operating activities	1,762	2,383
Cash flows from investing activities		
Purchase of property, plant and equipment	(54)	(56)
Proceeds from sale of property, plant and equipment	-	36
Purchase of investment securities	(0)	(0)
Proceeds from sale of investment securities	22	-
Purchase of intangible assets	-	(1)
Purchase of insurance funds	(12)	(12)
Other, net	0	4
Net cash provided by (used in) investing activities	(42)	(28)

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Cash flows from financing activities		
Dividends paid	(119)	(180)
Repayments of lease liabilities	(99)	(137)
Other, net	(0)	-
Net cash provided by (used in) financing activities	(219)	(317)
Net increase (decrease) in cash and cash equivalents	1,500	2,037
Cash and cash equivalents at beginning of period	1,285	2,785
Cash and cash equivalents at end of period	2,785	4,822