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Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 [Japanese GAAP]



May 13, 2022

Company name: Matsui Kensetsu K.K.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 1810
 URL: <https://www.matsui-ken.co.jp/>
 Representative: Takahiro Matsui, President
 Contact: Takanobu Miyashita, General Manager of Accounting Department, Administration Division
 Phone: +81-3-3553-1151
 Scheduled date of general shareholders' meeting: June 29, 2022
 Scheduled date of commencing dividend payments: June 30, 2022
 Scheduled date of filing securities report: June 30, 2022
 Availability of supplementary explanatory materials on annual financial results: Available
 Schedule of annual financial results briefing session: Not Scheduled

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 - March 31, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2022	82,468	(5.8)	2,415	(17.9)	2,779	(15.5)	1,792	(20.4)
March 31, 2021	87,579	(7.2)	2,940	(15.7)	3,289	(13.9)	2,252	(12.0)

(Note) Comprehensive income: Fiscal year ended March 31, 2022: ¥1,713 million [(58.9) %]

Fiscal year ended March 31, 2021: ¥4,166 million [161.8%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2022	58.93	-	4.2	3.9	2.9
March 31, 2021	73.79	-	5.5	4.6	3.4

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

Fiscal year ended March 31, 2021: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2022	68,428	42,879	62.7	1,447.62
As of March 31, 2021	74,425	42,527	57.1	1,393.41

(Reference) Equity: As of March 31, 2022: ¥42,879 million

As of March 31, 2021: ¥42,527 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2022	(20)	(2,339)	(1,404)	15,287
March 31, 2021	7,080	(983)	(797)	19,051

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2021	—	8.00	—	15.00	23.00	701	31.2	1.7
Fiscal year ended March 31, 2022	—	8.00	—	16.00	24.00	718	40.7	1.7
Fiscal year ending March 31, 2023 (Forecast)	—	10.50	—	10.50	21.00		41.5	

(Note) Breakdown of year-end dividends:

Fiscal year ended March 31, 2021: ordinary dividend of 8 yen and special dividend of 7 yen

Fiscal year ended March 31, 2022: ordinary dividend of 8 yen and special dividend of 8 yen

Fiscal year ending March 31, 2023 (Forecast): ordinary dividend of 10.5 yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	85,000	3.1	1,900	(21.4)	2,200	(20.8)	1,500	(16.3)	50.64

* Notes:

(1) Changes in significant subsidiaries during the fiscal year under review: None

(2) 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: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(3) Total number of issued and outstanding shares (common shares)

1) Total number of issued and outstanding shares at the end of the year (including treasury shares):

March 31, 2022: 30,580,000 shares

March 31, 2021: 30,580,000 shares

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

March 31, 2022: 959,138 shares

March 31, 2021: 59,138 shares

3) Average number of shares during the year:

Year ended March 31, 2022: 30,412,369 shares

Year ended March 31, 2021: 30,520,894 shares

(Reference) Summary of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 - March 31, 2022)**

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

Year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	80,829	(4.8)	2,310	(10.8)	2,676	(8.8)	1,726	(14.3)
March 31, 2021	84,941	(9.7)	2,591	(28.1)	2,936	(25.5)	2,014	(23.9)

Year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2022	56.76	-
March 31, 2021	66.00	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2022	66,407	41,427	62.4	1,398.58
As of March 31, 2021	72,625	41,307	56.9	1,353.41

(Reference) Equity: As of March 31, 2022: ¥41,427 million

As of March 31, 2021: ¥41,307 million

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

The forward-looking statements in this document concerning forecasting of performance etc. are based on currently available information and assumptions considered by the Company to be reasonable. Such statements are neither promises nor guarantees of future performance. The actual performance may be significantly different from the forecast due to various factors. Concerning assumptions used as a basis for forecasting business performance and precautionary statements when using the forecast of performance, please refer to 1. Summary of Operating Results, etc. (4) Future Outlook on page 4 of the attachment.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	16,604	13,285
Electronically recorded monetary claims - operating	95	662
Notes receivable, accounts receivable from completed construction contracts and other	24,720	20,148
Securities	3,000	2,612
Costs on construction contracts in progress	2,345	1,871
Real estate for sale	0	0
Real estate for sale in process	813	1,434
Other inventories	320	238
Other	517	359
Total current assets	48,417	40,612
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,167	12,345
Machinery, vehicles, tools, furniture and fixtures	944	963
Land	9,061	10,139
Leased assets	384	391
Construction in progress	24	0
Accumulated depreciation	(7,100)	(7,414)
Total property, plant and equipment	14,482	16,425
Intangible assets	221	192
Investments and other assets		
Investment securities	9,821	9,352
Distressed receivables	576	270
Retirement benefit asset	849	1,206
Other	756	763
Allowance for doubtful accounts	(700)	(395)
Total investments and other assets	11,303	11,197
Total non-current assets	26,007	27,815
Total assets	74,425	68,428

(Million yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	11,236	10,325
Electronically recorded obligations - operating	4,799	4,621
Income taxes payable	705	229
Advances received on construction contracts in progress	8,290	5,904
Provision for warranties for completed construction	279	286
Provision for loss on construction contracts	77	153
Provision for bonuses	661	625
Other	1,192	583
Total current liabilities	27,242	22,730
Non-current liabilities		
Deferred tax liabilities	163	350
Retirement benefit liability	3,632	1,724
Other	858	742
Total non-current liabilities	4,654	2,817
Total liabilities	31,897	25,548
Net assets		
Shareholders' equity		
Share capital	4,000	4,000
Capital surplus	333	333
Retained earnings	35,070	36,166
Treasury shares	(26)	(692)
Total shareholders' equity	39,376	39,807
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,522	3,291
Remeasurements of defined benefit plans	(371)	(219)
Total accumulated other comprehensive income	3,150	3,072
Total net assets	42,527	42,879
Total liabilities and net assets	74,425	68,428

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Net sales		
Net sales of completed construction contracts	83,898	79,999
Net sales in real estate business and other	3,681	2,469
Total net sales	87,579	82,468
Cost of sales		
Cost of sales of completed construction contracts	77,820	74,125
Cost of sales in real estate business and other	2,714	1,746
Total cost of sales	80,534	75,872
Gross profit		
Gross profit on completed construction contracts	6,077	5,873
Gross profit on real estate business and other	966	722
Total gross profit	7,044	6,595
Selling, general and administrative expenses	4,103	4,180
Operating profit	2,940	2,415
Non-operating income		
Interest income	8	14
Dividend income	282	284
Refund of industrial injury insurance	67	57
Other	52	39
Total non-operating income	410	396
Non-operating expenses		
Interest expenses	33	12
Commission expenses	16	18
Other	12	1
Total non-operating expenses	62	32
Ordinary profit	3,289	2,779
Extraordinary income		
Gain on sales of investment securities	129	130
Total extraordinary income	129	130
Extraordinary losses		
Impairment losses	127	146
Loss on retirement of non-current assets	-	16
Loss on valuation of investment securities	41	-
Total extraordinary losses	169	162
Profit before income taxes	3,248	2,746
Income taxes - current	1,119	736
Income taxes - deferred	(122)	218
Total income taxes	996	954
Profit	2,252	1,792
Profit attributable to owners of parent	2,252	1,792

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Profit	2,252	1,792
Other comprehensive income		
Valuation difference on available-for-sale securities	1,318	(230)
Remeasurements of defined benefit plans, net of tax	596	152
Total other comprehensive income	1,914	(78)
Comprehensive income	4,166	1,713
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,166	1,713

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,000	333	33,581	(26)	37,888
Cumulative effects of changes in accounting policies					-
Restated balance	4,000	333	33,581	(26)	37,888
Changes during period					
Dividends of surplus			(763)		(763)
Profit attributable to owners of parent			2,252		2,252
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	1,489	(0)	1,488
Balance at end of period	4,000	333	35,070	(26)	39,376

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	2,203	(967)	1,236	39,124
Cumulative effects of changes in accounting policies				-
Restated balance	2,203	(967)	1,236	39,124
Changes during period				
Dividends of surplus				(763)
Profit attributable to owners of parent				2,252
Purchase of treasury shares				(0)
Net changes in items other than shareholders' equity	1,318	596	1,914	1,914
Total changes during period	1,318	596	1,914	3,403
Balance at end of period	3,522	(371)	3,150	42,527

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,000	333	35,070	(26)	39,376
Cumulative effects of changes in accounting policies			6		6
Restated balance	4,000	333	35,076	(26)	39,383
Changes during period					
Dividends of surplus			(701)		(701)
Profit attributable to owners of parent			1,792		1,792
Purchase of treasury shares				(666)	(666)
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	1,090	(666)	424
Balance at end of period	4,000	333	36,166	(692)	39,807

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	3,522	(371)	3,150	42,527
Cumulative effects of changes in accounting policies				6
Restated balance	3,522	(371)	3,150	42,534
Changes during period				
Dividends of surplus				(701)
Profit attributable to owners of parent				1,792
Purchase of treasury shares				(666)
Net changes in items other than shareholders' equity	(230)	152	(78)	(78)
Total changes during period	(230)	152	(78)	345
Balance at end of period	3,291	(219)	3,072	42,879

(4) 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	3,248	2,746
Depreciation	535	589
Impairment losses	127	146
Loss on retirement of non-current assets	-	16
Increase (decrease) in allowance for doubtful accounts	73	(304)
Interest and dividend income	(291)	(299)
Interest expenses	33	12
Decrease (increase) in trade receivables	15	4,309
Decrease (increase) in inventories	906	(537)
Increase (decrease) in trade payables	(1,241)	(1,221)
Increase (decrease) in advances received on construction contracts in progress	2,320	(2,385)
Decrease (increase) in costs on construction contracts in progress	(153)	473
Increase (decrease) in provision for bonuses	(33)	(36)
Increase (decrease) in net defined benefit asset and liability	(11)	(2,045)
Increase (decrease) in provision for warranties for completed construction	25	6
Increase (decrease) in provision for loss on construction contracts	71	75
Loss (gain) on sale of investment securities	(129)	(130)
Loss (gain) on valuation of investment securities	41	-
Increase (decrease) in accrued consumption taxes	681	(434)
Other, net	1,268	(85)
Subtotal	7,492	896
Interest and dividends received	247	253
Interest paid	(33)	(12)
Income taxes paid	(630)	(1,159)
Income taxes refund	3	1
Net cash provided by (used in) operating activities	7,080	(20)
Cash flows from investing activities		
Purchase of property, plant and equipment	(777)	(2,640)
Loan advances	(208)	(161)
Proceeds from collection of loans receivable	4	211
Purchase of short-term and long-term investment securities	(19)	(0)
Proceeds from sale and redemption of short-term and long-term investment securities	144	266
Purchase of intangible assets	(115)	(62)
Payments into time deposits	(12)	(12)
Proceeds from withdrawal of time deposits	-	60
Net cash provided by (used in) investing activities	(983)	(2,339)
Cash flows from financing activities		
Dividends paid	(763)	(701)
Net decrease (increase) in treasury shares	(0)	(666)
Other, net	(34)	(36)
Net cash provided by (used in) financing activities	(797)	(1,404)
Net increase (decrease) in cash and cash equivalents	5,298	(3,763)
Cash and cash equivalents at beginning of period	13,752	19,051
Cash and cash equivalents at end of period	19,051	15,287