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



May 13, 2022

Company name: HAZAMA ANDO CORPORATION

Stock exchange listing: Tokyo Stock Exchange

Code number: 1719

URL: <https://www.ad-hzm.co.jp/>

Representative: Masato Fukutomi, Representative Director and President

Contact: Toshihisa Kino, Corporate Communication Department General Manager

Phone: +81-3-3575-6094

Scheduled date of ordinary general meeting of shareholders: June 29, 2022

Scheduled date of filing securities report: June 29, 2022

Scheduled date of commencing dividend payments: June 30, 2022

Availability of supplementary briefing material on financial results: Yes

Schedule of financial results briefing session: Yes (For analysts and financial institutions)

(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 to 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	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	340,293	(3.4)	26,600	(2.8)	25,838	(0.2)	17,671	2.8
March 31, 2021	352,146	(6.9)	27,356	10.8	25,890	8.0	17,188	2.3

(Note) Comprehensive income: Fiscal year ended March 31, 2022: ¥16,740 million [(18.3)%]

Fiscal year ended March 31, 2021: ¥20,493 million [43.3%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2022	98.84	98.84	12.3	8.1	7.8
March 31, 2021	89.80	89.78	12.2	7.6	7.8

(Reference) Share of profit (loss) of entities accounted for using equity method:

Fiscal year ended March 31, 2022: ¥ (273) 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	295,332	141,682	47.7	834.00
As of March 31, 2021	339,387	146,676	43.0	782.28

(Reference) Equity: As of March 31, 2022: ¥140,921 million

As of March 31, 2021: ¥145,915 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 end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2022	(36,086)	(4,549)	(22,565)	64,739
March 31, 2021	29,154	(3,954)	(12,656)	128,035

2. Dividends

	Annual dividends					Total dividends paid	Dividend payout ratio (consolidated)	Ratio of dividends to equity (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	—	15.00	—	15.00	30.00	5,704	33.4	4.0
Fiscal year ended March 31, 2022	—	20.00	—	20.00	40.00	7,012	40.5	4.9
Fiscal year ending March 31, 2023 (Forecast)	—	20.00	—	20.00	40.00		43.3	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to 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
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	162,000	1.9	8,200	(34.1)	7,600	(36.7)	4,700	(42.0)	27.82
Full year	377,000	10.8	24,000	(9.8)	23,100	(10.6)	15,600	(11.7)	92.32

* Notes:

- (1) Changes in significant subsidiaries during the fiscal year ended March 31, 2022 (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (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: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (3) 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: 181,021,197 shares
 - March 31, 2021: 200,343,397 shares
 - 2) Total number of treasury shares at the end of the period:
 - March 31, 2022: 12,050,920 shares
 - March 31, 2021: 13,818,561 shares
 - 3) Average number of shares during the period:
 - Fiscal year ended March 31, 2022: 178,786,100 shares
 - Fiscal year ended March 31, 2021: 191,421,835 shares

The Company has adopted a performance-linked stock remuneration plan using a trust. The Company's shares held by the trust (639,519 shares) are included in the total number of treasury shares at the end of the period and the average number of shares during the period is calculated and stated taking into account shares held by the trust.

(Reference) Summary of Non-Consolidated Financial Results

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

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

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	315,867	(5.2)	24,114	(6.2)	23,939	(2.2)	16,558	2.2
March 31, 2021	333,067	(6.6)	25,712	10.3	24,468	7.4	16,198	0.2

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2022	92.62	92.61
March 31, 2021	84.62	84.61

(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	275,120	130,730	47.5	773.69
As of March 31, 2021	318,369	136,649	42.9	732.59

(Reference) Equity: As of March 31, 2022: ¥130,730million

As of March 31, 2021: ¥136,646million

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	151,000	1.7	8,000	(28.5)	7,700	(30.2)	5,000	(33.7)	29.59
Full year	353,000	11.8	22,600	(6.3)	22,100	(7.7)	15,100	(8.8)	89.36

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

(1) The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ significantly due to a wide range of factors.

1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	129,317	66,080
Notes receivable, accounts receivable from completed construction contracts and other	121,461	140,431
Costs on construction contracts in progress	5,593	4,075
Other inventories	8,823	7,930
Other	9,023	9,567
Allowance for doubtful accounts	(12)	(14)
Total current assets	274,206	228,070
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,649	22,894
Machinery, vehicles, tools, furniture and fixtures	11,977	12,879
Land	15,799	15,852
Other	852	1,961
Accumulated depreciation	(22,723)	(23,400)
Total property, plant and equipment	29,555	30,186
Intangible assets	1,505	1,542
Investments and other assets		
Investment securities	21,697	20,960
Long-term loans receivable	132	73
Deferred tax assets	7,819	7,091
Retirement benefit asset	707	2,546
Other	3,765	4,862
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	34,120	35,532
Total non-current assets	65,181	67,262
Total assets	339,387	295,332

(Million yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	70,624	47,134
Short-term borrowings	16,312	16,676
Current portion of bonds	291	237
Income taxes payable	4,907	3,071
Advances received on construction contracts in progress	27,385	18,237
Deposits received	30,512	34,038
Provision for warranties for completed construction	2,129	1,442
Provision for bonuses	2,595	2,690
Provision for loss on construction contracts	1,248	595
Provision for loss on damage due to fire	5,996	3,921
Other	11,756	12,343
Total current liabilities	173,761	140,388
Non-current liabilities		
Bonds payable	400	162
Long-term borrowings	8,271	7,640
Deferred tax liabilities	37	37
Retirement benefit liability	8,857	3,816
Provision for environmental measures	139	138
Provision for management board incentive plan trust	116	162
Other	1,127	1,302
Total non-current liabilities	18,949	13,261
Total liabilities	192,710	153,650
Net assets		
Shareholders' equity		
Share capital	17,006	17,006
Capital surplus	19,919	17,058
Retained earnings	115,086	114,124
Treasury shares	(10,187)	(10,422)
Total shareholders' equity	141,824	137,766
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,754	2,996
Deferred gains or losses on hedges	—	(345)
Foreign currency translation adjustment	55	85
Remeasurements of defined benefit plans	281	417
Total accumulated other comprehensive income	4,091	3,154
Share acquisition rights	3	—
Non-controlling interests	758	761
Total net assets	146,676	141,682
Total liabilities and net assets	339,387	295,332

(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	331,694	316,153
Sales in other businesses	20,451	24,139
Total net sales	352,146	340,293
Cost of sales		
Cost of sales of completed construction contracts	287,251	273,098
Cost of sales in other businesses	16,729	20,332
Total cost of sales	303,981	293,431
Gross profit		
Gross profit on completed construction contracts	44,442	43,054
Gross profit - other business	3,722	3,806
Total gross profit	48,164	46,861
Selling, general and administrative expenses	20,808	20,261
Operating profit	27,356	26,600
Non-operating income		
Interest income	38	25
Dividend income	327	291
Late charges income	—	166
Gain on extinguishment of debt	23	187
Other	79	156
Total non-operating income	469	827
Non-operating expenses		
Interest expenses	333	320
Share of loss of entities accounted for using equity method	—	273
Foreign exchange losses	19	104
Compensation for damage	133	376
Other	1,449	513
Total non-operating expenses	1,935	1,588
Ordinary profit	25,890	25,838

(Million yen)

	For the Fiscal year ended March 31, 2021	For the Fiscal year ended March 31, 2022
Extraordinary income		
Gain on reversal of provision for loss on damage due to fire	27	—
Subsidy income	354	67
Gain on sales of non-current assets	12	—
Gain on sales of investment securities	160	241
Total extraordinary income	555	308
Extraordinary losses		
Loss on damage due to fire	25	180
Loss on tax purpose reduction entry of non current assets	354	66
Loss on sales of non current assets	—	18
Loss on retirement of non-current assets	19	115
Loss on valuation of investment securities	—	27
Head office relocation expenses	—	306
Impairment loss	884	—
Loss on litigation	74	42
Total extraordinary losses	1,359	757
Profit before income taxes	25,086	25,390
Income taxes - current	7,789	6,768
Income taxes - deferred	138	949
Total income taxes	7,928	7,717
Profit	17,158	17,672
Profit (loss) attributable to non-controlling interests	(30)	1
Profit attributable to owners of parent	17,188	17,671

(Consolidated Statements of Comprehensive Income)

(Million yen)

	For the Fiscal year ended March 31, 2021	For the Fiscal year ended March 31, 2022
Profit	17,158	17,672
Other comprehensive income		
Valuation difference on available-for-sale securities	1,874	(758)
Foreign currency translation adjustment	(107)	34
Remeasurements of defined benefit plans	1,568	136
Share of other comprehensive income of entities accounted for using equity method	—	(345)
Total other comprehensive income	3,335	(932)
Comprehensive income	20,493	16,740
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,570	16,734
Comprehensive income attributable to non-controlling interests	(76)	5

(3) Consolidated Statements of Changes in Equity

(Fiscal year ended March 31, 2021)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,006	19,926	103,699	(5,284)	135,348
Cumulative effects of changes in accounting policies			0		0
Restated balance	17,006	19,926	103,700	(5,284)	135,349
Changes in items during period					
Dividends of surplus			(5,802)		(5,802)
Profit attributable to owners of parent			17,188		17,188
Purchase of treasury shares				(4,936)	(4,936)
Disposal of treasury shares		(7)		32	25
Cancellation of treasury shares					
Transfer from other retained earnings to other capital surplus					
Net changes in items other than shareholders' equity					
Total changes in items during period	—	(7)	11,385	(4,903)	6,474
Balance at end of period	17,006	19,919	115,086	(10,187)	141,824

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,880	—	116	(1,287)	709	4	837	136,900
Cumulative effects of changes in accounting policies								0
Restated balance	1,880	—	116	(1,287)	709	4	837	136,900
Changes in items during period								
Dividends of surplus								(5,802)
Profit attributable to owners of parent								17,188
Purchase of treasury shares								(4,936)
Disposal of treasury shares								25
Cancellation of treasury shares								
Transfer from other retained earnings to other capital surplus								
Net changes in items other than shareholders' equity	1,874	—	(61)	1,568	3,381	(1)	(79)	3,301
Total changes in items during period	1,874	—	(61)	1,568	3,381	(1)	(79)	9,775
Balance at end of period	3,754	—	55	281	4,091	3	758	146,676

(Fiscal year ended March 31, 2022)

(Million yen)

	Shareholders' equity				Total shareholders' equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	
Balance at beginning of period	17,006	19,919	115,086	(10,187)	141,824
Cumulative effects of changes in accounting policies					
Restated balance	17,006	19,919	115,086	(10,187)	141,824
Changes in items during period					
Dividends of surplus			(6,423)		(6,423)
Profit attributable to owners of parent			17,671		17,671
Purchase of treasury shares				(15,328)	(15,328)
Disposal of treasury shares		(23)		45	22
Cancellation of treasury shares		(15,047)		15,047	—
Transfer from other retained earnings to other capital surplus		12,210	(12,210)		—
Net changes in items other than shareholders' equity					
Total changes in items during period	—	(2,861)	(961)	(234)	(4,057)
Balance at end of period	17,006	17,058	114,124	(10,422)	137,766

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	3,754	—	55	281	4,091	3	758	146,676
Cumulative effects of changes in accounting policies								
Restated balance	3,754	—	55	281	4,091	3	758	146,676
Changes in items during period								
Dividends of surplus								(6,423)
Profit attributable to owners of parent								17,671
Purchase of treasury shares								(15,328)
Disposal of treasury shares								22
Cancellation of treasury shares								—
Transfer from other retained earnings to other capital surplus								—
Net changes in items other than shareholders' equity	(758)	(345)	30	136	(936)	(3)	3	(936)
Total changes in items during period	(758)	(345)	30	136	(936)	(3)	3	(4,994)
Balance at end of period	2,996	(345)	85	417	3,154	—	761	141,682

(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	25,086	25,390
Depreciation	2,080	2,410
Loss on tax purpose reduction entry of non current assets	354	66
Subsidy income	(354)	(67)
Impairment loss	884	—
Loss on damage due to fire	25	180
Increase (decrease) in allowance for doubtful accounts	(1)	1
Increase (decrease) in provision for warranties for completed construction	(241)	(686)
Increase (decrease) in provision for loss on construction contracts	293	(653)
Increase (decrease) in provision for loss on damage due to fire	(702)	(2,075)
Increase (decrease) in retirement benefit liability	(1,912)	(4,964)
Decrease (increase) in retirement benefit asset	(447)	(1,719)
Interest and dividend income	(365)	(317)
Interest expenses	333	320
Foreign exchange losses (gains)	(73)	181
Loss (gain) on sales of investment securities	(160)	(241)
Loss (gain) on sales of property, plant and equipment	(12)	13
Decrease (increase) in trade receivables	16,246	(18,961)
Decrease (increase) in costs on construction contracts in progress	(668)	1,518
Decrease (increase) in other inventories	(4,136)	893
Decrease (increase) in advances paid	990	606
Increase (decrease) in trade payables	(8,289)	(23,506)
Increase (decrease) in advances received on construction contracts in progress	(3,468)	(9,151)
Increase (decrease) in deposits received	3,050	3,525
Increase (decrease) in accrued consumption taxes	3,254	(2,521)
Share of loss (profit) of entities accounted for using equity method	—	273
Other, net	5,865	4,298
Subtotal	37,630	(25,184)
Interest and dividends received	393	290
Interest paid	(356)	(298)
Compensation for damage paid	(756)	(2,210)
Income taxes paid	(7,755)	(8,683)
Net cash provided by (used in) operating activities	29,154	(36,086)
Cash flows from investing activities		
Payments into time deposits	(60)	(1,345)
Proceeds from withdrawal of time deposits	221	1,281
Purchase of short-term and long-term investment securities	(429)	(433)
Proceeds from sales of short-term and long-term investment securities	299	358
Purchase of property, plant and equipment	(2,934)	(2,558)
Proceeds from sales of property, plant and equipment	16	20
Payments for investments in capital of subsidiaries and associates	—	(1,876)
Payments of leasehold and guarantee deposits	(955)	(104)
Subsidies received	354	67
Other, net	(466)	40
Net cash provided by (used in) investing activities	(3,954)	(4,549)

(Million yen)

	For the Fiscal year ended March 31, 2021	For the Fiscal year ended March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(91)	(31)
Proceeds from long-term borrowings	4,107	4,291
Repayments of long-term borrowings	(5,534)	(4,570)
Redemption of bonds	(341)	(291)
Purchase of treasury shares	(4,936)	(15,328)
Dividends paid	(5,802)	(6,423)
Dividends paid to non-controlling interests	(2)	(2)
Other, net	(52)	(208)
Net cash provided by (used in) financing activities	(12,656)	(22,565)
Effect of exchange rate change on cash and cash equivalents	28	(94)
Net increase (decrease) in cash and cash equivalents	12,573	(63,295)
Cash and cash equivalents at beginning of period	115,461	128,035
Cash and cash equivalents at end of period	128,035	64,739

(Change in accounting policy)

(Application of “Accounting Standard for Revenue Recognition”, etc.)

The Company has adopted ASBJ Statement No.29, “Accounting Standard for Revenue Recognition” (March 31, 2020) (hereinafter referred to as “The Accounting Standard”), etc. since the beginning of the current consolidated fiscal year; and recognizes revenue at the amount expected to be received in exchange for the goods or services when control over the promised goods or services is transferred to the customer. The Company had previously adopted percentage of completion method for recognizing revenue from construction contracts when the outcome of the progress part of the construction was deemed certain ; otherwise the completed contract method was adopted; thereby however, the Company has changed it to the method which recognizes revenue over a period of time as the performance obligation to transfer the goods or services to the customer is satisfied when control over the goods or services is transferred to the customer over a period of time. The Company measures progress related to the satisfaction of performance obligations based on the percentage of construction costs incurred by the end of each reporting period to the total expected construction costs. If it is impossible to estimate reasonably the progress of satisfaction of the performance obligation, but probable that the costs incurred will be recovered, the Company recognizes revenue using “the cost recovery method”. For construction contracts where the period from the date of the contract commencement to the date when the performance obligation is expected to be fully satisfied is very short, the Company applies the alternative treatment; and recognizes revenue when the performance obligation is fully satisfied, instead of recognizing revenue a period of time. This change in accounting policy has been applied retrospectively in principle; and financial statements for the previous consolidated fiscal year have been adjusted retrospectively. However, the following methods specified in the accounting Standard, paragraph 85 have been applied.

(1) For contracts in which almost all amounts of revenue were recognized in accordance with the previous treatment prior to the beginning of the previous consolidated fiscal year, the comparative information shall not be adjusted retrospectively.

(2) For amounts of variable consideration included in contracts in which almost all amounts of the revenue were recognized in accordance with the previous treatment prior to the beginning of the current consolidated fiscal year, the comparative information shall be adjusted retrospectively using the amount at the time when the uncertainty regarding the amount of the variable consideration is resolved.

As a result, net sales for the previous consolidated fiscal year increased by ¥145 million, cost of sales increased by ¥145 million, and operating profit, ordinary profit, and profit before income taxes decreased by ¥0 million, respectively, compared with those before the retrospective application. In addition, the balance of retained earnings at the beginning of the previous consolidated fiscal year increased by ¥0 million, as the cumulative effect was reflected in net assets at the beginning of the previous consolidated fiscal year.

(Accounting Standard for Fair Value Measurement.)

The Company has adopted ASBJ Statement No.30” Accounting Standard for Fair Value Measurement” (July 4, 2019) (hereinafter referred to as “The Accounting Standard”), etc. since the beginning of the current consolidated fiscal year; and adopts the new accounting policies specified in the accounting Standard , etc. into the future in accordance with the transitional treatment specified in both the accounting Standard paragraph 19 and ASBJ Statement No.10 Accounting Standard for Financial Instruments (July 4, 2019) Paragraph 44 2. For your information, there is no impact caused by the application on the consolidated financial statements.

2. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Million yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	122,029	56,845
Notes receivable - trade	296	3,937
Electronically recorded monetary claims - operating	6,547	2,855
Accounts receivable from completed construction contracts	111,971	131,736
Accounts receivable- other business	854	764
Real estate for sale	511	504
Costs on construction contracts in progress	5,236	4,420
Costs on other business	948	903
Raw materials and supplies	3	2
Prepaid expenses	81	57
Other	8,528	8,896
Allowance for doubtful accounts	(12)	(14)
Total current assets	256,996	210,910
Non-current assets		
Property, plant and equipment		
Buildings	18,334	17,495
Accumulated depreciation	(10,051)	(9,914)
Buildings, net	8,282	7,580
Structures	2,174	2,113
Accumulated depreciation	(1,829)	(1,788)
Structures, net	345	324
Machinery and equipment	3,767	3,850
Accumulated depreciation	(3,087)	(3,263)
Machinery and equipment, net	679	586
Vehicles	186	174
Accumulated depreciation	(148)	(151)
Vehicles, net	37	23
Tools, furniture and fixtures	3,780	3,787
Accumulated depreciation	(3,244)	(3,360)
Tools, furniture and fixtures, net	535	426
Land	12,984	12,979
Leased assets	334	408
Accumulated depreciation	(141)	(188)
Leased assets, net	192	220
Construction in progress	—	1,658
Total property, plant and equipment	23,058	23,800

(Million yen)

	As of March 31, 2021	As of March 31, 2022
Intangible assets		
Leasehold interests in land	106	106
Software	966	989
Other	181	190
Total intangible assets	1,254	1,285
Investments and other assets		
Investment securities	21,399	20,680
Shares of subsidiaries and associates	2,679	2,679
Investments in capital	25	25
Investments in capital of subsidiaries and associates	111	1,987
Long-term loans receivable	12	9
Long-term loans receivable from employees	43	—
Long-term loans receivable from subsidiaries and associates	1,630	1,783
Claims provable in bankruptcy, claims provable in rehabilitation and other	1	1
Long-term prepaid expenses	98	52
Prepaid pension costs	447	2,167
Deferred tax assets	7,378	6,638
Other	3,231	3,098
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	37,060	39,123
Total non-current assets	61,373	64,209
Total assets	318,369	275,120
Liabilities		
Current liabilities		
Notes payable - trade	2,325	—
Electronically recorded obligations - operating	9,954	—
Accounts payable for construction contracts	56,091	48,401
Accounts payable - other business	378	342
Short-term borrowings	16,226	16,590
Current portion of bonds	291	237
Lease obligations	71	82
Accounts payable - other	2,248	4,719
Accrued expenses	35	35
Income taxes payable	4,524	2,500
Advances received on construction contracts in progress	26,986	17,599
Advances received on other business	337	284
Deposits received	29,454	32,452
Unearned revenue	2	2
Provision for warranties for completed construction	2,128	1,440
Provision for bonuses	2,459	2,567
Provision for loss on construction contracts	1,248	594
Provision for loss on damage due to fire	5,996	3,921
Other	3,475	872
Total current liabilities	164,240	132,644

	As of March 31, 2021	As of March 31, 2022
Non-current liabilities		
Bonds payable	400	162
Long-term borrowings	7,799	7,254
Lease obligations	132	153
Provisions for retirement benefits	7,957	2,989
Provision for environmental measures	139	138
Provision for management board incentive plan trust	116	162
Asset retirement obligations	578	565
Other	355	317
Total non-current liabilities	17,479	11,744
Total liabilities	181,720	144,389
Net assets		
Shareholders' equity		
Share capital	17,006	17,006
Capital surplus		
Legal capital surplus	17,123	17,123
Other capital surplus	2,861	—
Total capital surpluses	19,984	17,123
Retained earnings		
Other retained earning		
Reserve for specified shares	25	25
Retained earnings brought forward	106,108	104,033
Total retained earnings	106,133	104,058
Treasury shares	(10,187)	(10,422)
Total shareholders' equity	132,936	127,765
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,709	2,965
Total valuation and translation adjustments	3,709	2,965
Share acquisition rights	3	—
Total net assets	136,649	130,730
Total liabilities and net assets	318,369	275,120

(2) 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		
Net sales of completed construction contracts	328,189	310,790
Sales in other businesses	4,878	5,077
Total net sales	333,067	315,867
Cost of sales		
Cost of sales of completed construction contracts	284,153	268,700
Cost of sales in other businesses	4,162	4,422
Total cost of sales	288,316	273,123
Gross profit		
Gross profit on completed construction contracts	44,035	42,090
Gross profit - other business	715	654
Total gross profit	44,751	42,744
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	257	257
Provision for management board incentive plan trust	46	64
Employees' salaries and allowances	5,966	5,500
Provision for bonuses	2,008	1,963
Retirement benefit expenses	619	450
Legal welfare expenses	1,204	1,126
Welfare expenses	337	397
Repair and maintenance expenses	330	253
Stationery expenses	390	402
Communication and transportation expenses	890	976
Power utilities expenses	85	84
Research study expenses	2,683	2,923
Advertising expenses	136	165
Provision of allowance for doubtful accounts	(1)	1
Entertainment expenses	185	199
Donations	75	64
Rent expenses on land and buildings	794	869
Depreciation	1,037	1,117
Taxes and dues	1,116	987
Insurance expenses	122	97
Miscellaneous expenses	749	725
Selling, general and administrative expenses	19,038	18,629
Operating profit	25,712	24,114

	For the Fiscal year ended March 31, 2021	For the Fiscal year ended March 31, 2022
Non-operating income		
Interest income	29	24
Interest on securities	0	—
Dividend income	523	563
Late charges income	—	166
Gain on extinguishment of debt	23	187
Other	78	166
Total non-operating income	656	1,107
Non-operating expenses		
Interest expenses	314	306
Interest on bonds	8	5
Commission for purchase of treasury shares	43	155
Commission expenses	849	154
Foreign exchange losses	18	100
Compensation for damage	133	376
Other	530	181
Total non-operating expenses	1,900	1,281
Ordinary profit	24,468	23,939
Extraordinary income		
Gain on reversal of provision for loss on damage due to fire	27	—
Subsidy income	354	27
Gain on sales of non-current assets	12	—
Gain on sales of investment securities	160	241
Total extraordinary income	555	268
Extraordinary losses		
Loss on damage due to fire	25	180
Loss on tax purpose reduction entry of non current assets	354	27
Loss on valuation of investment securities	—	27
Head office relocation expenses	—	306
Impairment loss	884	—
Loss on litigation	74	42
Loss on retirement of non-current assets	—	107
Total extraordinary losses	1,339	691
Profit before income taxes	23,684	23,517
Income taxes - current	7,346	5,942
Income taxes - deferred	140	1,016
Total income taxes	7,486	6,958
Profit	16,198	16,558

(3) Non-Consolidated Statements of Changes in Equity

(Fiscal year ended March 31, 2021)

(Million yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings		
					Reserve for specified shares	Retained earnings brought forward			
Balance at beginning of period	17,006	17,123	2,868	19,992	—	95,737	95,737	(5,284)	127,451
Cumulative effects of changes in accounting policies						0	0		0
Restated balance	17,006	17,123	2,868	19,992	—	95,738	95,738	(5,284)	127,452
Changes in items during period									
Dividends of surplus						(5,802)	(5,802)		(5,802)
Profit						16,198	16,198		16,198
Purchase of treasury shares								(4,936)	(4,936)
Disposal of treasury shares			(7)	(7)				32	25
Cancellation of treasury shares									
Transfer from other retained earnings to other capital surplus									
Reserve for specified shares					25	(25)	—		—
Net changes in items other than shareholders' equity									
Total changes in items during period	—	—	(7)	(7)	25	10,370	10,395	(4,903)	5,484
Balance at end of period	17,006	17,123	2,861	19,984	25	106,108	106,133	(10,187)	132,936

	Valuation and translation adjustments		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	1,876	1,876	4	129,332
Cumulative effects of changes in accounting policies				0
Restated balance	1,876	1,876	4	129,333
Changes in items during period				
Dividends of surplus				(5,802)
Profit				16,198
Purchase of treasury shares				(4,936)
Disposal of treasury shares				25
Cancellation of treasury shares				
Transfer from other retained earnings to other capital surplus				
Reserve for specified shares				—
Net changes in items other than shareholders' equity	1,833	1,833	(1)	1,831
Total changes in items during period	1,833	1,833	(1)	7,316
Balance at end of period	3,709	3,709	3	136,649

(Fiscal year ended March 31, 2022)

(Million yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings		
					Reserve for specified shares	Retained earnings brought forward			
Balance at beginning of period	17,006	17,123	2,861	19,984	25	106,108	106,133	(10,187)	132,936
Cumulative effects of changes in accounting policies									
Restated balance	17,006	17,123	2,861	19,984	25	106,108	106,133	(10,187)	132,936
Changes in items during period									
Dividends of surplus						(6,423)	(6,423)		(6,423)
Profit						16,558	16,558		16,558
Purchase of treasury shares								(15,328)	(15,328)
Disposal of treasury shares			(23)	(23)				45	22
Cancellation of treasury shares			(15,047)	(15,047)				15,047	—
Transfer from other retained earnings to other capital surplus			12,210	12,210		(12,210)	(12,210)		—
Reserve for specified shares									
Net changes in items other than shareholders' equity									—
Total changes in items during period	—	—	(2,861)	(2,861)	—	(2,075)	(2,075)	(234)	(5,170)
Balance at end of period	17,006	17,123	—	17,123	25	104,033	104,058	(10,422)	127,765

	Valuation and translation adjustments		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	3,709	3,709	3	136,649
Cumulative effects of changes in accounting policies				
Restated balance	3,709	3,709	3	136,649
Changes in items during period				
Dividends of surplus				(6,423)
Profit				16,558
Purchase of treasury shares				(15,328)
Disposal of treasury shares				22
Cancellation of treasury shares				—
Transfer from other retained earnings to other capital surplus				—
Reserve for specified shares				
Net changes in items other than shareholders' equity	(744)	(744)	(3)	(747)
Total changes in items during period	(744)	(744)	(3)	(5,918)
Balance at end of period	2,965	2,965	—	130,730

3. Supplementary Information

(1) Results for the fiscal year ended March 31, 2022 and forecasts for the six months ending September 30, 2023 and full year

1. Non-consolidated

(Unit: Million yen. Rounded down to the unit)

Items		Results for the fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022		Fiscal year ending March 31, 2023	
			Forecasts for the fiscal year ended March 31, 2022 (announced in February 2022)	Results for the fiscal year ended March 31, 2022	Forecasts for the six months ending September 30, 2022	Full year forecasts
Orders received	Civil engineering	101,527	125,000	122,593	50,000	125,000
	Building construction	199,341	210,000	187,250	112,500	230,000
	Total orders received	300,869	335,000	309,843	162,500	355,000
Net sales of completed construction contracts	Civil engineering	135,976	133,000	132,264	62,000	145,000
	Building construction	192,212	177,000	178,526	85,000	200,000
	Total net sales of completed construction contracts	328,189	310,000	310,790	147,000	345,000
Gross profit on completed construction contracts	Civil engineering	23,303 [17.1%]	22,400 [16.8%]	21,467 [16.2%]	9,800 [15.8%]	23,200 [16.0%]
	Building construction	20,732 [10.8%]	18,500 [10.5%]	20,622 [11.6%]	7,300 [8.6%]	17,500 [8.8%]
	Total gross profit on completed construction contracts	44,035 [13.4%]	40,900 [13.2%]	42,090 [13.5%]	17,100 [11.6%]	40,700 [11.8%]
Gross sales	333,067	315,000	315,867	151,000	353,000	
Gross profit	44,751 [13.4%]	41,600 [13.2%]	42,744 [13.5%]	17,500 [11.6%]	41,500 [11.8%]	
Selling, general and administrative expenses	19,038	18,500	18,629	9,500	18,900	
Operating profit	25,712 [7.7%]	23,100 [7.3%]	24,114 [7.6%]	8,000 [5.3%]	22,600 [6.4%]	
Non-operating income/expenses [Interest income/expenses]	(1,244) [230]	(1,000) [150]	(174) [275]	(300) [220]	(500) [230]	
Ordinary profit	24,468 [7.3%]	20,100 [7.0%]	23,939 [7.6%]	7,700 [5.1%]	22,100 [6.3%]	
Extraordinary income/losses	(783)	—	(422)	(300)	(300)	
Profit before income taxes	23,684 [7.1%]	22,100 [7.0%]	23,517 [7.4%]	7,400 [4.9%]	21,800 [6.2%]	
Tax expenses	7,486	7,000	6,958	2,400	6,700	
Profit	16,198 [4.9%]	15,100 [4.8%]	16,558 [5.2%]	5,000 [3.3%]	15,100 [4.3%]	

2. Consolidated

(Unit: Million yen. Rounded down to the unit)

Items	Results for the fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022		Fiscal yearending March 31, 2023	
		Forecasts for the fiscal year ended March 31, 2022 (announced in February 2022)	Results for the fiscal year ended March 31, 2022	Forecasts for the six months ending September 30, 2022	Full year Forecasts
Gross sales	352,146	339,000	340,293	162,000	377,000
Selling, general and administrative expenses	20,808	20,300	20,261	10,300	20,600
Operating profit	27,356 [7.8%]	24,900 [7.3%]	26,600 [7.8%]	8,200 [5.1%]	24,000 [6.4%]
Ordinary profit	25,890 [7.4%]	23,400 [6.9%]	25,838 [7.6%]	7,600 [4.7%]	23,100 [6.1%]
Profit attributable to owners of parent	17,188 [4.9%]	15,800 [4.7%]	17,671 [5.2%]	4,700 [2.9%]	15,600 [4.1%]

(2) Non-consolidated orders received, net sales, and year-end backlog

(Orders received for the construction business)

(Unit: Million yen, %)

Category		For the fiscal year ended March 31, 2021		For the fiscal year ended March 31, 2022		Increase/decrease	
		Amount	%	Amount	%	Amount	% change
Domestic civil engineering	Government sector	66,969	[66.3]	80,672	[65.9]	13,703	20.5
	Private sector	33,978	[33.7]	41,760	[34.1]	7,782	22.9
	Total	100,947	33.6	122,432	39.5	21,485	21.3
Domestic building construction	Government sector	42,475	[21.7]	29,467	[16.9]	(13,008)	(30.6)
	Private sector	153,272	[78.3]	145,009	[83.1]	(8,262)	(5.4)
	Total	195,747	65.1	174,476	56.3	(21,270)	(10.9)
Domestic	Government sector	109,444	[36.9]	110,139	[37.1]	694	0.6
	Private sector	187,251	[63.1]	186,770	[62.9]	(480)	(0.3)
	Total	296,695	98.6	296,909	95.8	214	0.1
Overseas	Civil engineering	579	[13.9]	160	[1.2]	(419)	(72.4)
	Building construction	3,593	[86.1]	12,773	[98.8]	9,179	255.4
	Total	4,173	1.4	12,933	4.2	8,759	209.9
Sum total	Civil engineering	101,527	[33.7]	122,593	[39.6]	21,065	20.7
	Building construction	199,341	[66.3]	187,250	[60.4]	(12,091)	(6.1)
	Total	300,869	100.0	309,843	100.0	8,974	3.0

(Net sales for the construction business)

(Unit: Million yen, %)

Category		For the fiscal year ended March 31, 2021		For the fiscal year ended March 31, 2022		Increase/decrease	
		Amount	%	Amount	%	Amount	% change
Domestic civil engineering	Government sector	85,010	[66.1]	76,435	[61.3]	(8,575)	(10.1)
	Private sector	43,690	[33.9]	48,200	[38.7]	4,510	10.3
	Total	128,701	39.2	124,636	40.1	(4,064)	(3.2)
Domestic building construction	Government sector	18,591	[10.2]	26,661	[15.6]	8,070	43.4
	Private sector	164,057	[89.8]	144,758	[84.4]	(19,299)	(11.8)
	Total	182,649	55.7	171,420	55.2	(11,228)	(6.1)
Domestic	Government sector	103,602	[33.3]	103,097	[34.8]	(504)	(0.5)
	Private sector	207,748	[66.7]	192,959	[65.2]	(14,788)	(7.1)
	Total	311,350	94.9	296,057	95.3	(15,293)	(4.9)
Overseas	Civil engineering	7,274	[43.2]	7,627	[51.8]	352	4.8
	Building construction	9,563	[56.8]	7,106	[48.2]	(2,457)	(25.7)
	Total	16,838	5.1	14,733	4.7	(2,104)	(12.5)
Sum total	Civil engineering	135,976	[41.4]	132,264	[42.6]	(3,712)	(2.7)
	Building construction	192,212	[58.6]	178,526	[57.4]	(13,686)	(7.1)
	Total	328,189	100.0	310,790	100.0	(17,398)	(5.3)

(Year-end backlog for the construction business)

(Unit: Million yen, %)

Category		For the fiscal year ended March 31, 2021		For the fiscal year ended March 31, 2022		Increase/decrease	
		Amount	%	Amount	%	Amount	% change
Domestic civil engineering	Government sector	139,777	[44.8]	144,013	[46.5]	4,236	3.0
	Private sector	171,907	[55.2]	165,466	[53.5]	(6,440)	(3.7)
	Total	311,684	60.0	309,480	59.7	(2,203)	(0.7)
Domestic building construction	Government sector	44,472	[24.1]	47,277	[25.2]	2,805	6.3
	Private sector	140,040	[75.9]	140,291	[74.8]	250	0.2
	Total	184,513	35.5	187,569	36.2	3,056	1.7
Domestic	Government sector	184,249	[37.1]	191,291	[38.5]	7,041	3.8
	Private sector	311,947	[62.9]	305,758	[61.5]	(6,189)	(2.0)
	Total	496,197	95.5	497,049	95.8	852	0.2
Overseas	Civil engineering	18,033	[78.0]	10,664	[49.3]	(7,369)	(40.9)
	Building construction	5,093	[22.0]	10,969	[50.7]	5,876	115.4
	Total	23,126	4.5	21,633	4.2	(1,493)	(6.5)
Sum total	Civil engineering	329,717	[63.5]	320,144	[61.7]	(9,572)	(2.9)
	Building construction	189,606	[36.5]	198,538	[38.3]	8,932	4.7
	Total	519,324	100.0	518,683	100.0	(640)	(0.1)

(Net sales for other businesses)

(Unit: Million yen, %)

Category	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022	Increase/decrease	
	Amount	Amount	Amount	% change
Other businesses	4,878	5,077	198	4.1