

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 13, 2022

Company name: Br. Holdings Corporation
 Stock exchange listing: Tokyo
 Stock code: 1726 URL <https://www.brhd.co.jp>
 Representative: President Kimiyasu Fujita
 Director, General Manager, Administration
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 Scheduled date of ordinary general meeting of shareholders: June 17, 2022
 Scheduled date to file Securities Report: June 20, 2022
 Scheduled date to commence dividend payments: June 20, 2022
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2022	35,899	(7.5)	2,289	(24.8)	2,296	(22.3)	1,527	(21.6)
Year ended March 31, 2021	38,797	11.6	3,045	41.1	2,954	40.9	1,948	44.4

Note: Comprehensive income

Year ended March 31, 2022: ¥1,538 million [(22.0) %]

Year ended March 31, 2021: ¥1,970 million [56.8 %]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	33.85	33.55	12.1	6.9	6.4
Year ended March 31, 2021	49.69	49.18	20.7	10.0	7.8

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

Year ended March 31, 2022: ¥- million

Year ended March 31, 2021: ¥- million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	33,961	13,296	38.8	292.06
As of March 31, 2021	32,649	12,152	36.9	267.80

Reference: Equity

As of March 31, 2022: ¥13,193 million

As of March 31, 2021: ¥12,049 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	20	(520)	(639)	1,425
Year ended March 31, 2021	(3,224)	(194)	3,672	2,565

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	–	5.00	–	6.00	11.00	464	22.1	5.0
Year ended March 31, 2022	–	6.00	–	6.00	12.00	542	35.5	4.3
Year ending March 31, 2023 (Forecast)	–	6.00	–	6.00	12.00		33.8	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	37,000	3.1	2,450	7.0	2,400	4.5	1,600	4.8	35.46

Note: As Br. Holdings Corporation (the “Company”) conducts performance management on an annual basis, a forecast of consolidated financial results for the first six months of the year ending March 31, 2023 is omitted for disclosure purposes. For details, please refer to the section of “1. Overview of operating results and others, (1) Analysis of operating results” on page 2 of the Attached Material.

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2022	45,795,000 shares	As of March 31, 2021	45,795,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	622,596 shares	As of March 31, 2021	802,596 shares
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Average number of shares during the period

Year ended March 31, 2022	45,121,117 shares	Year ended March 31, 2021	39,203,387 shares
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(Reference) Overview of non-consolidated financial results

1. Non-consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit (loss)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2022	1,128	4.1	530	3.2	548	8.3	592	7.9
Year ended March 31, 2021	1,084	16.7	514	34.2	506	28.4	549	30.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended March 31, 2022	13.14	13.02
Year ended March 31, 2021	14.02	13.88

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	19,309	8,323	42.6	181.97
As of March 31, 2021	19,534	8,187	41.4	179.68

(Reference) Equity

As of March 31, 2022: ¥8,220 million
As of March 31, 2021: ¥8,084 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of financial forecasts, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements, including financial results forecasts, contained in this material are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, actual operating and other results may differ substantially due to various factors.

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1. Overview of operating results and others

(1) Analysis of operating results

(i) Operating results for the fiscal year ended March 31, 2022

During the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022) (the “fiscal year under review”), the Japanese economy saw an improvement in capital investment and corporate performance in economic activities, as restrictions eased due to widespread vaccination against COVID-19. However, the situation is far from settled, as new highly infectious variant strains have been identified, and the outlook remains uncertain due to global shortages of semiconductors and other components and soaring raw material prices.

In the construction industry, the core business of Br. Holdings Corporation (the “Company”) and its subsidiaries (collectively “the Group”), coping with aging infrastructure has become an important social issue. For example, the Group’s prestressed concrete (PC) bridges will be a part of the “five-year acceleration measures for disaster prevention/mitigation and national resilience,” led by the national and local governments, which involves measures to strengthen the functionality of road networks such as renovation of aging road facilities, elimination of missing links and making high-standard expressways four lane (two lanes each direction), and making the high-standard expressway and national roads a double network.

Under these circumstances, public and private-sector investment remained steady and showed signs of picking up, while competition for orders intensified in the construction industry.

Regarding the Group, COVID-19 may have an impact on the progress of future construction and total cost of construction, which is a computational element for the application of accounting standards for revenue recognition, in the construction business, the core business of the Group. However, there is currently no construction where any impact has materialized. Furthermore, serious impacts have not occurred in other lines of business.

Under these circumstances, net sales for the fiscal year under review were ¥35,899 million (down 7.5% year on year), operating profit was ¥2,289 million (down 24.8% year on year), ordinary profit was ¥2,296 million (down 22.3% year on year), and profit attributable to owners of parent ¥1,527 million (down 21.6% year on year).

The Group’s performance by business segment is as follows. The amounts below include intersegment transactions.

Construction business

In the construction business, in recent years, large orders for PC slab replacement projects have tended to have a significant impact on the amount of orders received. Due to the impact of a large order received in the same period of the previous fiscal year for the replacement of expressway floor slabs, orders received are ¥26,422 million (down 35.7% year on year), and the amount of construction contracts was ¥46,770 million (down 9.4% year on year).

Net sales were ¥31,236 million (down 7.9% year on year) and segment profit was ¥3,355 million (down 14.0% year on year).

Product sales business

In the product sales business, the amount of orders received was ¥4,687 million (up 5.9% year on year) for the fiscal year under review, owing to an increase in the number of orders received for products of replacement of PC slabs and railroad sleepers.

Despite an increase in sales of railroad sleepers, the delivery of products of replacement of PC slabs ordered in the fiscal year under review was delayed until the current fiscal year, resulting in net sales of ¥4,429 million (down 12.7% year on year) and a segment profit of ¥209 million (down 38.6% year on year).

Information systems business

In the information systems business, the outlook for the contracted software development business and temporary staffing business, both of which the Group is engaged in, remains uncertain due to the impact of COVID-19. Due to the trend of decreased acceptance by our business partners caused by

COVID-19, net sales for the fiscal year under review were ¥394 million (down 12.3% year on year), and segment profit was ¥5 million (down 79.1% year on year).

Real estate leasing business

In the real estate leasing business, the Group leases office space and manages rental properties for stores and housing in the Kyokuto Building, which is owned by the Company. The Group also leases office space to its subsidiaries, which was rented by the Company to use as bases of the subsidiaries. We therefore record stable net sales.

Net sales were ¥175 million (up 1.0% year on year) and segment profit was ¥116 million (down 1.1% year on year) for the fiscal year under review.

(ii) Future outlook

In the Group's business environment, the Expressway Renewal Project being carried out by the three NEXCO expressway companies, which involves a total investment of ¥3 trillion in large-scale expressway renewal and large-scale expressway repair, has been continuing for seven years since starting in fiscal 2015, and it is progressing smoothly. Moreover, in railway related projects, the Kyushu Shinkansen's Nishi-Kyushu Shinkansen Route's Takeo-Onsen to Nagasaki segment is scheduled to open in Autumn 2022, the Hokuriku Shinkansen's Kanazawa to Tsuruga segment is scheduled to open in about 2024, the Hokkaido Shinkansen's Shin-Hakodate-Hokuto to Sapporo segment is scheduled to open at the end of fiscal 2030, and the Linear Chuo Shinkansen's Shinagawa to Nagoya segment is scheduled to open in 2027, and then the line will be extended to Osaka.

In addition to this, the government has announced the ¥15 trillion budget "five-year plan for disaster prevention and mitigation and strengthening of national resilience" starting in fiscal 2021, in which measures to strengthen functionality of the road network, including the elimination of missing links on high-standard expressways and making provisional two lane (one lane each direction) sections four lanes, as well as measures to address the deterioration of road facilities, are set forth as priority measures. Therefore, we expect an increase in orders from large projects such as these.

In this business environment, the Group's beginning balance of construction contracts totaled ¥46,770 million. While the percentage of long-term large-scale construction projects for expressways, such as PC slab replacement and four-lane construction, is increasing, we expect to secure a certain level of sales in fiscal 2022 by applying the percentage-of-completion method. However, we anticipate that the progress of large-scale construction projects ordered in the second half of the fiscal year under review will advance from the second half of fiscal 2022, and for these reasons we expect net sales of ¥37,000 million, operating profit of ¥2,450 million, ordinary profit of ¥2,400 million, and profit attributable to owners of parent of ¥1,600 million for the next fiscal year.

The Group will continue to actively participate in large-scale renewal and repair work for expressways and large-scale projects related to railway, including the Hokuriku Shinkansen, and will work to improve productivity and promote work-style reforms, aiming to build an organizational structure corresponding to the government policy regarding strengthening national resilience and ensure our competitiveness.

[Transition to the Prime Market]

The Company was selected as a constituent of the JPX-Nikkei Mid and Small Cap Index for fiscal 2021 (August 31, 2021 – August 30, 2022), which is jointly calculated by the Tokyo Stock Exchange, Inc. and Nikkei Inc.

We also moved to the Prime Market, one of the three new markets created by the reorganization in April.

[Sustainable Management Initiatives]

Given the ever-increasing importance of sustainable management, which simultaneously aims for sustainable corporate growth and a sustainable global environment and society, we established a

Sustainability Promotion Office in fiscal 2021 as an organization dedicated to speedily respond to the changing times and implement initiatives to solve sustainability-related management issues (SDGs and DX).

In order to achieve carbon neutrality by 2050, a global warming prevention initiative which is gaining momentum worldwide, we will continue our efforts to build a sustainable society by promoting the use of alternatives to cement, which emits large amounts of CO₂, by expanding the adoption of environmentally friendly proprietary construction methods, and by promoting the use of clean energy.

(The Group's main CO₂ reduction initiatives)

A. Reduction of CO₂ by fabricating structures using admixture (blast-furnace slag fine powder, fly ash) as an alternative to cement

(a) Main initiatives utilizing blast-furnace slag fine powder

Blast-furnace slag fine powder is a hydraulic admixture produced by pulverizing granulated blast furnace slag, a by-product of blast furnaces at steel mills. By replacing cement in the manufacture of concrete products, it is expected to make effective use of industrial by-products and reduce greenhouse gas emissions.

Concrete products using blast-furnace slag fine powder (mainly PC slabs)

FY order received	Name of construction project	Client	Cement replacement ratio
2016	Yotani Bridge & other bridges slab replacement	NEXCO-West	50%
2017	Yamada Bridge & other bridges slab replacement	NEXCO-West	50%
2018	Eboshi First Bridge slab replacement	NEXCO-West	50%
2019	Akayama Bridge slab replacement	NEXCO-West	50%
2019	Honmachi Viaduct slab replacement	NEXCO-West	50%
2019	Shonaigawa Bridge slab replacement	NEXCO-Central	50%
2020	Kamihagiwara & 8 other bridges slab replacement	NEXCO-West	50%
2020	Kusarigawa Bridge slab replacement	NEXCO-Central	50%
2020	Gonokawa Third Bridge & other bridges slab replacement	NEXCO-West	50%
2021	Seikenji Bridge slab replacement (tentative)	NEXCO-Central	50%
2021	Yotani Bridge & 1 other bridge slab replacement (tentative)	NEXCO-West	50%
—	PC composite bridges (produced by Shizuoka Factory)	Kanto region	30%

(b) Main initiatives using fly ash

Fly ash is a particulate ash produced in large quantities when coal is burned in thermal power plants, and is used as an admixture to improve the quality and workability of concrete, while also contributing to the reduction of industrial waste.

Concrete products using fly ash (mainly girders for bridges)

FY order received	Name of construction project	Client	Cement replacement ratio
2006	Haizuka Dam-top Bridge	MLIT (Hiroshima)	30%
2006	Shitsumi Dam route construction, Ogawajiri Bridge	MLIT (Shimane)	30%
2013	Shimane Nuclear Power Station No. 3, installation of duct connected to the fire-extinguishing tank	The Chugoku Electric Power Company, Incorporated	30%
2015	Shimane Nuclear Power Station No. 3, installation of duct connected to the fire-extinguishing tank 2	The Chugoku Electric Power Company, Incorporated	30%
2016	Shimane Nuclear Power Station, construction of means to prevent the inflow of groundwater	The Chugoku Electric Power Company, Incorporated	30%
2020	Agricultural road bridge No. 1	Shimane Prefecture	50%
2020	Misumi Power Station Unit 2 construction, installation of water intake tank, water discharge connection tank	The Chugoku Electric Power Company, Incorporated	30%
—	PC girders in Chugoku region	Chugoku region	30%

B. Reduction by proprietary technology construction method

(a) Micropiling Method

By shifting the new rock shed foundation work from conventional deep foundation piles to our proprietary micropiling method, CO₂ emissions were reduced by 45% by downsizing the equipment, reducing excavation, reducing the scale of temporary facilities, and shortening the construction period.

(b) K-LIP Method

It is said that fundamental repair of piers and other structures deteriorated by alkali-silica reaction (ASR), also known as “concrete cancer,” is impossible with conventional methods. The K-LIP method has made such ASR repairs possible and extends the life of the structure, thereby reducing life-cycle CO₂ (LC-CO₂).

(c) Branch Block Construction Method

This method combines masonry construction using natural stone with branch blocks, which are secondary concrete products. The amount of ready-mixed concrete used in the products and on site is reduced, which in turn reduces CO₂ emissions.

(d) S-type rock frame construction method Gripac

This method uses Gripac, a secondary concrete product, to construct a retaining wall integrated with the filling material. The amount of ready-mixed concrete used in the products and on site is reduced, which in turn reduces CO₂ emissions.

C. Reduction by Research & Development

(a) Geopolymer technology

We are conducting research and development to reduce LC-CO₂ by applying our proprietary K-LIP method to concrete materials that have lost strength due to fire damage and restoring their function by internally press-fitting geopolymer without using cement.

(b) Development of artificial seaweed reef products

Artificial seaweed reefs are products that are installed on the seafloor to form seaweed beds and promote the reduction of CO₂ and the purification of ocean areas through the greening of the sea. We aim to expand carbon sinks and conserve marine resources by developing seaweed reef products that utilize porous concrete, which has excellent greening performance.

(2) Analysis of financial positions**(i) Assets, liabilities, and net assets**

Total assets at the end of the fiscal year under review increased by ¥1,312 million year on year to ¥33,961 million.

Current assets at the end of the fiscal year under review increased by ¥1,280 million year on year to ¥27,949 million. This was mainly due to an increase of ¥2,070 million in accounts receivable - other, and a ¥682-million increase in notes receivable, accounts receivable from completed construction contracts and other, despite a ¥1,173 million decrease in cash and deposits, a decrease of ¥258 million in costs on construction contracts in progress, and a decrease of ¥188 million in merchandise and finished goods.

Non-current assets at the end of the fiscal year under review increased by ¥31 million year on year to ¥6,012 million. This was mainly due to an increase of ¥36 million in property, plant and equipment.

Total liabilities at the end of the fiscal year under review increased by ¥168 million year on year to ¥20,665 million.

Current liabilities at the end of the fiscal year under review increased by ¥139 million year on year to ¥17,737 million. This was mainly due to increases of ¥955 million in advances received on construction contracts in progress, ¥670 million in notes payable, accounts payable for construction contracts and other, and ¥386 million in deposits received, even though there were decreases of ¥567 million in income taxes payable, ¥370 million in electronically recorded obligations - operating, ¥355 million in accrued consumption taxes, and ¥124 million in accounts payable - other.

Non-current liabilities at the end of the fiscal year under review increased by ¥28 million year on year to ¥2,928 million. This was mainly due to an increase in long-term borrowings.

Total net assets at the end of the fiscal year under review increased by ¥1,144 million year on year to ¥13,296 million mainly due to the profit attributable to owners of parent of ¥1,527 million, against shareholders' dividends of ¥540 million, and a cumulative effect of a change in accounting policy of ¥57 million.

(ii) Cash flows

Cash and cash equivalents ("cash") for the fiscal year under review decreased by ¥1,139 million year on year to ¥1,425 million.

Cash flows from operating activities

Cash provided by operating activities amounted to ¥20 million. This was mainly due to a profit before income taxes of ¥2,296 million, an increase in advances received on construction contracts in progress of ¥955 million, an increase in deposits received of ¥386 million, depreciation of ¥349 million, an increase in trade payables of ¥299 million, and a decrease in costs on construction contracts in progress of ¥215 million, despite an increase in accounts receivable - other of ¥2,071 million, income taxes paid of ¥1,295 million, a decrease in accrued consumption taxes of ¥405 million, an increase in inventories of ¥359 million, and an increase in trade receivables of ¥118 million.

Cash flows from investing activities

Cash used in investing activities amounted to ¥520 million. This was mainly due to purchase of property, plant and equipment of ¥529 million and payments into time deposits of ¥446 million, despite proceeds from withdrawal of time deposits of ¥480 million.

Cash flows from financing activities

Cash used in financing activities amounted to ¥639 million. This was mainly due to repayments of long-term borrowings of ¥1,300 million and dividends paid of ¥539 million despite long-term borrowings of ¥1,000 million and net increase in short-term borrowings of ¥200 million.

In addition, trends in the corporate group's cash flow indicators are as follows.

(Trends in cash flow indicators)

	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2022
Equity ratio (%)	25.6	36.9	38.8
Market value equity ratio (%)	74.0	81.4	42.6
Debt dependency ratio (%)	33.5	28.6	27.2
Current ratio (%)	139.1	155.3	172.8
Debt redemption period (years)	–	–	–
Interest coverage ratio (times)	–	–	–

Equity ratio: Equity/Total capital

Market value equity ratio: Market capitalization/Total capital

Debt dependency ratio: Interest-bearing liabilities/Total assets

Current ratio: Current assets (excluding costs on construction contracts in progress)/Current liabilities (excluding advances received on construction contracts in progress)

Debt redemption period: Interest-bearing liabilities/Operating cash flow

Interest coverage ratio: Operating cash flow/interest payment

* All indicators are calculated on a consolidated basis.

* Market capitalization is based on the closing stock price at the fiscal year-end multiplied by the number of shares issued (less treasury shares) at the fiscal year-end.

* Operating cash flow represents cash flows from operating activities in the consolidated statement of cash flows. Interest-bearing liabilities include all liabilities recorded in the consolidated balance sheets for which interest is paid. Interest payment represents interest paid in the consolidated statements of cash flows.

(3) Basic policy on profit distribution and dividends for the fiscal year ended March 31, 2022 and fiscal year ending March 31, 2023

The Group's basic policy is to consistently pay out stable dividends commensurate with business performance and actively return profits to shareholders, taking into consideration factors including future business development, strengthening of the management foundation and enhancement of internal reserves as a group.

According to the Company's basic policy, the Company pays dividends of surplus twice a year as an interim dividend and a year-end dividend. Decision-making bodies for interim dividend payments and year-end dividend payments are the Board of Directors and the General Meeting of Shareholders, respectively. The Company plans to pay a year-end dividend of ¥6 per share for the fiscal year under review. For the fiscal year ending March 31, 2023, the Company intends to pay an annual dividend of ¥12 per share (of which ¥6 per share as interim dividend).

(4) Business risks

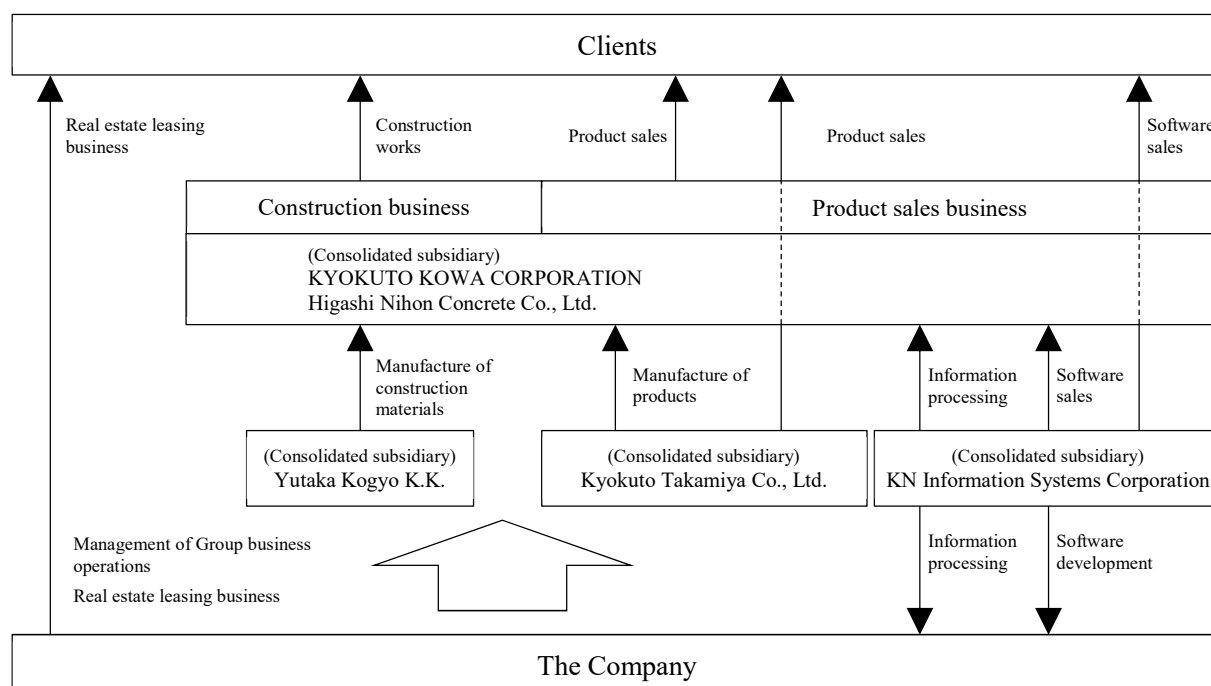
No new risks have emerged since the filing of the Annual Securities Report on February 19, 2021. Accordingly, this information has been omitted.

2. Status of the Group

The Group is a corporate group consisting of the Company and five subsidiaries. The Company, as a holding company, manages business operations of its subsidiaries and also manages leasing of the Kyokuto Building. The subsidiaries mainly operate the construction business specialized in prestressed concrete (PC) construction of bridges and other structures; the product sales business engaged in manufacturing and selling secondary concrete products; and the information systems business engaged in information processing and software developing, etc.

The positioning and operating segment for each of the subsidiaries constituting the Group are as shown below.

Construction business and product sales business	KYOKUTO KOWA CORPORATION	Construction works of mainly bridges, using PC; sale of PC; and manufacture and sale of railroad sleepers
Construction business and product sales business	Higashi Nihon Concrete Co., Ltd.	Construction works of mainly bridges, using PC; sale of PC; and manufacture and sale of railroad sleepers
Construction business	Yutaka Kogyo K.K.	Engaged primarily in manufacture of construction materials for the Group
Product sales business	Kyokuto Takamiya Co., Ltd.	Engaged primarily in manufacture of secondary concrete products for the Group
Information systems business	KN Information Systems Corporation	Engaged primarily in information processing and software developing for the Group



3. Basic rationale for selection of accounting standards

The stakeholders of the Group consist mainly of domestic shareholders, creditors and business partners. As the Group rarely has the need to procure funds from abroad, it has adopted the Japanese GAAP as its accounting standards.

The Group, however, may adopt IFRS in the future if it is deemed appropriate to do so in view of circumstances at home and abroad.

4. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

	(Millions of yen)	
	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	2,730	1,556
Notes receivable, accounts receivable from completed construction contracts and other	19,776	20,458
Costs on construction contracts in progress	635	376
Merchandise and finished goods	1,392	1,204
Work in process	97	229
Raw materials and supplies	116	136
Accounts receivable - other	1,902	3,972
Other	17	13
Total current assets	26,669	27,949
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,574	6,801
Machinery, vehicles, tools, furniture and fixtures	5,683	5,733
Land	2,081	2,201
Construction in progress	165	1
Accumulated depreciation and impairment	(9,318)	(9,514)
Total property, plant and equipment	5,186	5,223
Intangible assets		
Software	46	83
Software in progress	28	-
Telephone subscription right	20	20
Total intangible assets	95	103
Investments and other assets		
Investment securities	410	429
Deferred tax assets	152	123
Other	158	155
Allowance for doubtful accounts	(24)	(23)
Total investments and other assets	698	685
Total non-current assets	5,980	6,012
Total assets	32,649	33,961

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	4,572	5,242
Electronically recorded obligations - operating	2,267	1,897
Accounts payable - other	277	152
Short-term borrowings	5,300	5,500
Current portion of long-term borrowings	1,300	950
Income taxes payable	748	181
Accrued consumption taxes	454	99
Deposits received	1,039	1,425
Advances received on construction contracts in progress	829	1,784
Provision for loss on construction contracts	148	155
Provision for warranties for completed construction	18	20
Other	642	328
Total current liabilities	17,597	17,737
Non-current liabilities		
Long-term borrowings	2,750	2,800
Other	149	128
Total non-current liabilities	2,899	2,928
Total liabilities	20,497	20,665
Net assets		
Shareholders' equity		
Share capital	3,114	3,114
Capital surplus	2,776	2,794
Retained earnings	6,386	7,429
Treasury shares	(318)	(247)
Total shareholders' equity	11,958	13,091
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	90	101
Total accumulated other comprehensive income	90	101
Share acquisition rights	103	103
Total net assets	12,152	13,296
Total liabilities and net assets	32,649	33,961

(2) Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	38,797	35,899
Cost of sales	33,215	31,053
Gross profit	5,582	4,845
Selling, general and administrative expenses	2,537	2,556
Operating profit	3,045	2,289
Non-operating income		
Interest and dividend income	6	6
Rental income from land and buildings	6	6
Royalty income	5	2
Gain on sale of scraps	14	54
Subsidy income	5	5
Other	18	18
Total non-operating income	57	94
Non-operating expenses		
Interest expenses	48	39
Construction guarantee fee	19	18
Financing expenses	47	28
Share issuance costs	32	–
Other	0	1
Total non-operating expenses	148	87
Ordinary profit	2,954	2,296
Profit before income taxes	2,954	2,296
Income taxes - current	1,086	772
Income taxes - deferred	(80)	(2)
Total income taxes	1,006	769
Profit	1,948	1,527
Profit attributable to owners of parent	1,948	1,527

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	1,948	1,527
Other comprehensive income		
Valuation difference on available-for-sale securities	22	10
Total other comprehensive income	22	10
Comprehensive income	1,970	1,538
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,970	1,538
Comprehensive income attributable to non-controlling interests	–	–

(3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,317	951	4,826	(395)	6,699
Changes during period					
Issuance of new shares	1,796	1,796			3,593
Dividends of surplus			(388)		(388)
Profit attributable to owners of parent			1,948		1,948
Disposal of treasury shares		28		76	104
Net changes in items other than shareholders' equity					
Total changes during period	1,796	1,824	1,560	76	5,258
Balance at end of period	3,114	2,776	6,386	(318)	11,958

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	68	68	103	6,871
Changes during period				
Issuance of new shares				3,593
Dividends of surplus				(388)
Profit attributable to owners of parent				1,948
Disposal of treasury shares				104
Net changes in items other than shareholders' equity	22	22	–	22
Total changes during period	22	22	–	5,281
Balance at end of period	90	90	103	12,152

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,114	2,776	6,386	(318)	11,958
Cumulative effects of changes in accounting policies			57		57
Restated balance	3,114	2,776	6,443	(318)	12,015
Changes during period					
Dividends of surplus			(540)		(540)
Profit attributable to owners of parent			1,527		1,527
Disposal of treasury shares		17		71	89
Net changes in items other than shareholders' equity					
Total changes during period	-	17	986	71	1,075
Balance at end of period	3,114	2,794	7,429	(247)	13,091

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	90	90	103	12,152
Cumulative effects of changes in accounting policies				57
Restated balance	90	90	103	12,209
Changes during period				
Dividends of surplus				(540)
Profit attributable to owners of parent				1,527
Disposal of treasury shares				89
Net changes in items other than shareholders' equity	10	10	-	10
Total changes during period	10	10	-	1,086
Balance at end of period	101	101	103	13,296

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	2,954	2,296
Depreciation	340	349
Share-based payment expenses	104	89
Share issuance costs	32	-
Increase (decrease) in allowance for doubtful accounts	(1)	(1)
Increase (decrease) in provision for loss on construction contracts	148	8
Increase (decrease) in provision for warranties for completed construction	(16)	1
Interest and dividend income	(6)	(6)
Interest expenses	48	39
Decrease (increase) in trade receivables	(5,869)	(118)
Decrease (increase) in costs on construction contracts in progress	781	215
Decrease (increase) in other inventories	596	(351)
Decrease (increase) in accounts receivable - other	(1,493)	(2,071)
Increase (decrease) in trade payables	(679)	299
Increase (decrease) in advances received on construction contracts in progress	(596)	955
Increase (decrease) in accrued consumption taxes	349	(405)
Increase (decrease) in deposits received	783	386
Decrease (increase) in other assets	(11)	2
Increase (decrease) in other liabilities	105	(340)
Other loss (gain)	(3)	0
Subtotal	<u>(2,434)</u>	<u>1,349</u>
Interest and dividends received	6	6
Interest paid	(48)	(40)
Income taxes paid	(749)	(1,295)
Net cash provided by (used in) operating activities	<u>(3,224)</u>	<u>20</u>
Cash flows from investing activities		
Payments into time deposits	(985)	(446)
Proceeds from withdrawal of time deposits	1,240	480
Purchase of property, plant and equipment	(440)	(529)
Purchase of intangible assets	(43)	(28)
Purchase of investment securities	(1)	(1)
Proceeds from sale of investment securities	30	-
Loan advances	(0)	-
Proceeds from collection of loans receivable	5	5
Net cash provided by (used in) investing activities	<u>(194)</u>	<u>(520)</u>

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,500	200
Proceeds from long-term borrowings	–	1,000
Repayments of long-term borrowings	(1,000)	(1,300)
Proceeds from issuance of shares	3,561	–
Dividends paid	(387)	(539)
Repayments of lease liabilities	(0)	–
Net cash provided by (used in) financing activities	3,672	(639)
Net increase (decrease) in cash and cash equivalents	252	(1,139)
Cash and cash equivalents at beginning of period	2,312	2,565
Cash and cash equivalents at end of period	2,565	1,425

(5) Notes to consolidated financial statements

Notes on premise of going concern

Not applicable.

Important information constituting the basis for preparation of consolidated financial statements

1. Matters concerning the scope of consolidation

Total number of consolidated subsidiaries: 5

Names of consolidated subsidiaries:

KYOKUTO KOWA CORPORATION

Higashi Nihon Concrete Co., Ltd.

Kyokuto Takamiya Co., Ltd.

Yutaka Kogyo K.K.

KN Information Systems Corporation

2. Matters related to application of equity method

Not applicable.

3. Fiscal year of consolidated subsidiaries

The fiscal year ends of all consolidated subsidiaries are the same as the fiscal year end on a consolidated basis.

4. Accounting policies

(1) Valuation standards and methods for significant assets

a. Securities

(a) Shares of subsidiaries and associates

Stated at cost using the moving-average method.

(b) Available-for-sale securities

Securities with market price

Stated at fair value (valuation differences are excluded from income and reported in a separate component of net assets. The cost of securities sold is calculated using the moving-average method).

Securities without market price

Stated at cost using the moving-average method.

b. Inventories

(a) Costs on construction contracts in progress, finished goods and work in process

Stated at cost determined by the specific identification method (for the value stated in the balance sheet, the carrying amount is written down based on the decreased profitability).

(b) Raw materials and supplies

Stated at cost using the moving-average method (for the value stated in the balance sheet, the carrying amount is written down based on the decreased profitability).

(2) Depreciation and amortization methods of significant depreciable and amortizable assets

a. Property, plant and equipment (excluding leased assets)

Depreciated by declining-balance method.

However, the Company's main office building, buildings (excluding facilities accompanying the buildings) acquired on April 1, 1998 and thereafter, and facilities accompanying buildings and structures acquired on April 1, 2016 and thereafter are depreciated by the straight-line method.

The range of useful lives of property, plant and equipment is principally as follows:

Buildings and structures: 12 to 50 years

Machinery, vehicles, tools, furniture and fixtures: 3 to 9 years

b. Intangible assets (excluding leased assets)

Amortized by the straight-line method.

Software for internal use is amortized by the straight-line method over its estimated internal useful life (five years).

c. Leased assets

Depreciated using the straight-line method over the lease period with no residual value.

(3) Accounting policies for major provisions

a. Allowance for doubtful accounts

To provide against losses on defaults of trade receivables, etc. the Company provides the allowance for doubtful accounts based on historical experience for general claims and on an estimate of collectability of specific doubtful receivables from customers in financial difficulties.

b. Provision for loss on construction contracts

To provide against future losses on construction contracts, the Company recognizes the anticipated amounts of losses related to construction contracts at the end of the fiscal year.

c. Provision for warranties for completed construction

To provide for expenses arising from warranties, etc. for completed construction, the Company recognizes the future warranty amounts anticipated during the warranty period.

(4) Standard for recording revenue

The Group applies the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and the "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 26, 2020) and recognizes revenue based on the following five-step approach.

Step 1: Identify the contract with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to each performance obligation.

Step 5: Recognize revenue when or as the entity satisfies a performance obligation.

The main performance obligations under contracts with customers in the main businesses and the usual points of time at which revenue is recognized are as follows:

Construction business

The Company has construction contracts with customers and recognizes net sales over the construction period based on the degree of progress made in satisfying performance obligations measured at the end of the reporting period. When total construction costs cannot be reasonably measured, revenue is recognized in the amount of costs incurred that are expected to be recovered.

Product sales business

The manufacture and transportation of products to customer specifications is considered a single performance obligation, and net sales is recognized over the contract period based on the degree of progress made in satisfying the performance obligation as measured at the end of the reporting period.

Information systems business

In the contract business, the satisfaction of performance obligations is deemed to occur upon completion of the work and acceptance of the work by the customer, at which time revenue is recognized based on the amount stipulated in the contract.

In the temporary staffing business, the performance obligation is deemed to be satisfied over the contract period with the passage of working hours, and revenue is recognized in the period when the performance obligation is satisfied.

Net sales related to the real estate leasing business are recognized based on the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13, March 30, 2007).

(5) Scope of cash in consolidated statements of cash flows

Cash (cash and cash equivalents) in consolidated statements of cash flows includes cash on hand, demand deposits and short-term investments with maturities of three months or less from the date of acquisition, that are liquid, readily convertible into cash and are subject to minimum risk of changes in value.

(6) Other significant matters for preparing consolidated financial statements

a. Application of consolidated taxation system

The Company applies the consolidated taxation system

b. Application of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system

As for items regarding the transition to the group tax sharing system introduced in the “Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 8 of 2020) and items revised on non-consolidated taxation system in connection with the transition to the group tax sharing system, the Company and some consolidated subsidiaries in Japan have not applied the provisions of paragraph (44) of the “Implementation Guidance on Tax Effect Accounting” (Accounting Standards Board of Japan (ASBJ) Guidance No. 28, February 16, 2018) as allowed by the provisions of paragraph (3) of the “Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System” (ASBJ PITF No. 39, March 31, 2020). Accordingly, amounts of deferred tax assets and deferred tax liabilities are determined in accordance with the provisions of the tax law before revision.

Changes in Accounting Policies

Application of Accounting Standard for Revenue Recognition, Etc.

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year under review, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services.

As a result, for construction projects under certain conditions, the Company has shifted to the “cost recovery method,” a method whereby revenue is recognized at the amount expected to be recovered from the costs incurred in satisfying the performance obligation. In the product sales business, the Company previously recognized revenue at the completion of performance obligations for businesses that fall under the category of contract manufacturing, but has shifted to a principle of recognizing revenue as obligations are satisfied.

In accordance with the transitional treatment prescribed in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition, the cumulative effect of applying the new accounting policy retrospectively prior to the beginning of the fiscal year under review is added to or deducted from the opening balance of retained earnings of the fiscal year under review, and the new accounting policy was applied from the opening balance of the fiscal year under review as a change in the accounting policy.

As a result, net sales and cost of sales increased ¥221 million and ¥278 million, respectively, and operating profit, ordinary profit, and profit before income taxes decreased ¥57 million each in the fiscal year under review. The balance of retained earnings at the beginning of the fiscal year under review increased by ¥57 million.

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and relevant ASBJ regulations from the beginning of the fiscal year under review, and it has applied the new accounting policy provided for by the Accounting Standard for Fair Value Measurement, etc. prospectively in accordance with the transitional measures provided for in paragraph 19 of the Accounting Standard For Fair Value Measurement, and paragraph 44(2) of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). This change has no impact on the consolidated financial statements for the fiscal year under review.

Notes to consolidated balance sheets

*1. Assets pledged as collateral and corresponding liabilities are as follows:

a) Assets pledged as collateral

	(Millions of yen)	
	As of March 31, 2021	As of March 31, 2022
Buildings and structures	53	48
Machinery, vehicles, tools, furniture and fixtures	13	12
Land	495	495
Total	561	556

Of the above property, plant and equipment, assets pledged as collateral on factory foundation mortgages

	As of March 31, 2021	As of March 31, 2022
Buildings and structures	53	48
Machinery, vehicles, tools, furniture and fixtures	13	12
Land	495	495
Total	561	556

b) Liabilities corresponding to the above

	As of March 31, 2021	As of March 31, 2022
Long-term borrowings (including current portion)	-	-
Short-term borrowings	-	-
Total	-	-

*2. Loan commitment

The Company has entered into loan commitment agreements with six banks to efficiently raise working capital.

The balance of unexecuted borrowings based on the loan commitment agreements at the end of the fiscal year under review is as follows:

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Total amount of loan commitment	6,000	6,000
Outstanding borrowings	3,300	2,900
Balance of unexecuted borrowings	2,700	3,100

Notes to consolidated statements of income

*1. Provision for loss on construction contracts included in cost of sales is as follows:

(Millions of yen)

Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
148	155

*2. The inventory balance at the end of the fiscal year is presented after book values were written down due to a decline in profitability of assets and the following loss on valuation of inventories is included in cost of sales.

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Amount of reduction in book value of inventories	12	7

*3. The major components and amounts of selling, general and administrative expenses are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Employees' salaries and allowances	786	824
Bonuses	305	288
Provision of allowance for doubtful accounts	(1)	(1)

*4. The components of research and development expenses are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Selling, general and administrative expenses	52	93

Notes to consolidated statements of changes in equity

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

1. Class and total number of issued shares and type and number of treasury shares

	Number of shares at the beginning of the fiscal year	Increase	Decrease	Number of shares at the end of the fiscal year
Issued shares				
Common shares (Note 1)	39,700,000	6,095,000	–	45,795,000
Total	39,700,000	6,095,000	–	45,795,000
Treasury shares				
Common shares (Note 2)	995,796	–	193,200	802,596
Total	995,796	–	193,200	802,596

(Note 1) The increase of common shares in issued shares is due to an increase of 5,300,000 shares through a public offering and an increase of 795,000 shares through a third-party allotment.

(Note 2) The decrease of shares of common shares in treasury shares is due to the disposal as restricted share remuneration.

2. Share acquisition rights and treasury share acquisition rights

Category	Breakdown of share acquisition rights	Class of shares subject to share acquisition rights	Number of shares to be issued upon exercise of share acquisition rights (shares)				Balance as of the end of the fiscal year (Millions of yen)
			As of the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	As of the end of the fiscal year	
Reporting company (parent company)	Share acquisition rights as stock options	–	–	–	–	–	103
	Total	–	–	–	–	–	103

3. Matters related to dividends

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders held on June 19, 2020	Common shares	193	5	March 31, 2020	June 22, 2020
Board of Directors Meeting held on November 11, 2020	Common shares	194	5	September 30, 2020	December 1, 2020

(2) Of the dividends whose record date falls during the fiscal year, those which become effective in the following fiscal year

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Source of dividends	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders held on June 18, 2021	Common shares	269	Retained earnings	6	March 31, 2021	June 21, 2021

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

1. Type and total number of issued shares and type and number of treasury shares

	Number of shares at the beginning of the fiscal year	Increase	Decrease	Number of shares at the end of the fiscal year
Issued shares				
Common shares (Note 1)	45,795,000	–	–	45,795,000
Total	45,795,000	–	–	45,795,000
Treasury shares				
Common shares (Note 2)	802,596	–	180	622
Total	802,596	–	180	622

(Note 1) The increase of common shares in issued shares is due to an increase of 5,300,000 shares through a public offering and an increase of 795,000 shares through a third-party allotment.

(Note 2) The decrease of shares of common shares in treasury shares is due to the disposal as restricted share remuneration.

2. Share acquisition rights and treasury share acquisition rights

Category	Breakdown of share acquisition rights	Class of shares subject to share acquisition rights	Number of shares to be issued upon exercise of share acquisition rights (shares)				Balance as of the end of the fiscal year (Millions of yen)
			As of the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	As of the end of the fiscal year	
Reporting company (parent company)	Share acquisition rights as stock options	–	–	–	–	–	103
Total		–	–	–	–	–	103

3. Matters related to dividends

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders held on June 18, 2021	Common shares	269	6	March 31, 2021	June 21, 2021
Board of Directors Meeting held on November 10, 2021	Common shares	271	6	September 30, 2021	December 1, 2021

(2) Of the dividends whose record date falls during the fiscal year, those which become effective in the following fiscal year

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Source of dividends	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders to be held on June 17, 2022	Common shares	271	Retained earnings	6	March 31, 2022	June 20, 2022

Notes to consolidated statements of cash flows

* Relationship between the balance of cash and cash equivalents at the end of the fiscal year and the amounts of the items shown on the consolidated balance sheets

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash and deposits	2,730	1,556
Time deposits with maturities of more than three months	(165)	(131)
Cash and cash equivalents	2,565	1,425

Segment information, etc.

[Segment information]

1. Overview of reportable segments

The Group's reportable segments are the constituent units of the Group for which separate financial information is available and which are subject to periodic reviews by the Board of Directors in order to make decisions on allocation of business resources and to evaluate performance of the business.

The Company engages in the management of subsidiaries and the rent and management of real estate as a holding company. Each group company formulates comprehensive business strategies for each business categorized by industry, such as construction, product sales and information systems.

Accordingly, the Group consists of segments by industry, with four reportable segments: "Construction business," "Product sales business," "Information systems business" and "Real estate leasing business."

The "Construction business" mainly engages in prestressed concrete work, primarily for bridges. The "Product sales business" mainly engages in the sale of secondary concrete products. The "Information systems business" mainly engages in information processing and software development, while the "Real estate leasing business" leases and manages real estate owned by the Company.

2. The methods of calculating the amounts of net sales, profit (loss), assets and other items by reportable segment

The accounting method for reportable segments is generally the same as the method described in "Important information constituting the basis for preparation of consolidated financial statements."

Profit of reportable segments is calculated based on operating profit.

Intersegment revenue and transfers are based on prevailing market prices.

3. Information on net sales, profit (loss), assets and other items by reportable segment

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

(Millions of yen)

	Construction business	Product sales business	Information systems business	Real estate leasing business	Total	Adjusted amount (Note) 1	Amount in consolidated financial statements (Note) 2
Net sales:							
Sales to external customers	33,898	4,592	264	42	38,797	–	38,797
Intersegment sales and transfers	–	482	185	131	799	(799)	–
Total	33,898	5,075	449	174	39,597	(799)	38,797
Segment profit (loss)	3,901	341	26	117	4,387	(1,342)	3,045
Segment assets	24,275	2,550	303	1,264	28,394	4,254	32,649
Other items:							
Depreciation	150	131	0	16	299	40	340
Increase in property, plant and equipment and intangible assets	245	211	–	60	517	87	604

Notes: 1. Details of adjustment are as follows:

- (1) Included in the ¥1,342 million deducted from segment profit as an adjustment are a deduction of ¥12 million in intersegment eliminations, and a deduction of ¥1,329 million in corporate expenses that cannot be allocated to any reportable segment. Corporate expenses mainly consist of general and administrative expenses that are not attributable to reportable segments.
- (2) The adjustment of ¥4,254 million in segment assets includes eliminations of ¥9,953 million in common group-wide receivables and ¥14,208 million in corporate assets not allocated to each reportable segment.
- (3) Included in the ¥40 million added to depreciation as an adjustment are an elimination of ¥3 million in common group-wide depreciation and amortization, and an addition of ¥36 million in depreciation and amortization for the whole Group that has not been allocated to any reportable segment.
- (4) The adjustment of ¥87 million to increase in property, plant and equipment and intangible assets is the amount of capital investment in the corporate assets.

2. Segment profit is adjusted for operating profit on the consolidated financial statements.

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

(Millions of yen)

	Construction business	Product sales business	Information systems business	Real estate leasing business	Total	Adjusted amount (Note) 1	Amount in consolidated financial statements (Note) 2
Net sales:							
Sales to external customers	31,236	4,364	256	41	35,899	–	35,899
Intersegment sales and transfers	–	64	137	134	336	(336)	–
Total	31,236	4,429	394	175	36,236	(336)	35,899
Segment profit (loss)	3,355	209	5	116	3,687	(1,397)	2,289
Segment assets	26,357	3,153	289	1,256	31,057	2,904	33,961
Other items:							
Depreciation	162	116	0	17	297	52	349
Increase in property, plant and equipment and intangible assets	277	54	–	–	332	90	422

Notes: 1. Details of adjustment are as follows:

- (1) Included in the ¥1,397 million deducted from segment profit as an adjustment are a deduction of ¥0 million in intersegment eliminations, and a deduction of ¥1,398 million in corporate expenses

that cannot be allocated to any reportable segment. Corporate expenses mainly consist of general and administrative expenses that are not attributable to reportable segments.

- (2) The adjustment of ¥2,904 million in segment assets includes eliminations of ¥10,477 million in common group-wide receivables and ¥13,381 million in corporate assets not allocated to any reportable segment.
 - (3) Included in the ¥52 million adjustment to depreciation are an adjustment of ¥3 million in common group-wide depreciation and amortization, and ¥48 million in depreciation and amortization for the whole Group that has not been allocated to any reportable segment.
 - (4) The ¥90 million adjustment increase in property, plant and equipment and intangible assets is the amount of capital investment in corporate assets.
2. Segment profit is adjusted for operating profit on the consolidated financial statements.

[Related information]

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

1. Information by product and service

This information has been omitted as similar information has been disclosed in “Segment information 1. Overview of reportable segments.”

2. Regional information

(1) Net sales

This information is not presented as the Group has no sales to customers outside Japan.

(2) Property, plant and equipment

This information is not presented as the Group has no property, plant and equipment outside Japan.

3. Information by major customer

Name of customer	Net sales (Millions of yen)	Name of related segment
Expressway companies	11,125	Construction business
Japan Railway Construction, Transport and Technology Agency	4,667	Construction business

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

1. Information by product and service

This information has been omitted as similar information has been disclosed in “Segment information 1. Overview of reportable segments.”

2. Regional information

(1) Net sales

This information is not presented as the Group has no sales to customers outside Japan.

(2) Property, plant and equipment

This information is not presented as the Group has no property, plant and equipment outside Japan.

3. Information by major customer

Name of customer	Net sales (Millions of yen)	Name of related segment
Expressway companies	13,739	Construction business
Japan Railway Construction, Transport and Technology Agency	2,641	Construction business

[Information on impairment loss on non-current assets by reportable segment]

Not applicable.

[Information on amortization and unamortized balance of goodwill by reportable segment]

Not applicable.

[Information on gains on bargain purchase by reportable segment]

Not applicable.

Per-share information

(Yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net assets per share	267.80	292.07
Earnings per share	49.69	33.85
Diluted earnings per share	49.18	33.55

Note: The basis for calculation of basic earnings per share and diluted earnings per share is as follows.

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Earnings per share		
Profit attributable to owners of parent (Millions of yen)	1,948	1,527
Amounts not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to owners of parent concerning common shares (Millions of yen)	1,948	1,527
Average number of common shares during the period (Thousand shares)	39,203	45,121
Diluted earnings per share		
Adjustments of profit attributable to owners of parent (Millions of yen)	–	–
Increase in number of common shares (Thousands of shares)	404	404
(Of which, share acquisition rights (Thousands of shares))	(404)	(404)
Overview of potential shares not included in the calculation of diluted earnings per share because of having no dilutive effect	–	–

Significant subsequent events

Not applicable.

5. Overview of orders received and sales

(i) Orders received

(Millions of yen)

Business segments	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Change
	Orders received	Orders received	Orders received
Construction business	41,076	26,422	(14,653)
Product sales business	4,426	4,687	260
Information systems business	408	454	45
Real estate leasing business	174	175	1
Total	46,085	31,739	(14,346)

- Notes: 1. Intersegment transactions are included in the amounts.
2. The above amounts do not include consumption and other taxes.

(ii) Sales results

(Millions of yen)

Business segments	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Change
	Sales	Sales	Sales
Construction business	33,898	31,236	(2,661)
Product sales business	4,592	4,364	(228)
Information systems business	264	256	(7)
Real estate leasing business	42	41	(1)
Total	38,797	35,899	(2,898)

- Notes: 1. Intersegment transactions have been eliminated.
2. The above amounts do not include consumption and other taxes.

The status of the construction business, which is a core business of the Group, is as follows.

Orders, net sales, balance carried forward and value of finished work

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

(Millions of yen)

Segment	Balance carried from the previous fiscal year	Orders received for the fiscal year	Total	Net sales for the fiscal year	Balance carried forward		Value of finished work for the fiscal year
					Amount on hand	Of which, value of finished work	
Construction business						(%)	
Bridges	28,852	16,372	45,224	19,505	25,719	1.6	422
Other	15,596	24,704	40,300	14,392	25,907	0.8	213
Total	44,448	41,076	85,525	33,898	51,627	1.2	635

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

(Millions of yen)

Segment	Balance carried from the previous fiscal year	Orders received for the fiscal year	Total	Net sales for the fiscal year	Balance carried forward		Value of finished work for the fiscal year
					Amount on hand	Of which, value of finished work	
Construction business						(%)	
Bridges	25,684	14,375	40,059	13,272	26,787	0.8	219
Other	25,899	12,047	37,946	17,964	19,982	0.6	110
Total	51,583	26,422	78,006	31,236	46,770	0.7	329

- Notes: 1. Amounts that have been changed in contract amounts due to renewal of contracts for construction that was ordered in the previous fiscal year or before are included in orders received for the fiscal year. Accordingly, this change is also included in net sales for the fiscal year.
2. The value of finished work in balance carried forward for the next fiscal year assumes the value of finished work of construction in progress using costs on construction contracts in progress.
3. The balance carried from the previous fiscal year was adjusted by ¥43 million of revenue from the previous period due to the application of the Accounting Standard for Revenue Recognition, etc.