

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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
Six months ending September 30, 2023	36,300	(6.5)	760	(18.4)	780	(18.6)	500	(25.9)	47.78
Full year	77,100	7.3	2,200	16.6	2,230	15.0	1,460	10.5	139.51

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(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: No

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, 2023	10,614,225 shares	As of March 31, 2022	10,614,225 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	137,131 shares	As of March 31, 2022	132,019 shares
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Average number of shares during the period

Year ended March 31, 2023	10,465,139 shares	Year ended March 31, 2022	10,485,238 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	7,520	10,186
Notes receivable, accounts receivable from completed construction contracts, and contract assets	29,304	25,464
Electronically recorded monetary claims - operating	4,589	1,936
Real estate for sale	506	506
Costs on construction contracts in progress	970	1,068
Other	294	365
Allowance for doubtful accounts	(9)	(3)
Total current assets	43,176	39,523
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,091	1,299
Machinery, vehicles, tools, furniture and fixtures	615	653
Land	952	1,205
Accumulated depreciation	(998)	(1,087)
Total property, plant and equipment	1,661	2,072
Intangible assets	134	265
Investments and other assets		
Investment securities	1,836	2,166
Long-term loans receivable	28	26
Deferred tax assets	763	498
Retirement benefit asset	732	725
Other	329	347
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	3,689	3,764
Total non-current assets	5,485	6,101
Total assets	48,662	45,625
Liabilities		
Current liabilities		
Accounts payable for construction contracts	9,186	8,205
Electronically recorded obligations - operating	11,144	9,663
Short-term borrowings	100	100
Current portion of long-term borrowings	176	83
Income taxes payable	660	79
Advances received on construction contracts in progress	1,853	1,461
Provision for warranties for completed construction	689	743
Provision for bonuses	285	283
Provision for loss on construction contracts	332	107
Other	1,364	1,255
Total current liabilities	25,792	21,982
Non-current liabilities		
Long-term borrowings	102	19
Retirement benefit liability	2,115	2,015
Provision for share awards	—	41
Other	21	29
Total non-current liabilities	2,240	2,105
Total liabilities	28,032	24,088

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Net assets		
Shareholders' equity		
Share capital	4,324	4,324
Capital surplus	4	35
Retained earnings	15,995	16,582
Treasury shares	(108)	(143)
Total shareholders' equity	20,215	20,798
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	464	782
Remeasurements of defined benefit plans	(51)	(45)
Total accumulated other comprehensive income	413	737
Total net assets	20,629	21,536
Total liabilities and net assets	48,662	45,625

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales		
Net sales of completed construction contracts	68,792	71,054
Net sales in real estate business and other	853	780
Total net sales	69,645	71,834
Cost of sales		
Cost of sales of completed construction contracts	62,946	65,821
Cost of sales in real estate business and other	647	628
Total cost of sales	63,594	66,450
Gross profit		
Gross profit on completed construction contracts	5,845	5,232
Gross profit on real estate business and other	205	152
Total gross profit	6,051	5,384
Selling, general and administrative expenses	3,343	3,497
Operating profit	2,708	1,887
Non-operating income		
Interest income	9	6
Dividend income	46	73
Other	9	12
Total non-operating income	65	92
Non-operating expenses		
Interest expenses	3	3
Commission expenses	42	31
Other	14	5
Total non-operating expenses	60	40
Ordinary profit	2,712	1,939
Extraordinary income		
Gain on sale of investment securities	0	–
Total extraordinary income	0	–
Extraordinary losses		
Loss on retirement of non-current assets	2	–
Loss on valuation of investment securities	19	–
Loss on sale of investment securities	–	8
Total extraordinary losses	22	8
Profit before income taxes	2,689	1,930
Income taxes - current	969	487
Income taxes - deferred	(95)	122
Total income taxes	873	609
Profit	1,816	1,321
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	1,816	1,321

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	1,816	1,321
Other comprehensive income		
Valuation difference on available-for-sale securities	131	318
Remeasurements of defined benefit plans, net of tax	(9)	6
Total other comprehensive income	122	324
Comprehensive income	1,939	1,645
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,939	1,645
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

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	4,324	4	14,598	(103)	18,823
Changes during period					
Dividends of surplus			(419)		(419)
Profit attributable to owners of parent			1,816		1,816
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares				0	0
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,396	(4)	1,392
Balance at end of period	4,324	4	15,995	(108)	20,215

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	332	(42)	290	19,114
Changes during period				
Dividends of surplus				(419)
Profit attributable to owners of parent				1,816
Purchase of treasury shares				(4)
Disposal of treasury shares				0
Net changes in items other than shareholders' equity	131	(9)	122	122
Total changes during period	131	(9)	122	1,514
Balance at end of period	464	(51)	413	20,629

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,324	4	15,995	(108)	20,215
Changes during period					
Dividends of surplus			(733)		(733)
Profit attributable to owners of parent			1,321		1,321
Purchase of treasury shares				(102)	(102)
Disposal of treasury shares		30		67	98
Net changes in items other than shareholders' equity					
Total changes during period	-	30	587	(35)	582
Balance at end of period	4,324	35	16,582	(143)	20,798

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	464	(51)	413	20,629
Changes during period				
Dividends of surplus				(733)
Profit attributable to owners of parent				1,321
Purchase of treasury shares				(102)
Disposal of treasury shares				98
Net changes in items other than shareholders' equity	318	6	324	324
Total changes during period	318	6	324	906
Balance at end of period	782	(45)	737	21,536

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	2,689	1,930
Depreciation	139	122
Increase (decrease) in allowance for doubtful accounts	(6)	(6)
Decrease (increase) in retirement benefit asset	(68)	(52)
Increase (decrease) in retirement benefit liability	(53)	(31)
Increase (decrease) in provision for warranties for completed construction	227	54
Increase (decrease) in provision for bonuses	(10)	(1)
Increase (decrease) in provision for loss on construction contracts	205	(224)
Interest and dividend income	(55)	(86)
Interest expenses	3	3
Decrease (increase) in trade receivables	(6,124)	6,493
Decrease (increase) in costs on construction contracts in progress	(554)	(97)
Decrease (increase) in real estate for sale	0	–
Increase (decrease) in trade payables	6,167	(2,462)
Increase (decrease) in advances received on construction contracts in progress	486	(392)
Increase (decrease) in deposits received	(75)	43
Other, net	66	(136)
Subtotal	3,038	5,155
Interest and dividends received	51	86
Interest paid	(3)	(3)
Income taxes paid	(1,126)	(1,046)
Net cash provided by (used in) operating activities	1,960	4,192
Cash flows from investing activities		
Purchase of property, plant and equipment	(77)	(523)
Purchase of intangible assets	(35)	(136)
Purchase of investment securities	(2)	(103)
Proceeds from sale of investment securities	5	200
Loan advances	(2)	(2)
Proceeds from collection of loans receivable	4	4
Payments of leasehold and guarantee deposits	(27)	(1)
Proceeds from refund of leasehold and guarantee deposits	9	46
Payments into time deposits	(400)	(400)
Proceeds from withdrawal of time deposits	400	400
Other, net	5	(0)
Net cash provided by (used in) investing activities	(122)	(516)
Cash flows from financing activities		
Proceeds from long-term borrowings	150	–
Repayments of long-term borrowings	(252)	(176)
Dividends paid	(415)	(727)
Other, net	(18)	(106)
Net cash provided by (used in) financing activities	(535)	(1,009)
Net increase (decrease) in cash and cash equivalents	1,302	2,666
Cash and cash equivalents at beginning of period	6,017	7,320
Cash and cash equivalents at end of period	7,320	9,986