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## Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 [Japanese GAAP]



May 12, 2023

Company name: HAZAMA ANDO CORPORATION

Stock exchange listing: Tokyo Stock Exchange

Code number: 1719

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

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Scheduled date of ordinary general meeting of shareholders: June 29, 2023

Scheduled date of filing securities report: June 29, 2023

Scheduled date of commencing dividend payments: June 30, 2023

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, 2023 (April 1, 2022 to March 31, 2023)

#### (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, 2023	372,146	9.4	19,853	(25.4)	19,608	(24.1)	15,187	(14.1)
March 31, 2022	340,293	(3.4)	26,600	(2.8)	25,838	(0.2)	17,671	2.8

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥16,985 million [1.5%]

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

	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, 2023	94.02	—	10.8	6.4	5.3
March 31, 2022	98.84	98.84	12.3	8.1	7.8

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

Fiscal year ended March 31, 2023: ¥ (53) million

Fiscal year ended March 31, 2022: ¥ (273) million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	318,014	141,324	44.2	897.84
As of March 31, 2022	295,332	141,682	47.7	834.00

(Reference) Equity: As of March 31, 2023: ¥140,485 million

As of March 31, 2022: ¥140,921 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, 2023	32,272	(4,740)	(18,425)	74,326
March 31, 2022	(36,086)	(4,549)	(22,565)	64,739

## 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, 2022	—	20.00	—	20.00	40.00	7,012	40.5	4.9
Fiscal year ended March 31, 2023	—	20.00	—	20.00	40.00	6,420	42.5	4.6
Fiscal year ending March 31, 2024 (Forecast)	—	30.00	—	30.00	60.00		69.0	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% 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	175,000	6.5	5,300	(33.3)	4,700	(46.2)	2,900	(62.2)	18.53
Full year	400,000	7.5	20,500	3.3	19,700	0.5	13,600	(10.5)	86.92

### \* Notes:

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2023 (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, 2023: 181,021,197 shares

March 31, 2022: 181,021,197 shares

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

March 31, 2023: 24,550,993 shares

March 31, 2022: 12,050,920 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2023: 161,531,437 shares

Fiscal year ended March 31, 2022: 178,786,100 shares

The Company's shares held by the management board incentive plan trust (628,754 shares) and the employee stock ownership plan trust (706,400 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, 2023 (April 1, 2022 to March 31, 2023)

(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, 2023	344,804	9.2	18,264	(24.3)	18,433	(23.0)	14,535	(12.2)
March 31, 2022	315,867	(5.2)	24,114	(6.2)	23,939	(2.2)	16,558	2.2

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2023	89.98	—
March 31, 2022	92.62	92.61

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	297,035	128,779	43.4	823.03
As of March 31, 2022	275,120	130,730	47.5	773.69

(Reference) Equity: As of March 31, 2023: ¥128,779million  
As of March 31, 2022: ¥130,730million

### 2. Non-Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% 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	162,000	7.7	5,500	(27.7)	5,100	(41.8)	3,400	(56.4)	21.73
Full year	369,000	7.0	19,500	6.8	19,000	3.1	13,300	(8.5)	85.00

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

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, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	66,080	75,597
Notes receivable, accounts receivable from completed construction contracts and other	140,431	145,094
Costs on construction contracts in progress	4,075	3,667
Other inventories	7,930	7,079
Other	9,567	14,101
Allowance for doubtful accounts	(14)	(160)
<b>Total current assets</b>	<b>228,070</b>	<b>245,379</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,894	23,489
Machinery, vehicles, tools, furniture and fixtures	12,879	11,251
Land	15,852	15,486
Other	1,961	3,253
Accumulated depreciation	(23,400)	(22,125)
<b>Total property, plant and equipment</b>	<b>30,186</b>	<b>31,355</b>
Intangible assets	1,542	1,610
Investments and other assets		
Investment securities	20,960	25,020
Long-term loans receivable	73	62
Deferred tax assets	7,091	6,455
Retirement benefit asset	2,546	3,518
Other	4,862	5,081
Allowance for doubtful accounts	(1)	(470)
<b>Total investments and other assets</b>	<b>35,532</b>	<b>39,668</b>
<b>Total non-current assets</b>	<b>67,262</b>	<b>72,634</b>
<b>Total assets</b>	<b>295,332</b>	<b>318,014</b>

(Million yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable for construction contracts and other	47,134	54,474
Short-term borrowings	16,676	16,489
Current portion of bonds	237	127
Income taxes payable	3,071	3,962
Advances received on construction contracts in progress	18,237	33,268
Deposits received	34,038	40,873
Provision for warranties for completed construction	1,442	2,784
Provision for bonuses	2,690	2,883
Provision for loss on construction contracts	595	653
Provision for loss on damage due to fire	3,921	—
Other	12,343	8,700
Total current liabilities	140,388	164,217
Non-current liabilities		
Bonds payable	162	35
Long-term borrowings	7,640	7,463
Deferred tax liabilities	37	31
Retirement benefit liability	3,816	3,198
Provision for environmental measures	138	138
Provision for management board incentive plan trust	162	207
Provision for employee stock ownership plan trust	—	303
Other	1,302	1,092
Total non-current liabilities	13,261	12,472
Total liabilities	153,650	176,689
<b>Net assets</b>		
Shareholders' equity		
Share capital	17,006	17,006
Capital surplus	17,058	17,058
Retained earnings	114,124	122,656
Treasury shares	(10,422)	(21,106)
Total shareholders' equity	137,766	135,614
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,996	3,845
Deferred gains or losses on hedges	(345)	178
Foreign currency translation adjustment	85	203
Remeasurements of defined benefit plans	417	644
Total accumulated other comprehensive income	3,154	4,871
Non-controlling interests	761	839
Total net assets	141,682	141,324
<b>Total liabilities and net assets</b>	<b>295,332</b>	<b>318,014</b>

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

(Million yen)

	For the Fiscal year ended March 31, 2022	For the Fiscal year ended March 31, 2023
Net sales		
Net sales of completed construction contracts	316,153	345,858
Sales in other businesses	24,139	26,288
Total net sales	340,293	372,146
Cost of sales		
Cost of sales of completed construction contracts	273,098	306,530
Cost of sales in other businesses	20,332	23,592
Total cost of sales	293,431	330,122
Gross profit		
Gross profit on completed construction contracts	43,054	39,327
Gross profit - other business	3,806	2,695
Total gross profit	46,861	42,023
Selling, general and administrative expenses	20,261	22,170
Operating profit	26,600	19,853
Non-operating income		
Interest income	25	73
Dividend income	291	374
Foreign exchange gains	—	329
Late charges income	166	—
Other	343	223
Total non-operating income	827	1,001
Non-operating expenses		
Interest expenses	320	350
Share of loss of entities accounted for using equity method	273	53
Foreign exchange losses	104	—
Commission expenses	154	187
Compensation for damage	376	428
Other	359	227
Total non-operating expenses	1,588	1,246
Ordinary profit	25,838	19,608

(Million yen)

	For the Fiscal year ended March 31, 2022	For the Fiscal year ended March 31, 2023
Extraordinary income		
Compensation for damage received	—	2,700
Gain on reversal of provision for loss on damage due to fire	—	305
Subsidy income	67	94
Gain on sales of non-current assets	—	63
Gain on sales of investment securities	241	179
Total extraordinary income	308	3,344
Extraordinary losses		
Loss on damage due to fire	180	—
Impairment loss	—	75
Loss on tax purpose reduction entry of non current assets	66	90
Loss on sales of non current assets	18	—
Loss on retirement of non-current assets	115	73
Loss on valuation of investment securities	27	71
Head office relocation expenses	306	338
Loss on litigation	42	3
Total extraordinary losses	757	653
Profit before income taxes	25,390	22,299
Income taxes - current	6,768	6,978
Income taxes - deferred	949	142
Total income taxes	7,717	7,120
Profit	17,672	15,178
Profit (loss) attributable to non-controlling interests	1	(9)
Profit attributable to owners of parent	17,671	15,187

(Consolidated Statements of Comprehensive Income)

(Million yen)

	For the Fiscal year ended March 31, 2022	For the Fiscal year ended March 31, 2023
Profit	17,672	15,178
Other comprehensive income		
Valuation difference on available-for-sale securities	(758)	848
Foreign currency translation adjustment	34	207
Remeasurements of defined benefit plans	136	226
Share of other comprehensive income of entities accounted for using equity method	(345)	524
Total other comprehensive income	(932)	1,806
Comprehensive income	16,740	16,985
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,734	16,904
Comprehensive income attributable to non-controlling interests	5	80



## (3) Consolidated Statements of Changes in Equity

(Fiscal year ended March 31, 2022)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	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
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

(Fiscal year ended March 31, 2023)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,006	17,058	114,124	(10,422)	137,766
Changes in items during period					
Dividends of surplus			(6,656)		(6,656)
Profit attributable to owners of parent			15,187		15,187
Purchase of treasury shares				(10,691)	(10,691)
Disposal of treasury shares				7	7
Net changes in items other than shareholders' equity					
Total changes in items during period	—	—	8,531	(10,683)	(2,152)
Balance at end of period	17,006	17,058	122,656	(21,106)	135,614

	Accumulated other comprehensive income					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	2,996	(345)	85	417	3,154	761	141,682
Changes in items during period							
Dividends of surplus							(6,656)
Profit attributable to owners of parent							15,187
Purchase of treasury shares							(10,691)
Disposal of treasury shares							7
Net changes in items other than shareholders' equity	848	524	117	226	1,716	77	1,794
Total changes in items during period	848	524	117	226	1,716	77	(357)
Balance at end of period	3,845	178	203	644	4,871	839	141,324

## (4) Consolidated Statements of Cash Flows

(Million yen)

	For the Fiscal year ended March 31, 2022	For the Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	25,390	22,299
Depreciation	2,410	2,100
Loss on tax purpose reduction entry of non-current assets	66	90
Subsidy income	(67)	(94)
Compensation for damage received	—	(2,700)
Loss on damage due to fire	180	—
Impairment loss	—	75
Increase (decrease) in allowance for doubtful accounts	1	615
Increase (decrease) in provision for warranties for completed construction	(686)	1,341
Increase (decrease) in provision for loss on construction contracts	(653)	58
Increase (decrease) in provision for loss on damage due to fire	(2,075)	(305)
Increase (decrease) in retirement benefit liability	(4,964)	(195)
Decrease (increase) in retirement benefit asset	(1,719)	(1,077)
Interest and dividend income	(317)	(447)
Interest expenses	320	350
Foreign exchange losses (gains)	181	(370)
Loss (gain) on sales of investment securities	(241)	(179)
Share of loss (profit) of entities accounted for using equity method	273	53
Decrease (increase) in trade receivables	(18,961)	(4,647)
Decrease (increase) in costs on construction contracts in progress	1,518	408
Decrease (increase) in other inventories	893	850
Decrease (increase) in advances paid	606	(168)
Decrease (increase) in consumption taxes refund receivable	(118)	(3,736)
Increase (decrease) in trade payables	(23,506)	7,326
Increase (decrease) in advances received on construction contracts in progress	(9,151)	15,021
Increase (decrease) in deposits received	3,525	6,835
Increase (decrease) in accrued consumption taxes	(2,521)	(1,026)
Other, net	4,429	(2,430)
Subtotal	(25,184)	40,045
Interest and dividends received	290	419
Interest paid	(298)	(350)
Compensation for damage paid	(2,210)	(5,467)
Income taxes paid	(8,683)	(6,204)
Proceeds from compensation for damage	—	2,700
Proceeds from insurance income	—	1,130
Net cash provided by (used in) operating activities	(36,086)	32,272

(Million yen)

	For the Fiscal year ended March 31, 2022	For the Fiscal year ended March 31, 2023
<b>Cash flows from investing activities</b>		
Payments into time deposits	(1,345)	(1,241)
Proceeds from withdrawal of time deposits	1,281	1,467
Purchase of short-term and long-term investment securities	(433)	(3,071)
Proceeds from sales of short-term and long-term investment securities	358	336
Purchase of property, plant and equipment	(2,558)	(2,999)
Proceeds from sales of property, plant and equipment	20	347
Proceeds from refund of leasehold and guarantee deposits	236	712
Payments for investments in capital of subsidiaries and associates	(1,876)	—
Subsidies received	67	94
Other, net	(300)	(386)
Net cash provided by (used in) investing activities	(4,549)	(4,740)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(31)	(81)
Proceeds from long-term borrowings	4,291	4,611
Repayments of long-term borrowings	(4,570)	(4,953)
Redemption of bonds	(291)	(237)
Purchase of treasury shares	(15,328)	(10,631)
Dividends paid	(6,423)	(6,656)
Dividends paid to non-controlling interests	(2)	(2)
Other, net	(208)	(474)
Net cash provided by (used in) financing activities	(22,565)	(18,425)
Effect of exchange rate change on cash and cash equivalents	(94)	479
Net increase (decrease) in cash and cash equivalents	(63,295)	9,586
Cash and cash equivalents at beginning of period	128,035	64,739
Cash and cash equivalents at end of period	64,739	74,326

(Change in accounting policy)

The Company has adopted ASBJ Guidance No.31“Implementation Guidance on Accounting Standard for Fair Value Measurement” (June 17, 2021) (hereinafter referred to as “The Guidance”) since the beginning of the current consolidated fiscal year, and adopts the new accounting policies specified in The Guidance into the future, in accordance with the transitional treatment specified in Paragraph 27-2 of The Guidance.

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, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	56,845	64,940
Notes receivable - trade	3,937	984
Electronically recorded monetary claims - operating	2,855	2,083
Accounts receivable from completed construction contracts	131,736	140,426
Accounts receivable- other business	764	631
Real estate for sale	504	504
Costs on construction contracts in progress	4,420	3,488
Costs on other business	903	988
Raw materials and supplies	2	1
Prepaid expenses	57	60
Other	8,896	13,341
Allowance for doubtful accounts	(14)	(159)
<b>Total current assets</b>	<b>210,910</b>	<b>227,292</b>
Non-current assets		
Property, plant and equipment		
Buildings	17,495	18,110
Accumulated depreciation	(9,914)	(9,788)
Buildings, net	7,580	8,321
Structures	2,113	2,056
Accumulated depreciation	(1,788)	(1,764)
Structures, net	324	291
Machinery and equipment	3,850	2,931
Accumulated depreciation	(3,263)	(2,469)
Machinery and equipment, net	586	461
Vehicles	174	165
Accumulated depreciation	(151)	(144)
Vehicles, net	23	20
Tools, furniture and fixtures	3,787	3,313
Accumulated depreciation	(3,360)	(2,760)
Tools, furniture and fixtures, net	426	552
Land	12,979	12,704
Leased assets	408	471
Accumulated depreciation	(188)	(220)
Leased assets, net	220	250
Construction in progress	1,658	2,893
<b>Total property, plant and equipment</b>	<b>23,800</b>	<b>25,496</b>

(Million yen)

	As of March 31, 2022	As of March 31, 2023
<b>Intangible assets</b>		
Leasehold interests in land	106	106
Software	989	982
Other	190	253
<b>Total intangible assets</b>	<b>1,285</b>	<b>1,341</b>
<b>Investments and other assets</b>		
Investment securities	20,680	24,641
Shares of subsidiaries and associates	2,679	2,785
Investments in capital	25	25
Investments in capital of subsidiaries and associates	1,987	1,987
Long-term loans receivable	9	5
Long-term loans receivable from employees	—	1
Long-term loans receivable from subsidiaries and associates	1,783	1,719
Claims provable in bankruptcy, claims provable in rehabilitation and other	1	470
Long-term prepaid expenses	52	85
Prepaid pension costs	2,167	3,244
Deferred tax assets	6,638	6,027
Other	3,098	2,384
Allowance for doubtful accounts	(1)	(472)
<b>Total investments and other assets</b>	<b>39,123</b>	<b>42,905</b>
<b>Total non-current assets</b>	<b>64,209</b>	<b>69,742</b>
<b>Total assets</b>	<b>275,120</b>	<b>297,035</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable for construction contracts	48,401	55,295
Accounts payable - other business	342	355
Short-term borrowings	16,590	16,403
Current portion of bonds	237	127
Lease obligations	82	91
Accounts payable - other	4,719	2,712
Accrued expenses	35	38
Income taxes payable	2,500	3,698
Advances received on construction contracts in progress	17,599	32,113
Advances received on other business	284	601
Deposits received	32,452	38,396
Unearned revenue	2	2
Provision for warranties for completed construction	1,440	2,781
Provision for bonuses	2,567	2,752
Provision for loss on construction contracts	594	622
Provision for loss on damage due to fire	3,921	—
Other	872	469
<b>Total current liabilities</b>	<b>132,644</b>	<b>156,462</b>

	As of March 31, 2022	As of March 31, 2023
<b>Non-current liabilities</b>		
Bonds payable	162	35
Long-term borrowings	7,254	7,163
Lease obligations	153	177
Provisions for retirement benefits	2,989	2,874
Provision for environmental measures	138	138
Provision for management board incentive plan trust	162	207
Provision for employee stock ownership plan trust	—	303
Asset retirement obligations	565	535
Other	317	355
<b>Total non-current liabilities</b>	<b>11,744</b>	<b>11,792</b>
<b>Total liabilities</b>	<b>144,389</b>	<b>168,255</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	17,006	17,006
<b>Capital surplus</b>		
Legal capital surplus	17,123	17,123
<b>Total capital surpluses</b>	<b>17,123</b>	<b>17,123</b>
<b>Retained earnings</b>		
<b>Other retained earning</b>		
Reserve for specified shares	25	—
Retained earnings brought forward	104,033	111,937
<b>Total retained earnings</b>	<b>104,058</b>	<b>111,937</b>
Treasury shares	(10,422)	(21,106)
<b>Total shareholders' equity</b>	<b>127,765</b>	<b>124,960</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	2,965	3,818
<b>Total valuation and translation adjustments</b>	<b>2,965</b>	<b>3,818</b>
<b>Total net assets</b>	<b>130,730</b>	<b>128,779</b>
<b>Total liabilities and net assets</b>	<b>275,120</b>	<b>297,035</b>



## (2) Non-Consolidated Statements of Income

(Million yen)

	For the Fiscal year ended March 31, 2022	For the Fiscal year ended March 31, 2023
Net sales		
Net sales of completed construction contracts	310,790	339,634
Sales in other businesses	5,077	5,170
Total net sales	315,867	344,804
Cost of sales		
Cost of sales of completed construction contracts	268,700	301,159
Cost of sales in other businesses	4,422	4,882
Total cost of sales	273,123	306,041
Gross profit		
Gross profit on completed construction contracts	42,090	38,474
Gross profit - other business	654	288
Total gross profit	42,744	38,762
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	257	284
Provision for management board incentive plan trust	64	52
Employees' salaries and allowances	5,500	5,911
Provision for bonuses	1,963	2,163
Provision for employee stock ownership plan trust	—	92
Retirement benefit expenses	450	409
Legal welfare expenses	1,126	1,225
Welfare expenses	397	407
Repair and maintenance expenses	253	230
Stationery expenses	402	478
Communication and transportation expenses	976	1,104
Power utilities expenses	84	107
Research study expenses	2,923	3,105
Advertising expenses	165	181
Provision of allowance for doubtful accounts	1	615
Bad debt expenses	—	12
Entertainment expenses	199	304
Donations	64	70
Rent expenses on land and buildings	869	782
Depreciation	1,117	983
Taxes and dues	987	959
Insurance expenses	97	162
Miscellaneous expenses	725	850
Selling, general and administrative expenses	18,629	20,497
Operating profit	24,114	18,264

	For the Fiscal year ended March 31, 2022	For the Fiscal year ended March 31, 2023
<b>Non-operating income</b>		
Interest income	24	70
Dividend income	563	702
Foreign exchange gains	—	331
Late charges income	166	—
Other	353	224
<b>Total non-operating income</b>	<b>1,107</b>	<b>1,329</b>
<b>Non-operating expenses</b>		
Interest expenses	306	340
Interest on bonds	5	3
Commission expenses	154	187
Foreign exchange losses	100	—
Compensation for damage	376	428
Other	337	201
<b>Total non-operating expenses</b>	<b>1,281</b>	<b>1,160</b>
Ordinary profit	23,939	18,433
<b>Extraordinary income</b>		
Compensation for damage received	—	2,700
Gain on reversal of provision for loss on damage due to fire	—	305
Subsidy income	27	—
Gain on sales of non-current assets	—	55
Gain on sales of investment securities	241	179
<b>Total extraordinary income</b>	<b>268</b>	<b>3,241</b>
<b>Extraordinary losses</b>		
Loss on damage due to fire	180	—
Loss on tax purpose reduction entry of non current assets	27	—
Impairment loss	—	75
Loss on valuation of investment securities	27	71
Head office relocation expenses	306	338
Loss on litigation	42	3
Loss on retirement of non-current assets	107	66
<b>Total extraordinary losses</b>	<b>691</b>	<b>555</b>
<b>Profit before income taxes</b>	<b>23,517</b>	<b>21,119</b>
Income taxes - current	5,942	6,363
Income taxes - deferred	1,016	221
<b>Total income taxes</b>	<b>6,958</b>	<b>6,584</b>
<b>Profit</b>	<b>16,558</b>	<b>14,535</b>

## (3) Non-Consolidated Statements of Changes in Equity

(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
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)		—
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
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				—
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

(Fiscal year ended March 31, 2023)

(Million yen)

	Shareholders' equity							
	Share capital	Capital surplus		Retained earnings			Treasury shares	Total shareholders' equity
		Legal 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	17,123	25	104,033	104,058	(10,422)	127,765
Changes in items during period								
Dividends of surplus					(6,656)	(6,656)		(6,656)
Profit					14,535	14,535		14,535
Purchase of treasury shares							(10,691)	(10,691)
Disposal of treasury shares							7	7
Reversal of reserve for specified shares				(25)	25	—		—
Net changes in items other than shareholders' equity								
Total changes in items during period	—	—	—	(25)	7,903	7,878	(10,683)	(2,805)
Balance at end of period	17,006	17,123	17,123	—	111,937	111,937	(21,106)	124,960

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	2,965	2,965	130,730
Changes in items during period			
Dividends of surplus			(6,656)
Profit			14,535
Purchase of treasury shares			(10,691)
Disposal of treasury shares			7
Reversal of reserve for specified shares			—
Net changes in items other than shareholders' equity	853	853	853
Total changes in items during period	853	853	(1,951)
Balance at end of period	3,818	3,818	128,779

### 3. Supplementary Information

(1) Results for the fiscal year ended March 31, 2023 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, 2022	Fiscal year ended March 31, 2023		Fiscal year ending March 31, 2024	
			Forecasts for the fiscal year ended March 31, 2023 (announced in November 2022)	Results for the fiscal year ended March 31, 2023	Forecasts for the six months ending September 30, 2023	Full year forecasts
Orders received	Civil engineering	122,593	125,000	103,274	42,300	125,000
	Building construction	187,250	230,000	244,946	125,000	250,000
	Total orders received	309,843	355,000	348,220	167,300	375,000
Net sales of completed construction contracts	Civil engineering	132,264	135,000	133,430	60,000	133,000
	Building construction	178,526	210,000	206,203	99,000	230,000
	Total net sales of completed construction contracts	310,790	345,000	339,634	159,000	363,000
Gross profit on completed construction contracts	Civil engineering	21,467 [16.2%]	22,700 [16.8%]	21,246 [15.9%]	8,800 [14.7%]	21,500 [16.2%]
	Building construction	20,622 [11.6%]	18,000 [8.6%]	17,227 [8.4%]	7,000 [7.1%]	18,600 [8.1%]
	Total gross profit on completed construction contracts	42,090 [13.5%]	40,700 [11.8%]	38,474 [11.3%]	15,800 [9.9%]	40,100 [11.0%]
<b>Gross sales</b>		<b>315,867</b>	<b>353,000</b>	<b>344,804</b>	<b>162,000</b>	<b>369,000</b>
Gross profit		42,744 [13.5%]	41,500 [11.8%]	38,762 [11.2%]	16,100 [9.9%]	40,800 [11.1%]
Selling, general and administrative expenses		18,629	19,700	20,497	10,600	21,300
<b>Operating profit</b>		<b>24,114</b> [7.6%]	<b>21,800</b> [6.2%]	<b>18,264</b> [5.3%]	<b>5,500</b> [3.4%]	<b>19,500</b> [5.3%]
Non-operating income/expenses [Interest income/expenses]		(174) [275]	300 [300]	168 [429]	(400) [150]	(500) [200]
<b>Ordinary profit</b>		<b>23,939</b> [7.6%]	<b>22,100</b> [6.3%]	<b>18,433</b> [5.3%]	<b>5,100</b> [3.1%]	<b>19,000</b> [5.1%]
Extraordinary income/losses		(422)	2,600	2,685	—	—
Profit before income taxes		23,517 [7.4%]	24,700 [7.0%]	21,119 [6.1%]	5,100 [3.1%]	19,000 [5.1%]
Tax expenses		6,958	7,500	6,584	1,700	5,700
<b>Profit</b>		<b>16,558</b> [5.2%]	<b>17,200</b> [4.9%]	<b>14,535</b> [4.2%]	<b>3,400</b> [2.1%]	<b>13,300</b> [3.6%]

## 2. Consolidated

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

Items	Results for the fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023		Fiscal yearending March 31, 2024	
		Forecasts for the fiscal year ended March 31, 2023 (announced in November 2022)	Results for the fiscal year ended March 31, 2023	Forecasts for the six months ending September 30, 2023	Full year Forecasts
<b>Gross sales</b>	<b>340,293</b>	<b>377,000</b>	<b>372,146</b>	<b>175,000</b>	<b>400,000</b>
Selling, general and administrative expenses	20,261	21,400	22,170	11,500	23,000
<b>Operating profit</b>	<b>26,600</b> [7.8%]	<b>23,200</b> [6.2%]	<b>19,853</b> [5.3%]	<b>5,300</b> [3.0%]	<b>20,500</b> [5.1%]
<b>Ordinary profit</b>	<b>25,838</b> [7.6%]	<b>23,100</b> [6.1%]	<b>19,608</b> [5.3%]	<b>4,700</b> [2.7%]	<b>19,700</b> [4.9%]
<b>Profit attributable to owners of parent</b>	<b>17,671</b> [5.2%]	<b>17,700</b> [4.7%]	<b>15,187</b> [4.1%]	<b>2,900</b> [1.7%]	<b>13,600</b> [3.4%]

### (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, 2022		For the fiscal year ended March 31, 2023		Increase/decrease	
		Amount	%	Amount	%	Amount	% change
Domestic civil engineering	Government sector	80,672	[65.9]	54,595	[55.0]	(26,076)	(32.3)
	Private sector	41,760	[34.1]	44,726	[45.0]	2,966	7.1
	Total	122,432	39.5	99,322	28.5	(23,110)	(18.9)
Domestic building construction	Government sector	29,467	[16.9]	69,842	[31.5]	40,375	137.0
	Private sector	145,009	[83.1]	151,677	[68.5]	6,667	4.6
	Total	174,476	56.3	221,519	63.6	47,042	27.0
Domestic	Government sector	110,139	[37.1]	124,438	[38.8]	14,298	13.0
	Private sector	186,770	[62.9]	196,404	[61.2]	9,633	5.2
	Total	296,909	95.8	320,842	92.1	23,932	8.1
Overseas	Civil engineering	160	[1.2]	3,952	[14.4]	3,791	2,365.6
	Building construction	12,773	[98.8]	23,426	[85.6]	10,653	83.4
	Total	12,933	4.2	27,378	7.9	14,445	111.7
Sum total	Civil engineering	122,593	[39.6]	103,274	[29.7]	(19,318)	(15.8)
	Building construction	187,250	[60.4]	244,946	[70.3]	57,695	30.8
	Total	309,843	100.0	348,220	100.0	38,377	12.4

(Net sales for the construction business)

(Unit: Million yen, %)

Category		For the fiscal year ended March 31, 2022		For the fiscal year ended March 31, 2023		Increase/decrease	
		Amount	%	Amount	%	Amount	% change
Domestic civil engineering	Government sector	76,435	[61.3]	77,905	[61.7]	1,469	1.9
	Private sector	48,200	[38.7]	48,299	[38.3]	98	0.2
	Total	124,636	40.1	126,204	37.2	1,567	1.3
Domestic building construction	Government sector	26,661	[15.6]	33,387	[18.0]	6,725	25.2
	Private sector	144,758	[84.4]	152,339	[82.0]	7,580	5.2
	Total	171,420	55.2	185,726	54.7	14,305	8.3
Domestic	Government sector	103,097	[34.8]	111,292	[35.7]	8,195	7.9
	Private sector	192,959	[65.2]	200,638	[64.3]	7,678	4.0
	Total	296,057	95.3	311,931	91.8	15,873	5.4
Overseas	Civil engineering	7,627	[51.8]	7,225	[26.1]	(401)	(5.3)
	Building construction	7,106	[48.2]	20,476	[73.9]	13,370	188.2
	Total	14,733	4.7	27,702	8.2	12,969	88.0
Sum total	Civil engineering	132,264	[42.6]	133,430	[39.3]	1,166	0.9
	Building construction	178,526	[57.4]	206,203	[60.7]	27,676	15.5
	Total	310,790	100.0	339,634	100.0	28,843	9.3

(Year-end backlog for the construction business)

(Unit: Million yen, %)

Category		For the fiscal year ended March 31, 2022		For the fiscal year ended March 31, 2023		Increase/decrease	
		Amount	%	Amount	%	Amount	% change
Domestic civil engineering	Government sector	144,013	[46.5]	120,704	[42.7]	(23,309)	(16.2)
	Private sector	165,466	[53.5]	161,894	[57.3]	(3,572)	(2.2)
	Total	309,480	59.7	282,598	53.5	(26,881)	(8.7)
Domestic building construction	Government sector	47,277	[25.2]	83,732	[37.5]	36,454	77.1
	Private sector	140,291	[74.8]	139,629	[62.5]	(661)	(0.5)
	Total	187,569	36.2	223,361	42.3	35,792	19.1
Domestic	Government sector	191,291	[38.5]	204,436	[40.4]	13,145	6.9
	Private sector	305,758	[61.5]	301,524	[59.6]	(4,234)	(1.4)
	Total	497,049	95.8	505,960	95.8	8,910	1.8
Overseas	Civil engineering	10,664	[49.3]	7,539	[34.1]	(3,124)	(29.3)
	Building construction	10,969	[50.7]	14,569	[65.9]	3,600	32.8
	Total	21,633	4.2	22,109	4.2	476	2.2
Sum total	Civil engineering	320,144	[61.7]	290,138	[54.9]	(30,006)	(9.4)
	Building construction	198,538	[38.3]	237,931	[45.1]	39,393	19.8
	Total	518,683	100.0	528,070	100.0	9,386	1.8

(Net sales for other businesses)

(Unit: Million yen, %)

Category	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023	Increase/decrease	
	Amount	Amount	Amount	% change
Other businesses	5,077	5,170	93	1.8