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



May 12, 2023

Company name: MATSUI CONSTRUCTION CO., LTD.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 1810
 URL: <https://www.matsui-ken.co.jp/>
 Representative: Takahiro Matsui, President
 Contact: Takanobu Miyashita, General Manager of Accounting Department, Administration Division
 Phone: +81-3-3553-1151
 Scheduled date of general shareholders' meeting: June 29, 2023
 Scheduled date of commencing dividend payments: June 30, 2023
 Scheduled date of filing securities report: June 30, 2023
 Availability of supplementary explanatory materials on annual financial results: Available
 Schedule of annual financial results briefing session: Not Scheduled

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 - 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	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2023	88,664	7.5	2,268	(6.1)	2,702	(2.8)	1,702	(5.0)
March 31, 2022	82,468	(5.8)	2,415	(17.9)	2,779	(15.5)	1,792	(20.4)

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥2,179 million [27.2%]

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

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	57.50	-	3.9	3.9	2.6
March 31, 2022	58.93	-	4.2	3.9	2.9

(Reference) Equity in earnings of affiliated companies: Fiscal year ended March 31, 2023: ¥ - million

Fiscal year ended March 31, 2022: ¥ - 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	71,022	44,172	62.2	1,499.06
As of March 31, 2022	68,428	42,879	62.7	1,447.62

(Reference) Equity: As of March 31, 2023: ¥44,172 million

As of March 31, 2022: ¥42,879 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2023	7,180	(543)	(923)	21,000
March 31, 2022	(20)	(2,339)	(1,404)	15,287

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2022	–	8.00	–	16.00	24.00	718	40.7	1.7
Fiscal year ended March 31, 2023	–	10.50	–	14.50	25.00	738	43.5	1.7
Fiscal year ending March 31, 2024 (Forecast)	–	13.00	–	13.00	26.00		42.6	

(Note) Breakdown of year-end dividends:

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

Fiscal year ended March 31, 2023: ordinary dividend of 14.5 yen

Fiscal year ending March 31, 2024 (Forecast): ordinary dividend of 13 yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - 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
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	95,000	7.1	2,400	5.8	2,800	3.6	1,800	5.7	61.09

* Notes:

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

Newly included: – (Company name: –)

Excluded: – (Company name: –)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

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

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

March 31, 2023: 30,580,000 shares

March 31, 2022: 30,580,000 shares

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

March 31, 2023: 1,113,439 shares

March 31, 2022: 959,138 shares

3) Average number of shares during the period:

Year ended March 31, 2023: 29,610,735 shares

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

(Reference) Summary of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 - March 31, 2023)**

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

Year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2023	86,411	6.9	2,023	(12.4)	2,455	(8.2)	1,543	(10.6)
March 31, 2022	80,829	(4.8)	2,310	(10.8)	2,676	(8.8)	1,726	(14.3)

Year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	52.11	-
March 31, 2022	56.76	-

(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	68,941	42,537	61.7	1,443.59
As of March 31, 2022	66,407	41,427	62.4	1,398.58

(Reference) Equity: As of March 31, 2023: ¥42,537 million

As of March 31, 2022: ¥41,427 million

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

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

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

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	13,285	19,798
Electronically recorded monetary claims - operating	662	70
Notes receivable, accounts receivable from completed construction contracts and other	20,148	18,115
Securities	2,612	1,703
Costs on construction contracts in progress	1,871	540
Real estate for sale	0	0
Real estate for sale in process	1,434	615
Other inventories	238	225
Other	359	766
Total current assets	40,612	41,835
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,345	12,407
Machinery, vehicles, tools, furniture and fixtures	963	1,026
Land	10,139	10,135
Leased assets	391	391
Construction in progress	0	315
Accumulated depreciation	(7,414)	(7,746)
Total property, plant and equipment	16,425	16,530
Intangible assets	192	153
Investments and other assets		
Investment securities	9,352	10,036
Distressed receivables	270	251
Retirement benefit asset	1,206	1,475
Other	763	1,222
Allowance for doubtful accounts	(395)	(482)
Total investments and other assets	11,197	12,502
Total non-current assets	27,815	29,186
Total assets	68,428	71,022

(Million yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	10,325	8,750
Electronically recorded obligations - operating	4,621	3,351
Income taxes payable	229	537
Advances received on construction contracts in progress	5,904	8,183
Provision for warranties for completed construction	286	279
Provision for loss on construction contracts	153	197
Provision for bonuses	625	749
Other	583	1,542
Total current liabilities	22,730	23,592
Non-current liabilities		
Deferred tax liabilities	350	545
Retirement benefit liability	1,724	1,992
Other	742	719
Total non-current liabilities	2,817	3,257
Total liabilities	25,548	26,850
Net assets		
Shareholders' equity		
Share capital	4,000	4,000
Capital surplus	333	333
Retained earnings	36,166	37,084
Treasury shares	(692)	(794)
Total shareholders' equity	39,807	40,623
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,291	3,762
Remeasurements of defined benefit plans	(219)	(213)
Total accumulated other comprehensive income	3,072	3,548
Total net assets	42,879	44,172
Total liabilities and net assets	68,428	71,022

(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	79,999	85,086
Net sales in real estate business and other	2,469	3,578
Total net sales	82,468	88,664
Cost of sales		
Cost of sales of completed construction contracts	74,125	79,455
Cost of sales in real estate business and other	1,746	2,620
Total cost of sales	75,872	82,075
Gross profit		
Gross profit on completed construction contracts	5,873	5,631
Gross profit on real estate business and other	722	957
Total gross profit	6,595	6,588
Selling, general and administrative expenses	4,180	4,320
Operating profit	2,415	2,268
Non-operating income		
Interest income	14	9
Dividend income	284	322
Refund of industrial injury insurance	57	54
Other	39	84
Total non-operating income	396	471
Non-operating expenses		
Interest expenses	12	12
Commission expenses	18	16
Other	1	7
Total non-operating expenses	32	37
Ordinary profit	2,779	2,702
Extraordinary income		
Gain on sale of investment securities	130	295
Total extraordinary income	130	295
Extraordinary losses		
Impairment losses	146	-
Loss on retirement of non-current assets	16	38
Loss on sale of investment securities	-	299
Loss on valuation of investment securities	-	94
Total extraordinary losses	162	432
Profit before income taxes	2,746	2,565
Income taxes - current	736	877
Income taxes - deferred	218	(14)
Total income taxes	954	862
Profit	1,792	1,702
Profit attributable to owners of parent	1,792	1,702

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	1,792	1,702
Other comprehensive income		
Valuation difference on available-for-sale securities	(230)	470
Remeasurements of defined benefit plans, net of tax	152	5
Total other comprehensive income	(78)	476
Comprehensive income	1,713	2,179
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,713	2,179

(3) Consolidated Statements of Changes in Equity

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

(Million yen)

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

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

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,000	333	36,166	(692)	39,807
Cumulative effects of changes in accounting policies					-
Restated balance	4,000	333	36,166	(692)	39,807
Changes during period					
Dividends of surplus			(784)		(784)
Profit attributable to owners of parent			1,702		1,702
Purchase of treasury shares				(101)	(101)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	917	(101)	816
Balance at end of period	4,000	333	37,084	(794)	40,623

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	3,291	(219)	3,072	42,879
Cumulative effects of changes in accounting policies				-
Restated balance	3,291	(219)	3,072	42,879
Changes during period				
Dividends of surplus				(784)
Profit attributable to owners of parent				1,702
Purchase of treasury shares				(101)
Net changes in items other than shareholders' equity	470	5	476	476
Total changes during period	470	5	476	1,292
Balance at end of period	3,762	(213)	3,548	44,172

(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	2,746	2,565
Depreciation	589	502
Impairment losses	146	-
Loss on retirement of non-current assets	16	38
Increase (decrease) in allowance for doubtful accounts	(304)	86
Interest and dividend income	(299)	(331)
Interest expenses	12	12
Decrease (increase) in trade receivables	4,309	2,645
Decrease (increase) in inventories	(537)	831
Increase (decrease) in trade payables	(1,221)	(2,804)
Increase (decrease) in advances received on construction contracts in progress	(2,385)	2,278
Decrease (increase) in costs on construction contracts in progress	473	1,331
Increase (decrease) in provision for bonuses	(36)	124
Increase (decrease) in net defined benefit asset and liability	(2,045)	7
Increase (decrease) in provision for warranties for completed construction	6	(6)
Increase (decrease) in provision for loss on construction contracts	75	43
Loss (gain) on sale of investment securities	(130)	3
Loss (gain) on valuation of investment securities	-	94
Increase (decrease) in accrued consumption taxes	(434)	844
Other, net	(85)	(821)
Subtotal	896	7,447
Interest and dividends received	253	282
Interest paid	(12)	(12)
Income taxes paid	(1,159)	(537)
Income taxes refund	1	1
Net cash provided by (used in) operating activities	(20)	7,180
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,640)	(566)
Proceeds from sale of property, plant and equipment	-	3
Loan advances	(161)	(100)
Proceeds from collection of loans receivable	211	267
Purchase of short-term and long-term investment securities	(0)	(877)
Proceeds from sale and redemption of short-term and long-term investment securities	266	767
Purchase of intangible assets	(62)	(26)
Payments into time deposits	(12)	(12)
Proceeds from withdrawal of time deposits	60	-
Net cash provided by (used in) investing activities	(2,339)	(543)
Cash flows from financing activities		
Dividends paid	(701)	(784)
Net decrease (increase) in treasury shares	(666)	(101)
Other, net	(36)	(36)
Net cash provided by (used in) financing activities	(1,404)	(923)
Net increase (decrease) in cash and cash equivalents	(3,763)	5,713
Cash and cash equivalents at beginning of period	19,051	15,287
Cash and cash equivalents at end of period	15,287	21,000