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Consolidated Financial Results for the Second Quarter Ended September 30, 2023 [Japanese GAAP]

November 13, 2023

Company name : Kumagai Gumi Co., Ltd.
 Stock exchange listings : Tokyo Stock Exchange, Prime Market
 Securities code : 1861 URL : <https://www.kumagaigumi.co.jp/>
 Representative : Yasunori Sakurano, President
 Contact : Kazunori Shimada, Joint General Manager, Administration Division,
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 Tel. 03-3235-8606
 Date of filing of quarterly securities report : November 13, 2023
 Scheduled date of dividend payment : —
 Supplemental materials for quarterly financial results : Yes
 Presentation on quarterly financial results : Yes

(Rounded down to the nearest million yen)

1. Consolidated Results for the Second Quarter Ended September 30, 2023 (April 1, 2023 – September 30, 2023)

(1) Consolidated Operating Results

(Percentage figures are changes from the same period in the previous fiscal year)

	Net sales of completed construction contracts		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2023 2nd Quarter	196,257	5.6	3,768	33.1	3,996	13.8	2,431	8.5
FY2022 2nd Quarter	185,844	(2.0)	2,830	(67.5)	3,511	(61.5)	2,241	(64.2)

(Note) Comprehensive income FY2023 2nd Quarter 7,832 million yen 120.7% FY2022 2nd Quarter 3,549million yen (36.7)%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY2023 2nd Quarter	55.98	—
FY2022 2nd Quarter	50.01	—

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2023 2nd Quarter	395,835	170,516	43.1	3,951.64
FY2022	376,650	169,860	45.1	3,894.11

(Reference) Owner's equity FY2023 2nd Quarter 170,516 million yen FY2022 169,860 million yen

2. Dividends

	Annual cash dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2022	—	—	—	130.00	130.00
FY2023	—	—	—	—	—
FY2023 (forecast)	—	—	—	130.00	130.00

(Note) Revision to the latest forecasts of cash dividends announced : None

3. Forecast of Consolidated Operating Results for FY2023 (April 1, 2023 – March 31, 2024)

(Percentage figures are changes from the same period in the previous fiscal year)

	Net sales of completed construction contracts		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2023	433,100	7.3	15,200	32.4	15,700	28.3	10,400	30.4	240.56

(Note) Revision to the latest forecasts of consolidated operating results announced : None

※Basic earnings per share reflects the impact of the "Notice Regarding the Status of Acquisition of Own Shares, Completion of Acquisition and Cancellation of Own Shares" announced on October 31, 2023.

※ Notes

(1) Changes in significant subsidiaries during the period
(Changes in specified subsidiaries that resulted in a change in the scope of consolidation) : None

(2) Application of specific accounting for quarterly consolidated financial statements : None

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatements

① Changes in accounting policies due to the revision of the accounting standards : None

② Changes in accounting policies other than ① : None

③ Changes in accounting estimates : None

④ Retrospective restatements : None

(Note) For details of “Yes” above, please refer to 2. Quarterly Consolidated Financial Statements and Major Notes (4) Notes to Quarterly Consolidated Financial Statements (Changes in accounting policies),and (Changes in accounting policies which are difficult to distinguish from changes in accounting estimates) on page 9 of the Attachments.

(4) Number of shares issued (common stock)

(Shares)

① Number of shares issued at the end of the period (including treasury stocks)

FY2023 Q2	43,900,360	FY2022	43,900,360
FY2023 Q2	749,577	FY2022	280,432
FY2023 Q2	43,441,237	FY2022 Q2	44,819,205

② Number of treasury stocks at the end of the period

③ Average number of shares outstanding during the period
(quarterly cumulative total)

※ “Kessan Tanshin” is not subject to the quarterly review.

※ Explanation regarding the appropriate use of forecasts of operating results, and other specific comments

The financial forecast of operating results in this document are based on information available at present and logical assessments. Actual results may be materially different from expectations due to a variety of factors. Refer to “1. Qualitative Information on Consolidated Operating Results for the Second Quarter Ended September 30, 2023; (3) Explanation of information on future forecasts, including the consolidated earnings forecasts” on page 3 of the Attachments for matters related to earnings forecasts.

(Reference) Summary of Nonconsolidated Financial Results

(Rounded down to the nearest million yen)

1. Nonconsolidated Results for the Second Quarter Ended September 30, 2023 (April 1, 2023 – September 30, 2023)

(1) Nonconsolidated Operating Results

(Percentage figures are changes from the same period in the previous fiscal year)

	Net sales of completed construction contracts		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2023 2nd Quarter	147,946	5.1	2,482	0.4	3,739	(18.1)	2,638	(23.0)
FY2022 2nd Quarter	140,727	(4.9)	2,471	(66.5)	4,565	(50.3)	3,427	(49.3)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY2023 2nd Quarter	60.59	—
FY2022 2nd Quarter	76.31	—

(2) Nonconsolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2023 2nd Quarter	322,269	133,297	41.4	3,081.60
FY2022	304,522	133,049	43.7	3,042.88

(Reference) Owner's equity FY2023 2nd Quarter 133,297 million yen FY2022 133,049 million yen

2. Forecast of Nonconsolidated Operating Results for FY2023 (April 1, 2023 – March 31, 2024)

(Percentage figures are changes from the same period in the previous fiscal year)

	Net sales of completed construction contracts		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
FY2023	311,000	3.9	11,400	12.3	7,800	11.5	179.98

(Note) Revision to the latest forecasts of nonconsolidated operating results announced : None

※Basic earnings per share reflects the impact of the "Notice Regarding the Status of Acquisition of Own Shares, Completion of Acquisition and Cancellation of Own Shares" announced on October 31, 2023.

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1. Qualitative Information on Consolidated Operating Results for the Second Quarter Ended September 30, 2023

(1) Explanation of operating results

During the second quarter of the fiscal year under review, the Japanese economy saw signs of a recovery in consumer spending and solid investment in plant and equipment, notably including software, amid improvements in the employment and income environment. Furthermore, corporate earnings remained at a high level overall primarily due to the weakened impact of supply restrictions and a recovery in inbound tourism, all of which contributed to a moderate economic recovery.

In the construction industry, housing construction investment was on a weak note due to persistently high construction costs and concerns about higher interest rates. On the other hand, the order environment was firm overall, as private sector construction investment showed underlying strength, despite some weakness in certain areas, coupled with the robustness of public investment owing to the execution of related budgets. In terms of profitability, however, difficult conditions remained, mainly due to higher material prices and labor costs.

Under such operating conditions, the Kumagai Gumi Group continued to strive for sustainable growth by working together as a team on The Kumagai Gumi Group Medium-Term Management Plan (FY2021-FY2023) – Proactive Measures for Sustainable Growth–, which was formulated in May 2021 and sets (i) deepen the construction business, (ii) accelerate the construction-related peripheral businesses, (iii) develop new business domains, and (iv) strengthen the management foundation as basic policies.

Looking at the consolidated results for the second quarter under review, net sales (completed contracts) rose 10.4 billion yen (5.6%) year on year, to 196.2 billion yen, mainly attributable to steady execution of order backlog. On the profit front, the increase in net sales and improved gross profit margin (gross profit margin on completed contracts) led to an increase of 0.9 billion yen (33.1%) year on year in operating profit, to 3.7 billion yen, and a rise of 0.4 billion yen (13.8%) year on year in ordinary profit, to 3.9 billion yen. Profit attributable to owners of parent was 2.4 billion yen, up 0.1 billion yen (8.5%), owing to income taxes of 1.3 billion yen and other adjustments.

(2) Explanation of the financial position

Total assets at the end of the second quarter were 395.8 billion yen, a rise of 19.1 billion yen (5.1%) from the end of the previous fiscal year, mainly attributable to increases in cash and deposits associated with borrowings, investments in real estate development business in the United States and investment securities resulted from rises in valuation of stock portfolio.

Total liabilities increased 18.5 billion yen (9.0%) from the end of the previous fiscal year, to 225.3 billion yen, chiefly due to increases in borrowings, including syndicated loans.

Net assets stood at 170.5 billion yen, an increase of 0.6 billion yen (0.4%) from the end of the previous fiscal year, mainly reflecting a rise in valuation difference on available-for-sale securities resulting from increases in market price, which was partly offset by a decline in retained earnings due to dividend payment and purchase of treasury shares. The shareholders' equity ratio was 43.1%, declining 2.0 pt from 45.1% at the end of the previous fiscal year.

(3) Explanation of information on future forecasts, including the consolidated earnings forecasts

Going forward, the Japanese economy is expected to continue to see a moderate recovery in consumer spending and corporate earnings, aided by the effect of a range of government policies and improvements in the employment and income environment. Meanwhile, the business outlook remains uncertain, reflecting risks such as the downturn of overseas economies and rising prices, amid the situations surrounding Ukraine and the Middle East, monetary tightening on a global basis and concerns about the future of the Chinese economy.

In this business environment, the Group will continue to work as one team to implement initiatives to achieve sustainable growth under the Medium-Term Management Plan (FY2021-FY2023).

In view of the conditions described above and business results for the second quarter ended September 30, 2023, there are currently no changes to the consolidated earnings forecasts and the non-consolidated earnings forecasts for the fiscal year ending March 31, 2024 announced on May 12, 2023.

2. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheet

(millions of yen)

	Prior Fiscal Year (As of March 31, 2023)	Current 2nd Quarter (As of September 30, 2023)
Assets		
Current assets		
Cash and deposits	40,977	50,444
Notes receivable, accounts receivable from completed construction contracts and other	225,453	226,116
Costs on construction contracts in progress	10,437	9,622
Accounts receivable – other	19,169	20,847
Other	2,295	3,297
Allowance for doubtful accounts	(56)	(53)
Total current assets	298,276	310,274
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,704	9,523
Land	17,053	17,056
Other, net	2,551	2,363
Total property, plant and equipment	29,309	28,942
Intangible assets	1,478	1,495
Investments and other assets		
Investment securities	34,131	42,082
Deferred tax assets	6,914	4,469
Other	6,701	8,738
Allowance for doubtful accounts	(160)	(167)
Total investments and other assets	47,586	55,123
Total non-current assets	78,374	85,561
Total assets	376,650	395,835

(millions of yen)

	Prior Fiscal Year (As of March 31, 2023)	Current 2nd Quarter (As of September 30, 2023)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	83,341	75,052
Electronically recorded obligations – operating	27,107	29,685
Short-term borrowings	3,893	14,936
Income taxes payable	766	1,152
Advances received on construction contracts in progress	12,789	16,191
Deposits received	26,043	33,560
Provision for warranties for completed construction	550	483
Provision for loss on construction contracts	994	567
Provision for contingent loss	4	4
Provision for bonuses	4,057	3,797
Other	11,372	6,101
Total current liabilities	170,922	181,533
Non-current liabilities		
Long-term borrowings	18,303	26,276
Provision for share awards	250	254
Retirement benefit liability	16,711	16,715
Other	601	540
Total non-current liabilities	35,867	43,786
Total liabilities	206,789	225,319
Net assets		
Shareholders' equity		
Share capital	30,108	30,108
Capital surplus	17,133	17,133
Retained earnings	117,498	114,231
Treasury shares	(626)	(2,104)
Total shareholders' equity	164,113	159,368
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,512	9,315
Foreign currency translation adjustment	1,372	1,958
Remeasurements of defined benefit plans	(137)	(125)
Total accumulated other comprehensive income	5,747	11,147
Total net assets	169,860	170,516
Total liabilities and net assets	376,650	395,835

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income
Quarterly consolidated statement of income (Cumulative total)

(millions of yen)

	FY2022 2nd Quarter (Apr 1, 2022—Sep 30, 2022)	FY2023 2nd Quarter (Apr 1, 2023—Sep 30, 2023)
Net sales of completed construction contracts	185,844	196,257
Cost of sales of completed construction contracts	172,533	181,306
Gross profit on completed construction contracts	13,310	14,950
Selling, general and administrative expenses	10,480	11,182
Operating profit	2,830	3,768
Non-operating income		
Interest income	12	41
Dividend income	415	430
Share of profit of entities accounted for using equity method	113	11
Foreign exchange gains	272	154
Other	61	116
Total non-operating income	874	753
Non-operating expenses		
Interest expenses	86	142
Commission for syndicated loans	21	257
Loss on investments in investment partnerships	50	59
Other	36	65
Total non-operating expenses	193	525
Ordinary profit	3,511	3,996
Extraordinary income		
Gain on sale of non-current assets	2	1
Gain on sale of investment securities	—	0
Gain on sale of memberships	64	—
Compensation for damage income	81	—
Total extraordinary income	147	1
Extraordinary losses		
Loss on retirement of non-current assets	17	2
Compensation for damage	119	131
Infectious disease related costs	28	—
Other	27	37
Total extraordinary losses	193	171
Profit before income taxes	3,465	3,826
Income taxes – current	384	1,072
Income taxes – deferred	838	321
Total income taxes	1,223	1,394
Profit	2,241	2,431
Profit attributable to owners of parent	2,241	2,431

Quarterly consolidated statement of comprehensive income (Cumulative total)

(millions of yen)

	FY2022 2nd Quarter (Apr 1, 2022—Sep 30, 2022)	FY2023 2nd Quarter (Apr 1, 2023—Sep 30, 2023)
Profit	2,241	2,431
Other comprehensive income		
Valuation difference on available-for-sale securities	580	4,801
Foreign currency translation adjustment	715	585
Remeasurements of defined benefit plans, net of tax	13	11
Share of other comprehensive income of entities accounted for using equity method	(1)	0
Total other comprehensive income	1,308	5,400
Comprehensive income	3,549	7,832
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,549	7,832
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated statements of cash flows

(millions of yen)

	FY2022 2nd Quarter (Apr 1, 2022—Sep 30, 2022)	FY2023 2nd Quarter (Apr 1, 2023—Sep 30, 2023)
Cash flows from operating activities		
Profit before income taxes	3,465	3,826
Depreciation	901	1,002
Increase (decrease) in allowance for doubtful accounts	(15)	(3)
Increase (decrease) in provision for contingent loss	(15)	—
Increase (decrease) in retirement benefit liability	216	20
Interest and dividend income	(427)	(471)
Interest expenses	86	142
Foreign exchange losses (gains)	(240)	(53)
Share of loss (profit) of entities accounted for using equity method	(113)	(11)
Loss (gain) on investments in investment partnerships	50	59
Loss (gain) on sale of non-current assets	(2)	(1)
Loss on retirement of non-current assets	17	2
Decrease (increase) in trade receivables	11,890	44
Decrease (increase) in costs on construction contracts in progress	(1,454)	859
Increase (decrease) in trade payables	(24,384)	(7,403)
Increase (decrease) in advances received on construction contracts in progress	4,058	3,308
Decrease (increase) in accounts receivable – other	5,091	(2,458)
Increase (decrease) in deposits received	1,802	7,516
Decrease (increase) in other assets and other	(1,877)	(754)
Other, net	(4,782)	(5,797)
Subtotal	(5,732)	(170)
Interest and dividends received	432	476
Interest paid	(84)	(143)
Income taxes refund (paid)	(4,166)	10
Net cash provided by (used in) operating activities	(9,550)	172
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,883)	(587)
Proceeds from sale of property, plant and equipment	194	1
Purchase of investment securities	(83)	(16)
Purchase of shares of subsidiaries and associates	(50)	(65)
Purchase of Investments in other securities of subsidiaries and associates	(1,567)	(998)
Loan advances	(18)	(1,303)
Proceeds from collection of loans receivable	48	32
Other, net	(141)	(200)
Net cash provided by (used in) investing activities	(5,501)	(3,137)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	6,000
Proceeds from long-term borrowings	—	13,271
Repayments of long-term borrowings	(202)	(255)
Purchase of treasury shares	(2,109)	(1,509)
Dividends paid	(5,426)	(5,692)
Other, net	(72)	(59)
Net cash provided by (used in) financing activities	(7,810)	11,753
Effect of exchange rate change on cash and cash equivalents	897	679
Net increase (decrease) in cash and cash equivalents	(21,966)	9,467
Cash and cash equivalents at beginning of period	67,404	40,974
Cash and cash equivalents at end of period	45,438	50,441

(4) Notes to Quarterly Consolidated Financial Statements

(Notes related to the going concern assumption)

Not applicable

(Notes in the case of significant changes in shareholders' equity)

The Company has been proceeding with the acquisition of own shares based on a resolution at the meeting of the Board of Directors held on May 12, 2023. During the first six months of the fiscal year under review, it has acquired 476,600 treasury shares. Due to this acquisition, the value of Company's treasury shares has increased 1,499 million yen.

(Segment Information)

FY2022 2nd Quarter (Apr 1, 2022—Sep 30, 2022)

Reportable segment sales, profit or loss and revenue breakdown information

(millions of yen)

	Reportable segments				Adjustments (Note1)	Amounts on Quarterly consolidated statement of income (Note2)
	Civil engineering	Building construction	Subsidiaries	Total		
Net Sales						
Revenue from contracts with customers	40,841	99,797	44,397	185,036	—	185,036
Other revenue	—	84	722	807	—	807
Sales to customers	40,841	99,882	45,120	185,844	—	185,844
Intersegment sales and transfers	—	4	4,698	4,703	(4,703)	—
Total	40,841	99,886	49,819	190,547	(4,703)	185,844
Segment profit (loss)	(83)	2,555	332	2,803	26	2,830

(Note1) The segment profit (loss) adjustment is for the elimination of intersegment transactions.

(Note2) Segment profit (loss) is adjusted with operating profit recorded under the quarterly consolidated statement of income.

(Note3) Other revenue is a rental income based on the Accounting Standard for Lease Transactions (ASBJ statement No. 13 issued on March 30, 2007).

FY2023 2nd Quarter (Apr 1, 2023—Sep 30, 2023)

Reportable segment sales, profit or loss and revenue breakdown information

(millions of yen)

	Reportable segments				Adjustments (Note1)	Amounts on Quarterly consolidated statement of income (Note2)
	Civil engineering	Building construction	Subsidiaries	Total		
Net Sales						
Revenue from contracts with customers	44,882	102,911	47,593	195,387	—	195,387
Other revenue	—	152	716	869	—	869
Sales to customers	44,882	103,064	48,310	196,257	—	196,257
Intersegment sales and transfers	—	0	4,541	4,541	(4,541)	—
Total	44,882	103,064	52,851	200,798	(4,541)	196,257
Segment profit (loss)	(71)	2,553	1,266	3,748	19	3,768

(Note1) The segment profit (loss) adjustment is for the elimination of intersegment transactions.

(Note2) Segment profit (loss) is adjusted with operating profit recorded under the quarterly consolidated statement of income.

(Note3) Other revenue is a rental income based on the Accounting Standard for Lease Transactions (ASBJ statement No. 13 issued on March 30, 2007).

(Significant subsequent events)

(Cancellation of Own Shares)

The Company cancelled treasury shares based on a resolution at a meeting of the Board of Directors on May 12, 2023 pursuant to the provisions of Article 178 of the Companies Act, as described below.

- | | |
|---------------------------------------|--|
| (1) Class of shares cancelled: | Shares of Common stock |
| (2) Total number of shares cancelled: | 614,800 shares
(1.4% of the total number of shares outstanding before cancellation) |
| (3) Date of cancellation: | November 8, 2023 |

3. Quarterly Nonconsolidated Financial Statements

(1) Quarterly nonconsolidated balance sheet

(millions of yen)

	Prior Fiscal Year (As of March 31, 2023)	Current 2nd Quarter (As of September 30, 2023)
Assets		
Current assets		
Cash and deposits	18,586	24,815
Notes receivable, accounts receivable from completed construction contracts and other	191,139	197,660
Costs on construction contracts in progress	9,174	8,028
Other	19,333	19,022
Allowance for doubtful accounts	(20)	(21)
Total current assets	238,215	249,506
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,663	5,591
Land	14,096	14,098
Other, net	1,202	1,007
Total property, plant and equipment	20,962	20,697
Intangible assets	1,378	1,392
Investments and other assets		
Investment securities	9,943	10,687
Deferred tax assets	5,548	3,186
Other	28,474	36,799
Total investments and other assets	43,966	50,673
Total non-current assets	66,307	72,763
Total assets	304,522	322,269

(millions of yen)

	Prior Fiscal Year (As of March 31, 2023)	Current 2nd Quarter (As of September 30, 2023)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	60,409	47,474
Electronically recorded obligations – operating	23,170	27,340
Short-term borrowings	5,693	18,736
Lease obligations	4	3
Advances received on construction contracts in progress	10,763	14,273
Deposits received	24,135	31,309
Provision for warranties for completed construction	518	451
Provision for loss on construction contracts	964	496
Provision for bonuses	2,746	2,652
Other	10,161	5,398
Total current liabilities	138,567	148,137
Non-current liabilities		
Long-term borrowings	18,303	26,276
Lease obligations	7	5
Provision for stock payments	250	254
Provision for retirement benefits	14,078	14,035
Other	264	263
Total non-current liabilities	32,904	40,834
Total liabilities	171,472	188,971
Net assets		
Shareholders' equity		
Share capital	30,108	30,108
Capital surplus	17,133	17,133
Retained earnings	81,817	78,756
Treasury shares	(499)	(1,975)
Total shareholders' equity	128,560	124,022
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,489	9,275
Total valuation and translation adjustments	4,489	9,275
Total net assets	133,049	133,297
Total liabilities and net assets	304,522	322,269

(2) Quarterly nonconsolidated statement of income (Cumulative total)

(millions of yen)

	FY2022 2nd Quarter (Apr 1, 2022—Sep 30, 2022)	FY2023 2nd Quarter (Apr 1, 2023—Sep 30, 2023)
Net sales of completed construction contracts	140,727	147,946
Cost of sales of completed construction contracts	130,424	136,911
Gross profit on completed construction contracts	10,303	11,035
Selling, general and administrative expenses	7,831	8,553
Operating profit	2,471	2,482
Non-operating income		
Interest income	5	15
Dividend income	1,975	1,554
Foreign exchange gains	253	140
Other	54	85
Total non-operating income	2,288	1,796
Non-operating expenses		
Interest expenses	90	160
Commission for syndicated loans	21	257
Loss on investments in investment partnerships	50	59
Other	32	60
Total non-operating expenses	194	538
Ordinary profit	4,565	3,739
Extraordinary income		
Gain on sale of non-current assets	2	—
Gain on sale of investment securities	—	0
Gain on sale of memberships	64	—
Total extraordinary income	66	0
Extraordinary losses		
Compensation for damage	119	131
Infectious disease related costs	19	—
Other	20	0
Total extraordinary losses	159	132
Profit before income taxes	4,472	3,607
Income taxes – current	252	718
Income taxes – deferred	792	250
Total income taxes	1,044	969
Profit	3,427	2,638

4. Supplementary Information

(1) Orders received, net sales and carried-forward (Nonconsolidated)

(millions of yen)

	FY2022 2nd Quarter Apr 1, 2022 – Sep 30, 2022		FY2023 2nd Quarter Apr 1, 2023 – Sep 30, 2023		Change	
	Amount	Composition ratio %	Amount	Composition ratio %	Amount	%
Public	13,935	11.7	20,558	15.8	6,623	47.5
Private	10,697	9.0	13,467	10.4	2,769	25.9
Domestic	24,633	20.7	34,026	26.2	9,393	38.1
Overseas	—	—	14,220	10.9	14,220	—
Civil engineering	24,633	20.7	48,246	37.1	23,613	95.9
Public	11,370	9.5	1,324	1.0	(10,046)	(88.4)
Private	83,094	69.7	80,331	61.8	(2,762)	(3.3)
Domestic	94,464	79.2	81,655	62.8	(12,808)	(13.6)
Overseas	98	0.1	11	0.1	(86)	(88.2)
Building construction	94,563	79.3	81,667	62.9	(12,895)	(13.6)
Public	25,305	21.2	21,882	16.8	(3,422)	(13.5)
Private	93,792	78.7	93,799	72.2	7	0.0
Domestic	119,097	99.9	115,682	89.0	(3,415)	(2.9)
Overseas	98	0.1	14,231	11.0	14,133	—
Orders received–Total	119,196	100	129,914	100	10,717	9.0
Public	18,385	13.0	22,809	15.4	4,424	24.1
Private	22,456	16.0	22,072	14.9	(384)	(1.7)
Domestic	40,841	29.0	44,882	30.3	4,040	9.9
Overseas	—	—	—	—	—	—
Civil engineering	40,841	29.0	44,882	30.3	4,040	9.9
Public	6,840	4.9	9,731	6.6	2,890	42.3
Private	92,175	65.5	92,961	62.8	786	0.9
Domestic	99,015	70.4	102,692	69.4	3,677	3.7
Overseas	870	0.6	371	0.3	(498)	(57.3)
Building construction	99,886	71.0	103,064	69.7	3,178	3.2
Public	25,225	17.9	32,540	22.0	7,315	29.0
Private	114,631	81.5	115,033	77.7	402	0.4
Domestic	139,857	99.4	147,574	99.7	7,717	5.5
Overseas	870	0.6	371	0.3	(498)	(57.3)
Net sales–Total	140,727	100	147,946	100	7,218	5.1
Public	53,757	11.6	79,394	15.4	25,636	47.7
Private	113,805	24.5	104,859	20.3	(8,946)	(7.9)
Domestic	167,563	36.1	184,253	35.7	16,689	10.0
Overseas	—	—	14,185	2.7	14,185	—
Civil engineering	167,563	36.1	198,438	38.4	30,875	18.4
Public	45,518	9.8	48,251	9.3	2,733	6.0
Private	250,144	53.9	270,121	52.3	19,976	8.0
Domestic	295,662	63.7	318,372	61.6	22,709	7.7
Overseas	808	0.2	9	0.0	(799)	(98.9)
Building construction	296,471	63.9	318,381	61.6	21,910	7.4
Public	99,275	21.4	127,645	24.7	28,369	28.6
Private	363,950	78.4	374,980	72.6	11,030	3.0
Domestic	463,226	99.8	502,626	97.3	39,399	8.5
Overseas	808	0.2	14,194	2.7	13,385	—
Carried-forward–Total	464,034	100	516,820	100	52,785	11.4

(Note) The carried-forward amount of overseas work has been translated at the closing rate.

FY2022 2nd Quarter : Increased by 109 million yen FY2023 2nd Quarter : Increased by 10 million yen

(2) Financial Highlights

Consolidated

(100 millions of yen)

(Operating Results)

	A FY2022 2nd Quarter	B FY2023 2nd Quarter	B - A	
				%
Net sales	1,858	1,963	104	5.6
Gross profit	133	150	16	12.3
(Ratio)	7.2%	7.6%	0.4%	
SG&A expenses	105	112	7	
Operating profit	28	38	9	33.1
(Ratio)	1.5%	1.9%	0.4%	
Non-operating income - net	7	2	(5)	
Ordinary profit	35	40	5	13.8
Extraordinary income - net	△ 0	(2)	(1)	
Profit before income taxes	35	38	4	10.4
Income taxes and others	12	14	2	
Profit attributable to owners of parent	22	24	2	8.5

(Forecasts of Operating Results for Full year)

	C FY2022 Result	D FY2023 (Forecasts)	D - C	
				%
	4,035	4,331	296	7.3
	332	378	46	13.8
	8.2%	8.7%	0.5%	
	217	226	9	
	115	152	37	32.4
	2.8%	3.5%	0.7%	
	8	5	(3)	
	122	157	35	28.3
	(2)	(1)	1	
	120	156	36	29.7
	41	52	11	
	80	104	24	30.4

Nonconsolidated

(Operating Results)

	A FY2022 2nd Quarter	B FY2023 2nd Quarter	B - A	
				%
Civil engineering	246	340	94	
	Building construction	945	817	(128)
	Domestic	1,191	1,157	(34)
	Overseas	1	142	141
Orders received	1,192	1,299	107	9.0
Civil engineering	408	449	40	
	Building construction	990	1,027	37
	Domestic	1,399	1,476	77
	Overseas	9	4	(5)
Net sales	1,407	1,479	72	5.1
Civil engineering	32	35	3	
	(Ratio)	7.7%	7.7%	0.0%
	Building construction	72	76	4
	(Ratio)	7.3%	7.4%	0.1%
Domestic	104	110	7	
(Ratio)	7.4%	7.5%	0.1%	
Overseas	(1)	0	1	
(Ratio)	(6.2)%	7.3%	13.5%	
Gross profit	103	110	7	7.1
(Ratio)	7.3%	7.5%	0.2%	
SG&A expenses	78	86	7	
Operating profit	25	25	0	0.4
(Ratio)	1.8%	1.7%	(0.1)%	
Non-operating income - net	21	13	(8)	
Ordinary profit	46	37	(8)	(18.1)
Extraordinary income - net	△ 1	(1)	(0)	
Profit before income taxes	45	36	(9)	(19.3)
Income taxes and others	10	10	(1)	
Profit	34	26	(8)	(23.0)

(Forecasts of Operating Results for Full year)

	C FY2022 Result	D FY2023 (Forecasts)	D - C	
				%
	1,013	1,100	87	
	2,472	2,450	(22)	
	3,485	3,550	65	
	1	180	179	
	3,486	3,730	244	7.0
	899	900	1	
	2,081	2,200	119	
	2,980	3,100	120	
	13	10	(3)	
	2,993	3,110	117	3.9
	85	90	5	
	9.4%	10.0%	0.6%	
	160	178	18	
	7.7%	8.1%	0.4%	
	244	268	24	
	8.2%	8.6%	0.4%	
	1	1	(0)	
	8.7%	10.0%	1.3%	
	246	269	23	9.5
	8.2%	8.6%	0.4%	
	165	169	4	
	80	100	20	24.3
	2.7%	3.2%	0.5%	
	21	14	(7)	
	102	114	12	12.3
	(2)	0	2	
	99	114	15	14.9
	29	36	7	
	70	78	8	11.5