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## Non-consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

April 26, 2024

Company name: KAWASAKI SETSUBI KOGYO CO., LTD.

Stock exchange listing: Nagoya

Code number: 1777

URL: <https://www.kawasaki-sk.co.jp/>

Representative: Katsushi Hiroe

Contact: Takashi Miwa

Phone: +81-52-221-7700

Scheduled date of Annual General Meeting of Shareholders: June 27, 2024

Scheduled date of commencing dividend payments: June 28, 2024

Scheduled date of filing annual securities report: June 27, 2024

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: No

President and Representative Director

General Manager of Corporate Planning Department

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

### 1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

#### (1) Non-consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	22,482	8.0	1,333	28.1	1,354	26.0	845	19.6
March 31, 2023	20,809	(11.8)	1,040	(18.0)	1,074	(16.5)	707	(16.9)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	70.70	-	7.5	7.0	5.9
March 31, 2023	59.10	-	6.6	5.7	5.0

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: ¥ - million  
Fiscal year ended March 31, 2023: ¥ - million

#### (2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	20,326	11,630	57.2	972.09
March 31, 2023	18,354	10,951	59.7	915.39

(Reference) Equity: As of March 31, 2024: ¥ 11,630 million  
As of March 31, 2023: ¥ 10,951 million

#### (3) Non-consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2024	(586)	(52)	(427)	4,415
March 31, 2023	1,067	(48)	(358)	5,482

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio	Dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2023	-	8.00	-	10.00	18.00	215	30.5	2.0
March 31, 2024	-	8.00	-	14.00	22.00	263	31.1	2.3
Fiscal year ending								
March 31, 2025 (Forecast)	-	11.00	-	11.00	22.00		32.8	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2024 :

Special dividend 4.00 yen

## 3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	11,000	14.1	250	9.0	260	9.8	147	(1.6)	12.29
Full year	25,500	13.4	1,170	(12.2)	1,190	(12.1)	802	(5.2)	67.03

\* Notes:

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

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(2) Total number of issued shares (common shares)

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

March 31, 2024: 12,000,000 shares

March 31, 2023: 12,000,000 shares

2) Number of treasury shares at the end of the period:

March 31, 2024: 35,827 shares

March 31, 2023: 35,827 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024: 11,964,173 shares

Fiscal Year ended March 31, 2023: 11,964,173 shares

# Non-consolidated Financial Statements

## Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	5,482	4,415
Notes receivable - trade	492	113
Electronically recorded monetary claims - operating	1,328	2,163
Accounts receivable from completed construction contracts	5,932	8,608
Costs on construction contracts in progress	256	232
Prepaid expenses	31	36
Advances paid	33	82
Other	322	180
Allowance for doubtful accounts	(82)	(116)
Total current assets	13,797	15,717
Non-current assets		
Property, plant and equipment		
Buildings	3,972	3,979
Accumulated depreciation	(2,436)	(2,512)
Buildings, net	1,536	1,467
Structures	90	90
Accumulated depreciation	(67)	(70)
Structures, net	22	20
Machinery and equipment	44	44
Accumulated depreciation	(34)	(35)
Machinery and equipment, net	10	9
Vehicles	6	6
Accumulated depreciation	(5)	(5)
Vehicles, net	1	0
Tools, furniture and fixtures	69	69
Accumulated depreciation	(48)	(51)
Tools, furniture and fixtures, net	20	17
Land	1,592	1,592
Leased assets	204	149
Accumulated depreciation	(147)	(107)
Leased assets, net	56	41
Total property, plant and equipment	3,240	3,149
Intangible assets		
Leased assets	421	473
Other	1	0
Total intangible assets	422	474

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Investments and other assets		
Investment securities	169	244
Investments in capital	5	5
Deferred tax assets	532	540
Membership	89	87
Other	121	131
Allowance for doubtful accounts	(25)	(25)
Total investments and other assets	893	984
Total non-current assets	4,557	4,608
Total assets	18,354	20,326

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes payable - trade	184	105
Electronically recorded obligations - operating	1,024	1,188
Accounts payable for construction contracts	2,632	3,071
Lease liabilities	164	198
Accounts payable - other	49	17
Accrued expenses	284	297
Income taxes payable	117	362
Advances received on construction contracts in progress	819	957
Deposits received	98	190
Provision for bonuses	500	558
Provision for bonuses for directors (and other officers)	16	16
Provision for warranties for completed construction	12	12
Provision for loss on construction contracts	28	-
Other	-	241
Total current liabilities	5,931	7,218
Non-current liabilities		
Lease liabilities	348	351
Provision for retirement benefits	1,056	1,058
Asset retirement obligations	45	46
Other	20	20
Total non-current liabilities	1,471	1,476
Total liabilities	7,402	8,695
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,581	1,581
Capital surplus		
Legal capital surplus	395	395
Total capital surplus	395	395
Retained earnings		
Other retained earnings		
Retained earnings brought forward	8,954	9,585
Total retained earnings	8,954	9,585
Treasury shares	(7)	(7)
Total shareholders' equity	10,923	11,553
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	28	76
Total valuation and translation adjustments	28	76
Total net assets	10,951	11,630
Total liabilities and net assets	18,354	20,326

## Non-consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales of completed construction contracts	20,809	22,482
Cost of sales of completed construction contracts	17,606	18,881
Gross profit on completed construction contracts	3,202	3,601
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	95	101
Employees' salaries and allowances	719	714
Provision for bonuses	233	241
Provision for bonuses for directors (and other officers)	16	16
Retirement benefit expenses	39	40
Legal welfare expenses	189	184
Welfare expenses	39	43
Repair and maintenance expenses	39	45
Stationery expenses	83	77
Communication and transportation expenses	86	89
Power utilities expenses	24	22
Research study expenses	11	8
Advertising expenses	20	18
Provision of allowance for doubtful accounts	(14)	33
Entertainment expenses	36	45
Donations	2	2
Rent expenses on land and buildings	66	65
Depreciation	224	249
Taxes and dues	84	106
Insurance expenses	2	2
Miscellaneous expenses	160	158
Total selling, general and administrative expenses	2,162	2,267
Operating profit	1,040	1,333
Non-operating income		
Interest income	0	0
Dividend income	6	6
Rental income from real estate	46	46
Gain on sale of non-current assets	8	-
Other	11	4
Total non-operating income	73	57
Non-operating expenses		
Interest expenses	1	1
Rental expenses on real estate	25	25
Stocks maintenance fee	5	5
Other	5	2
Total non-operating expenses	39	36
Ordinary profit	1,074	1,354
Profit before income taxes	1,074	1,354
Income taxes - current	342	483
Income taxes for prior periods	-	59
Income taxes - deferred	25	(34)
Total income taxes	367	508
Profit	707	845

Non-consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus		Retained earnings	
		Legal capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at beginning of period	1,581	395	395	8,439	8,439
Changes during period					
Dividends of surplus				(191)	(191)
Profit				707	707
Net changes in items other than shareholders' equity					
Total changes during period	-	-	-	515	515
Balance at end of period	1,581	395	395	8,954	8,954

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(7)	10,407	22	22	10,430
Changes during period					
Dividends of surplus		(191)			(191)
Profit		707			707
Net changes in items other than shareholders' equity			5	5	5
Total changes during period	-	515	5	5	521
Balance at end of period	(7)	10,923	28	28	10,951

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus		Retained earnings	
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings
			Retained earnings brought forward		
Balance at beginning of period	1,581	395	395	8,954	8,954
Changes during period					
Dividends of surplus				(215)	(215)
Profit				845	845
Net changes in items other than shareholders' equity					
Total changes during period	-	-	-	630	630
Balance at end of period	1,581	395	395	9,585	9,585

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(7)	10,923	28	28	10,951
Changes during period					
Dividends of surplus		(215)			(215)
Profit		845			845
Net changes in items other than shareholders' equity			47	47	47
Total changes during period	-	630	47	47	678
Balance at end of period	(7)	11,553	76	76	11,630



## Non-consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,074	1,354
Depreciation	239	273
Increase (decrease) in allowance for doubtful accounts	(17)	33
Increase (decrease) in provision for bonuses for directors (and other officers)	1	-
Increase (decrease) in provision for bonuses	6	57
Increase (decrease) in provision for warranties for completed construction	0	(0)
Increase (decrease) in provision for loss on construction contracts	(40)	(28)
Increase (decrease) in provision for retirement benefits	(1)	1
Interest and dividend income	(6)	(6)
Interest expenses	1	1
Loss (gain) on sale of non-current assets	(8)	-
Decrease (increase) in trade receivables	1,024	(3,130)
Decrease (increase) in costs on construction contracts in progress	5	23
Increase (decrease) in trade payables	(550)	523
Increase (decrease) in advances received on construction contracts in progress	(26)	138
Other, net	(96)	476
Subtotal	1,604	(281)
Interest and dividends received	6	6
Interest paid	(1)	(1)
Income taxes paid	(542)	(310)
Net cash provided by (used in) operating activities	1,067	(586)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(69)	(40)
Proceeds from sale of property, plant and equipment	36	-
Purchase of investment securities	(0)	(0)
Other, net	(14)	(11)
Net cash provided by (used in) investing activities	(48)	(52)
<b>Cash flows from financing activities</b>		
Dividends paid	(192)	(215)
Repayments of lease liabilities	(166)	(211)
Net cash provided by (used in) financing activities	(358)	(427)
Net increase (decrease) in cash and cash equivalents	659	(1,066)
Cash and cash equivalents at beginning of period	4,822	5,482
Cash and cash equivalents at end of period	5,482	4,415