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Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Japanese GAAP]



May 14, 2024

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 27, 2024

Scheduled date of filing securities report: June 27, 2024

Scheduled date of commencing dividend payments: June 28, 2024

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, 2024 (April 1, 2023 to March 31, 2024)

(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, 2024	394,128	5.9	18,591	(6.4)	18,545	(5.4)	13,878	(8.6)
March 31, 2023	372,146	9.4	19,853	(25.4)	19,608	(24.1)	15,187	(14.1)

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥20,976 million [23.5%]

Fiscal year ended March 31, 2023: ¥16,985 million [1.5%]

	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, 2024	88.64	—	9.4	5.7	4.7
March 31, 2023	94.02	—	10.8	6.4	5.3

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

Fiscal year ended March 31, 2024: ¥ (66) million

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

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	334,145	154,470	46.0	980.49
As of March 31, 2023	318,014	141,324	44.2	897.84

(Reference) Equity: As of March 31, 2024: ¥153,569 million

As of March 31, 2023: ¥140,485 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, 2024	(11,115)	(6,095)	(9,053)	48,848
March 31, 2023	32,272	(4,740)	(18,425)	74,326

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, 2023	—	20.00	—	20.00	40.00	6,420	42.5	4.6
Fiscal year ended March 31, 2024	—	30.00	—	30.00	60.00	9,606	67.7	6.4
Fiscal year ending March 31, 2025 (Forecast)	—	30.00	—	30.00	60.00		61.8	

3. 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		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	189,600	5.5	7,400	41.5	6,900	22.8	4,600	25.4	29.37
Full year	406,200	3.1	22,900	23.2	22,100	19.2	15,200	9.5	97.05

* Notes:

- (1) Changes in significant subsidiaries during the fiscal year ended March 31, 2024 (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: No
 - 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, 2024: 181,021,197 shares
 - March 31, 2023: 181,021,197 shares
 - 2) Total number of treasury shares at the end of the period:
 - March 31, 2024: 24,396,199 shares
 - March 31, 2023: 24,550,993 shares
 - 3) Average number of shares during the period:
 - Fiscal year ended March 31, 2024: 156,570,181 shares
 - Fiscal year ended March 31, 2023: 161,531,437 shares

1,351,411 shares held by the management board incentive plan trust and 2,138,923 shares held by the employee stock ownership plan trust 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 the shares held by the trusts. As of the end of the fiscal year in March 2023, the management board incentive plan trust held 628,754 shares and the employee stock ownership plan trust held 706,400 shares.

(Reference) Summary of Non-Consolidated Financial Results

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		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	362,606	5.2	16,860	(7.7)	17,076	(7.4)	12,997	(10.6)
March 31, 2023	344,804	9.2	18,264	(24.3)	18,433	(23.0)	14,535	(12.2)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2024	83.01	—
March 31, 2023	89.98	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	312,596	136,728	43.7	872.97
As of March 31, 2023	297,035	128,779	43.4	823.03

(Reference) Equity: As of March 31, 2024: ¥136,728million

As of March 31, 2023: ¥128,779million

2. 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		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	179,500	8.2	7,400	52.8	7,200	32.6	4,900	33.3	31.28
Full year	380,000	4.8	21,800	29.3	21,300	24.7	14,800	13.9	94.49

* 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, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	75,597	50,212
Notes receivable, accounts receivable from completed construction contracts and other	145,094	181,565
Costs on construction contracts in progress	3,667	5,002
Other inventories	7,079	4,152
Other	14,101	9,223
Allowance for doubtful accounts	(160)	(217)
Total current assets	245,379	249,938
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,489	27,477
Machinery, vehicles, tools, furniture and fixtures	11,251	12,496
Land	15,486	16,032
Other	3,253	3,558
Accumulated depreciation	(22,125)	(23,412)
Total property, plant and equipment	31,355	36,152
Intangible assets	1,610	1,693
Investments and other assets		
Investment securities	25,020	28,250
Long-term loans receivable	62	46
Deferred tax assets	6,455	6,037
Retirement benefit asset	3,518	5,689
Other	5,081	6,872
Allowance for doubtful accounts	(470)	(534)
Total investments and other assets	39,668	46,362
Total non-current assets	72,634	84,207
Total assets	318,014	334,145

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable for construction contracts and other	54,474	55,315
Short-term borrowings	16,489	16,348
Current portion of bonds	127	35
Income taxes payable	3,962	3,624
Advances received on construction contracts in progress	33,268	33,563
Deposits received	40,873	44,996
Provision for warranties for completed construction	2,784	2,106
Provision for bonuses	2,883	3,144
Provision for loss on construction contracts	653	453
Other	8,700	6,915
Total current liabilities	164,217	166,503
Non-current liabilities		
Bonds payable	35	—
Long-term borrowings	7,463	7,249
Deferred tax liabilities	31	26
Retirement benefit liability	3,198	3,672
Provision for environmental measures	138	—
Provision for management board incentive plan trust	207	270
Provision for employee stock ownership plan trust	303	755
Other	1,092	1,198
Total non-current liabilities	12,472	13,172
Total liabilities	176,689	179,675
Net assets		
Shareholders' equity		
Share capital	17,006	17,006
Capital surplus	17,058	17,678
Retained earnings	122,656	128,575
Treasury shares	(21,106)	(21,595)
Total shareholders' equity	135,614	141,664
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,845	6,638
Deferred gains or losses on hedges	178	1,974
Foreign currency translation adjustment	203	283
Remeasurements of defined benefit plans	644	3,008
Total accumulated other comprehensive income	4,871	11,905
Non-controlling interests	839	900
Total net assets	141,324	154,470
Total liabilities and net assets	318,014	334,145

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

(Million yen)

	For the Fiscal year ended March 31, 2023	For the Fiscal year ended March 31, 2024
Net sales		
Net sales of completed construction contracts	345,858	364,008
Sales in other businesses	26,288	30,119
Total net sales	372,146	394,128
Cost of sales		
Cost of sales of completed construction contracts	306,530	323,245
Cost of sales in other businesses	23,592	27,569
Total cost of sales	330,122	350,815
Gross profit		
Gross profit on completed construction contracts	39,327	40,763
Gross profit - other business	2,695	2,549
Total gross profit	42,023	43,313
Selling, general and administrative expenses	22,170	24,721
Operating profit	19,853	18,591
Non-operating income		
Interest income	73	144
Dividend income	374	470
Foreign exchange gains	329	254
Other	223	372
Total non-operating income	1,001	1,241
Non-operating expenses		
Interest expenses	350	438
Share of loss of entities accounted for using equity method	53	66
Commission expenses	187	291
Foreign law related expenses	107	244
Other	548	246
Total non-operating expenses	1,246	1,287
Ordinary profit	19,608	18,545

(Million yen)

	For the Fiscal year ended March 31, 2023	For the Fiscal year ended March 31, 2024
Extraordinary income		
Gain on reversal of provision for environmental measures	—	54
Compensation for damage received	2,700	—
Gain on reversal of provision for loss on damage due to fire	305	—
Subsidy income	94	22
Gain on sales of non-current assets	63	44
Gain on sales of investment securities	179	540
Insurance claim income	—	33
Total extraordinary income	3,344	694
Extraordinary losses		
Impairment loss	75	—
Loss on tax purpose reduction entry of non-current assets	90	35
Loss on retirement of non-current assets	73	114
Loss on valuation of investment securities	71	38
Head office relocation expenses	338	—
Loss on litigation	3	138
Total extraordinary losses	653	325
Profit before income taxes	22,299	18,914
Income taxes - current	6,978	6,729
Income taxes - deferred	142	(1,695)
Total income taxes	7,120	5,033
Profit	15,178	13,880
Profit (loss) attributable to non-controlling interests	(9)	2
Profit attributable to owners of parent	15,187	13,878

(Consolidated Statements of Comprehensive Income)

(Million yen)

	For the Fiscal year ended March 31, 2023	For the Fiscal year ended March 31, 2024
Profit	15,178	13,880
Other comprehensive income		
Valuation difference on available-for-sale securities	848	2,792
Foreign currency translation adjustment	207	142
Remeasurements of defined benefit plans	226	2,364
Share of other comprehensive income of entities accounted for using equity method	524	1,795
Total other comprehensive income	1,806	7,095
Comprehensive income	16,985	20,976
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,904	20,912
Comprehensive income attributable to non-controlling interests	80	64

(3) Consolidated Statements of Changes in Equity

(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

(Fiscal year ended March 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,006	17,058	122,656	(21,106)	135,614
Changes in items during period					
Dividends of surplus			(7,959)		(7,959)
Profit attributable to owners of parent			13,878		13,878
Purchase of treasury shares				(2,617)	(2,617)
Disposal of treasury shares		619		2,128	2,748
Net changes in items other than shareholders' equity					
Total changes in items during period	—	619	5,918	(488)	6,050
Balance at end of period	17,006	17,678	128,575	(21,595)	141,664

	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	3,845	178	203	644	4,871	839	141,324
Changes in items during period							
Dividends of surplus							(7,959)
Profit attributable to owners of parent							13,878
Purchase of treasury shares							(2,617)
Disposal of treasury shares							2,748
Net changes in items other than shareholders' equity	2,792	1,795	80	2,364	7,033	61	7,095
Total changes in items during period	2,792	1,795	80	2,364	7,033	61	13,145
Balance at end of period	6,638	1,974	283	3,008	11,905	900	154,470

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the Fiscal year ended March 31, 2023	For the Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	22,299	18,914
Depreciation	2,100	2,495
Loss on tax purpose reduction entry of non-current assets	90	35
Subsidy income	(94)	(22)
Compensation for damage received	(2,700)	—
Impairment loss	75	—
Increase (decrease) in allowance for doubtful accounts	615	120
Increase (decrease) in provision for warranties for completed construction	1,341	(677)
Increase (decrease) in provision for loss on construction contracts	58	(200)
Increase (decrease) in provision for loss on damage due to fire	(305)	—
Increase (decrease) in retirement benefit liability	(195)	1,959
Decrease (increase) in retirement benefit asset	(1,077)	(252)
Interest and dividend income	(447)	(614)
Interest expenses	350	438
Foreign exchange losses (gains)	(370)	(640)
Loss (gain) on sales of investment securities	(179)	(540)
Share of loss (profit) of entities accounted for using equity method	53	66
Decrease (increase) in trade receivables	(4,647)	(36,460)
Decrease (increase) in costs on construction contracts in progress	408	(1,333)
Decrease (increase) in other inventories	850	2,927
Decrease (increase) in advances paid	(168)	632
Decrease (increase) in consumption taxes refund receivable	(3,736)	3,040
Increase (decrease) in trade payables	7,326	(842)
Increase (decrease) in advances received on construction contracts in progress	15,021	288
Increase (decrease) in deposits received	6,835	4,122
Increase (decrease) in accrued consumption taxes	(1,026)	394
Other, net	(2,430)	1,909
Subtotal	40,045	(4,237)
Interest and dividends received	419	597
Interest paid	(350)	(426)
Compensation for damage paid	(5,467)	(85)
Income taxes paid	(6,204)	(6,996)
Proceeds from compensation for damage	2,700	—
Proceeds from insurance income	1,130	33
Net cash provided by (used in) operating activities	32,272	(11,115)

(Million yen)

	For the Fiscal year ended March 31, 2023	For the Fiscal year ended March 31, 2024
Cash flows from investing activities		
Payments into time deposits	(1,241)	(71)
Proceeds from withdrawal of time deposits	1,467	71
Purchase of short-term and long-term investment securities	(3,071)	(300)
Proceeds from sales of short-term and long-term investment securities	336	1,468
Purchase of property, plant and equipment	(2,999)	(7,077)
Proceeds from sales of property, plant and equipment	347	215
Proceeds from refund of leasehold and guarantee deposits	712	66
Subsidies received	94	22
Other, net	(386)	(491)
Net cash provided by (used in) investing activities	(4,740)	(6,095)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(81)	(69)
Proceeds from long-term borrowings	4,611	4,302
Repayments of long-term borrowings	(4,953)	(4,686)
Redemption of bonds	(237)	(127)
Purchase of treasury shares	(10,631)	(2)
Dividends paid	(6,656)	(7,959)
Dividends paid to non-controlling interests	(2)	(2)
Other, net	(474)	(507)
Net cash provided by (used in) financing activities	(18,425)	(9,053)
Effect of exchange rate change on cash and cash equivalents	479	786
Net increase (decrease) in cash and cash equivalents	9,586	(25,477)
Cash and cash equivalents at beginning of period	64,739	74,326
Cash and cash equivalents at end of period	74,326	48,848

2. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	64,940	39,032
Notes receivable - trade	984	4,499
Electronically recorded monetary claims - operating	2,083	4,562
Accounts receivable from completed construction contracts	140,426	169,378
Accounts receivable- other business	631	911
Real estate for sale	504	504
Costs on construction contracts in progress	3,488	4,617
Costs on other business	988	1,345
Raw materials and supplies	1	0
Prepaid expenses	60	64
Other	13,341	9,113
Allowance for doubtful accounts	(159)	(216)
Total current assets	227,292	233,813
Non-current assets		
Property, plant and equipment		
Buildings	18,110	22,024
Accumulated depreciation	(9,788)	(10,551)
Buildings, net	8,321	11,472
Structures	2,056	2,115
Accumulated depreciation	(1,764)	(1,795)
Structures, net	291	319
Machinery and equipment	2,931	4,084
Accumulated depreciation	(2,469)	(2,727)
Machinery and equipment, net	461	1,357
Vehicles	165	164
Accumulated depreciation	(144)	(148)
Vehicles, net	20	15
Tools, furniture and fixtures	3,313	3,443
Accumulated depreciation	(2,760)	(2,839)
Tools, furniture and fixtures, net	552	604
Land	12,704	13,250
Leased assets	471	459
Accumulated depreciation	(220)	(214)
Leased assets, net	250	245
Construction in progress	2,893	2,723
Total property, plant and equipment	25,496	29,988

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Intangible assets		
Leasehold interests in land	106	75
Software	982	1,144
Other	253	206
Total intangible assets	1,341	1,427
Investments and other assets		
Investment securities	24,641	27,735
Shares of subsidiaries and associates	2,785	2,901
Investments in capital	25	25
Investments in capital of subsidiaries and associates	1,987	2,004
Long-term loans receivable	5	1
Long-term loans receivable from employees	1	1
Long-term loans receivable from subsidiaries and associates	1,719	2,180
Claims provable in bankruptcy, claims provable in rehabilitation and other	470	533
Long-term prepaid expenses	85	205
Prepaid pension costs	3,244	3,496
Deferred tax assets	6,027	6,492
Other	2,384	2,325
Allowance for doubtful accounts	(472)	(535)
Total investments and other assets	42,905	47,367
Total non-current assets	69,742	78,783
Total assets	297,035	312,596
Liabilities		
Current liabilities		
Accounts payable for construction contracts	55,295	57,101
Accounts payable - other business	355	477
Short-term borrowings	16,403	16,262
Current portion of bonds	127	35
Lease obligations	91	92
Accounts payable - other	2,712	3,308
Accrued expenses	38	52
Income taxes payable	3,698	3,123
Advances received on construction contracts in progress	32,113	32,120
Advances received on other business	601	797
Deposits received	38,396	42,822
Unearned revenue	2	73
Provision for warranties for completed construction	2,781	2,104
Provision for bonuses	2,752	2,991
Provision for loss on construction contracts	622	450
Other	469	26
Total current liabilities	156,462	161,842

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Non-current liabilities		
Bonds payable	35	—
Long-term borrowings	7,163	7,034
Lease obligations	177	170
Provisions for retirement benefits	2,874	4,789
Provision for environmental measures	138	—
Provision for management board incentive plan trust	207	270
Provision for employee stock ownership plan trust	303	755
Asset retirement obligations	535	522
Other	355	482
Total non-current liabilities	11,792	14,024
Total liabilities	168,255	175,867
Net assets		
Shareholders' equity		
Share capital	17,006	17,006
Capital surplus		
Legal capital surplus	17,123	17,123
Other capital surplus	—	619
Total capital surpluses	17,123	17,743
Retained earnings		
Other retained earning		
Retained earnings brought forward	111,937	116,975
Total retained earnings	111,937	116,975
Treasury shares	(21,106)	(21,595)
Total shareholders' equity	124,960	130,129
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,818	6,599
Total valuation and translation adjustments	3,818	6,599
Total net assets	128,779	136,728
Total liabilities and net assets	297,035	312,596

(2) Non-Consolidated Statements of Income

(Million yen)

	For the Fiscal year ended March 31, 2023	For the Fiscal year ended March 31, 2024
Net sales		
Net sales of completed construction contracts	339,634	357,473
Sales in other businesses	5,170	5,133
Total net sales	344,804	362,606
Cost of sales		
Cost of sales of completed construction contracts	301,159	317,853
Cost of sales in other businesses	4,882	4,898
Total cost of sales	306,041	322,752
Gross profit		
Gross profit on completed construction contracts	38,474	39,620
Gross profit - other business	288	234
Total gross profit	38,762	39,854
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	284	269
Provision for management board incentive plan trust	52	179
Employees' salaries and allowances	5,911	6,876
Provision for bonuses	2,163	2,624
Provision for employee stock ownership plan trust	92	135
Retirement benefit expenses	409	397
Legal welfare expenses	1,225	1,416
Welfare expenses	407	462
Repair and maintenance expenses	230	217
Stationery expenses	478	311
Communication and transportation expenses	1,104	1,222
Power utilities expenses	107	104
Research study expenses	3,105	3,705
Advertising expenses	181	299
Provision of allowance for doubtful accounts	615	56
Bad debt expenses	12	0
Entertainment expenses	304	358
Donations	70	62
Rent expenses on land and buildings	782	843
Depreciation	983	1,393
Taxes and dues	959	930
Insurance expenses	162	157
Miscellaneous expenses	850	968
Selling, general and administrative expenses	20,497	22,994
Operating profit	18,264	16,860

(Million yen)

	For the Fiscal year ended March 31, 2023	For the Fiscal year ended March 31, 2024
Non-operating income		
Interest income	70	131
Dividend income	702	639
Foreign exchange gains	331	260
Other	224	363
Total non-operating income	1,329	1,394
Non-operating expenses		
Interest expenses	340	431
Interest on bonds	3	1
Commission expenses	187	291
Foreign law related expenses	107	244
Other	522	210
Total non-operating expenses	1,160	1,179
Ordinary profit	18,433	17,076
Extraordinary income		
Gain on reversal of provision for environmental measures	—	54
Compensation for damage received	2,700	—
Gain on reversal of provision for loss on damage due to fire	305	—
Subsidy income	—	22
Gain on sales of non-current assets	55	36
Gain on sales of investment securities	179	540
Total extraordinary income	3,241	654
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	—	22
Impairment loss	75	—
Loss on valuation of investment securities	71	38
Head office relocation expenses	338	—
Loss on litigation	3	138
Loss on retirement of non-current assets	66	91
Total extraordinary losses	555	290
Profit before income taxes	21,119	17,440
Income taxes - current	6,363	5,966
Income taxes - deferred	221	(1,524)
Total income taxes	6,584	4,442
Profit	14,535	12,997

(3) Non-Consolidated Statements of Changes in Equity

(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

(Fiscal year ended March 31, 2024)

(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		
Balance at beginning of period	17,006	17,123	—	17,123	111,937	111,937	(21,106)	124,960
Changes in items during period								
Dividends of surplus					(7,959)	(7,959)		(7,959)
Profit					12,997	12,997		12,997
Purchase of treasury shares							(2,617)	(2,617)
Disposal of treasury shares			619	619			2,128	2,748
Net changes in items other than shareholders' equity								
Total changes in items during period	—	—	619	619	5,037	5,037	(488)	5,168
Balance at end of period	17,006	17,123	619	17,743	116,975	116,975	(21,595)	130,129

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	3,818	3,818	128,779
Changes in items during period			
Dividends of surplus			(7,959)
Profit			12,997
Purchase of treasury shares			(2,617)
Disposal of treasury shares			2,748
Net changes in items other than shareholders' equity	2,780	2,780	2,780
Total changes in items during period	2,780	2,780	7,949
Balance at end of period	6,599	6,599	136,728

3. Supplementary Information

(1) Results for the fiscal year ended March 31, 2024 and forecasts for the six months ending September 30, 2024 and full year

1. Non-consolidated

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

Items		Results for the fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024		Fiscal year ending March 31, 2025	
			Forecasts for the fiscal year ended March 31, 2024 (announced in May 2023)	Results for the fiscal year ended March 31, 2024	Forecasts for the six months ending September 30, 2024	Full year forecasts
Orders received	Civil engineering	103,274	125,000	115,624	48,000	125,000
	Building construction	244,946	250,000	235,579	118,000	250,000
	Total orders received	348,220	375,000	351,204	166,000	375,000
Net sales of completed construction contracts	Civil engineering	133,430	133,000	133,223	56,000	125,000
	Building construction	206,203	230,000	224,249	121,000	250,000
	Total net sales of completed construction contracts	339,634	363,000	357,473	177,000	375,000
Gross profit on completed construction contracts	Civil engineering	21,246 [15.9%]	21,500 [16.2%]	20,225 [15.2%]	7,600 [13.6%]	19,100 [15.3%]
	Building construction	17,227 [8.4%]	18,600 [8.1%]	19,394 [8.6%]	11,600 [9.6%]	26,300 [10.5%]
	Total gross profit on completed construction contracts	38,474 [11.3%]	40,100 [11.0%]	39,620 [11.1%]	19,200 [10.8%]	45,400 [12.1%]
Gross sales	344,804	369,000	362,606	179,500	380,000	
Gross profit	38,762 [11.2%]	40,800 [11.1%]	39,854 [11.0%]	19,400 [10.8%]	45,800 [12.1%]	
Selling, general and administrative expenses	20,497	21,300	22,994	12,000	24,000	
Operating profit	18,264 [5.3%]	19,500 [5.3%]	16,860 [4.6%]	7,400 [4.1%]	21,800 [5.7%]	
Non-operating income/expenses [Interest income/expenses]	168 [429]	(500) [200]	215 [337]	(200) [100]	(500) [50]	
Ordinary profit	18,433 [5.3%]	19,000 [5.1%]	17,076 [4.7%]	7,200 [4.0%]	21,300 [5.6%]	
Extraordinary income/losses	2,685	—	363	—	—	
Profit before income taxes	21,119 [6.1%]	19,000 [5.1%]	17,440 [4.8%]	7,200 [4.0%]	21,300 [5.6%]	
Tax expenses	6,584	5,700	4,442	2,300	6,500	
Profit	14,535 [4.2%]	13,300 [3.6%]	12,997 [3.6%]	4,900 [2.7%]	14,800 [3.9%]	

2. Consolidated

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

Items	Results for the fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024		Fiscal year ending March 31, 2025	
		Forecasts for the fiscal year ended March 31, 2024 (announced in May 2023)	Results for the fiscal year ended March 31, 2024	Forecasts for the six months ending September 30, 2024	Full year Forecasts
Gross sales	372,146	400,000	394,128	189,600	406,200
Selling, general and administrative expenses	22,170	23,000	24,721	12,900	25,900
Operating profit	19,853 [5.3%]	20,500 [5.1%]	18,591 [4.7%]	7,400 [3.9%]	22,900 [5.6%]
Ordinary profit	19,608 [5.3%]	19,700 [4.9%]	18,545 [4.7%]	6,900 [3.6%]	22,100 [5.4%]
Profit attributable to owners of parent	15,187 [4.1%]	13,600 [3.4%]	13,878 [3.5%]	4,600 [2.4%]	15,200 [3.7%]

(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, 2023		For the fiscal year ended March 31, 2024		Increase/decrease	
		Amount	%	Amount	%	Amount	% change
Domestic civil engineering	Government sector	54,595	[55.0]	80,182	[71.6]	25,586	46.9
	Private sector	44,726	[45.0]	31,769	[28.4]	(12,957)	(29.0)
	Total	99,322	28.5	111,951	31.9	12,629	12.7
Domestic building construction	Government sector	69,842	[31.5]	20,250	[9.9]	(49,591)	(71.0)
	Private sector	151,677	[68.5]	184,735	[90.1]	33,058	21.8
	Total	221,519	63.6	204,986	58.4	(16,533)	(7.5)
Domestic	Government sector	124,438	[38.8]	100,433	[31.7]	(24,004)	(19.3)
	Private sector	196,404	[61.2]	216,504	[68.3]	20,100	10.2
	Total	320,842	92.1	316,938	90.2	(3,904)	(1.2)
Overseas	Civil engineering	3,952	[14.4]	3,672	[10.7]	(279)	(7.1)
	Building construction	23,426	[85.6]	30,593	[89.3]	7,166	30.6
	Total	27,378	7.9	34,266	9.8	6,887	25.2
Sum total	Civil engineering	103,274	[29.7]	115,624	[32.9]	12,349	12.0
	Building construction	244,946	[70.3]	235,579	[67.1]	(9,366)	(3.8)
	Total	348,220	100.0	351,204	100.0	2,983	0.9

(Net sales for the construction business)

(Unit: Million yen, %)

Category		For the fiscal year ended March 31, 2023		For the fiscal year ended March 31, 2024		Increase/decrease	
		Amount	%	Amount	%	Amount	% change
Domestic civil engineering	Government sector	77,905	[61.7]	80,880	[64.3]	2,975	3.8
	Private sector	48,299	[38.3]	44,996	[35.7]	(3,302)	(6.8)
	Total	126,204	37.2	125,877	35.2	(327)	(0.3)
Domestic building construction	Government sector	33,387	[18.0]	40,847	[20.3]	7,459	22.3
	Private sector	152,339	[82.0]	160,635	[79.7]	8,296	5.4
	Total	185,726	54.7	201,483	56.4	15,756	8.5
Domestic	Government sector	111,292	[35.7]	121,728	[37.2]	10,435	9.4
	Private sector	200,638	[64.3]	205,632	[62.8]	4,994	2.5
	Total	311,931	91.8	327,360	91.6	15,429	4.9
Overseas	Civil engineering	7,225	[26.1]	7,346	[24.4]	120	1.7
	Building construction	20,476	[73.9]	22,766	[75.6]	2,289	11.2
	Total	27,702	8.2	30,112	8.4	2,410	8.7
Sum total	Civil engineering	133,430	[39.3]	133,223	[37.3]	(206)	(0.2)
	Building construction	206,203	[60.7]	224,249	[62.7]	18,046	8.8
	Total	339,634	100.0	357,473	100.0	17,839	5.3

(Year-end backlog for the construction business)

(Unit: Million yen, %)

Category		For the fiscal year ended March 31, 2023		For the fiscal year ended March 31, 2024		Increase/decrease	
		Amount	%	Amount	%	Amount	% change
Domestic civil engineering	Government sector	120,704	[42.7]	120,006	[44.7]	(698)	(0.6)
	Private sector	161,894	[57.3]	148,666	[55.3]	(13,227)	(8.2)
	Total	282,598	53.5	268,673	51.4	(13,925)	(4.9)
Domestic building construction	Government sector	83,732	[37.5]	63,135	[27.8]	(20,596)	(24.6)
	Private sector	139,629	[62.5]	163,729	[72.2]	24,099	17.3
	Total	223,361	42.3	226,864	43.4	3,502	1.6
Domestic	Government sector	204,436	[40.4]	183,141	[37.0]	(21,295)	(10.4)
	Private sector	301,524	[59.6]	312,396	[63.0]	10,872	3.6
	Total	505,960	95.8	495,537	94.8	(10,422)	(2.1)
Overseas	Civil engineering	7,539	[34.1]	4,146	[15.1]	(3,393)	(45.0)
	Building construction	14,569	[65.9]	23,301	[84.9]	8,731	59.9
	Total	22,109	4.2	27,447	5.2	5,338	24.1
Sum total	Civil engineering	290,138	[54.9]	272,819	[52.2]	(17,318)	(6.0)
	Building construction	237,931	[45.1]	250,166	[47.8]	12,234	5.1
	Total	528,070	100.0	522,985	100.0	(5,084)	(1.0)

(Net sales for other businesses)

(Unit: Million yen, %)

Category	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024	Increase/decrease	
	Amount	Amount	Amount	% change
Other businesses	5,170	5,133	(36)	(0.7)