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



May 10, 2024

Company name: **TAIHEI DENGYO KAISHA, LTD.**

Stock exchange listing: Tokyo Stock Exchange

Code number: 1968

URL: <https://www.taihei-dengyo.co.jp/>

Representative: Jo Nojiri, Representative Director, President and Chief Executive Officer

Contact: Shinya Kusaka, Director and Managing Executive Officer/General Manager, General Affairs Administrative Division

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Scheduled date of annual general meeting of shareholders: June 27, 2024

Scheduled date of commencing dividend payments: June 28, 2024

Scheduled date of filing securities report: June 27, 2024

Preparation of supplementary explanatory materials: Yes

Financial results briefing: Yes

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

1. Consolidated Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 – 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	
Year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	129,363	2.9	10,049	(29.9)	11,512	(23.7)	8,395	(20.9)
March 31, 2023	125,774	(0.9)	14,345	37.2	15,092	15.0	10,619	26.3

(Note) Comprehensive income: Year ended March 31, 2024: 11,909 million yen [8.7%]

Year ended March 31, 2023: 10,959 million yen [23.0%]

	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
Year ended	Yen	Yen	%	%	%
March 31, 2024	441.04	440.91	9.0	7.7	7.8
March 31, 2023	558.41	-	12.7	10.8	11.4

(Reference) Equity in earnings of affiliated companies: Year ended March 31, 2024: 139 million yen

Year ended March 31, 2023: 161 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	153,023	100,592	64.8	5,120.40
As of March 31, 2023	147,039	89,533	60.0	4,637.04

(Reference) Equity: As of March 31, 2024: 99,212 million yen

As of March 31, 2023: 88,225 million yen

(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
Year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2024	(4,639)	(895)	(1,676)	41,919
March 31, 2023	32,501	(1,445)	(1,766)	48,689

2. Cash 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			
Year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2023	-	-	-	120.00	120.00	2,291	21.5	2.6
March 31, 2024	-	-	-	135.00	135.00	2,628	30.6	2.6
Year ending March 31, 2025 (Forecast)	-	-	-	150.00	150.00		30.6	

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2025

(April 1, 2024 - 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
Full year	139,000	7.5	13,500	34.3	14,200	23.3	9,500	13.2	490.30

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): 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: None

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

3) Changes in accounting estimates: None

4) Retrospective restatement: None

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

1) Number of shares issued and outstanding at the end of the period (including treasury shares):

March 31, 2024: 20,341,980 shares

March 31, 2023: 20,341,980 shares

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

March 31, 2024: 966,005 shares

March 31, 2023: 1,315,784 shares

3) Average number of shares during the period:

Year ended March 31, 2024: 19,036,787 shares

Year ended March 31, 2023: 19,018,351 shares

(Reference) Summary of Non-consolidated Results**1. Non-consolidated Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 - March 31, 2024)**

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

Year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	122,244	3.5	9,565	(31.1)	10,874	(25.4)	8,090	(20.6)
March 31, 2023	118,055	(1.5)	13,876	39.3	14,571	16.6	10,189	26.3

Year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	424.92	424.80
March 31, 2023	535.69	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	147,270	96,485	65.5	4,977.92
As of March 31, 2023	141,534	85,934	60.7	4,515.90

(Reference) Equity: As of March 31, 2024: 96,467 million yen

As of March 31, 2023: 85,934 million yen

2. Forecast of Non-Consolidated Results for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(% indicates changes from the previous corresponding period.)

Full year	Net sales		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
	130,000	6.3	13,400	23.2	9,000	11.2	464.42

* These financial results are outside the scope of audit procedures by certified public accountants or audit corporations.

* Explanation of the proper use of performance forecast and other notes

The earnings forecast and other forward-looking statements herein are based on the information currently available and certain assumptions deemed reasonable by the Company, and thus actual results may differ significantly from these forecasts due to a wide range of factors.

For details, please see “1. Overview of Operating Results, etc., (4) Future Outlook” on page 5 of the attached materials.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year ended March 31, 2024 (the “fiscal year under review” or “FY2023”), the Japanese economy saw a recovery in capital investment, despite a partial standstill in personal spending due to the impact of price increases. As for the global economy, however, due to global monetary tightening, the stagnation of the property market in China, and instability in the Middle East, the outlook remains uncertain and continues to lack stability.

In the electric power industry, the main area of business for the TAIHEI DENGYO KAISHA Group (the TDK Group), the GX (Green Transformation) Promotion Act, aimed at increased competitiveness and economic growth through investment in decarbonization, and the GX Decarbonization Power Supply Act, aimed at promoting the use of decarbonized power sources and securing a stable supply thereof, were established. Policy regarding the use of nuclear energy as power generation with strong decarbonization effects was clarified against the backdrop of soaring fuel prices and importance of energy security associated with global-scale competition for energy resources. Also, the government will take responsibilities to proceed restarting of nuclear power plants, construction of reprocessing facilities and establishment of final disposal.

Under these circumstances, the TDK Group launched the new Mid-Term Business Plan (FY2023 – FY 2025) based on the three key concepts of “management that defends by being able to respond quickly to changes in social structure,” “management that goes on the offense to contribute to social development,” and “management that co-creates to bring about new corporate value,” in order to realize sustainable corporate growth by responding to changes in the operating environment in which the Group carries out business. We also actively took initiatives, such as expanding the areas of works by winning orders for construction work related to the re-opening of nuclear power plants and entering into post-construction repair work, developing new business for data centers and semi-conductor facilities.

In addition, following the January 1, 2024 Noto Peninsula earthquake, the TDK Group supported recovery from the disaster by providing donations and relief supplies to the disaster area and engaging in work to restore the Nanao-Ohta Power Plant. We also established a facility in Kisarazu City, Chiba Prefecture, to pass on lessons learned to prevent the memories of disasters and non-compliance from fading away and worked to raise employee awareness.

As a result, in the fiscal year ended March 31, 2024, the TDK Group recorded orders received of 135,985 million yen (a decrease of 1.2% YoY) and net sales of 129,363 million yen (an increase of 2.9% YoY) including 8,677 million yen (a decrease of 32.2% YoY) for overseas works.

Regarding profits, operating profit amounted to 10,049 million yen (a decrease of 29.9% YoY), ordinary profit amounted to 11,512 million yen (a decrease of 23.7% YoY) and profit attributable to owners of parent amounted to 8,395 million yen (a decrease of 20.9% YoY).

At the Board of Directors meeting held on February 9, 2024, the Board decided to pay a year-end ordinary dividend of 135 yen per share for the fiscal year under review, with an increase of 15 yen per share compared with the previous fiscal year, in accordance with a distribution policy of surplus with long-term and stable return of profit as a basis.

Performance results by business segment are as follows.

(Construction Segment)

Orders received amounted to 42,303 million yen (a decrease of 27.3% YoY, composition ratio: 31.1%). Despite an increase in works for thermal power plants for private use, decreases in orders received in works for thermal power plants for business use and works for environmental preservation plants resulted in a decrease for the overall segment.

Net sales amounted to 46,954 million yen (an increase of 6.2% YoY, composition ratio: 36.3%). Despite a decrease in works for thermal power plants for private use, works for environmental preservation plants increased, resulting in an increase for the overall segment. However, segment profit amounted to 1,608 million yen (a decrease of 66.2% YoY) due mainly to a deterioration in profit margin of works for thermal power plants for business use.

(Maintenance and Renovation Segment)

Orders received amounted to 93,681 million yen (an increase of 18.0% YoY, composition ratio: 68.9%). Despite a decrease in works for iron and steel-related plants, works for thermal power plants for business use and works for nuclear power plants increased, resulting in an increase for the overall segment.

Net sales amounted to 82,408 million yen (an increase of 1.0% YoY, composition ratio: 63.7%). Despite a decrease in works for iron and steel-related plants, works for thermal power plants for private use and works for thermal power plants for business use increased, resulting in an increase for the overall segment. However, segment profit amounted to 12,245 million yen (a decrease of 10.9% YoY) due mainly to a decline in works for nuclear power plants.

(2) Overview of Financial Position for the Fiscal Year under Review

(a) Assets

Current assets amounted to 106,832 million yen, up 2,516 million yen from the end of the previous fiscal year. This was due mainly to increases of 5,844 million yen in notes receivable, accounts receivable from completed construction contracts, and contract assets and 1,732 million yen in electronically recorded monetary claims -operating, despite a decrease of 6,770 million yen in cash and deposits.

Non-current assets amounted to 46,190 million yen, up 3,467 million yen from the end of the previous fiscal year. This was due mainly to an increase of 5,176 million yen in investment securities, despite a decrease of 1,255 million yen in deferred tax assets.

(b) Liabilities

Current liabilities amounted to 39,116 million yen, up 365 million yen from the end of the previous fiscal year. This was due mainly to an increase of 5,000 million yen in current portion of bonds payable, despite a decrease of 3,602 million yen in other current liabilities.

Non-current liabilities amounted to 13,314 million yen, down 5,440 million yen from the end of the previous fiscal year. This was due mainly to a decrease of 5,000 million yen in bonds payable.

(c) Net assets

Net assets amounted to 100,592 million yen, up 11,059 million yen from the end of the previous fiscal year. This was due mainly to an increase of 6,104 million yen in retained earnings, and 3,370 million yen in Valuation difference on available-for-sale securities.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents as of the end of the current fiscal year amounted to 41,919 million yen, down 6,770 million yen from the end of the previous fiscal year. Cash flows by activity type and factors behind the results are summarized below.

(a) Cash Flows from Operating Activities

Net cash used in operating activities amounted to 4,639 million yen (an inflow of 32,501 million yen in the previous fiscal year). This is due mainly to an increase of 10,527 million yen in trade receivables, contract assets and contract liabilities, and 5,094 million yen in income taxes paid, despite 12,031 million yen in Profit before income taxes.

(b) Cash Flows from Investing Activities

Net cash used in investing activities amounted to 895 million yen (an outflow of 1,445 million yen in the previous fiscal year). This is due mainly to the payments of 829 million yen for purchase of property, plant and equipment.

(c) Cash Flows from Financing Activities

Net cash used in financing activities amounted to 1,676 million yen (an outflow of 1,766 million yen in the previous fiscal year). This is due mainly to 2,291 million yen in dividends paid.

(Reference) Trends in indicators of cash flows

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Equity-to-asset ratio (%)	52.4	55.9	60.1	60.0	64.8
Equity-to-asset ratio based on market value (%)	34.5	39.0	38.1	52.5	58.3
Interest-bearing liabilities to cash flow ratio (%)	-	87.3	2,452.2	48.0	-
Interest coverage ratio (times)	-	593.8	19.1	640.6	-

Equity-to-asset ratio: $\text{Equity} / \text{total assets}$

Equity-to-asset ratio based on market value: $\text{market capitalization} / \text{total asset}$

Interest-bearing liabilities to cash flow ratio: $\text{interest-bearing liabilities} / \text{cash flows}$

Interest coverage ratio: $\text{cash flows} / \text{interest payments}$

* All indicators are calculated using financial figures on a consolidated basis.

* Market capitalization is calculated by multiplying the stock price at the end of the period by the number of shares issued and outstanding at the end of the period (excluding treasury shares).

* For the cash flows, the cash flows from operating activities are used.

* Interest-bearing liabilities include all liabilities recorded on the Consolidated Balance Sheet for which interest is paid. In addition, for interest payments, interest paid stated on the Consolidated Statement of Cash Flows is used.

* Interest-bearing liabilities to cash flow ratio and interest coverage ratio are not stated for fiscal years during which cash flow from operating activities was negative.

(4) Future Outlook

As for the future outlook, the Japanese economy is expected to show a gradual recovery under the improving employment and income environment. However, there is a risk that prolonged global monetary tightening, concerns about the future of the Chinese economy, and other factors will place downward pressure on the economy in Japan.

Meanwhile, the electric power industry, in which the TDK Group has its main business, positions 2024 as the “year to take steps toward a new stage.” To maximize the use of nuclear power, one of the important options for achieving the S(Safety)+3E(Energy security, Economic efficiency and Environmental sustainability), the industry will continue safe and secure operation of nuclear power plants currently being operated, restart operations mainly at BWR plants, and promote reprocessing business. It is also anticipated that study of the Basic Energy Plan and discussion of Electricity System Reform verification will be undertaken.

For the fiscal year ending March 31, 2025, the TDK Group will strive toward achieving the goals through the fiscal year ending March 31, 2026 set forth in the Mid-Term Business Plan: net sales of 150.0 billion yen and ROE of at least 9%. We will do so by expanding the areas of works related to nuclear power, conducting M&As to enhance engineering skills and mobilize the workforce, promoting IT for construction works management to comply with overtime caps, and advancing investment in overseas business. Furthermore, as part of our social contribution activities, based on our expertise in power plants, we will develop green projects for local governments by packaging forestry, agriculture, and power generation into a single package, aiming to realize a regional recycling-oriented society that creates new industries and employment.

2. Basic Policy Regarding Selection of Accounting Standards

Taking into account the comparability of periods and among companies of consolidated financial statements, the TDK Group intends to prepare consolidated financial statements in accordance with Japanese GAAP for the time being. Also, as a policy, the TDK Group will appropriately respond to adoption of IFRS in consideration of conditions inside and outside of Japan.

3. Consolidated Financial Statements and Primary Notes
(1) Consolidated Balance Sheet

(Unit: ¥1 million)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	48,944	42,173
Notes receivable, accounts receivable from completed construction contracts, and contract assets	42,545	48,389
Electronically recorded monetary claims - operating	1,792	3,524
Costs on construction contracts in progress	9,954	10,209
Raw materials and supplies	71	59
Other	1,009	2,475
Allowance for doubtful accounts	(1)	-
Total current assets	104,316	106,832
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,384	20,446
Accumulated depreciation and impairment	(11,160)	(12,226)
Buildings and structures, net	8,224	8,220
Machinery and vehicles	13,454	13,491
Accumulated depreciation	(10,088)	(10,637)
Machinery and vehicles, net	3,366	2,854
Tools, furniture and fixtures	2,661	2,765
Accumulated depreciation and impairment	(2,365)	(2,494)
Tools, furniture and fixtures, net	295	270
Land	8,989	9,135
Leased assets	540	685
Accumulated depreciation	(192)	(294)
Leased assets, net	348	390
Construction in progress	53	22
Total property, plant and equipment	21,275	20,892
Intangible assets		
Other	272	236
Total intangible assets	272	236
Investments and other assets		
Investment securities	11,499	16,676
Long-term loans receivable	259	280
Retirement benefit asset	-	4
Real estate for rent	7,016	6,300
Accumulated depreciation	(886)	(368)
Real estate for rent, net	6,129	5,932
Deferred tax assets	1,292	37
Long term-bank cash	317	352
Other	1,936	2,051
Allowance for doubtful accounts	(259)	(274)
Total investments and other assets	21,174	25,060
Total non-current assets	42,723	46,190
Total assets	147,039	153,023

(Unit: ¥1 million)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	9,879	10,648
Electronically recorded obligations - operating	8,916	11,837
Current portion of bonds payable	-	5,000
Current portion of long-term borrowings	968	948
Lease liabilities	134	162
Income taxes payable	3,120	1,362
Contract liabilities	7,988	4,952
Provision for bonuses	1,018	1,047
Provision for bonuses for directors (and other officers)	123	79
Provision for warranties for completed construction	127	138
Provision for loss on construction contracts	685	752
Other	5,787	2,185
Total current liabilities	38,750	39,116
Non-current liabilities		
Bonds payable	5,000	-
Long-term borrowings	9,255	8,631
Lease liabilities	236	250
Deferred tax liabilities	4	142
Retirement benefit liability	3,832	3,850
Provision for share awards for directors (and other officers)	151	202
Provision for retirement benefits for directors (and other officers)	50	44
Other	225	194
Total non-current liabilities	18,755	13,314
Total liabilities	57,506	52,430
Net assets		
Shareholders' equity		
Share capital	4,000	4,000
Capital surplus	4,917	5,881
Retained earnings	79,166	85,270
Treasury shares	(2,087)	(1,621)
Total shareholders' equity	85,997	93,530
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,852	6,222
Foreign currency translation adjustment	(235)	(243)
Remeasurements of defined benefit plans	(388)	(296)
Total accumulated other comprehensive income	2,228	5,682
Share acquisition rights	-	17
Non-controlling interests	1,308	1,361
Total net assets	89,533	100,592
Total liabilities and net assets	147,039	153,023

(2) Consolidated Statement of Income and Comprehensive Income

(Unit: ¥1 million)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	125,774	129,363
Cost of sales	101,296	109,518
Gross profit	24,478	19,845
Selling, general and administrative expenses	10,133	9,795
Operating profit	14,345	10,049
Non-operating income		
Interest income	15	21
Dividend income	299	366
Share of profit of entities accounted for using equity method	161	139
Rental income from non-current assets	378	381
Foreign exchange gains	106	642
Insurance claim income	24	11
Subsidy income	-	138
Insurance return	148	41
Other	107	92
Total non-operating income	1,242	1,836
Non-operating expenses		
Interest expenses	51	47
Loss on investments in silent partnerships	37	46
Rental expenses on non-current assets	153	158
Borrowing fee	167	11
Other	84	110
Total non-operating expenses	494	373
Ordinary profit	15,092	11,512
Extraordinary income		
Gain on sale of non-current assets	24	0
Gain on sale of investment securities	74	506
Gain on recovery of money transfer scam at overseas branch	238	56
Other	-	0
Total extraordinary income	336	564
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Loss on valuation of investment securities	18	45
Total extraordinary losses	18	45
Profit before income taxes	15,410	12,031
Income taxes - current	4,994	3,514
Income taxes - deferred	(250)	72
Total income taxes	4,744	3,587
Profit	10,666	8,443
Profit attributable to		
Profit attributable to owners of parent	10,619	8,395
Profit attributable to non-controlling interests	46	47
Other comprehensive income		
Valuation difference on available-for-sale securities	309	3,369
Foreign currency translation adjustment	47	2
Remeasurements of defined benefit plans, net of tax	(63)	92
Share of other comprehensive income of entities accounted for using equity method	(0)	2
Total other comprehensive income	292	3,465
Comprehensive income	10,959	11,909

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,897	11,849
Comprehensive income attributable to non-controlling interests	61	59

(3) Consolidated Statement of Changes in Equity

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

(Unit: ¥1 million)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,000	4,917	70,456	(2,157)	77,216
Changes during period					
Dividends of surplus			(1,909)		(1,909)
Profit attributable to owners of parent			10,619		10,619
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				70	70
Net changes in items other than shareholders' equity					
Total changes during period	-	-	8,710	69	8,780
Balance at end of period	4,000	4,917	79,166	(2,087)	85,997

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Re-measurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,542	(267)	(325)	1,950	1,256	80,423
Changes during period						
Dividends of surplus						(1,909)
Profit attributable to owners of parent						10,619
Purchase of treasury shares						(0)
Disposal of treasury shares						70
Net changes in items other than shareholders' equity	309	32	(63)	277	51	329
Total changes during period	309	32	(63)	277	51	9,109
Balance at end of period	2,852	(235)	(388)	2,228	1,308	89,533

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Unit: ¥1 million)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,000	4,917	79,166	(2,087)	85,997
Changes during period					
Dividends of surplus			(2,291)		(2,291)
Profit attributable to owners of parent			8,395		8,395
Purchase of treasury shares				(110)	(110)
Disposal of treasury shares		71		37	109
Disposal of treasury shares (Exercise of stock acquisition rights)		892		538	1,430
Net changes in items other than shareholders' equity					
Total changes during period	-	963	6,104	465	7,533
Balance at end of period	4,000	5,881	85,270	(1,621)	93,530

	Accumulated other comprehensive income				Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Re-measurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	2,852	(235)	(388)	2,228	-	1,308	89,533
Changes during period							
Dividends of surplus							(2,291)
Profit attributable to owners of parent							8,395
Purchase of treasury shares							(110)
Disposal of treasury shares							109
Disposal of treasury shares (Exercise of stock acquisition rights)							1,430
Net changes in items other than shareholders' equity	3,370	(8)	92	3,453	17	53	3,525
Total changes during period	3,370	(8)	92	3,453	17	53	11,059
Balance at end of period	6,222	(243)	(296)	5,682	17	1,361	100,592

(4) Consolidated Statement of Cash Flows

(Unit: ¥1 million)

	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	15,410	12,031
Depreciation	1,688	1,563
Amortization of goodwill	24	-
Increase (decrease) in allowance for doubtful accounts	10	14
Increase (decrease) in other provisions	628	108
Increase (decrease) in retirement benefit liability	112	140
Interest and dividend income	(314)	(388)
Interest expenses	51	47
Borrowing fee	167	11
Foreign exchange losses (gains)	(90)	(502)
Subsidy income	-	(138)
Share of loss (profit) of entities accounted for using equity method	(161)	(139)
Other non-operating expenses (income)	(391)	(249)
Loss (gain) on sale and retirement of property, plant and equipment	(23)	0
Loss (gain) on valuation of investment securities	18	45
Loss (gain) on sale of investment securities	(74)	(506)
Loss (gain) on investments in silent partnerships	37	46
Gain on recovery of money transfer scam at overseas branch	(238)	(56)
(Increase) decrease in trade receivables, contract assets and contract liabilities	12,534	(10,527)
Decrease (increase) in costs on construction contracts in progress	1,179	(228)
Increase (decrease) in trade payables	(1,099)	3,659
Decrease (increase) in consumption taxes refund receivable	2,987	(1,287)
Increase (decrease) in accrued consumption taxes	3,486	(3,433)
Other, net	349	(504)
Subtotal	36,294	(296)
Interest and dividends received	322	397
Interest paid	(50)	(47)
Subsidies received	200	338
Income taxes paid	(4,541)	(5,094)
Amount for recovery of money transfer scam at overseas branches	238	56
Other, net	38	4
Net cash provided by (used in) operating activities	32,501	(4,639)
Cash flows from investing activities		
Payments into time deposits	(378)	(378)
Proceeds from withdrawal of time deposits	378	378
Purchase of property, plant and equipment	(1,002)	(829)
Proceeds from sale of property, plant and equipment	45	18
Purchase of intangible assets	(44)	(23)
Purchase of investment securities	(895)	(526)
Proceeds from sale of investment securities	130	591
Loan advances	(26)	-
Proceeds from cancellation of insurance funds	148	41
Other, net	199	(167)
Net cash provided by (used in) investing activities	(1,445)	(895)
Cash flows from financing activities		
Proceeds from long-term borrowings	2,125	324
Repayments of long-term borrowings	(1,680)	(968)
Payments of borrowing fee	(167)	(9)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Purchase of treasury shares	(0)	(0)
Proceeds from sale of treasury shares	23	0
Repayments of lease liabilities	(147)	(172)
Dividends paid	(1,908)	(2,291)
Proceeds from issuance of share acquisition rights	-	26
Proceeds from disposal of treasury shares resulting from exercise of share acquisition rights	-	1,421
Dividends paid to non-controlling interests	(9)	(5)
Net cash provided by (used in) financing activities	(1,766)	(1,676)
Effect of exchange rate change on cash and cash equivalents	1	441
Net increase (decrease) in cash and cash equivalents	29,291	(6,770)
Cash and cash equivalents at beginning of period	19,397	48,689
Cash and cash equivalents at end of period	48,689	41,919

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in presentation)

(Consolidated statement of income and comprehensive income)

“Loss on investments in silent partnerships” that was included in “other” under “non-operating expenses” in the previous fiscal year is stated as a separate item from the fiscal year under review due to increased significance. The consolidated financial statements for the previous fiscal year have been restated in order to reflect this change in presentation.

As a result, “other” expenses of 122 million yen under “non-operating expenses” in the consolidated statement of income and comprehensive income for the previous fiscal year has been reclassified into “loss on investments in silent partnerships” of 37 million yen and “other” expenses of 84 million yen.

“Loss on retirement of non-current assets” under “non-operating expenses” stated as a separate item in the previous fiscal year is included in “other” under “non-operating expenses” in the fiscal year under review due to decreased significance. The consolidated financial statements for the previous fiscal year have been restated in order to reflect this change in presentation.

As a result, 0 million yen that had been stated under “Loss on retirement of non-current assets” under “non-operating expenses” and 84 million yen under “other” in the consolidated statement of income and comprehensive income for the previous fiscal year has been restated as 84 million yen under “other.”

(Consolidated Statement of Cash Flows)

“Loss (gain) on investments in silent partnerships” that had been included in “other non-operating expenses (income)” under “cash flows from operating activities” in the previous fiscal year has been stated as a separate item in the fiscal year under review due to increased significance. The consolidated financial statements for the previous fiscal year have been restated in order to reflect this change in presentation.

As a result, (353) million yen that had been stated in “other non-operating expenses (income)” under “cash flows from operating activities” in the consolidated statement of cash flows for the previous fiscal year has been restated as (391) million yen under “other non-operating expenses (income)” and 37 million yen under “loss (gain) on investments in silent partnerships.”

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

(1) Method for determining reportable segments

The Company's reportable segments are components of the Company about which separate financial information is available. These segments are subject to periodic examinations to enable the company's Board of Directors to decide how to allocate management resources and assess performance.

The Company establishes control departments by the types of works which it operates and engages in businesses related to construction, repair and maintenance of various plants and facilities inside and outside of Japan as well as the power generation business. Two segments, the "Construction Segment" and "Maintenance and Renovation Segment," comprise the TDK Group's reportable segments.

(2) Types of products and services belonging to each reportable segment

Construction Segment includes businesses inside and outside of Japan such as installation and reconstruction works, etc., for thermal power plants, nuclear power plants, iron and steel-related plants, environmental preservation plants and chemical plants, etc., electric and instrumentation work, and insulation and painting works incidental to these facilities, as well as demolition and decommissioning, etc., of various plants and facilities.

Maintenance and Renovation Segment includes businesses such as periodic inspection, daily maintenance, renovation, etc., for the various plants and facilities mentioned above.

The power generation business is included in the Maintenance and Renovation Segment.

2. Method of measurement for the amounts of net sales, profit (loss), assets, liabilities and other items for each reportable segment

The method of accounting for the reportable business segments is the same as those employed for preparing the consolidated financial statements.

Profits for the reportable segments are operating profit-based figures.

3. Information on net sales, profit (loss), assets, liabilities and other items by reportable segment and information on the breakdown of income

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Unit: ¥1 million)

	Reportable segment		Total
	Construction Segment	Maintenance and Renovation Segment	
Net sales			
Goods transferred at a point in time	11,223	50,233	61,457
Goods transferred over time	32,983	31,333	64,316
Revenue from contracts with customers	44,207	81,566	125,774
Net sales to outside customers	44,207	81,566	125,774
Segment profit	4,766	13,744	18,511

(Note) Segment assets are not stated since assets are not allocated to the business segments.

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Unit: ¥1 million)

	Reportable segment		Total
	Construction Segment	Maintenance and Renovation Segment	
Net sales			
Goods transferred at a point in time	8,772	56,693	65,465
Goods transferred over time	38,182	25,715	63,897
Revenue from contracts with customers	46,954	82,408	129,363
Net sales to outside customers	46,954	82,408	129,363
Segment profit	1,608	12,245	13,853

(Note) Segment assets are not stated since assets are not allocated to the business segments.

4. Differences between the total amount for reportable segments and the amount recorded in the consolidated financial statements and main details of the differences (matters relating to reconciliation)

(Unit: ¥1 million)

Profits	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Total amount for reportable segments	18,511	13,853
Corporate expenses (Note)	(4,166)	(3,803)
Operating profit in the consolidated financial statements	14,345	10,049

(Note) Corporate expenses are general and administrative expenses and common expenses which do not belong to any reportable segments.

(Per share information)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net assets per share	¥4,637.04	¥5,120.40
Basic earnings per share	¥558.41	¥441.04
Diluted earnings per share	-	¥440.91

(Notes) 1. The Company's shares held by trust banks (officer compensation BIP trust account) which were recorded as treasury shares under shareholders' equity are included in the number of treasury shares excluded from the total number of shares issued and outstanding at the end of the period for calculating net assets per share (69 thousand shares for the previous fiscal year and 93 thousand shares for the current fiscal year). In addition, in calculating the average number of common shares during the period that serves as the basis for calculating basic earnings per share, the Company's shares held by trust banks (officer compensation BIP trust account) are included in the treasury shares to be excluded (77 thousand shares for the previous fiscal year and 83 thousand shares for the current fiscal year).

2. Basis of calculation of basic earnings per share and diluted earnings per share is as follows:

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Basic earnings per share		
Profit attributable to owners of parent (million yen)	10,619	8,395
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent relating to common shares (million yen)	10,619	8,395
Average number of common shares during the period (shares)	19,018,351	19,036,787
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (million yen)	-	-
Increase in common shares (shares)	-	5,463
(Of which, stock acquisition rights) (shares)	-	5,463
Outline of potentially dilutive shares not included in calculation of diluted earnings per share due to the absence of dilutive effects		2nd series share option issued by resolution at the Board of Directors meeting held February 9, 2024 Number of share acquisition rights, 10,000 (1,000,000 share of common stock)

(Significant subsequent events)

(Exercise of stock acquisition rights)

The first series of stock acquisition rights issued by the Company on March 4, 2024, were exercised after the fiscal year ended March 31, 2024.

The overview of the shares issued from April 1 to May 10, 2024, as a result of the exercise of stock acquisition rights is as follows:

- (1) Number of stock acquisition rights exercised: 3,600
- (2) Class and number of shares issued: 360,000 shares of common stock
(including 260,000 shares of treasury stock)
- (3) Increase in share capital: 205 million yen
- (4) Increase in capital surplus: 205 million yen

As a result of the above, the total number of shares issued and outstanding increased by 100,000 shares, and share capital and capital surplus increased by 205 million yen each. As of May 10, 2024, the total number of shares issued and outstanding was 20,441,980, and share capital and capital surplus amounted to 4,206 million yen and 4,850 million yen, respectively.

4. Others

(1) Orders Received, Net Sales and Order Backlog by Segment

Segment		For the fiscal year ended March 31, 2023		For the fiscal year ended March 31, 2024		Increase (decrease)
		Amount (¥ million)	Composition ratio (%)	Amount (¥ million)	Composition ratio (%)	Amount (¥ million)
Orders received	Construction Segment	58,200	42.3	42,303	31.1	(15,896)
	Maintenance and Renovation Segment	79,400	57.7	93,681	68.9	14,280
	Total	137,601	100.0	135,985	100.0	(1,616)
Net sales	Construction Segment	44,207	35.1	46,954	36.3	2,747
	Maintenance and Renovation Segment	81,566	64.9	82,408	63.7	841
	Total	125,774	100.0	129,363	100.0	3,589
Order backlog	Construction Segment	55,319	60.8	50,668	51.9	(4,651)
	Maintenance and Renovation Segment	35,734	39.2	47,006	48.1	11,272
	Total	91,053	100.0	97,675	100.0	6,621

- (Notes) 1. Construction Segment includes businesses such as installation and reconstruction works, etc., for thermal power plants, nuclear power plants, iron and steel-related plants, environmental preservation plants and chemical plants, etc., electric and instrumentation work, and insulation and painting works incidental to these facilities, as well as demolition and decommissioning, etc., of various plants and facilities.
2. Maintenance and Renovation Segment includes businesses such as periodic inspection, daily maintenance, renovation, etc., for the various plants and facilities mentioned above as well as operation of the power plants.

(2) Changes in Officers

1) Changes in Representative

(scheduled on July 1, 2024)

Representative Director and Senior Managing Executive Officer/ General Manager, Sales Operations Division and Overseas Operations Division
Hiroaki Ito
(Current position: Director and Managing Executive Officer/ General Manager, Sales Operations Division)

2) Changes in other officers

Director to be promoted

(scheduled on July 1, 2024)

Director and Managing Executive Officer/ General Manager, Construction Operations Division and Power Business Division
Shingo Okamoto
(Current position: Director and Senior Executive Officer/ General Manager, Technical & Engineering Operations Division and Power Business Division)

Candidates for new Directors

(scheduled on July 1, 2024)

Director and Senior Executive Officer/ General Manager, Technical & Engineering Operations Division
Satoru Kotoguchi
(Current position: Executive Officer/ General Manager, Osaka Branch)

(scheduled on June 27, 2024)
Outside Director

Setsuko Yamada

Outside Director

Mayumi Shirayori

Directors scheduled to retire
(scheduled on June 27, 2024)
Director and Senior Executive Officer

Masaki Ariyoshi
(scheduled to be
appointed as Advisor)

Outside Director

Satoru Asai

Candidate for new Audit & Supervisory Board Member
(scheduled on June 27, 2024)
Outside Audit & Supervisory Board Member

Eriko Itakura

Audit & Supervisory Board Member scheduled to retire
(scheduled on June 27, 2024)
Outside Audit & Supervisory Board Member

Setsuko Yamada