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May 14, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)

Company Name: Takasago Thermal Engineering Co., Ltd.
 Stock Exchange Listing: On the Prime Section of the Tokyo Stock Exchange
 Code Number: 1969
 Company URL: <https://www.tte-net.com/>
 Representative: Kazuhito Kojima, President and Representative Director
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 Phone: +813-6369-8215
 Scheduled date of ordinary general meeting of shareholders: June 19, 2024
 Scheduled date to commence dividend payment: June 20, 2024
 Scheduled date to submit the Securities Report: June 19, 2024
 Availability of supplementary explanatory materials on annual financial results: Available
 Schedule of annual financial results briefing session: Scheduled

(Fraction less than one million yen has been omitted)

1. Consolidated Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Consolidated Results of Operations (% indicates changes from the previous term)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal year ended								
March 31, 2024	363,366	7.2	24,192	57.8	26,150	56.7	19,612	60.4
March 31, 2023	338,831	11.9	15,326	6.6	16,685	6.7	12,227	6.0

(Note) Comprehensive income:

Fiscal year ended March 31, 2024: ¥29,212 million year on year: 106.5%
 Fiscal year ended March 31, 2023: ¥14,149 million year on year: 28.4%

	Earnings per share	Diluted earnings per share	Rate of return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	(Yen)	(Yen)	(%)	(%)	(%)
March 31, 2024	295.68	—	12.8	8.0	6.7
March 31, 2023	184.69	—	8.9	5.4	4.5

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

Fiscal year ended March 31, 2024: ¥183 million
 Fiscal year ended March 31, 2023: ¥86 million

(2) Consolidated Financial Positions

	Total assets	Net assets	Equity ratio	Net assets per share
As of	(Millions of yen)	(Millions of yen)	(%)	(Yen)
March 31, 2024	340,106	167,231	48.3	2,476.38
March 31, 2023	313,391	147,165	45.5	2,151.02

(Reference) Equity:

As of March 31, 2024: ¥164,355 million
 As of March 31, 2023: ¥142,470 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 the end of the period
Fiscal year ended	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
March 31, 2024	(13,100)	(8,103)	(491)	49,064
March 31, 2023	25,826	(5,427)	(8,325)	69,971

2. Dividends

	Cash dividends per share					Total cash dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First quarter end	Second quarter end	Third quarter end	Year-end	Annual			
Fiscal year ended March 31, 2023	(Yen) –	(Yen) 30.00	(Yen) –	(Yen) 33.00	(Yen) 63.00	(Millions of yen) 4,236	(%) 34.1	(%) 3.0
Fiscal year ended March 31, 2024	(Yen) –	(Yen) 38.00	(Yen) –	(Yen) 91.00	(Yen) 129.00	(Millions of yen) 8,675	(%) 43.6	(%) 5.6
Fiscal year ending March 31, 2025 (Forecast)	(Yen) –	(Yen) 65.00	(Yen) –	(Yen) 65.00	(Yen) 130.00		(%) 40.3	

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

Ordinary dividend: ¥119.00

Commemorative dividend to celebrate the 100th anniversary of our founding: ¥10.00

3. Forecasts for the Consolidated Financial Results for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous term)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Full year	370,000	1.8	25,700	6.2	27,500	5.2	21,400	9.1	322.62

(Reference) Orders received (Forecast): (Full year) ¥365,000 million

* **Notes**

- (1) Changes in Significant Subsidiary (Change in Specific Subsidiary Accompanying Change in Scope of Consolidation) During the Term: None
- (2) Changes in Accounting Policies, Changes in Accounting Estimates and Restatements
- (i) Changes in accounting policies in accordance with the revision of accounting standard, etc.: None
- (ii) Changes in accounting policies other than (i) above: None
- (iii) Changes in accounting estimates: None
- (iv) Restatements: None

(3) Number of Issued Shares (Common Shares)

- (i) Number of issued shares at fiscal year end (including treasury shares)

As of March 31, 2024:	70,239,402 shares
As of March 31, 2023:	70,239,402 shares

- (ii) Number of treasury shares at fiscal year end

As of March 31, 2024:	3,870,133 shares
As of March 31, 2023:	4,005,410 shares

- (iii) Average number of shares during the period

Fiscal year ended March 31, 2024:	66,331,857 shares
Fiscal year ended March 31, 2023:	66,207,202 shares

(References) 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 Results of Operations

(% indicates changes from the previous term)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
March 31, 2024	268,657	10.0	20,898	72.2	22,988	64.6	17,933	65.3
March 31, 2023	244,149	10.7	12,132	(5.2)	13,962	(7.4)	10,850	(7.5)

Fiscal year ended	Earnings per share	Diluted earnings per share
	(Yen)	(Yen)
March 31, 2024	269.29	—
March 31, 2023	163.23	—

(2) Non-consolidated Financial Positions

As of	Total assets	Net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
March 31, 2024	288,135	146,217	50.7	2,194.36
March 31, 2023	263,141	127,324	48.4	1,914.70

(Reference) Equity:

As of March 31, 2024: ¥146,217 million
As of March 31, 2023: ¥127,324 million

**2. Forecasts for the Non-consolidated Financial Results for the Fiscal Year Ending March 31, 2025
(April 1, 2024 to March 31, 2025)**

(% indicates changes from the previous term)

	Net sales		Operating profit		Ordinary profit		Profit		Profit per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Full year	265,000	(1.4)	22,500	7.7	25,000	8.7	20,600	14.9	309.33

(Reference) Orders received (Forecast): (Full year) ¥270,000 million

- * These consolidated financial results are outside the scope of audit by certified public accountants or an audit corporation
- * Explanation concerning proper use of the forecasts for the financial results and other special instructions
Forward-looking statements, including the financial results forecasts, in this document are based on currently available information held by the Company and on certain premises considered reasonable by the Company. It is not the intention of the Company to undertake the realization of these statements. Actual business results may differ from the forecasts, depending on various factors. For the assumptions used as the basis for the financial results forecast and notes on the use of the forecast, please refer to “Future Outlook” on page 3 of the attached document.
The Company will hold the annual financial results briefing session for the fiscal year ended March 31, 2024 (for institutional investors and securities analysts) on Wednesday, May 15, 2024. The information materials that were to be used at the session will be posted on the Company’s website.

○ **Table of Attachments**

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1. Summary of Business Results, etc.

(1) Summary of Business Results for the Year Ended March 31, 2024

During the year ended March 31, 2024 (hereinafter, the “period under review”), the Japanese economy was on a gradual recovery path, with corporate profits and the employment and income environment showing improvement, despite concerns about a downturn due to the slowdown in overseas economies and fluctuations in financial and capital markets.

In the construction industry and our related air conditioning industry, demand for construction remained strong, reflecting solid capital investment in the manufacturing and non-manufacturing sectors. However, a cautious approach to business operations was required as measures to reform work styles and the outlook for the global economy continued to require close attention.

In this business environment, our Group has been promoting “business model transformation” to establish a solid revenue base from the construction business and promote investments for future growth, and “company and human resource transformation” to invest in human capital and establish a framework for an Environment-Creator™ company, in accordance with the Medium-Term Management Plan.

Our Group’s net sales for the period under review totaled ¥363,366 million (up 7.2% year on year). Profits were also boosted by steady progress in construction through efficient project management initiatives and efforts to improve profitability at the order and installation stages. As a result, operating profit was ¥24,192 million (up 57.8% year on year), ordinary profit came to ¥26,150 million (up 56.7% year on year), and profit attributable to owners of parent was ¥19,612 million (up 60.4% year on year).

Orders received totaled ¥403,110 million (up 8.1% year on year).

Segment results were as follows. (Segment results include intersegment net sales and transfers.)

(Construction business)

Net sales were ¥355,493 million (up 7.1% year on year), and segment profit (operating profit) was ¥23,745 million (up 58.8% year on year).

(Equipment manufacturing and sales business)

Net sales were ¥8,267 million (up 14.2% year on year) and segment profit (operating profit) was ¥405 million (up 33.3% year on year).

(Other)

Net sales were ¥90 million (down 1.0% year on year), and segment profit (operating profit) was ¥51 million (down 9.8% year on year).

(2) Summary of Financial Position for the Period Under Review

Total assets increased ¥26,715 million from the end of the year ended March 31, 2023 (hereinafter, the “previous period”) to ¥340,106 million at the end of the period under review, mainly due to increases in notes, accounts receivable from completed construction contracts and contract assets.

Total liabilities increased ¥6,648 million from the end of the previous period to ¥172,875 million, mainly due to an increase in short-term borrowings.

Total net assets increased ¥20,066 million from the end of the previous period to ¥167,231 million, mainly due to an increase in retained earnings resulting from the recognition of profit attributable to owners of parent.

(3) Summary of Cash Flows for the Period Under Review

Cash and cash equivalents at the end of the period under review decreased by ¥20,906 million from the end of the previous period to ¥49,064 million.

(Cash flows from operating activities)

Cash flows from operating activities amounted to an expenditure of ¥13,100 million (net cash of ¥25,826 million provided in the previous period). This was mainly due to an increase in trade receivables.

(Cash flows from investing activities)

Cash flows from investing activities amounted to an expenditure of ¥8,103 million (down ¥2,676 million from the end of the previous period). This was mainly due to expenditures for the purchase of investment securities.

(Cash flows from financing activities)

Cash flows from financing activities amounted to an expenditure of ¥491 million (up ¥7,833 million from the end of the previous period). This was mainly due to the payment of dividends.

(Reference) Trends in cash flow indicators

	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024
Equity ratio (%)	46.0	48.7	44.2	45.5	48.3
Equity ratio based on market value (%)	43.4	44.0	38.2	44.6	95.2
Ratio of interest-bearing debt to cash flow (annual)	9.5	1.1	6.4	0.9	(4.8)
Interest coverage ratio (times)	8.4	106.3	21.7	116.3	(29.0)

(Notes) 1. Each indicator is calculated based on the following criteria, all of which are financial measures on a consolidated basis.

Equity ratio: Equity/Total assets

Equity ratio based on market value: Total market capitalization/Total assets

Ratio of interest-bearing debt to cash flow (annual): Interest-bearing debt/
Operating cash flow (before interest and taxes)

Interest coverage ratio:

Operating cash flow (before interest and taxes)/Interest payments

- Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding (excluding treasury shares) at the end of the period.
- Operating cash flows (before interest and income taxes paid) are the cash flows from operating activities (before interest and income taxes paid) in the consolidated statements of cash flows. Interest-bearing debt is all liabilities on the consolidated balance sheet for which interest is paid. Interest payments are based on the amount of interest paid in the consolidated statements of cash flows.

(4) Future Outlook

As for the future business environment, although the gradual recovery trend is expected to continue, including improvements in corporate profits, employment, and income, we will continue to monitor the effects of rising prices, supply-side constraints, and fluctuations in financial and capital markets.

In the construction industry and our related air conditioning industry, while capital investment is expected to remain stable, especially in urban redevelopment projects and the industrial sector, we anticipate material and equipment shortages caused by changing global circumstances as well as further increases in labor costs due to process delays and personnel shortages, etc. The Company will strive to improve the profitability and productivity of construction projects by implementing strategies to optimize orders across the company and strengthen profitability. In addition, environmental, social and governance (ESG) and carbon neutrality initiatives are becoming more important and require greater speed.

In this business environment, we have launched the “2026 Medium-Term Management Plan: Step for the FUTURE -Four years to embark on the future-” under our Group purpose of “With our revolutionary environmental innovations, we activate the Earth’s future.” In light of the fact that our performance in the year ended March 31, 2024, the first year of the plan, exceeded some of the target management indicators due to a favorable turnaround in the business environment and successful efforts to strengthen profitability, we decided to revise some of the key target management indicators. For details, please refer to the separately announced “Notice Concerning Partial Revision of Target Management Indicators in 2026 Medium-Term Management Plan.”

For the consolidated business forecast for the year ending March 31, 2025 (hereinafter, the “next period”), we expect net sales of ¥370 billion, operating profit of ¥25.7 billion, ordinary profit of ¥27.5 billion, profit attributable to owners of parent of ¥21.4 billion and orders received of ¥365 billion.

(5) Policy for the Appropriation of Retained Earnings and Dividends for the Period Under Review and the Next Period

The Company’s earnings distribution policy is based on returning profits to shareholders through dividends, taking into account the balance between financial soundness and investments for growth. The Company pursues a progressive dividend policy of increasing dividends in line with sustainable earnings growth with a target payout ratio of 40%. Also, share repurchases are flexibly implemented from the perspective of increasing shareholder value over the medium to long term, taking into account “soundness” and “capital efficiency,” while comprehensively considering market conditions, capital levels, business investment opportunities, and other factors.

The Company’s basic policy is to pay dividends from retained earnings twice a year, an interim dividend and a year-end dividend. Decisions on dividends are made by the Board of Directors for interim dividends and by the General Meeting of Shareholders for year-end dividends.

The Company plans to pay a year-end dividend of ¥81 per common share for the period under review. Since the Company paid an interim dividend of ¥38, the annual dividend per share will be ¥119. In addition, a commemorative dividend of ¥10 per common share will be paid to celebrate the 100th anniversary of the Company’s founding, resulting in a full-year dividend forecast of ¥129 per share.

The Company plans to pay an annual dividend of ¥130 per common share for the next period (interim dividend of ¥65 and year-end dividend of ¥65).

2. Basic Approach to the Selection of Accounting Standards

The Group’s current policy is to prepare its consolidated financial statements in accordance with Japanese GAAP, taking into account the comparability of the consolidated financial statements from period to period and from company to company.

For the application of the International Financial Reporting Standards (IFRS), our policy is to respond as appropriate, taking into account various conditions in Japan and overseas.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	72,317	53,298
Notes, accounts receivable from completed construction contracts and contract assets	139,010	178,305
Electronically recorded monetary claims - operating	9,242	7,585
Costs on construction contracts in progress	3,330	4,057
Other	14,802	5,370
Allowance for doubtful accounts	(372)	(230)
Total current assets	238,331	248,386
Non-current assets		
Property, plant and equipment		
Buildings and structures	17,189	16,378
Machinery, equipment and vehicles	2,210	2,655
Tools, furniture and fixtures	4,794	4,956
Land	9,682	9,731
Construction in progress	206	265
Right-of-use assets	1,176	1,304
Accumulated depreciation	(11,502)	(11,808)
Total property, plant and equipment	23,756	23,483
Intangible assets		
Software	6,274	7,371
Goodwill	1,728	1,703
Other	101	98
Total intangible assets	8,104	9,173
Investments and other assets		
Investment securities	33,775	46,530
Long-term loans receivable	329	242
Retirement benefit asset	3,373	6,551
Deferred tax assets	1,016	1,187
Guarantee deposits	2,845	3,072
Insurance funds	1,198	785
Other	821	800
Allowance for doubtful accounts	(162)	(107)
Total investments and other assets	43,198	59,063
Total non-current assets	75,060	91,720
Total assets	313,391	340,106

Takasago Thermal Engineering Co., Ltd. (1969)

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	64,252	58,253
Electronically recorded obligations - operating	23,141	19,026
Short-term borrowings	4,815	14,133
Current portion of bonds payable	–	5,000
Accounts payable - other	3,202	5,416
Income taxes payable	1,933	6,008
Advances received on construction contracts in progress	14,693	12,593
Provision for bonuses	5,672	8,727
Provision for bonuses for directors (and other officers)	89	159
Provision for warranties for completed construction	1,009	1,095
Provision for loss on construction contracts	923	404
Provision for dismantling and removal	219	310
Other	17,193	15,621
Total current liabilities	137,146	146,750
Non-current liabilities		
Bonds payable	25,000	20,000
Retirement benefit liability	1,093	1,126
Provision for share awards	833	865
Provision for retirement benefits for directors (and other officers)	119	–
Deferred tax liabilities	1,050	3,388
Other	983	744
Total non-current liabilities	29,080	26,125
Total liabilities	166,226	172,875
Net assets		
Shareholders' equity		
Share capital	13,134	13,134
Capital surplus	12,691	10,488
Retained earnings	113,913	128,724
Treasury shares	(7,567)	(7,307)
Total shareholders' equity	132,172	145,040
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,181	15,822
Foreign currency translation adjustment	493	1,671
Remeasurements of defined benefit plans	(376)	1,821
Total accumulated other comprehensive income	10,298	19,315
Non-controlling interests	4,694	2,875
Total net assets	147,165	167,231
Total liabilities and net assets	313,391	340,106

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	338,831	363,366
Cost of sales	292,468	303,419
Gross profit	46,363	59,947
Selling, general and administrative expenses		
Employees' salaries and allowances	9,544	10,598
Provision for bonuses	1,975	3,233
Retirement benefit expenses	305	312
Provision for share awards	223	234
Stationery expenses	3,718	3,631
Provision of allowance for doubtful accounts	(35)	3
Rent expenses on land and buildings	2,680	2,674
Depreciation	1,822	2,086
Other	10,802	12,980
Total selling, general and administrative expenses	31,036	35,755
Operating profit	15,326	24,192
Non-operating income		
Interest income	264	413
Dividend income	674	784
Dividend income of insurance	165	174
Share of profit of entities accounted for using equity method	86	183
Rental income from real estate	781	862
Other	756	1,002
Total non-operating income	2,728	3,421
Non-operating expenses		
Interest expenses	278	288
Provision of allowance for doubtful accounts	95	–
Provision for dismantling and removals	219	310
Rental expenses on real estate	419	392
Compensation expense	245	18
Other	111	453
Total non-operating expenses	1,369	1,463
Ordinary profit	16,685	26,150
Extraordinary income		
Gain on sale of businesses	67	–
Gain on sale of investment securities	270	1,295
Other	0	14
Total extraordinary income	338	1,309
Extraordinary losses		
Impairment losses	–	288
Loss on retirement of non-current assets	65	96
Loss on sale of investment securities	62	0
Loss on valuation of investment securities	38	17
Other	5	5
Total extraordinary losses	171	407
Profit before income taxes	16,852	27,053
Income taxes - current	4,915	8,356
Income taxes - deferred	(781)	(1,414)
Total income taxes	4,133	6,942
Profit	12,719	20,111

Takasago Thermal Engineering Co., Ltd. (1969)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit attributable to non-controlling interests	491	498
Profit attributable to owners of parent	12,227	19,612

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	12,719	20,111
Other comprehensive income		
Valuation difference on available-for-sale securities	826	5,558
Foreign currency translation adjustment	860	1,266
Remeasurements of defined benefit plans, net of tax	(261)	2,052
Share of other comprehensive income of entities accounted for using equity method	4	224
Total other comprehensive income	1,430	9,101
Comprehensive income	14,149	29,212
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,492	28,638
Comprehensive income attributable to non-controlling interests	656	573

(3) Consolidated Statement of Changes in Equity

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

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,134	12,691	105,788	(7,750)	123,864
Changes during period					
Dividends of surplus			(4,102)		(4,102)
Profit attributable to owners of parent			12,227		12,227
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				184	184
Change in ownership interest of parent due to transactions with non-controlling interests		(0)			(0)
Net changes in items other than shareholders' equity					
Total changes during period	-	(0)	8,125	183	8,307
Balance at end of period	13,134	12,691	113,913	(7,567)	132,172

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	9,355	(208)	(114)	9,033	4,000	136,897
Changes during period						
Dividends of surplus						(4,102)
Profit attributable to owners of parent						12,227
Purchase of treasury shares						(0)
Disposal of treasury shares						184
Change in ownership interest of parent due to transactions with non-controlling interests						(0)
Net changes in items other than shareholders' equity	825	701	(262)	1,265	693	1,959
Total changes during period	825	701	(262)	1,265	693	10,267
Balance at end of period	10,181	493	(376)	10,298	4,694	147,165

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

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,134	12,691	113,913	(7,567)	132,172
Changes during period					
Dividends of surplus			(4,774)		(4,774)
Profit attributable to owners of parent			19,612		19,612
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares				262	262
Change in scope of consolidation			(27)		(27)
Change in ownership interest of parent due to transactions with non-controlling interests		(2,202)			(2,202)
Net changes in items other than shareholders' equity					
Total changes during period	-	(2,202)	14,810	260	12,867
Balance at end of period	13,134	10,488	128,724	(7,307)	145,040

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	10,181	493	(376)	10,298	4,694	147,165
Changes during period						
Dividends of surplus						(4,774)
Profit attributable to owners of parent						19,612
Purchase of treasury shares						(2)
Disposal of treasury shares						262
Change in scope of consolidation						(27)
Change in ownership interest of parent due to transactions with non-controlling interests						(2,202)
Net changes in items other than shareholders' equity	5,641	1,178	2,197	9,017	(1,818)	7,198
Total changes during period	5,641	1,178	2,197	9,017	(1,818)	20,066
Balance at end of period	15,822	1,671	1,821	19,315	2,875	167,231

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	16,852	27,053
Depreciation	2,278	2,505
Impairment losses	–	288
Amortization of goodwill	203	227
Increase (decrease) in allowance for doubtful accounts	(2,045)	(216)
Increase (decrease) in provision for warranties for completed construction	131	78
Increase (decrease) in provision for loss on construction contracts	(1,107)	(524)
Increase (decrease) in provision for bonuses	1,268	3,115
Increase (decrease) in provision for bonuses for directors (and other officers)	6	69
Increase (decrease) in provision for dismantling and removal	219	91
Increase (decrease) in provision for directors' retirement benefits	1	(109)
Decrease (increase) in retirement benefit asset	(336)	(94)
Increase (decrease) in retirement benefit liability	(36)	39
Increase (decrease) in provision for share awards	99	32
Interest and dividend income	(938)	(1,198)
Interest expenses	278	288
Share of loss (profit) of entities accounted for using equity method	(86)	(183)
Foreign exchange losses (gains)	(22)	(171)
Loss (gain) on sale of investment securities	(208)	(1,295)
Loss (gain) on valuation of investment securities	38	17
Loss (gain) on sale of non-current assets	0	(8)
Decrease (increase) in trade receivables	10,317	(32,286)
Decrease (increase) in costs on construction contracts in progress	(95)	(629)
Increase (decrease) in trade payables	(16)	(10,310)
Increase (decrease) in advances received on construction contracts in progress	(2,072)	(2,512)
Increase (decrease) in accrued expenses	151	527
Increase (decrease) in accrued consumption taxes	(117)	979
Decrease (increase) in consumption taxes refund receivable	(2,750)	3,341
Other, net	9,347	1,468
Subtotal	31,362	(9,417)
Interest and dividends received	983	1,227
Interest paid	(278)	(282)
Income taxes paid	(6,538)	(5,268)
Income taxes refund	297	640
Net cash provided by (used in) operating activities	25,826	(13,100)

Takasago Thermal Engineering Co., Ltd. (1969)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities		
Payments into time deposits	(2,354)	(9,601)
Proceeds from withdrawal of time deposits	101	7,711
Purchase of property, plant and equipment and intangible assets	(5,048)	(3,347)
Purchase of investment securities	(59)	(5,179)
Proceeds from sale of investment securities	1,160	2,318
Purchase of shares of subsidiaries and associates	(2,908)	(42)
Proceeds from sale of shares of subsidiaries and associates	–	103
Payments of guarantee deposits	(212)	(361)
Proceeds from refund of guarantee deposits	265	153
Proceeds from collection of loans receivable	2,548	109
Purchase of insurance funds	(20)	(24)
Proceeds from maturity of insurance funds	253	444
Other payments	(232)	(518)
Other proceeds	1,079	130
Net cash provided by (used in) investing activities	(5,427)	(8,103)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,531)	9,179
Repayments of long-term borrowings	(213)	(127)
Repayments of lease liabilities	(464)	(465)
Purchase of treasury shares	(0)	(2)
Dividends paid	(4,102)	(4,774)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(4,288)
Dividends paid to non-controlling interests	(12)	(12)
Net cash provided by (used in) financing activities	(8,325)	(491)
Effect of exchange rate change on cash and cash equivalents	1,029	789
Net increase (decrease) in cash and cash equivalents	13,104	(20,906)
Cash and cash equivalents at beginning of period	56,867	69,971
Cash and cash equivalents at end of period	69,971	49,064

(5) Notes on Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The Company's reportable segments are components of the Company and its consolidated subsidiaries for which discrete financial information is available, and whose operating results are reviewed regularly by the Company's Board of Directors to allocate management resources and assess performance.

The Group consists of the construction business, which is engaged in the design, construction and maintenance of general-purpose systems and industrial systems, with a focus on air conditioning technology, and an equipment manufacturing and sales business, which is engaged in the design, manufacture and sale of air conditioning and other equipment.

Therefore, the Group has two reportable segments: the construction business and the equipment manufacturing and sales business.

2. Calculation method of net sales, income or loss, assets and other items by reportable segment

The method of accounting for reportable segments is consistent with the accounting policies and procedures used in the preparation of the consolidated financial statements. Intersegment net sales or transfers are transactions between consolidated companies and are based on prevailing market prices.

3. Information on net sales, income or loss, assets and other items by reportable segment

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

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2) (Note 4)	Amount recognized in consolidated financial statements (Note 3)
	Construction business	Equipment manufacturing and sales business	Subtotal				
Net sales							
Net sales to external customers	332,017	6,722	338,740	91	338,831	–	338,831
Intersegment net sales or transfers	0	515	516	(0)	516	(516)	–
Subtotal	332,017	7,238	339,256	91	339,347	(516)	338,831
Segment profit	14,950	304	15,255	56	15,311	15	15,326
Segment assets	305,590	7,895	313,486	76	313,563	(171)	313,391
Other items							
Depreciation	2,185	86	2,271	5	2,277	0	2,278
Increase in property, plant and equipment and intangible assets	5,898	73	5,971	12	5,983	–	5,983

(Notes) 1. The category “Other” refers to businesses that are not included in the reportable segments, such as insurance agencies.

2. The adjustment to segment profit is the elimination of transactions made between segments.

3. Segment profit is reconciled with operating profit in the consolidated statement of income.

4. The adjustment to segment assets is the elimination of transactions made between segments.

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

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2) (Note 4)	Amount recognized in consolidated financial statements (Note 3)
	Construction business	Equipment manufacturing and sales business	Subtotal				
Net sales							
Net sales to external customers	355,493	7,782	363,276	90	363,366	–	363,366
Intersegment net sales or transfers	–	484	484	–	484	(484)	–
Subtotal	355,493	8,267	363,760	90	363,851	(484)	363,366
Segment profit	23,745	405	24,151	51	24,202	(10)	24,192
Segment assets	332,096	8,072	340,168	66	340,235	(128)	340,106
Other items							
Depreciation	2,403	98	2,501	6	2,508	(3)	2,505
Increase in property, plant and equipment and intangible assets	3,534	156	3,690	3	3,694	–	3,694

(Notes) 1. The category “Other” refers to businesses that are not included in the reportable segments, such as insurance agencies.

2. The adjustment to segment profit is the elimination of transactions made between segments.

3. Segment profit is reconciled with operating profit in the consolidated statement of income.

4. The adjustment to segment assets is the elimination of transactions made between segments.

[Related information]

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

1. Information by product and service

Description is omitted as the product and service categories are the same as the reportable segment categories.

2. Information by region

(1) Net sales

(Millions of yen)			
Japan	Southeast Asia	Other	Total
276,124	34,353	28,354	338,831

(Notes) 1. Net sales are classified by country or region based on the location of the customer.
2. Southeast Asia includes Thailand, Singapore, Malaysia, Vietnam, and Myanmar.

(2) Property, plant and equipment

(Millions of yen)				
Japan	Southeast Asia	India	Other	Total
21,189	490	1,879	196	23,756

(Notes) 1. Property, plant and equipment are classified by country or region based on the location of the assets.
2. Southeast Asia includes Thailand, Singapore, Malaysia, and Vietnam.

3. Information by major customer

Description is omitted as there are no sales to external customers that represent 10% or more of net sales in the consolidated statements of income.

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

1. Information by product and service

Description is omitted as the product and service categories are the same as the reportable segment categories.

2. Information by region

(1) Net sales

(Millions of yen)			
Japan	Southeast Asia	Other	Total
304,516	26,528	32,322	363,366

(Notes) 1. Net sales are classified by country or region based on the location of the customer.
2. Southeast Asia includes Thailand, Singapore, Malaysia, Vietnam, and Myanmar.

(2) Property, plant and equipment

(Millions of yen)				
Japan	Southeast Asia	India	Other	Total
20,868	402	1,999	213	23,483

(Notes) 1. Property, plant and equipment are classified by country or region based on the location of the assets.
2. Southeast Asia includes Thailand, Singapore, Malaysia, and Vietnam.

3. Information by major customer

Description is omitted as there are no sales to external customers that represent 10% or more of net sales in the consolidated statements of income.

[Information on impairment of non-current assets by reportable segment]

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

Not applicable.

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

(Millions of yen)

	Reportable segment			Other	Total	Corporate / Elimination	Amount recognized in consolidated financial statements
	Construction business	Equipment manufacturing and sales business	Subtotal				
Impairment losses	288	–	288	–	288	–	288

[Information on the balance of amortized and unamortized goodwill by reportable segment]

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

(Millions of yen)

	Reportable segment			Other	Total	Corporate / Elimination	Amount recognized in consolidated financial statements
	Construction business	Equipment manufacturing and sales business	Subtotal				
Amortization for the year ended March 31, 2023	203	–	203	–	203	–	203
Balance at the end of the year ended March 31, 2023	1,728	–	1,728	–	1,728	–	1,728

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

(Millions of yen)

	Reportable segment			Other	Total	Corporate / Elimination	Amount recognized in consolidated financial statements
	Construction business	Equipment manufacturing and sales business	Subtotal				
Amortization for the year ended March 31, 2024	227	–	227	–	227	–	227
Balance at the end of the year ended March 31, 2024	1,703	–	1,703	–	1,703	–	1,703

[Information on gain on negative goodwill by reportable segment]

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

Not applicable.

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

Not applicable.

(Per share information)

Item	(Yen)	
	Year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)	Year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)
Net assets per share	2,151.02	2,476.38
Profit per share	184.69	295.68

- (Notes)
- Diluted profit per share is not presented as there are no dilutive shares.
 - The Company has established an “Officers’ Compensation BIP Trust” and a “Stock Benefit Trust (J-ESOP),” and the shares of the Company held by the trusts are recorded as treasury shares in the consolidated balance sheet. Accordingly, the shares held by the trust are included in treasury shares as a deduction in the calculation of “the number of common shares at the end of the period used to calculate net assets per share” (755,320 shares in the previous period and 619,316 shares in the period under review). In addition, for the purpose of calculating profit per share, these shares are included in treasury shares as a deduction from the “average number of common shares outstanding during the period” (782,342 shares in the previous period and 657,025 shares in the period under review).
 - The basis for the calculation of profit per share is as follows.

(1) Net assets per share

Item	Year ended March 31, 2023 (as of March 31, 2023)	Year ended March 31, 2024 (as of March 31, 2024)
Total net assets (Millions of yen)	147,165	167,231
Amount deducted from total net assets (Millions of yen)	4,694	2,875
(Non-controlling interests) (Millions of yen)	(4,694)	(2,875)
Net assets related to common share at the end of the period (Millions of yen)	142,470	164,355
Number of common shares at the end of the period used in the calculation of net assets per share (Shares)	66,233,992	66,369,269

(2) Profit per share

Item	Year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)	Year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)
Profit per share		
Profit attributable to owners of parent (Millions of yen)	12,227	19,612
Amount not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to owners of parent related to common shares (Millions of yen)	12,227	19,612
Number of average common shares outstanding during the period (Shares)	66,207,202	66,331,857

(Significant subsequent events)

Not applicable.

4. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	51,329	33,458
Notes receivable - trade	264	237
Electronically recorded monetary claims - operating	7,706	6,443
Accounts receivable from completed construction contracts	66,553	103,481
Contract assets	45,847	46,767
Costs on construction contracts in progress	457	361
Merchandise and finished goods	28	11
Raw materials and supplies	580	508
Prepaid expenses	1,084	648
Accounts receivable - other	9,332	762
Advances paid	1,374	446
Other	274	264
Allowance for doubtful accounts	(128)	(157)
Total current assets	184,705	193,233
Non-current assets		
Property, plant and equipment		
Buildings	13,353	12,312
Accumulated depreciation	(4,489)	(4,019)
Buildings, net	8,863	8,292
Structures	816	764
Accumulated depreciation	(319)	(305)
Structures, net	496	458
Machinery and equipment	403	448
Accumulated depreciation	(250)	(285)
Machinery and equipment, net	153	163
Tools, furniture and fixtures	2,838	2,969
Accumulated depreciation	(1,219)	(1,399)
Tools, furniture and fixtures, net	1,619	1,569
Land	9,038	9,038
Construction in progress	77	207
Total property, plant and equipment	20,248	19,729
Intangible assets		
Software	5,931	6,970
Telephone subscription right	94	94
Other	0	0
Total intangible assets	6,026	7,064

Takasago Thermal Engineering Co., Ltd. (1969)

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Investments and other assets		
Investment securities	27,031	39,064
Shares of subsidiaries and associates	16,625	20,822
Investments in capital	5	5
Long-term loans receivable	1,085	984
Distressed receivables	164	103
Long-term prepaid expenses	156	329
Prepaid pension costs	3,732	3,827
Guarantee deposits	2,317	2,305
Insurance funds	1,005	590
Other	195	175
Allowance for doubtful accounts	(157)	(102)
Total investments and other assets	52,161	68,106
Total non-current assets	78,435	94,901
Total assets	263,141	288,135
Liabilities		
Current liabilities		
Notes payable - trade	3,158	2,027
Electronically recorded obligations - operating	23,043	18,547
Accounts payable for construction contracts	47,032	41,998
Short-term borrowings	1,810	12,196
Current portion of bonds payable	-	5,000
Accounts payable - other	2,620	4,454
Accrued expenses	264	543
Income taxes payable	1,495	5,405
Advances received on construction contracts in progress	7,990	6,433
Deposits received	14,044	12,221
Provision for bonuses	5,036	7,593
Provision for bonuses for directors (and other officers)	58	128
Provision for warranties for completed construction	807	941
Provision for loss on construction contracts	861	286
Provision for dismantling and removal	219	310
Other	56	66
Total current liabilities	108,498	118,158
Non-current liabilities		
Bonds payable	25,000	20,000
Long-term accounts payable - other	46	38
Lease liabilities	85	59
Provision for share awards	774	816
Deferred tax liabilities	1,094	2,544
Other	317	299
Total non-current liabilities	27,319	23,758
Total liabilities	135,817	141,917

Takasago Thermal Engineering Co., Ltd. (1969)

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Net assets		
Shareholders' equity		
Share capital	13,134	13,134
Capital surplus		
Legal capital surplus	12,853	12,853
Total capital surplus	12,853	12,853
Retained earnings		
Legal retained earnings	3,283	3,283
Other retained earnings		
Reserve for dividend equalization	656	656
Reserve for retirement allowance	940	940
Reserve for tax purpose reduction to promote open innovation	124	174
General reserve	42,878	42,878
Retained earnings brought forward	50,802	63,911
Total retained earnings	98,686	111,844
Treasury shares	(7,394)	(7,133)
Total shareholders' equity	117,280	130,699
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	10,043	15,518
Total valuation and translation adjustments	10,043	15,518
Total net assets	127,324	146,217
Total liabilities and net assets	263,141	288,135

(2) Non-consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales of completed construction contracts	244,149	268,657
Cost of sales of completed construction contracts	210,284	222,953
Gross profit on completed construction contracts	33,865	45,703
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	344	285
Provision for bonuses for directors (and other officers)	58	128
Employees' salaries and allowances	5,182	5,541
Provision for bonuses	1,833	2,959
Retirement benefit expenses	184	193
Provision for share awards	210	222
Legal welfare expenses	921	981
Welfare expenses	413	885
Repair and maintenance expenses	229	165
Stationery expenses	3,407	3,153
Communication and transportation expenses	709	858
Power utilities expenses	107	150
Research study expenses	1,863	1,676
Advertising expenses	360	1,092
Provision of allowance for doubtful accounts	(3)	(22)
Entertainment expenses	281	404
Donations	34	69
Rent expenses on land and buildings	2,303	2,227
Depreciation	1,303	1,518
Taxes and dues	643	765
Insurance expenses	305	325
Miscellaneous expenses	1,036	1,221
Total selling, general and administrative expenses	21,732	24,805
Operating profit	12,132	20,898
Non-operating income		
Interest income	20	14
Dividend income	1,426	1,605
Insurance claim income	9	103
Dividend income of insurance	159	173
Rental income from real estate	781	836
Other	318	528
Total non-operating income	2,715	3,262
Non-operating expenses		
Interest expenses	118	110
Provision of allowance for doubtful accounts	95	—
Provision for dismantling and removals	219	310
Rental expenses on real estate	419	392
Other	32	358
Total non-operating expenses	885	1,172
Ordinary profit	13,962	22,988

Takasago Thermal Engineering Co., Ltd. (1969)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Extraordinary income		
Gain on sale of investment securities	269	1,366
Total extraordinary income	269	1,366
Extraordinary losses		
Impairment losses	–	288
Loss on retirement of non-current assets	41	67
Loss on sale of investment securities	62	0
Other	3	22
Total extraordinary losses	106	378
Profit before income taxes	14,125	23,977
Income taxes - current	4,159	7,092
Income taxes - deferred	(884)	(1,048)
Total income taxes	3,274	6,043
Profit	10,850	17,933

(3) Non-consolidated Statement of Changes in Equity

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

(Millions of yen)

	Shareholders' equity			
	Share capital	Capital surplus		Retained earnings
		Legal capital surplus	Total capital surplus	Legal retained earnings
Balance at beginning of period	13,134	12,853	12,853	3,283
Changes during period				
Dividends of surplus				
Profit				
Purchase of treasury shares				
Disposal of treasury shares				
Net changes in items other than shareholders' equity				
Total changes during period	–	–	–	–
Balance at end of period	13,134	12,853	12,853	3,283

	Shareholders' equity					
	Retained earnings					
	Other retained earnings					Total retained earnings
	Reserve for dividend equalization	Reserve for retirement allowance	Reserve for tax purpose reduction to promote open innovation	General reserve	Retained earnings brought forward	
Balance at beginning of period	656	940	124	42,878	44,055	91,938
Changes during period						
Dividends of surplus					(4,102)	(4,102)
Profit					10,850	10,850
Purchase of treasury shares						
Disposal of treasury shares						
Net changes in items other than shareholders' equity						
Total changes during period	–	–	–	–	6,747	6,747
Balance at end of period	656	940	124	42,878	50,802	98,686

Takasago Thermal Engineering Co., Ltd. (1969)

	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	(7,577)	110,350	9,248	9,248	119,599
Changes during period					
Dividends of surplus		(4,102)			(4,102)
Profit		10,850			10,850
Purchase of treasury shares	(0)	(0)			(0)
Disposal of treasury shares	184	184			184
Net changes in items other than shareholders' equity			794	794	794
Total changes during period	183	6,930	794	794	7,725
Balance at end of period	(7,394)	117,280	10,043	10,043	127,324

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

(Millions of yen)

	Shareholders' equity			
	Share capital	Capital surplus		Retained earnings
		Legal capital surplus	Total capital surplus	Legal retained earnings
Balance at beginning of period	13,134	12,853	12,853	3,283
Changes during period				
Dividends of surplus				
Profit				
Provision of reserve for tax purpose reduction to promote open innovation				
Purchase of treasury shares				
Disposal of treasury shares				
Net changes in items other than shareholders' equity				
Total changes during period	-	-	-	-
Balance at end of period	13,134	12,853	12,853	3,283

	Shareholders' equity					
	Retained earnings					
	Other retained earnings					Total retained earnings
	Reserve for dividend equalization	Reserve for retirement allowance	Reserve for tax purpose reduction to promote open innovation	General reserve	Retained earnings brought forward	
Balance at beginning of period	656	940	124	42,878	50,802	98,686
Changes during period						
Dividends of surplus					(4,774)	(4,774)
Profit					17,933	17,933
Provision of reserve for tax purpose reduction to promote open innovation			49		(49)	-
Purchase of treasury shares						
Disposal of treasury shares						
Net changes in items other than shareholders' equity						
Total changes during period	-	-	49	-	13,108	13,158
Balance at end of period	656	940	174	42,878	63,911	111,844

Takasago Thermal Engineering Co., Ltd. (1969)

	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	(7,394)	117,280	10,043	10,043	127,324
Changes during period					
Dividends of surplus		(4,774)			(4,774)
Profit		17,933			17,933
Provision of reserve for tax purpose reduction to promote open innovation		–			–
Purchase of treasury shares	(2)	(2)			(2)
Disposal of treasury shares	262	262			262
Net changes in items other than shareholders' equity		–	5,475	5,475	5,475
Total changes during period	260	13,418	5,475	5,475	18,893
Balance at end of period	(7,133)	130,699	15,518	15,518	146,217

5. Other

(1) Conditions of Production, Orders Received and Sales (Consolidated)

(i) Orders received

(Millions of yen; %)

Category		Year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)		Year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)		Amount of Increase (Decrease)	Percentage of Increase (Decrease)
		Amount	(%)	Amount	(%)		
Construction business	General-purpose systems	158,119	42.4	174,933	43.4	16,813	10.6
	Industrial systems	208,168	55.8	220,130	54.6	11,961	5.7
	Subtotal	366,288	98.2	395,063	98.0	28,775	7.9
Equipment manufacturing and sales business		6,395	1.8	7,956	2.0	1,561	24.4
Other		91	0.0	90	0.0	(0)	(1.0)
Total		372,774	100.0	403,110	100.0	30,335	8.1
[overseas]		[76,877]	[20.6]	[64,787]	[16.1]	[(12,090)]	[(15.7)]
[facility maintenance]		[26,601]	[7.1]	[31,109]	[7.7]	[4,508]	[16.9]

(ii) Sales

(Millions of yen; %)

Category		Year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)		Year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)		Amount of Increase (Decrease)	Percentage of Increase (Decrease)
		Amount	(%)	Amount	(%)		
Construction business	General-purpose systems	158,194	46.7	161,961	44.6	3,766	2.4
	Industrial systems	173,822	51.3	193,532	53.3	19,709	11.3
	Subtotal	332,017	98.0	355,493	97.9	23,476	7.1
Equipment manufacturing and sales business		6,722	2.0	7,782	2.1	1,060	15.8
Other		91	0.0	90	0.0	(1)	(1.2)
Total		338,831	100.0	363,366	100.0	24,535	7.2
[overseas]		[62,707]	[18.5]	[58,850]	[16.2]	[(3,856)]	[(6.2)]
[facility maintenance]		[26,653]	[7.9]	[30,466]	[8.4]	[3,813]	[14.3]

(iii) Amount carried forward

(Millions of yen; %)

Category		Year ended March 31, 2023 (as of March 31, 2023)		Year ended March 31, 2024 (as of March 31, 2024)		Amount of Increase (Decrease)	Percentage of Increase (Decrease)
		Amount	(%)	Amount	(%)		
Construction business	General- purpose systems	144,991	47.9	156,345	45.8	11,353	7.8
	Industrial systems	155,721	51.4	182,319	53.5	26,597	17.1
	Subtotal	300,713	99.3	338,664	99.3	37,951	12.6
Equipment manufacturing and sales business		2,116	0.7	2,290	0.7	173	8.2
Other		—	—	—	—	—	—
Total		302,830	100.0	340,955	100.0	38,124	12.6
[overseas]		[59,720]	[19.7]	[65,657]	[19.3]	[5,937]	[9.9]
[facility maintenance]		[1,857]	[0.6]	[2,500]	[0.7]	[643]	[34.6]

- (Notes)
1. Transactions made between segments with respect to orders received, sales and amounts carried forward are set off and deleted.
 2. Amounts carried forward for Companies that were removed from the scope of consolidation as of the end of the current fiscal year have been excluded from the amount carried forward for the end of the current fiscal year.

(2) Conditions of Orders Received and Sales (Non-consolidated)**(i) Orders received**

(Millions of yen; %)

Category		Year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)		Year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)		Amount of Increase (Decrease)	Percentage of Increase (Decrease)
		Amount	(%)	Amount	(%)		
Construction business	General-purpose systems	132,458	50.1	144,501	48.0	12,043	9.1
	Industrial systems	131,688	49.9	156,672	52.0	24,983	19.0
Total		264,147	100.0	301,173	100.0	37,026	14.0

(ii) Net sales of completed construction contracts

(Millions of yen; %)

Category		Year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)		Year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)		Amount of Increase (Decrease)	Percentage of Increase (Decrease)
		Amount	(%)	Amount	(%)		
Construction business	General-purpose systems	132,958	54.5	133,240	49.6	282	0.2
	Industrial systems	111,191	45.5	135,416	50.4	24,224	21.8
Total		244,149	100.0	268,657	100.0	24,507	10.0

(iii) Amount carried forward

(Millions of yen; %)

Category		Year ended March 31, 2023 (as of March 31, 2023)		Year ended March 31, 2024 (as of March 31, 2024)		Amount of Increase (Decrease)	Percentage of Increase (Decrease)
		Amount	(%)	Amount	(%)		
Construction business	General-purpose systems	142,474	58.8	153,735	55.9	11,260	7.9
	Industrial systems	99,982	41.2	121,238	44.1	21,255	21.3
Total		242,457	100.0	274,974	100.0	32,516	13.4

(3) Review of Operations (Consolidated)**(Financial results for the years ended March 31, 2020 to 2024, Forecasts for the year ending March 31, 2025)**

(Fraction less than one million yen has been omitted)

		(Millions of yen; %)											
		Results										Forecast	
Year	Item	Year ended March 31, 2020		Year ended March 31, 2021		Year ended March 31, 2022		Year ended March 31, 2023		Year ended March 31, 2024		Year ending March 31, 2025	
		Changes from the previous term	(%)	Changes from the previous term	(%)	Changes from the previous term	(%)	Changes from the previous term	(%)	Changes from the previous term	(%)	Changes from the previous term	(%)
	Net sales	320,893		275,181		302,746		338,831		363,366		370,000	
		0.3	100.0	(14.2)	100.0	10.0	100.0	11.9	100.0	7.2	100.0	1.8	100.0
	Gross profit	43,376		36,845		41,396		46,363		59,947			
		3.6	13.5	(15.1)	13.4	12.4	13.7	12.0	13.7	29.3	16.5		
	Selling, general and administrative expenses	25,476		24,545		27,012		31,036		35,755			
		3.3	7.9	(3.7)	8.9	10.1	8.9	14.9	9.2	15.2	9.8		
	Operating profit	17,900		12,300		14,383		15,326		24,192		25,700	
		4.0	5.6	(31.3)	4.5	16.9	4.8	6.6	4.5	57.8	6.7	6.2	6.9
	Non-operating income	2,315		3,015		2,429		2,728		3,421			
	Non-operating expenses	928		1,412		1,173		1,369		1,463			
	Non-operating income and expenses	+1,386		+1,602		+1,256		+1,358		+1,958			
	Ordinary profit	19,286		13,902		15,639		16,685		26,150		27,500	
		5.0	6.0	(27.9)	5.1	12.5	5.2	6.7	4.9	56.7	7.2	5.2	7.4
	Extraordinary income	1,159		1,183		1,161		338		1,309			
	Extraordinary losses	1,420		470		74		171		407			
	Extraordinary income and losses	(261)		+713		+1,086		+166		+902			
	Profit before income taxes	19,025		14,616		16,726		16,852		27,053			
		1.2	5.9	(23.2)	5.3	14.4	5.5	0.8	5.0	60.5	7.4		
	Income taxes —current	6,323		4,230		4,985		4,915		8,356			
	Income taxes —deferred	(571)		297		160		(781)		(1,414)			
	Profit	13,272		10,087		11,581		12,719		20,111			
	Profit (loss) attributable to non-controlling interests	41		(28)		45		491		498			
	Profit attributable to owners of parent	13,231		10,116		11,535		12,227		19,612		21,400	
		4.9	4.1	(23.5)	3.7	14.0	3.8	6.0	3.6	60.4	5.4	9.1	5.8
	Orders received	297,883		287,501		340,184		372,774		403,110		365,000	
		(10.8)		(3.5)		18.3		9.6		8.1		(9.5)	
	Amount carried forward	221,261		233,581		268,887		302,830		340,955		335,955	
		(9.4)		5.6		15.1		12.6		12.6		(1.5)	

(Note) Amounts carried forward for Companies that were removed from the scope of consolidation as of the end of the current fiscal year have been excluded from the amount carried forward for the end of the current fiscal year.

(4) Review of Operations (Non-consolidated)**(Financial results for the years ended March 31, 2020 to 2024, Forecasts for the year ending March 31, 2025)**

(Fraction less than one million yen has been omitted)

		(Millions of yen; %)										
Year	Results										Forecast	
	Year ended March 31, 2020		Year ended March 31, 2021		Year ended March 31, 2022		Year ended March 31, 2023		Year ended March 31, 2024		Year ending March 31, 2025	
Item	Changes from the previous term	(%)	Changes from the previous term	(%)	Changes from the previous term	(%)	Changes from the previous term	(%)	Changes from the previous term	(%)	Changes from the previous term	(%)
Net sales of completed construction contracts	242,951		211,731		220,622		244,149		268,657		265,000	
	(0.9)	100.0	(12.9)	100.0	4.2	100.0	10.7	100.0	10.0	100.0	(1.4)	100.0
Gross profit on completed construction contracts	31,576		27,261		31,075		33,865		45,703			
	4.9	13.0	(13.7)	12.9	14.0	14.1	9.0	13.9	35.0	17.0		
Selling, general and administrative expenses	16,698		16,390		18,280		21,732		24,805			
	5.1	6.9	(1.8)	7.7	11.5	8.3	18.9	8.9	14.1	9.2		
Operating profit	14,878		10,870		12,794		12,132		20,898		22,500	
	4.6	6.1	(26.9)	5.1	17.7	5.8	(5.2)	5.0	72.2	7.8	7.7	8.5
Non-operating income	3,003		3,239		3,260		2,715		3,262			
Non-operating expenses	713		1,102		969		885		1,172			
Non-operating income and expenses	+2,290		+2,137		+2,291		+1,829		+2,090			
Ordinary profit	17,169		13,008		15,085		13,962		22,988		25,000	
	8.3	7.1	(24.2)	6.1	16.0	6.8	(7.4)	5.7	64.6	8.6	8.7	9.4
Extraordinary income	1,158		836		1,161		269		1,366			
Extraordinary losses	1,408		97		40		106		378			
Extraordinary income and losses	(250)		+739		+1,121		+162		+988			
Profit before income taxes	16,918		13,747		16,207		14,125		23,977			
	3.9	7.0	(18.7)	6.5	17.9	7.3	(12.8)	5.8	69.8	8.9		
Income taxes —current	5,129		3,398		4,341		4,159		7,092			
Income taxes —deferred	(489)		385		134		(884)		(1,048)			
Profit	12,278		9,964		11,731		10,850		17,933		20,600	
	8.0	5.1	(18.8)	4.7	17.7	5.3	(7.5)	4.4	65.3	6.7	14.9	7.8
Orders received	222,526		222,444		241,917		264,147		301,173		270,000	
	(12.4)		(0.0)		8.8		9.2		14.0		(10.4)	
Amount carried forward	192,562		203,275		222,460		242,457		274,974		279,974	
	(9.6)		5.6		9.4		9.0		13.4		1.8	