

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 10, 2024

Company name: Br. Holdings Corporation
 Stock exchange listing: Tokyo
 Stock code: 1726 URL <https://www.brhd.co.jp>
 Representative: President Kimiyasu Fujita
 Inquiries: Accounting Manager Hiroaki Kawano TEL 082-261-2860
 Scheduled date of annual general meeting of shareholders: June 18, 2024
 Scheduled date to file Annual Securities Report: June 19, 2024
 Scheduled date to commence dividend payments: June 19, 2024
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	40,259	11.8	2,062	26.0	2,036	25.3	1,353	31.9
Year ended March 31, 2023	36,022	0.3	1,636	(28.5)	1,624	(29.3)	1,025	(32.8)

Note: Comprehensive income

Year ended March 31, 2024: ¥1,433 million [41.0 %]

Year ended March 31, 2023: ¥1,016 million [(33.9) %]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	29.81	29.58	9.6	4.9	5.1
Year ended March 31, 2023	22.63	22.43	7.6	4.4	4.5

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

Year ended March 31, 2024: ¥- million

Year ended March 31, 2023: ¥- million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	42,351	14,448	33.9	321.35
As of March 31, 2023	40,355	13,842	34.0	302.57

Reference: Equity

As of March 31, 2024: ¥14,361 million

As of March 31, 2023: ¥13,739 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	231	(443)	208	1,816
Year ended March 31, 2023	(5,703)	(75)	6,173	1,820

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	6.00	–	6.00	12.00	544	53.0	4.0
Year ended March 31, 2024	–	6.00	–	8.00	14.00	631	47.0	4.5
Year ending March 31, 2025 (Forecast)	–	7.50	–	7.50	15.00		43.9	

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

Ordinary dividend: ¥7.00

Special dividend: ¥1.00

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	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	42,000	4.3	2,400	16.4	2,350	15.4	1,550	14.5	34.14

Note: As Br. Holdings Corporation (the “Company”) conducts performance management on an annual basis, a forecast of consolidated financial results for the first six months of the year ending March 31, 2025 is omitted for disclosure purposes. For details, please refer to the section of “1. Overview of operating results and others, (1) Analysis of operating results” on page 2 of the Attached Material.

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2024	45,795,000 shares	As of March 31, 2023	45,795,000 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2024	1,104,647 shares	As of March 31, 2023	384,596 shares
----------------------	------------------	----------------------	----------------

Average number of shares during the period

Year ended March 31, 2024	45,402,772 shares	Year ended March 31, 2023	45,343,243 shares
---------------------------	-------------------	---------------------------	-------------------

(Reference) Overview of non-consolidated financial results

1. Non-consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit (loss)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	1,419	28.5	744	48.3	781	37.9	838	39.3
Year ended March 31, 2023	1,105	(2.1)	501	(5.5)	566	3.4	602	1.6

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended March 31, 2024	18.47	18.33
Year ended March 31, 2023	13.28	13.16

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	26,470	8,519	31.9	188.68
As of March 31, 2023	25,962	8,456	32.2	183.95

(Reference) Equity

As of March 31, 2024: ¥8,432 million

As of March 31, 2023: ¥8,353 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of financial forecasts, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements, including financial results forecasts, contained in this material are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, actual operating and other results may differ substantially due to various factors.

Attached MaterialIndex

1. Overview of operating results and others	2
(1) Analysis of operating results	2
(2) Analysis of financial positions	4
(3) Basic policy on profit distribution and dividends for the current and next fiscal year	5
(4) Business risks	5
2. Status of the Group	6
3. Basic rationale for selection of accounting standards	6
4. Consolidated financial statements and significant notes thereto	8
(1) Consolidated balance sheets	8
(2) Consolidated statements of income and consolidated statements of comprehensive income	10
Consolidated statements of income	10
Consolidated statements of comprehensive income	11
(3) Consolidated statements of changes in equity	12
(4) Consolidated statements of cash flows	14
(5) Notes to consolidated financial statements	15
Notes on premise of going concern	15
Important information constituting the basis for preparation of consolidated financial statements	15
Notes to consolidated balance sheets	18
Notes to consolidated statements of income	20
Notes to consolidated statements of changes in equity	21
Notes to consolidated statements of cash flows	23
Segment information, etc.	23
Per-share information	27
Significant subsequent events	27
5. Overview of orders received and sales	28

1. Overview of operating results and others

(1) Analysis of operating results

(i) Operating results for the fiscal year ended March 31, 2024

During the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024) (the “fiscal year under review”), the Japanese economy showed a recovery trend in socioeconomic activities as economic activities normalized. However, the outlook remained uncertain due to a slowdown in the global economy caused by soaring prices and monetary tightening worldwide, as well as heightened geopolitical risks.

In the construction industry, the core business of the Group, both public and private investment remained steady. On the supply side, however, the business environment remains severe due to soaring prices of construction materials and tight supply and demand for labor. Under these circumstances, net sales for the fiscal year under review were ¥40,259 million (up 11.8% year on year), operating profit was ¥2,062 million (up 26.0% year on year), ordinary profit was ¥2,036 million (up 25.3% year on year), and profit attributable to owners of parent was ¥1,353 million (up 31.9% year on year).

The Group’s performance by business segment are as follows. The amounts below include intersegment transactions.

Construction business

In the construction business, the amount of orders received was ¥28,980 million (down 12.4% year on year) and the amount of construction contracts on hand was ¥43,615 million (down 11.0% year on year) for the fiscal year under review, due to a decrease in large orders to replace slabs such as in the previous fiscal year, although the Company received large orders including for slab track fabrication and transportation for the Hokkaido Shinkansen and new bridge construction.

On the other hand, the amount of net sales was ¥34,375 million (up 11.4% year on year), and the segment profit was ¥3,440 million (up 19.6% year on year), due to steady progress in large-scale construction projects and the acquisition of contracts for increased amounts as a result of design changes.

Product sales business

In the product sales business, the amount of orders received was ¥6,083 million (down 7.1% year on year) for the fiscal year under review, about level year on year, reflecting a decrease in large-volume orders for the manufacture of slabs compared to the previous year, partially offset by an increase in orders for the manufacture of other products such as building components.

On the other hand, with the increased operation of product manufacturing from the third quarter of the fiscal year, net sales was ¥5,623 million (up 10.2% year on year) and segment profit was ¥144 million (up 61.1% year on year) for the fiscal year under review.

Information systems business

In the information systems business, the amount of orders received was ¥561 million (up 17.1% year on year) for the fiscal year under review. Due to steady progress in projects for which orders have already been received, net sales was ¥541 million (up 9.3% year on year) and segment profit was ¥36 million (up 67.3% year on year) for the fiscal year under review.

Real estate leasing business

In the real estate leasing business, the Group leases office space and manages rental properties for stores and housing in the Kyokuto Building, which is owned by the Company. The Group also leases office space to its subsidiaries, which was rented by the Company to use as bases of the subsidiaries. We therefore record stable net sales.

Net sales was ¥167 million (down 3.3% year on year) and segment profit was ¥111 million (down 3.0% year on year) for the fiscal year under review.

(ii) Future outlook

In the Group's business environment, orders for new PC bridges in the new bridge business, are expected to decline as social infrastructure has generally been developed and planned routes will be sequentially completed, while a certain volume of orders is expected due to the elimination of missing links on expressways and progress in the four-lane project. In the repair and reinforcement business, demand for repair and reinforcement work is increasing due to increasingly widespread aging of existing social infrastructure and the "Expressway Renewal Project," promoted by expressway companies in line with the government policy regarding the strengthening of national resilience.

In this business environment, the Group's beginning balance of construction contracts in the next term totaled ¥43,615 million. Despite the decrease in the amount of construction contracts on hand, we expect to make significant progress on long-term, large-scale projects such as the replacement of PC slabs on expressways and the construction of four-lane expressways, and we also expect increases in contract amounts for design changes. For these reasons, we expect record net sales of ¥42,000 million, operating profit of ¥2,400 million, ordinary profit of ¥2,350 million, and profit attributable to owners of parent of ¥1,550 million for the next fiscal year.

The Group will continue to actively participate in large-scale renewal and repair work for expressways and large-scale projects related to railway, including the Hokkaido Shinkansen, and will work to improve productivity and promote work-style reforms, aiming to build an organizational structure corresponding to the government policy regarding strengthening national resilience and ensure our competitiveness.

(iii) Issues to be addressed

The Group will continue to respond flexibly to changes in the external environment while appropriately allocating management resources to expand new business areas and strengthen organizational capabilities. By capturing robust demand for large-scale projects such as "Large-scale expressway renewal," "Constructions of planned Shinkansen lines" and "Linear Chuo Shinkansen project," we aim to achieve the following medium-term targets (fiscal 2025).

(Millions of yen)

Performance targets (Consolidated)	Results in FY2023	Targets for FY2025
Net sales	40,259	47,000
Operating profit	2,062	3,000
Operating profit ratio	5.1%	6.4%

Financial KPI	Results in FY2023	Targets for FY2025
ROE	9.6%	10% or more
Consolidated dividend payout ratio	47.0%	40% or more
DOE	4.5%	4% or more

a. To improve return on equity (ROE)

We aim to achieve ROE of 10% or more in fiscal 2025 through medium- and long-term improvement initiatives based on an analysis of the results of ROE factor breakdown.

b. Improve price to book-value ratio (PBR)

We recognize PBR as an indicator of market valuation. Although the PBR in fiscal 2023 is 1.17 times, and has continuously remained above 1.0 times, it is on a declining trend due to a slump in the stock price. We need to maintain the ratio above 1.0 times continuously in the future through measures such as improving ROE and implementing shareholder returns with an awareness of capital efficiency.

Measures to improve PBR are as follows:

Purchase of treasury shares	As part of our shareholder return and capital policy, we will implement share buybacks in an agile and flexible manner, keeping an eye on the market environment and capital conditions.
Review of shareholder return policy	<ul style="list-style-type: none"> - Abolition of shareholder special benefit plan - Revision of dividend policy: Consolidated dividend payout ratio of 40% or more, DOE (dividend on equity) of 4% or more

(2) Analysis of financial positions

(i) Assets, liabilities, and net assets

Total assets at the end of the fiscal year under review increased by ¥1,996 million year on year to ¥42,351 million.

Current assets at the end of the fiscal year under review increased by ¥1,814 million year on year to ¥36,367 million. This was mainly due to a decrease of ¥526 million in accounts receivable - other, which was more than offset by increases of ¥1,752 million in notes receivable, accounts receivable from completed construction contracts and other, ¥343 million in merchandise and finished goods, and ¥195 million in costs on construction contracts in progress.

Non-current assets at the end of the fiscal year under review increased by ¥181 million year on year to ¥5,984 million. This was mainly due to a decrease of ¥366 million of depreciation, which was more than offset by increases of ¥224 million of machinery, vehicles, tools, furniture and fixtures, ¥119 million of investment securities, and ¥104 million of buildings and structures.

Total liabilities at the end of the fiscal year under review increased by ¥1,390 million year on year to ¥27,903 million.

Current liabilities at the end of the fiscal year under review increased by ¥3,582 million year on year to ¥24,403 million. This was mainly due to a decrease of ¥952 million in advances received on construction contracts in progress, which was more than offset by increases of ¥2,300 million in short-term borrowings, ¥1,000 million in current portion of long-term borrowings, and ¥706 million in electronically recorded obligations - operating.

Non-current liabilities at the end of the fiscal year under review decreased by ¥2,191 million year on year to ¥3,499 million. This was mainly due to a decrease in long-term borrowings.

Total net assets at the end of the fiscal year under review increased by ¥605 million year on year to ¥14,448 million mainly due to the profit attributable to owners of parent of ¥1,353 million, against shareholders' dividends of ¥546 million and purchase of treasury shares of ¥365 million.

(ii) Cash flows

Cash and cash equivalents ("cash") for the fiscal year under review decreased by ¥4 million year on year to ¥1,816 million.

Cash flows from operating activities

Cash provided by operating activities amounted to ¥231 million. This was mainly due to an increase of ¥1,752 million in trade receivables, a decrease of ¥952 million in advances received on construction contracts in progress, and an increase of ¥386 million in other inventories, which were more than offset by profit before income taxes of ¥2,036 million, an increase of ¥474 million in trade payables, a decrease of ¥384 million in accounts receivable - other, and depreciation of ¥366 million.

Cash flows from investing activities

Cash used in investing activities amounted to ¥443 million. This was mainly due to purchase of property, plant and equipment of ¥372 million.

Cash flows from financing activities

Cash provided by financing activities amounted to ¥208 million. This was mainly due to repayments of long-term borrowings of ¥1,199 million, dividends paid of ¥546 million, and purchase of treasury

shares of ¥365 million, which were more than offset by net increase in short-term borrowings of ¥2,300 million.

In addition, trends in the corporate group's cash flow indicators are as follows.

(Trends in cash flow indicators)

	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024
Equity ratio (%)	38.8	34.0	33.9
Market value equity ratio (%)	42.6	39.9	39.8
Interest-bearing debt dependency ratio (%)	27.2	39.6	40.3
Current ratio (%)	172.8	181.4	153.1
Debt redemption period (years)	–	–	74
Interest coverage ratio (times)	–	–	3.2

Equity ratio: Equity/Total capital

Market value equity ratio: Market capitalization/Total capital

Interest-bearing debt dependency ratio: Interest-bearing liabilities/Total capital

Current ratio: Current assets (excluding costs on construction contracts in progress) /Current liabilities (excluding advances received on construction contracts in progress)

Debt redemption period: Interest-bearing liabilities/Operating cash flow

Interest coverage ratio: Operating cash flow/interest payment

* All indicators are calculated on a consolidated basis.

* Market capitalization is based on the closing stock price at the fiscal year-end multiplied by the number of shares issued (less treasury shares) at the fiscal year-end.

* Operating cash flow represents cash flows from operating activities in the consolidated statement of cash flows. Interest-bearing liabilities include all liabilities recorded in the consolidated balance sheets for which interest is paid. Interest payment represents interest paid in the consolidated statements of cash flows.

(3) Basic policy on profit distribution and dividends for the current and next fiscal year

The Group's basic policy is to consistently pay out stable dividends commensurate with business performance and actively return profits to shareholders, taking into consideration factors including future business development, strengthening of the management foundation and enhancement of internal reserves as a group.

According to the Company's basic policy, the Company pays dividends of surplus twice a year as an interim dividend and a year-end dividend. Decision-making bodies for interim dividend payments and year-end dividend payments are the Board of Directors and the General Meeting of Shareholders, respectively. The Company plans to pay a year-end dividend of ¥8 per share (ordinary dividend: ¥7 + special dividend: ¥1) for the fiscal year under review. For the fiscal year ending March 31, 2025, the Company intends to pay an annual dividend of ¥15 per share (of which ¥7.5 per share as interim dividend).

(4) Business risks

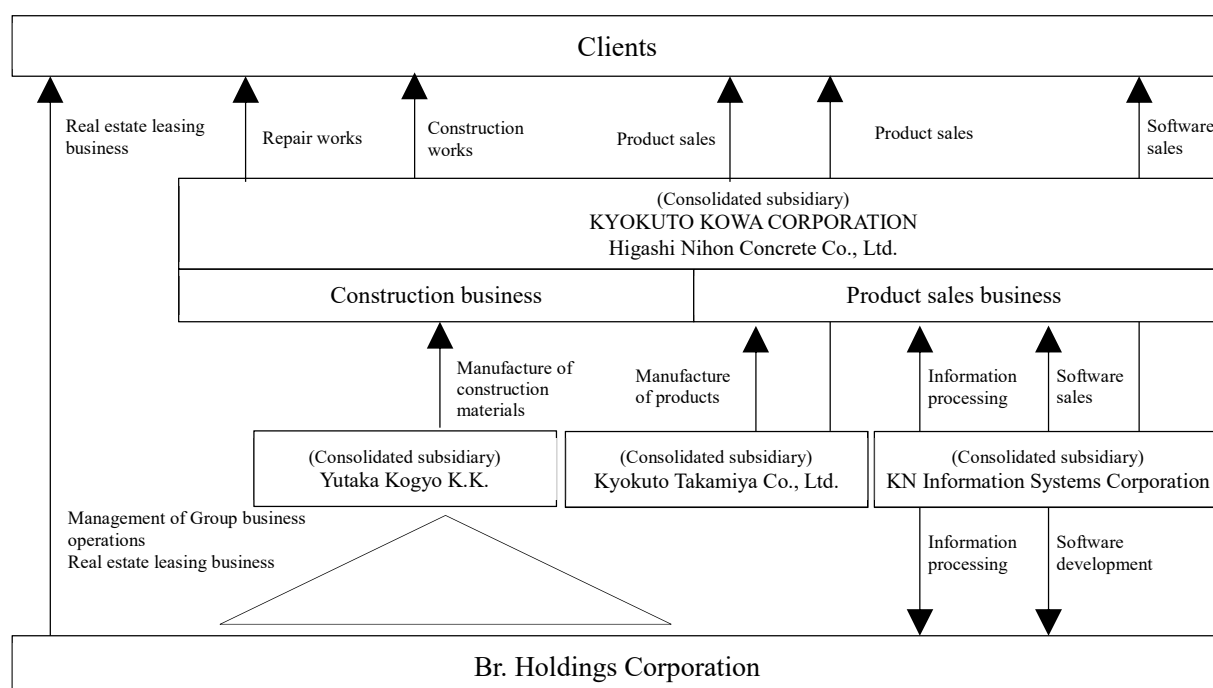
No new risks have emerged since the filing of the Annual Securities Report on June 19, 2023. Accordingly, this information has been omitted.

2. Status of the Group

The Group is a corporate group consisting of the Company and five subsidiaries. The Company, as a holding company, manages business operations of its subsidiaries and also manages leasing of the Kyokuto Building. The subsidiaries mainly operate the construction business specialized in prestressed concrete (PC) construction of bridges and other structures; the product sales business engaged in manufacturing and selling secondary concrete products; and the information systems business engaged in information processing, software developing, etc.

The positioning and operating segment for each of the subsidiaries constituting the Group are as shown below.

Construction business and product sales business	KYOKUTO KOWA CORPORATION	New construction work of bridges and repair and reinforcement of structures using PC; and manufacture and sale of civil engineering and construction products
Construction business and product sales business	Higashi Nihon Concrete Co., Ltd.	New construction work of bridges and repair and reinforcement of structures using PC; and manufacture and sale of civil engineering and construction products
Construction business	Yutaka Kogyo K.K.	Manufacture of precast (PCa, PC) construction materials for the Group's civil engineering and construction
Product sales business	Kyokuto Takamiya Co., Ltd.	Manufacture and sale of secondary concrete products
Information systems business	KN Information Systems Corporation	Proposal, development and maintenance of information systems for the Group, and development of information systems for companies outside the Group



3. Basic rationale for selection of accounting standards

The stakeholders of the Group consist mainly of domestic shareholders, creditors and business partners. As the Group rarely has the need to procure funds from abroad, it has adopted the Japanese GAAP as its accounting standards.

The Group, however, may adopt IFRS in the future if it is deemed appropriate to do so in view of circumstances at home and abroad.

4. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

	(Millions of yen)	
	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	1,837	1,838
Notes receivable, accounts receivable from completed construction contracts and other	28,280	30,033
Costs on construction contracts in progress	487	683
Merchandise and finished goods	1,373	1,717
Work in process	233	191
Raw materials and supplies	358	443
Accounts receivable - other	1,958	1,431
Other	23	28
Total current assets	34,553	36,367
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,834	6,938
Machinery, vehicles, tools, furniture and fixtures	5,843	6,067
Land	2,201	2,201
Construction in progress	1	15
Leased assets	19	38
Accumulated depreciation and impairment	(9,858)	(10,181)
Total property, plant and equipment	5,042	5,080
Intangible assets		
Software	99	99
Telephone subscription right	20	20
Total intangible assets	119	119
Investments and other assets		
Investment securities	427	546
Deferred tax assets	91	93
Other	139	161
Allowance for doubtful accounts	(18)	(18)
Total investments and other assets	640	783
Total non-current assets	5,802	5,984
Total assets	40,355	42,351

(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	5,255	5,022
Electronically recorded obligations - operating	2,314	3,021
Short-term borrowings	9,200	11,500
Current portion of long-term borrowings	1,199	2,199
Accounts payable - other	168	181
Income taxes payable	149	508
Accrued consumption taxes	21	234
Deposits received	249	252
Advances received on construction contracts in progress	2,044	1,091
Provision for loss on construction contracts	20	46
Other	196	343
Total current liabilities	20,821	24,403
Non-current liabilities		
Long-term borrowings	5,566	3,366
Other	124	133
Total non-current liabilities	5,691	3,499
Total liabilities	26,513	27,903
Net assets		
Shareholders' equity		
Share capital	3,114	3,114
Capital surplus	2,773	2,761
Retained earnings	7,912	8,719
Treasury shares	(152)	(407)
Total shareholders' equity	13,647	14,188
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	92	172
Total accumulated other comprehensive income	92	172
Share acquisition rights	103	87
Total net assets	13,842	14,448
Total liabilities and net assets	40,355	42,351

(2) Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	36,022	40,259
Cost of sales	31,730	35,288
Gross profit	4,291	4,970
Selling, general and administrative expenses	2,655	2,908
Operating profit	1,636	2,062
Non-operating income		
Interest and dividend income	7	8
Gain on sale of scraps	47	39
Miscellaneous income	24	50
Other	7	7
Total non-operating income	86	105
Non-operating expenses		
Interest expenses	55	69
Construction guarantee fee	18	18
Financing expenses	17	18
Miscellaneous expenses	6	24
Other	–	1
Total non-operating expenses	97	131
Ordinary profit	1,624	2,036
Profit before income taxes	1,624	2,036
Income taxes - current	561	721
Income taxes - deferred	37	(39)
Total income taxes	598	682
Profit	1,025	1,353
Profit attributable to owners of parent	1,025	1,353

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	1,025	1,353
Other comprehensive income		
Valuation difference on available-for-sale securities	(9)	80
Total other comprehensive income	(9)	80
Comprehensive income	1,016	1,433
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,016	1,433
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,114	2,794	7,429	(247)	13,091
Changes during period					
Dividends of surplus			(543)		(543)
Profit attributable to owners of parent			1,025		1,025
Purchase of treasury shares					
Disposal of treasury shares		(21)		94	73
Net changes in items other than shareholders' equity					
Total changes during period	–	(21)	482	94	555
Balance at end of period	3,114	2,773	7,912	(152)	13,647

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	101	101	103	13,296
Changes during period				
Dividends of surplus				(543)
Profit attributable to owners of parent				1,025
Purchase of treasury shares				
Disposal of treasury shares				73
Net changes in items other than shareholders' equity	(9)	(9)	–	(9)
Total changes during period	(9)	(9)	–	546
Balance at end of period	92	92	103	13,842

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,114	2,773	7,912	(152)	13,647
Changes during period					
Dividends of surplus			(546)		(546)
Profit attributable to owners of parent			1,353		1,353
Purchase of treasury shares				(365)	(365)
Disposal of treasury shares		(11)		111	99
Net changes in items other than shareholders' equity					
Total changes during period	-	(11)	807	(254)	541
Balance at end of period	3,114	2,761	8,719	(407)	14,188

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	92	92	103	13,842
Changes during period				
Dividends of surplus				(546)
Profit attributable to owners of parent				1,353
Purchase of treasury shares				(365)
Disposal of treasury shares				99
Net changes in items other than shareholders' equity	80	80	(15)	64
Total changes during period	80	80	(15)	605
Balance at end of period	172	172	87	14,448

(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	1,624	2,036
Depreciation	363	366
Share-based payment expenses	73	84
Increase (decrease) in allowance for doubtful accounts	(5)	–
Increase (decrease) in provision for loss on construction contracts	(134)	25
Increase (decrease) in provision for warranties for completed construction	(20)	–
Interest and dividend income	(7)	(8)
Interest expenses	55	69
Decrease (increase) in trade receivables	(7,822)	(1,752)
Decrease (increase) in costs on construction contracts in progress	(110)	(195)
Decrease (increase) in other inventories	(395)	(386)
Decrease (increase) in accounts receivable - other	1,931	384
Increase (decrease) in trade payables	430	474
Increase (decrease) in advances received on construction contracts in progress	259	(952)
Increase (decrease) in accrued consumption taxes	4	297
Increase (decrease) in deposits received	(1,176)	2
Decrease (increase) in other assets	(15)	14
Increase (decrease) in other liabilities	(118)	186
Other loss (gain)	0	1
Subtotal	<u>(5,059)</u>	<u>647</u>
Interest and dividends received	7	8
Interest paid	(57)	(71)
Income taxes paid	(592)	(352)
Net cash provided by (used in) operating activities	<u>(5,703)</u>	<u>231</u>
Cash flows from investing activities		
Payments into time deposits	(446)	(5)
Proceeds from withdrawal of time deposits	560	–
Purchase of property, plant and equipment	(158)	(372)
Purchase of intangible assets	(42)	(25)
Purchase of investment securities	(11)	(1)
Loan advances	(1)	(0)
Proceeds from collection of loans receivable	24	0
Other, net	–	(39)
Net cash provided by (used in) investing activities	<u>(75)</u>	<u>(443)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,700	2,300
Proceeds from long-term borrowings	4,000	–
Repayments of long-term borrowings	(983)	(1,199)
Repayments of lease liabilities	–	20
Proceeds from exercise of employee share options	–	0
Purchase of treasury shares	–	(365)
Dividends paid	(543)	(546)
Net cash provided by (used in) financing activities	<u>6,173</u>	<u>208</u>
Net increase (decrease) in cash and cash equivalents	<u>394</u>	<u>(4)</u>
Cash and cash equivalents at beginning of period	<u>1,425</u>	<u>1,820</u>
Cash and cash equivalents at end of period	<u>1,820</u>	<u>1,816</u>

(5) Notes to consolidated financial statements

Notes on premise of going concern

Not applicable.

Important information constituting the basis for preparation of consolidated financial statements

1. Matters concerning the scope of consolidation

Total number of consolidated subsidiaries: 5

Names of consolidated subsidiaries:

KYOKUTO KOWA CORPORATION

Higashi Nihon Concrete Co., Ltd.

Kyokuto Takamiya Co., Ltd.

Yutaka Kogyo K.K.

KN Information Systems Corporation

2. Matters related to application of equity method

Not applicable.

3. Fiscal year of consolidated subsidiaries

The fiscal year ends of all consolidated subsidiaries are the same as the fiscal year end on a consolidated basis.

4. Accounting policies

(1) Valuation standards and methods for significant assets

a. Securities

(a) Held-to-maturity debt securities

Amortized cost method (straight-line method)

(b) Other securities

Securities with market price

Stated at fair value (valuation differences are excluded from income and reported in a separate component of net assets. The cost of securities sold is calculated using the moving-average method.)

Securities without market price

Stated at cost using the moving-average method.

b. Inventories

(a) Costs on construction contracts in progress, finished goods and work in process

Stated at cost determined by the specific identification method (for the value stated in the balance sheet, the carrying amount is written down based on the decreased profitability).

(b) Raw materials and supplies

Stated at cost using the moving-average method (for the value stated in the balance sheet, the carrying amount is written down based on the decreased profitability).

(2) Depreciation and amortization methods of significant depreciable and amortizable assets

a. Property, plant and equipment (excluding leased assets)

Depreciated by declining-balance method.

However, the Company's main office building, buildings (excluding facilities accompanying the buildings) acquired on April 1, 1998 and thereafter, and facilities accompanying buildings and structures acquired on April 1, 2016 and thereafter are depreciated by the straight-line method.

The range of useful lives of property, plant and equipment is principally as follows:

Buildings and structures: 12 to 50 years

Machinery, vehicles, tools, furniture and fixtures: 3 to 9 years

b. Intangible assets (excluding leased assets)

Amortized by the straight-line method.

Software for internal use is amortized by the straight-line method over its estimated internal useful life (five years).

c. Leased assets

Depreciated using the straight-line method over the lease period with no residual value.

(3) Accounting policies for major provisions

a. Allowance for doubtful accounts

To provide against losses on defaults of trade receivables, etc. the Company provides the allowance for doubtful accounts based on historical experience for general claims and on an estimate of collectability of specific doubtful receivables from customers in financial difficulties.

b. Provision for loss on construction contracts

To provide against future losses on construction contracts, the Company recognizes the anticipated amounts of losses related to construction contracts at the end of the fiscal year.

c. Provision for warranties for completed construction

To provide for expenses arising from warranties, etc. for completed construction, the Company recognizes the future warranty amounts anticipated during the warranty period.

(4) Accounting policies for major revenues and expenses

The main performance obligations under contracts with customers in the main businesses and the usual points of time at which revenue is recognized are as follows:

Construction business

In the construction business, the Company offers critical services that integrate individual goods or services (inputs), into contracted construction projects (output), and these goods or services are judged to be a single performance obligation because individual goods and services stipulated in contracts with customers cannot be identified separately from other promises. Accordingly, the Company recognizes net sales over the construction period based on the degree of progress made in satisfying performance obligations measured at the end of the fiscal year. In addition, the Group uses the input method (method that uses an amount according to the percentage of incurred costs to the total estimated costs at the end of the fiscal year) for estimating percentage of completion because it is possible to sum up total construction costs and rationally estimate the percentage of the contract completed, but if it is not possible to rationally measure total construction costs, revenue equivalent to the amount of incurred costs expected to be recovered is recognized.

For contracts whose performance obligations are completed in a short time, however, revenue is recognized at one point in time, the day of the acceptance inspection.

Consideration for transactions is received in stages generally in accordance with the fulfillment of performance obligations under contract conditions and does not include any significant financial elements.

Product sales business

In the product sales business, performance obligations consist of manufacturing and shipping products that meet customer specifications, and these are judged to be a single performance obligation because it is not possible to separately satisfy performance obligations for individual goods and services. The Group has an enforceable right to collect compensation for the portion of assets that cannot be used by other customers or for other purposes and whose performance obligations have been completed by the present time. Therefore, net sales are recognized over the contract period based on the percentage of completion for performance obligations measured at the end of the fiscal year under review. To estimate the percentage of completion, the output method (primarily recognize revenue based on the percentage of total goods and services that have been transferred) is used.

For contracts whose performance obligations are completed in a short time, however, revenue is recognized at one point in time, the day delivery is made.

Consideration for transactions is received within approximately one year from the time when the performance obligation is fulfilled and does not include any significant financial elements.

Information systems business

In the contracted software development business, the performance obligation is to complete the work entrusted by the customer by the due date, and the satisfaction of such performance obligations is deemed to occur upon completion of the work and acceptance of the work by the customer, at which time revenue is recognized based on the amount stipulated in the contract.

In the temporary staffing business, the performance obligation is to provide workers for the duration of the contract, and such performance obligation is deemed to be satisfied over the contract period with the passage of working hours, and revenue is recognized based on the amount stipulated in the staffing contract during the period when the performance obligation is satisfied.

Consideration for transactions is received within approximately one year from the time when the performance obligation is fulfilled and does not include any significant financial elements.

(5) Scope of cash in consolidated statements of cash flows

Cash (cash and cash equivalents) in consolidated statements of cash flows includes cash on hand, demand deposits and short-term investments with maturities of three months or less from the date of acquisition, that are liquid, readily convertible into cash and are subject to minimum risk of changes in value.

(6) Other significant matters for preparing consolidated financial statements

Restricted Stock

The total payment expenses for restricted stock is measured at the market price (stock price) at the time the contract is executed, and because the corresponding service period is as short as one year, the entire amount is handled as operating expenses in the fiscal year under review.

Notes to consolidated balance sheets

- *1. Of the notes receivable and accounts receivable from completed construction contracts and other, receivables arising from contracts with customers and contract assets are as follows:

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Notes receivable	795	983
Accounts receivable from completed construction contracts and other	3,199	2,706
Contract assets	24,285	26,344
Total	28,280	30,033

- *2. The amount of contract liabilities included in “Other” current liabilities are as follows:

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Contract liabilities	102	200

Advances received on construction contracts in progress are fully contract liabilities

- *3. Assets pledged as collateral and corresponding liabilities are as follows:

a) Assets pledged as collateral

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Buildings and structures	46	81
Machinery, vehicles, tools, furniture and fixtures	10	14
Land	495	495
Total	551	590

Of the above property, plant and equipment, assets pledged as collateral on factory foundation mortgages

	As of March 31, 2023	As of March 31, 2024
Buildings and structures	46	81
Machinery, vehicles, tools, furniture and fixtures	10	14
Land	495	495
Total	551	590

b) Liabilities corresponding to the above

Not applicable.

- *4. Loan commitment

The Company has entered into loan commitment agreements with six banks to efficiently raise working capital.

The balance of unexecuted borrowings based on the loan commitment agreements at the end of the fiscal year under review is as follows:

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Total amount of loan commitment	6,000	4,000
Outstanding borrowings	4,000	3,000
Balance of unexecuted borrowings	2,000	1,000

(Note) On December 20, 2023, the loan commitment term was extended to January 20, 2026.

- *5. Presentation of inventories and Provision for loss on construction contracts

Inventories for construction contracts on which losses are expected and provision for loss on construction contracts are not offset and are presented separately. Of inventories for construction contracts on which losses are expected, the amounts corresponding to the provision for loss on construction contracts are as follows:

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Costs on construction contracts in progress	6	–
Merchandise and finished goods	4	40
Total	10	40

*6. Discounted notes receivable and electronically recorded claims - operating

	As of March 31, 2023	As of March 31, 2024
Discounted notes receivable	–	290
Discounted electronically recorded claims - operating	–	498

*7. Notes maturing at the end of the fiscal year

For accounting treatment of notes maturing at the end of the fiscal year, settlement is made on the clearing date of notes. As the end of the fiscal year ended March 31, 2024 fell on a bank holiday, the following notes maturing at the end of the fiscal year are included in the balance at the end of the fiscal year.

	As of March 31, 2023	As of March 31, 2024
Notes receivable	–	24
Electronically recorded claims - operating	–	8

Notes to consolidated statements of income***1. Revenue from contracts with customers**

Regarding net sales, revenues from contracts with customers are not listed separately from that of other revenues. The amount of revenue from contracts with customers is presented in “Notes (Revenue Recognition), 1. Information on disaggregated revenue from contracts with customers” of the Notes to consolidated financial statements (Japanese only).

***2. Provision for loss on construction contracts included in cost of sales is as follows:**

(Millions of yen)

Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
(134)	17

***3. The inventory balance at the end of the fiscal year is presented after book values were written down due to a decline in profitability of assets and the following loss on valuation of inventories is included in cost of sales.**

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Amount of reduction in book value of inventories	8	–

***4. The major components and amounts of selling, general and administrative expenses are as follows:**

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Employees' salaries and allowances	841	869
Bonuses	274	300
Provision of allowance for doubtful accounts	(5)	–

***5. The components of research and development expenses are as follows:**

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Selling, general and administrative expenses	56	71

Notes to consolidated statements of changes in equity

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

1. Type and total number of issued shares and type and number of treasury shares

	Number of shares at the beginning of the fiscal year	Increase	Decrease	Number of shares at the end of the fiscal year
Issued shares				
Common shares	45,795,000	–	–	45,795,000
Total	45,795,000	–	–	45,795,000
Treasury shares				
Common shares (Note)	622,596	–	238,000	384,596
Total	622,596	–	238,000	384,596

(Note) The decrease of shares of common shares in treasury shares is due to the disposal as restricted share remuneration.

2. Share acquisition rights and treasury share acquisition rights

Category	Breakdown of share acquisition rights	Class of shares subject to share acquisition rights	Number of shares to be issued upon exercise of share acquisition rights (shares)				Balance as of the end of the fiscal year (Millions of yen)
			As of the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	As of the end of the fiscal year	
Reporting company (parent company)	Share acquisition rights as stock options	–	–	–	–	–	103
Total		–	–	–	–	–	103

3. Matters related to dividends

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders held on June 17, 2022	Common shares	271	6	March 31, 2022	June 20, 2022
Board of Directors Meeting held on November 11, 2022	Common shares	272	6	September 30, 2022	December 1, 2022

(2) Of the dividends whose record date falls during the fiscal year, those which become effective in the following fiscal year

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Source of dividends	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders held on June 16, 2023	Common shares	272	Retained earnings	6	March 31, 2023	June 19, 2023

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

1. Type and total number of issued shares and type and number of treasury shares

	Number of shares at the beginning of the fiscal year	Increase	Decrease	Number of shares at the end of the fiscal year
Issued shares				
Common shares	45,795,000	–	–	45,795,000
Total	45,795,000	–	–	45,795,000
Treasury shares				
Common shares (Note)	384,596	1,000,051	280,000	1,104,647
Total	384,596	1,000,051	280,000	1,104,647

(Note) The increase in the number of treasury shares is due to the acquisition of 1,000 thousand shares based on a resolution of the Board of Directors and the purchase of 0 thousand shares of less than one unit. The decrease in the number of treasury shares is due to the disposal of treasury shares as the exercise of stock options and restricted share remuneration.

2. Share acquisition rights and treasury share acquisition rights

Category	Breakdown of share acquisition rights	Class of shares subject to share acquisition rights	Number of shares to be issued upon exercise of share acquisition rights (shares)				Balance as of the end of the fiscal year (Millions of yen)
			As of the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	As of the end of the fiscal year	
Reporting company (parent company)	Share acquisition rights as stock options	–	–	–	–	–	87
Total		–	–	–	–	–	87

3. Matters related to dividends

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders held on June 16, 2023	Common shares	272	6	March 31, 2023	June 19, 2023
Board of Directors Meeting held on November 10, 2023	Common shares	274	6	September 30, 2023	December 1, 2023

(2) Of the dividends whose record date falls during the fiscal year, those which become effective in the following fiscal year

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Source of dividends	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders to be held on June 18, 2024	Common shares	357	Retained earnings	8	March 31, 2024	June 19, 2024

Notes to consolidated statements of cash flows

- * Relationship between the balance of cash and cash equivalents at the end of the fiscal year and the amounts of the items shown on the consolidated balance sheets

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash and deposits	1,837	1,838
Time deposits with maturities of more than three months	(17)	(22)
Cash and cash equivalents	1,820	1,816

Segment information, etc.

[Segment information]

1. Overview of reportable segments

The Group's reportable segments are the constituent units of the Group for which separate financial information is available and which are subject to periodic reviews by the Board of Directors in order to make decisions on allocation of business resources and to evaluate performance of the business.

The Company engages in the management of subsidiaries and the rent and management of real estate as a holding company. Each group company formulates comprehensive business strategies for each business categorized by industry, such as construction, product sales and information systems.

Accordingly, the Group consists of segments by industry, with four reportable segments: "Construction business," "Product sales business," "Information systems business" and "Real estate leasing business."

The "Construction business" mainly engages in prestressed concrete work, primarily for bridges. The "Product sales business" mainly engages in the sale of secondary concrete products. The "Information systems business" mainly engages in information processing and software development, while the "Real estate leasing business" leases and manages real estate owned by the Company.

2. The methods of calculating the amounts of net sales, profit (loss), assets and other items by reportable segment

The accounting method for reportable segments is generally the same as the method described in "Important information constituting the basis for preparation of consolidated financial statements."

Profit of reportable segments is calculated based on operating profit.

Intersegment revenue and transfers are based on prevailing market prices.

3. Information on net sales, profit (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)

	Construction business	Product sales business	Information systems business	Real estate leasing business	Total	Adjusted amount (Note) 1	Amount in consolidated financial statements (Note) 2
Net sales:							
Sales to external customers	30,853	4,797	333	38	36,022	–	36,022
Intersegment sales and transfers	–	304	162	134	601	(601)	–
Total	30,853	5,101	495	172	36,623	(601)	36,022
Segment profit (loss)	2,875	89	21	114	3,101	(1,464)	1,636
Segment assets	33,031	3,115	335	1,242	37,724	2,631	40,355
Other items:							
Depreciation	169	129	1	43	344	19	363
Increase in property, plant and equipment and intangible assets	93	43	3	–	140	58	198

Notes: 1. Details of adjustment are as follows:

- (1) Included in the ¥1,464 million deducted from segment profit as an adjustment are a deduction of ¥0 million in intersegment eliminations, and a deduction of ¥1,465 million in corporate expenses that cannot be allocated to any reportable segment. Corporate expenses mainly consist of general and administrative expenses that are not attributable to reportable segments.
- (2) The adjustment of ¥2,631 million in segment assets includes eliminations of ¥17,377 million in common group-wide receivables and ¥20,009 million in corporate assets not allocated to any reportable segment.
- (3) Included in the ¥19 million adjustment to depreciation are a deduction of ¥1 million for adjustment of common group-wide depreciation and amortization and ¥20 million in depreciation and amortization for the whole Group that has not been allocated to any reportable segment.
- (4) The ¥58 million adjustment increase in property, plant and equipment and intangible assets is the amount of capital investment in corporate assets.

2. Segment profit is adjusted for operating profit on the consolidated financial statements.

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

(Millions of yen)

	Construction business	Product sales business	Information systems business	Real estate leasing business	Total	Adjusted amount (Note) 1	Amount in consolidated financial statements (Note) 2
Net sales:							
Sales to external customers	34,375	5,446	399	36	40,259	–	40,259
Intersegment sales and transfers	0	176	141	130	448	(448)	–
Total	34,375	5,623	541	167	40,707	(448)	40,259
Segment profit (loss)	3,440	144	36	111	3,732	(1,669)	2,062
Segment assets	34,781	3,295	342	1,218	39,638	2,768	42,407
Other items:							
Depreciation	134	117	1	16	269	96	366
Increase in property, plant and equipment and intangible assets	223	80	–	–	304	101	406

Notes: 1. Details of adjustment are as follows:

- (1) Included in the ¥1,669 million deducted from segment profit as an adjustment are a deduction of ¥0 million in intersegment eliminations, and a deduction of ¥1,669 million in corporate expenses

that cannot be allocated to any reportable segment. Corporate expenses mainly consist of general and administrative expenses that are not attributable to reportable segments.

- (2) The adjustment of ¥2,768 million in segment assets includes eliminations of ¥17,155 million in common group-wide receivables and ¥19,884 million in corporate assets not allocated to any reportable segment.
 - (3) Included in the ¥96 million adjustment to depreciation area deduction of ¥4 million for adjustment of common group-wide depreciation and amortization and ¥100 million in depreciation and amortization for the whole Group that has not been allocated to any reportable segment.
 - (4) The ¥101 million adjustment increase in property, plant and equipment and intangible assets is the amount of capital investment in corporate assets.
2. Segment profit is adjusted for operating profit on the consolidated financial statements.

[Related information]

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

1. Information by product and service

This information has been omitted as similar information has been disclosed in “Segment information 1. Overview of reportable segments.”

2. Regional information

(1) Net sales

This information is not presented as the Group has no sales to customers outside Japan.

(2) Property, plant and equipment

This information is not presented as the Group has no property, plant and equipment outside Japan.

3. Information by major customer

Name of customer	Net sales (Millions of yen)	Name of related segment
West Nippon Expressway Company Limited	11,101	Construction business
Central Nippon Expressway Company Limited	4,516	Construction business

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

1. Information by product and service

This information has been omitted as similar information has been disclosed in “Segment information 1. Overview of reportable segments.”

2. Regional information

(1) Net sales

This information is not presented as the Group has no sales to customers outside Japan.

(2) Property, plant and equipment

This information is not presented as the Group has no property, plant and equipment outside Japan.

3. Information by major customer

Name of customer	Net sales (Millions of yen)	Name of related segment
West Nippon Expressway Company Limited	11,728	Construction business
Central Nippon Expressway Company Limited	5,692	Construction business

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

Not applicable.

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

Not applicable.

[Information on gains on bargain purchase by reportable segment]

Not applicable.

Per-share information

(Yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets per share	302.57	321.35
Earnings per share	22.63	29.81
Diluted earnings per share	22.43	29.58

Note: The basis for calculation of basic earnings per share and diluted earnings per share is as follows.

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Earnings per share		
Profit attributable to owners of parent (Millions of yen)	1,025	1,353
Amounts not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent concerning common shares (Millions of yen)	1,025	1,353
Average number of common shares during the period (Thousands of shares)	45,343	45,402
Diluted earnings per share		
Adjustments of profit attributable to owners of parent (Millions of yen)	—	—
Increase in number of common shares (Thousands of shares)	403	354
(Of which, share acquisition rights (Thousands of shares))	(403)	(354)
Overview of potential shares not included in the calculation of diluted earnings per share because of having no dilutive effect	—	—

Significant subsequent events

Not applicable.

5. Overview of orders received and sales

(i) Orders received

(Millions of yen)

Business segments	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change
	Orders received	Orders received	Orders received
Construction business	33,093	28,980	(4,112)
Product sales business	6,552	6,083	(468)
Information systems business	479	561	82
Real estate leasing business	172	167	(5)
Total	40,297	35,793	(4,504)

- Notes: 1. Intersegment transactions are included in the amounts.
2. The above amounts do not include consumption and other taxes

(ii) Sales results

(Millions of yen)

Business segments	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change
	Sales	Sales	Sales
Construction business	30,853	34,375	3,521
Product sales business	4,797	5,446	649
Information systems business	333	399	66
Real estate leasing business	38	36	(1)
Total	36,022	40,259	4,237

- Notes: 1. Intersegment transactions have been eliminated.
2. The above amounts do not include consumption and other taxes.

The status of the construction business, which is a core business of the Group, is as follows.

Orders, net sales, balance carried forward and value of finished work

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

(Millions of yen)

Segment	Balance carried from the previous fiscal year	Orders received for the fiscal year	Total	Net sales for the fiscal year	Balance carried forward		Value of finished work for the fiscal year
					Amount on hand	Of which, value of finished work	
Construction business						(%)	
Bridges	26,787	11,844	38,631	13,408	25,223	1.1	281
Other	19,982	21,249	41,231	17,445	23,786	0.9	205
Total	46,770	33,093	79,863	30,853	49,010	1.0	486

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

(Millions of yen)

Segment	Balance carried from the previous fiscal year	Orders received for the fiscal year	Total	Net sales for the fiscal year	Balance carried forward		Value of finished work for the fiscal year
					Amount on hand	Of which, value of finished work	
Construction business						(%)	
Bridges	25,223	11,768	36,992	16,774	20,217	2.3	469
Other	23,786	17,212	40,998	17,600	23,398	0.9	211
Total	49,010	28,980	77,990	34,375	43,615	1.6	680

- Notes: 1. Amounts that have been changed in contract amounts due to renewal of contracts for construction that was ordered in the previous fiscal year or before are included in orders received for the fiscal year. Accordingly, this change is also included in net sales for the fiscal year.
2. The value of finished work in balance carried forward for the next fiscal year assumes the value of finished work of construction in progress using costs on construction contracts in progress.