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Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 [Japanese GAAP]



May 15, 2023

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 Stock exchange listing: Tokyo Stock Exchange
 Code number: 1805
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 Scheduled date of annual general meeting of shareholders: June 29, 2023
 Scheduled date of commencing dividend payments: June 30, 2023
 Scheduled date of filing annual securities report: June 30, 2023
 Availability of supplementary explanatory materials on annual financial results: Available
 Schedule of annual financial results briefing session: Not scheduled

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 - March 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	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, 2023	125,941	7.0	4,146	(9.4)	3,677	(12.7)	3,038	(5.6)
March 31, 2022	117,665	0.3	4,575	14.5	4,212	14.7	3,219	31.3

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥2,814 million [(13.2)%]
 Fiscal year ended March 31, 2022: ¥3,242 million [5.4%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	158.81	—	6.8	3.0	3.3
March 31, 2022	168.30	—	7.5	3.6	3.9

(Reference) Share of profit (loss) of entities accounted for using equity method:
 Fiscal year ended March 31, 2023: ¥(96) million
 Fiscal year ended March 31, 2022: ¥— 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, 2023	128,055	45,730	35.7	2,389.71
As of March 31, 2022	114,632	43,872	38.3	2,293.14

(Reference) Equity: As of March 31, 2023: ¥45,719 million
 As of March 31, 2022: ¥43,864 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	6,404	(580)	1,446	20,088
March 31, 2022	(6,187)	(1,772)	(4,561)	12,749

2. Dividends

	Annual dividends					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2022	–	–	–	50.00	50.00	961	29.7	2.2
March 31, 2023	–	–	–	60.00	60.00	1,153	37.8	2.6
March 31, 2024 (Forecast)	–	–	–	60.00	60.00		42.5	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	136,000	8.0	5,100	23.0	4,300	16.9	2,700	(11.1)	141.13

* Notes:

- (1) Changes in significant subsidiaries during the period under review: None
(Changes in specified subsidiaries resulting in changes in scope of consolidation)
Newly included: – (), Excluded: – ()
 - (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: None
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
 - (3) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):
March 31, 2023: 19,310,436 shares
March 31, 2022: 19,310,436 shares
 - 2) Total number of treasury shares at the end of the period:
March 31, 2023: 178,470 shares
March 31, 2022: 181,826 shares
 - 3) Average number of shares during the period:
Fiscal year ended March 31, 2023: 19,131,538 shares
Fiscal year ended March 31, 2022: 19,130,200 shares
- Note: The number of treasury shares at the end of the period and the number of treasury shares deducted in the calculation of the average number of shares during the period include the Company's shares held by the Board Benefit Trust (BBT).

Reference: Summary of Non-consolidated Financial Results

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

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 - March 31, 2023)

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

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	113,248	7.1	3,295	(13.9)	3,059	(13.7)	2,691	(1.3)
March 31, 2022	105,747	(1.8)	3,825	5.4	3,547	8.8	2,726	23.3

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2023	140.69	—
March 31, 2022	142.51	—

(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, 2023	114,526	43,383	37.9	2,267.57
As of March 31, 2022	103,399	41,641	40.3	2,176.90

(Reference) Equity: As of March 31, 2023: ¥43,383 million

As of March 31, 2022: ¥41,641 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	119,000	5.1	4,100	24.4	3,700	20.9	2,400	(10.8)	125.44

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company as of the date of publication of this document. Actual results may differ from these forecasts due to a wide range of factors.

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1. Overview of Operating Results, etc.

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

During the fiscal year ended March 31, 2023, the Japanese economy began to see the emergence of positive signs with the gradual easing of behavioral restrictions in place to counter the spread of COVID-19, along with factors such as a moderate recovery to inbound demand, although conditions were buffeted by the soaring prices of raw materials and logistics costs, and trends toward rising prices in a wide range of areas, such as for food and services, leading to ongoing uncertainty.

The domestic construction market also continued to face difficult conditions due to persistently high prices of materials and equipment.

Under these circumstances, for the fiscal year ended March 31, 2023, net sales were ¥125.9 billion (up 7.0% year on year), operating profit was ¥4.1 billion (down 9.4% year on year), ordinary profit was ¥3.6 billion (down 12.7% year on year), and profit attributable to owners of parent was ¥3.0 billion (down 5.6% year on year).

By reportable segment, in the Civil Engineering Business, net sales of completed construction contracts were ¥65.6 billion (up 3.9% year on year), owing mainly to steady progress made on construction projects, while segment income was ¥4.9 billion (down 3.1% year on year). In the Building Construction Business, due to the soaring prices of materials and equipment, and other factors, despite steady progress made on construction projects, net sales of completed construction contracts were ¥51.8 billion (up 9.4% year on year), segment income was ¥1.4 billion (down 18.7% year on year). In the Development Business, etc., net sales were ¥8.5 billion (up 18.9% year on year), and segment income was ¥0.5 billion (up 0.1% year on year).

In addition, the Company's non-consolidated business performance was as follows.

In terms of orders received, the Civil Engineering Business amounted to ¥56.5 billion (down 12.3% year on year), and the Building Construction Business stood at ¥46.7 billion (down 9.3% year on year). In addition to this was ¥1.0 billion in the Development Business, etc., for total orders received of ¥104.4 billion.

Net sales of completed construction contracts amounted to ¥112.1 billion (up 7.4% year on year). In addition to this was net sales in development business and other of ¥1.0 billion, for total net sales of ¥113.2 billion.

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

In the consolidated balance sheets for the current fiscal year, assets increased by ¥13.4 billion from the end of the previous fiscal year, mainly due to increases in cash and deposits, notes receivable, accounts receivable from completed construction contracts and other, real estate for sale and costs on development business and other in progress, as well as a decline in other under current assets. Liabilities increased by ¥11.5 billion, mainly due to increases in notes payable, accounts payable for construction contracts and other, advances received on construction contracts in progress, deposits received, and other under current liabilities. Net assets increased by ¥1.8 billion, mainly due to the posting of profit attributable to owners of parent. Accordingly, total assets amounted to ¥128.0 billion.

Equity ratio was 35.7%, down 2.6 percentage points from the end of the previous fiscal year.

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

Net cash provided by operating activities was ¥6.4 billion (net cash of ¥6.1 billion used in the previous fiscal year) mainly due to the posting of profit before income taxes, an increase in trade receivables, an increase in real estate for sale, an increase in costs on development business and other in progress, an increase in advances received on construction contracts in progress, an increase in deposits received, and an increase in accrued consumption taxes. Net cash used in investing activities was ¥0.5 billion (net cash of ¥1.7 billion used in the previous fiscal year) mainly due to purchase of property, plant and equipment and purchase of investment securities, as well as proceeds from sales of property, plant and equipment. Net cash provided by financing activities amounted to ¥1.4 billion (net cash of ¥4.5 billion used in the previous fiscal year), mainly due to proceeds from long-term borrowings and repayment of long-term borrowings.

As a result, cash and cash equivalents at the end of the fiscal year under review increased by ¥7.3 billion to ¥20.0 billion (up 57.6% year on year).

(4) Future Outlook

In the outlook for the Japanese economy, expectations are for an acceleration toward a post-COVID period following the downgrading of COVID-19 to “Class 5” based on the Act on the Prevention of Infectious Diseases. With regard to the domestic construction market, conditions are expected to remain challenging, as it is anticipated that it will take time for capital investment momentum to increase in line with economic recovery.

Under these conditions, in the next fiscal year, we will continue to promote initiatives in the Medium-Term Five-Year Plan (2019–2023), and by expanding the boundaries of the construction business, identifying the latent needs and issues within society, and developing numerous businesses capable of satisfying or solving them through smart solution services, we will become a New Business Contractor—a platform for co-creating a future Society 5.0 with a diverse range of people.

In light of the above, in the next fiscal year we project operating results of net sales of ¥136.0 billion, operating profit of ¥5.1 billion, ordinary profit of 4.3 billion, and profit attributable to owners of parent of ¥2.7 billion.

2. Basic Policy on Selection of Accounting Standards

The Group’s policy is to prepare its consolidated financial statements in accordance with Japanese GAAP, for the time being, taking into consideration the comparability of the consolidated financial statements from period to period and the comparability among companies.

With regard to the adoption of International Financial Reporting Standards (IFRS), the Company will appropriately consider its policy in light of various conditions in Japan and overseas.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	12,968	20,323
Notes receivable, accounts receivable from completed construction contracts and other	*1 57,015	*1 60,240
Real estate for sale	614	2,321
Costs on construction contracts in progress	*2 2,178	*2 2,297
Costs on development business and other in progress	*3 6,706	*3 9,452
Other	*4 7,276	*4 5,980
Allowance for doubtful accounts	(6)	—
Total current assets	86,754	100,615
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,032	18,436
Machinery, vehicles, tools, furniture and fixtures	4,420	3,863
Land	8,193	7,834
Leased assets	148	136
Construction in progress	16	104
Accumulated depreciation	(12,797)	(12,237)
Total property, plant and equipment	19,013	18,138
Intangible assets	996	949
Investments and other assets		
Investment securities	*5 4,094	*5 4,442
Retirement benefit asset	1,942	2,179
Other	*6 2,032	*6 1,931
Allowance for doubtful accounts	(201)	(200)
Total investments and other assets	7,867	8,352
Total non-current assets	27,878	27,440
Total assets	114,632	128,055

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	26,174	27,176
Short-term borrowings	*7 3,157	*7 11,270
Advances received on construction contracts in progress	5,426	8,797
Deposits received	19,076	21,427
Provision for warranties for completed construction	416	518
Provision for loss on construction contracts	*8 166	*8 598
Other	2,393	4,407
Total current liabilities	56,811	74,195
Non-current liabilities		
Long-term borrowings	*9 13,037	*9 7,373
Provision for share awards for directors (and other officers)	47	60
Provision for retirement benefits for directors (and other officers)	33	7
Retirement benefit liability	43	50
Other	786	637
Total non-current liabilities	13,948	8,129
Total liabilities	70,759	82,325
Net assets		
Shareholders' equity		
Share capital	5,519	5,519
Capital surplus	6,237	6,236
Retained earnings	31,621	33,698
Treasury shares	(580)	(575)
Total shareholders' equity	42,797	44,878
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	630	644
Foreign currency translation adjustment	7	20
Remeasurements of defined benefit plans	428	176
Total accumulated other comprehensive income	1,066	841
Non-controlling interests	8	10
Total net assets	43,872	45,730
Total liabilities and net assets	114,632	128,055

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

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales		
Net sales of completed construction contracts	110,514	117,436
Net sales in development business and other	7,150	8,505
Total net sales	*1 117,665	*1 125,941
Cost of sales		
Cost of sales of completed construction contracts	*2 98,654	*2 105,358
Cost of sales in development business and other	5,798	6,979
Total cost of sales	104,452	112,337
Gross profit		
Gross profit on completed construction contracts	11,859	12,077
Gross profit on development business and other	1,352	1,526
Total gross profit	13,212	13,604
Selling, general and administrative expenses	*3 8,637	*3 9,457
Operating profit	4,575	4,146
Non-operating income		
Interest income	2	1
Dividend income	25	26
Foreign exchange gains	38	115
Other	57	66
Total non-operating income	123	210
Non-operating expenses		
Interest expenses	215	228
Share of loss of entities accounted for using equity method	–	96
Commission for syndicated loans	50	163
Commission expenses	26	105
Other	193	85
Total non-operating expenses	486	679
Ordinary profit	4,212	3,677
Extraordinary income		
Gain on sale of non-current assets	*4 3	*4 128
Gain on sale of shares of subsidiaries and associates	91	–
Other	0	0
Total extraordinary income	95	129
Extraordinary losses		
Loss on sale of non-current assets	*5 0	*5 53
Impairment losses	*6 371	–
Loss on retirement of non-current assets	*7 8	*7 75
Other	31	6
Total extraordinary losses	412	135
Profit before income taxes	3,895	3,671
Income taxes - current	611	607
Income taxes - deferred	64	24
Total income taxes	676	632
Profit	3,219	3,038
Profit (loss) attributable to non-controlling interests	(0)	0
Profit attributable to owners of parent	3,219	3,038

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	3,219	3,038
Other comprehensive income		
Valuation difference on available-for-sale securities	(83)	13
Foreign currency translation adjustment	7	14
Remeasurements of defined benefit plans, net of tax	98	(251)
Total other comprehensive income	23	(223)
Comprehensive income	3,242	2,814
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,241	2,813
Comprehensive income attributable to non-controlling interests	0	1

(3) Consolidated Statements of Changes in Equity
For the fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,519	6,237	29,354	(577)	40,534
Changes during period					
Dividends of surplus			(961)		(961)
Profit attributable to owners of parent			3,219		3,219
Disposal of treasury shares		(0)		0	0
Purchase of treasury shares				(3)	(3)
Change in scope of consolidation			9		9
Net changes in items other than shareholders' equity					
Total changes during period	–	(0)	2,267	(3)	2,263
Balance at end of period	5,519	6,237	31,621	(580)	42,797

	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	714	1	329	1,044	7	41,586
Changes during period						
Dividends of surplus						(961)
Profit attributable to owners of parent						3,219
Disposal of treasury shares						0
Purchase of treasury shares						(3)
Change in scope of consolidation						9
Net changes in items other than shareholders' equity	(83)	6	98	22	0	23
Total changes during period	(83)	6	98	22	0	2,286
Balance at end of period	630	7	428	1,066	8	43,872

For the 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	5,519	6,237	31,621	(580)	42,797
Changes during period					
Dividends of surplus			(961)		(961)
Profit attributable to owners of parent			3,038		3,038
Disposal of treasury shares		(0)		8	7
Purchase of treasury shares				(3)	(3)
Change in scope of consolidation					–
Net changes in items other than shareholders' equity					
Total changes during period	–	(0)	2,076	4	2,080
Balance at end of period	5,519	6,236	33,698	(575)	44,878

	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	630	7	428	1,066	8	43,872
Changes during period						
Dividends of surplus						(961)
Profit attributable to owners of parent						3,038
Disposal of treasury shares						7
Purchase of treasury shares						(3)
Change in scope of consolidation						–
Net changes in items other than shareholders' equity	13	12	(251)	(225)	1	(223)
Total changes during period	13	12	(251)	(225)	1	1,857
Balance at end of period	644	20	176	841	10	45,730

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	3,895	3,671
Depreciation	911	941
Impairment losses	371	–
Amortization of goodwill	127	127
Increase (decrease) in allowance for doubtful accounts	(0)	(6)
Increase (decrease) in provision for warranties for completed construction	52	101
Increase (decrease) in provision for loss on construction contracts	(106)	432
Increase (decrease) in retirement benefit liability	(15)	7
Decrease (increase) in retirement benefit asset	(520)	(599)
Interest and dividend income	(27)	(28)
Interest expenses	215	228
Foreign exchange losses (gains)	(28)	(54)
Compensation for pneumoconiosis damages	36	–
Loss (gain) on sale of investment securities	(0)	(0)
Loss (gain) on valuation of investment securities	24	–
Loss (gain) on investments in investment partnerships	(20)	(16)
Loss (gain) on sale of shares of subsidiaries and associates	(91)	–
Share of loss (profit) of entities accounted for using equity method	–	96
Loss (gain) on sale of property, plant and equipment	(2)	(34)
Decrease (increase) in trade receivables	(4,694)	(3,106)
Decrease (increase) in real estate for sale	428	(1,706)
Decrease (increase) in costs on construction contracts in progress	(275)	(119)
Decrease (increase) in costs on development business and other in progress	(515)	(2,745)
Decrease (increase) in consumption taxes refund receivable	(1,032)	938
Decrease (increase) in accounts receivable - other	964	425
Decrease (increase) in other assets	(270)	32
Increase (decrease) in trade payables	(99)	884
Increase (decrease) in advances received on construction contracts in progress	(1,032)	3,370
Increase (decrease) in advances received on development business and other in progress	117	12
Increase (decrease) in deposits received	(3,156)	2,350
Increase (decrease) in accrued consumption taxes	(761)	1,955
Increase (decrease) in other liabilities	16	(63)
Other, net	212	63
Subtotal	(5,277)	7,156
Interest and dividends received	27	29
Interest paid	(214)	(236)
Compensation for pneumoconiosis damages paid	(2)	–
Income taxes paid	(720)	(544)
Net cash provided by (used in) operating activities	(6,187)	6,404

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from investing activities		
Proceeds from redemption of securities	13	33
Purchase of property, plant and equipment	(1,459)	(538)
Proceeds from sale of property, plant and equipment	5	635
Purchase of intangible assets	(160)	(230)
Purchase of investment securities	(255)	(538)
Proceeds from distributions from investment partnerships	223	117
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(145)	–
Loan advances	(5)	(1)
Proceeds from collection of loans receivable	27	6
Other, net	(17)	(65)
Net cash provided by (used in) investing activities	(1,772)	(580)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,000)	–
Proceeds from long-term borrowings	3,890	6,444
Repayments of long-term borrowings	(4,412)	(3,996)
Dividends paid	(961)	(961)
Other, net	(77)	(40)
Net cash provided by (used in) financing activities	(4,561)	1,446
Effect of exchange rate change on cash and cash equivalents	35	68
Net increase (decrease) in cash and cash equivalents	(12,486)	7,339
Cash and cash equivalents at beginning of period	25,235	12,749
Cash and cash equivalents at end of period	12,749	20,088

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Additional information)

(Summary of performance-linked share-based remuneration plan for directors)

1. Transaction summary

The Company introduced a performance-linked share-based remuneration plan, or BBT (“Board Benefit Trust”), for directors (excluding outside directors) from fiscal 2019. The plan further clarifies the link between remuneration of directors, the Company’s performance and prices of the Company’s shares for the purpose of heightening awareness about the improvement in medium to long-term business performance and contribution to increased corporate value from such performance by sharing not only the benefits of rising stock prices between directors and the shareholders but also the risk of falling stock prices

The Plan is a performance-linked share-based remuneration plan in which the trust will acquire the Company’s shares using money contributed by the Company as the source of funds and directors are provided with the Company’s shares and cash equivalent to the market value of the Company’s shares through the Trust in accordance with the performance-linked share-based remuneration system established by the Company. As a general rule, directors shall be entitled to receive the Company’s shares at the time of retirement.

2. Shares of the Company remaining in the Trust

The Company’s shares remaining in the trust are included as treasury stock in net assets based on the book value of the trust (excluding the amount of incidental expenses). The book value of the concerned treasury stock is ¥115 million with the number of shares of 102 thousand for the previous fiscal year, and ¥108 million with the number of shares of 96 thousand for the current fiscal year.

(Notes to consolidated balance sheets)

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

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Notes receivable, electronically recorded monetary claims	¥728 million	¥1,096 million
Accounts receivable from completed construction contracts and other	14,124	18,698
Contract assets	41,535	39,782

- 2 *5 In this figure, the amounts pertaining to non-consolidated subsidiaries are as follows:

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Investment securities (stock)	¥0 million	– million

3 Assets pledged as collateral

(1) The assets pledged as collateral are as follows:

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
*3 Costs on development business and other in progress	¥4,769 million	¥7,039 million

The debts related to the above collateral are as follows:

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
*7 Short-term borrowings	¥2,450 million	¥471 million
*9 Long-term borrowings	1,690	5,960
Total	4,140	6,431

(2) The Company has pledged the following assets as collateral for guarantee money for operations:

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
*4 Marketable securities	¥37 million	¥3 million
*5 Investment securities	46	77
*6 Investments and other assets "Other" (Long-term guarantee money)	203	207
Total	287	288

- 4 *2 *8: With respect to construction contracts that are expected to result in losses, both the costs on uncompleted construction contracts and the provision for loss on construction contracts have been presented in full without being offset. Costs on uncompleted construction contracts related to provisions for loss on construction contracts are as follows:

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
	¥0 million	¥51 million

- 5 *7, *9: Syndicated term loan agreements

Previous fiscal year (as of March 31, 2022), and current fiscal year (as of March 31, 2023):

The Company has signed syndicated term loan agreements with financial institutions (total amount: ¥10,000 million), with the following restrictive financial covenants attached:

- The Company must maintain the amount of net assets in the consolidated balance sheet at the end of each fiscal year's closing date more than 75% of the amount of net assets on the consolidated balance sheet as of the end of the fiscal year ending March 2020, and more than 75% of the amount of net assets in the consolidated balance sheet as of the end of the previous fiscal year;
 - The Company must maintain the amount of net assets in the non-consolidated balance sheet at the end of each fiscal year's closing date more than 75% of the amount of net assets on the non-consolidated balance sheet as of the end of the fiscal year ending March 2020, and more than 75% of the amount of net assets in the non-consolidated balance sheet as of the end of the previous fiscal year;
 - The Company must avoid reporting ordinary loss in the consolidated statement of income presented at the end of each fiscal year for two consecutive years;
 - The Company must avoid reporting ordinary loss in the nonconsolidated statement of income presented at the end of each fiscal year for two consecutive years.
6. The Company has entered into commitment line agreements to make flexible and stable procurement of working capital. Contract maximum amounts and borrowing execution balances at the end of consolidated fiscal years are as follows:

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Contract maximum amount	¥5,000 million	¥10,000 million
Borrowing execution balance	–	–
Deducted amount	5,000	10,000

- 7 The Company has entered into syndicated revolving line of credit agreements with 10 correspondent banks for the purpose of flexible and stable procurement of working capital. The following table shows the maximum contract amount and the balance of executed loans at the end of the previous fiscal year and at the end of the current fiscal year.

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Contract maximum amount	¥15,000 million	¥15,000 million
Borrowing execution balance	—	—
Deducted amount	15,000	15,000

(Notes to consolidated statements of income)

- 1 *1: Revenue from contracts with customers

Revenues are not separately presented for revenues arising from contracts with customers and other revenues. The amount of revenue arising from contracts with customers is presented in “Notes (Segment information, etc.)” to the consolidated financial statements.

- 2 *2: Liabilities for loss on construction contracts included in “Cost of sales of completed construction contracts” are as follows:

	Previous fiscal year (from April 1, 2021 to March 31, 2022)	Current fiscal year (from April 1, 2022 to March 31, 2023)
	¥56 million	¥480 million

- 3 *3: Major expense items and amounts are as follows:

	Previous fiscal year (from April 1, 2021 to March 31, 2022)	Current fiscal year (from April 1, 2022 to March 31, 2023)
Provision for share-based remuneration for directors (and other officers)	¥19 million	¥22 million
Employee salaries	3,401	3,799
Retirement benefit costs	80	58
Provision for retirement benefits for directors (and other officers)	3	5
Research and development expenses	1,104	994

- 4 *3: R&D expenses included in “Selling, general and administrative expenses” are as follows:

	Previous fiscal year (from April 1, 2021 to March 31, 2022)	Current fiscal year (from April 1, 2022 to March 31, 2023)
	¥1,104 million	¥994 million

- 5 *4: The breakdown of gain on sales of property, plant and equipment is as follows:

	Previous fiscal year (from April 1, 2021 to March 31, 2022)	Current fiscal year (from April 1, 2022 to March 31, 2023)
Land	¥— million	¥73 million
Intangible assets	—	40
Others	3	15
Total	3	128

6 *5: The breakdown of loss on sales of non-current assets is as follows:

	Previous fiscal year (from April 1, 2021 to March 31, 2022)	Current fiscal year (from April 1, 2022 to March 31, 2023)
Buildings	¥0 million	¥53 million
Fixtures	0	-
Total	0	53

7 *7 The breakdown of loss on retirement of non-current assets is as follows:

	Previous fiscal year (from April 1, 2021 to March 31, 2022)	Current fiscal year (from April 1, 2022 to March 31, 2023)
Buildings	¥7 million	¥74 million
Others	0	1
Total	8	75

8 *6 Impairment losses

Previous fiscal year (April 1, 2021 to March 31, 2022)

The Group recorded impairment losses on the following asset groups.

Location	Purpose of use	Type	Amount
Ibaraki prefecture	Idle assets	Land, buildings, machinery and equipment	¥360 million
Tokyo and others	Idle assets	Intangible assets (Telephone subscription right)	¥10 million

The Group grouped idle assets for which impairment losses were recognized by each individual property. In the current consolidated fiscal year, the Group discontinued the operation of its equipment center in Ibaraki Prefecture, and the said asset became an idle asset. As a result, the book value was reduced to the recoverable amount, and the reduction was recorded as an impairment loss (land ¥347 million, buildings ¥10 million, machinery and equipment ¥1 million, other ¥0 million) in extraordinary losses.

The Group's policy is to sell or transfer telephone subscription rights that are no longer in use, and since new inactive lines arose during the current consolidated fiscal year, the book value of these lines was reduced to the recoverable amount, and the amount of the reduction (¥10 million) was recorded as other expenses.

The recoverable amount of the asset group that recognized impairment losses was based on the net realizable value. The recoverable amount of land was calculated based on the real estate appraisal value by a real estate appraiser, and the recoverable amount of other assets was reduced to the memorandum value because the expected sales amount was small or the assets were expected to be disposed.

Current fiscal year (April 1, 2022 to March 31, 2023)

Not applicable.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The reportable segments of the Group are constituent units of the Group for which separate financial information can be obtained and regularly examined by the Board of Directors to determine the allocation of management resources and evaluate business performance.

The Group is engaged in operations consisting primarily of businesses related to construction work in general centered on civil engineering and architecture, and additional general businesses related to real estate owned by the Group.

The Group is therefore composed of segments related to these businesses, and reports on the following segments: Civil Engineering Business, Building Construction Business and Development Business, etc.

The Civil Engineering Business involves performing civil engineering work and other contingent businesses and the Building Construction Business involves performing construction work and other contingent businesses. The Development Business, etc. involves real estate development, housing sales, real estate leasing, and other businesses that do not belong to either the Civil Engineering Business or the Building Construction Business.

2. Methods of measurement for the amounts of sales, income/loss, assets, and other items for each reportable segment

The accounting policies of each reportable segment are generally the same as those used in the preparation of the consolidated financial statements.

Income reported for the segments are figures based on operating profit.

Figures for intersegment sales and transactions are based on current market values.

3 Information relating to net sales, profit and loss, assets, and other items by reportable segment and information on disaggregation of revenue

Previous fiscal year (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Civil Engineering Business	Building Construction Business	Development Business, etc.	Total	Adjusted amount (Note 1)	Consolidated (Note 2)
Net sales						
Public sector	44,968	14,171	18	59,158	–	59,158
Private sector	18,206	33,167	6,082	57,456	–	57,456
Revenue from contracts with customers	63,175	47,338	6,101	116,615	–	116,615
Other revenue	–	–	1,049	1,049	–	1,049
Sales to third parties	63,175	47,338	7,150	117,665	–	117,665
Intersegment sales and transactions	–	373	305	678	(678)	–
Total	63,175	47,712	7,456	118,343	(678)	117,665
Segment income	5,104	1,757	502	7,364	(2,789)	4,575
Segment assets	65,825	23,579	24,385	113,790	842	114,632
Other items						
Depreciation	239	156	516	911	–	911
Increase in property, plant and equipment and intangible assets	505	184	720	1,410	–	1,410

Notes 1. Amounts have been adjusted as follows:

(1) Adjusted amount of ¥(2,789) million under “Segment income” includes ¥(654) million in elimination of intersegment transactions and ¥(2,110) million in total corporate operating expenses that are not allocated to the reportable segments, as well as elimination of unrealized income among segments. Total corporate operating expenses are selling, general and administrative expenses not attributable to the reportable segments.

(2) Adjusted amount of ¥842 million under “Segment assets” includes ¥971 million in total corporate assets that are not allocated to the reportable segments and ¥(129) million in inter-segment eliminations. Total corporate assets primarily comprise assets related to surplus operational funds (deposits) and assets related to the administrative departments of the Group.

2. Adjustments have been made between “Segment income” and “Operating income” in the consolidated statement of income.

Current fiscal year (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Civil Engineering Business	Building Construction Business	Development Business, etc.	Total	Adjusted amount (Note 1)	Consolidated (Note 2)
Net sales						
Public sector	46,175	12,167	39	58,382	–	58,382
Private sector	19,449	39,643	7,427	66,520	–	66,520
Revenue from contracts with customers	65,625	51,810	7,467	124,903	–	124,903
Other revenue	–	–	1,038	1,038	–	1,038
Sales to third parties	65,625	51,810	8,505	125,941	–	125,941
Intersegment sales and transactions	33	242	234	510	(510)	–
Total	65,658	52,053	8,740	126,452	(510)	125,941
Segment income	4,945	1,429	502	6,878	(2,731)	4,146
Segment assets	70,108	29,209	28,324	127,642	413	128,055
Other items						
Depreciation	259	157	523	941	–	941
Increase in property, plant and equipment and intangible assets	341	282	170	794	–	794

Notes 1. Amounts have been adjusted as follows:

- (1) Adjusted amount of ¥(2,731) million under “Segment income” includes ¥(23) million in elimination of intersegment transactions and ¥(2,707) million in total corporate operating expenses that are not allocated to the reportable segments. Total corporate operating expenses are selling, general and administrative expenses not attributable to the reportable segments.
 - (2) Adjusted amount of ¥413 million under “Segment assets” includes ¥982 million in total corporate assets that are not allocated to the reportable segments and ¥(569) million in inter-segment eliminations. Total corporate assets primarily comprise assets related to surplus operational funds (deposits) and assets related to the administrative departments of the Group.
2. Adjustments have been made between “Segment income” and “Operating income” in the consolidated statement of income.

[Related Information]

Previous fiscal year (from April 1, 2021 to March 31, 2022)

1. Information by product and service

Omitted since similar information is presented in Segment Information.

2. Information by geographical representation

(1) Net sales

Omitted since net sales in Japan account for more than 90% of net sales presented in the consolidated statement of income.

(2) Property, plant and equipment

Omitted since the monetary value of property, plant and equipment located in Japan accounts for more than 90% of the monetary value of property, plant and equipment presented in the consolidated balance sheet.

3. Information by major client

Omitted since there are no external clients that account for 10% or more of net sales in the consolidated statements of income.

Current fiscal year (from April 1, 2022 to March 31, 2023)

1. Information by product and service

Omitted since similar information is presented in Segment Information.

2. Information by geographical representation

(1) Net sales

Omitted since net sales in Japan account for more than 90% of net sales presented in the consolidated statement of income.

(2) Property, plant and equipment

Omitted since the monetary value of property, plant and equipment located in Japan accounts for more than 90% of the monetary value of property, plant and equipment presented in the consolidated balance sheet.

3. Information by major client

Omitted since there are no external clients that account for 10% or more of net sales in the consolidated statements of income.

[Information on Impairment Losses on Fixed Assets by Reportable Segment]

Previous fiscal year (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Civil Engineering Business	Building Construction Business	Development Business, etc.	Total	Eliminations	Total
Impairment losses	199	170	1	371	–	371

Current fiscal year (from April 1, 2022 to March 31, 2023)

Not applicable.

[Information on Amortization of Goodwill and Balance of Unamortized Goodwill by Reportable Segment]

Previous fiscal year (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Civil Engineering Business	Building Construction Business	Development Business, etc.	Total	Eliminations	Total
Amortization	45	0	82	127	–	127
Balance	44	0	272	317	–	317

Current fiscal year (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Civil Engineering Business	Building Construction Business	Development Business, etc.	Total	Eliminations	Total
Amortization	44	0	82	127	–	127
Balance	–	–	190	190	–	190

[Information on Gain on Negative Goodwill by Reportable Segment]

Previous fiscal year (from April 1, 2021 to March 31, 2022)

Not applicable.

Current fiscal year (from April 1, 2022 to March 31, 2023)

Not applicable.

(Per share information)

	Previous fiscal year (from April 1, 2021 to March 31, 2022)	Current fiscal year (from April 1, 2022 to March 31, 2023)
Net assets per share	¥2,293.14	¥2,389.71
Basic earnings per share	¥168.30	¥158.81

Notes 1. Diluted net income/loss per share for the current fiscal year is not shown because there were no potentially dilutive shares outstanding

2. The basis for calculating basic earnings per share is as follows:

	Previous fiscal year (from April 1, 2021 to March 31, 2022)	Current fiscal year (from April 1, 2022 to March 31, 2023)
Profit attributable to owners of parent (Millions of yen)	3,219	3,038
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent relating to common shares (Millions of yen)	3,219	3,038
Average number of common shares outstanding during the period (Shares)	19,130	19,131

In order to calculate basic earnings per share for the period, the number of shares held by Board Benefit Trust (BBT) are included in treasury shares, which are subtracted in calculating the average number of common shares outstanding during period.

The average number of treasury shares was 180 thousand during the previous fiscal year, and 178 thousand during the current fiscal year. In these, the average number held by BBT was 102 thousand during the previous fiscal year, and 98 thousand during the current fiscal year.

3. The basis of calculation for net assets per share is as follows:

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Total net assets (Millions of yen)	43,872	45,730
Deduction from net assets (Millions of yen)	8	10
[Minority interests (Millions of yen)]	[8]	[10]
Term-end amount allocated to common shares (Millions of yen)	43,864	45,719
Number of common shares used to calculate net assets per share (1,000 shares)	19,128	19,131

In order to calculate net assets per share at the end of the period, the number of shares held by Board Benefit Trust (BBT) are included in treasury shares, which are subtracted from the number of outstanding common shares at the end of the period.

The number of treasury shares at the end of the period was 181 thousand for the previous fiscal year, and 178 thousand for the current fiscal year. In these, the number held by BBT at the end of the period was 102 thousand for the previous fiscal year, and 96 thousand for the current fiscal year.

(Significant subsequent events)

Not applicable.

4. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	10,838	18,625
Notes receivable - trade	238	—
Electronically recorded monetary claims - operating	478	1,052
Accounts receivable from completed construction contracts	54,891	57,789
Securities	37	3
Real estate for sale	160	160
Costs on construction contracts in progress	1,905	2,147
Other	7,921	7,660
Allowance for doubtful accounts	(5)	—
Total current assets	76,468	87,439
Non-current assets		
Property, plant and equipment		
Buildings	15,843	15,320
Accumulated depreciation	(7,870)	(7,843)
Buildings, net	7,973	7,477
Structures	613	610
Accumulated depreciation	(341)	(324)
Structures, net	272	285
Machinery and equipment	2,108	1,542
Accumulated depreciation	(1,478)	(983)
Machinery and equipment, net	629	559
Vehicles	120	128
Accumulated depreciation	(101)	(92)
Vehicles, net	18	36
Tools, furniture and fixtures	948	846
Accumulated depreciation	(831)	(737)
Tools, furniture and fixtures, net	117	108
Land	6,652	6,293
Leased assets	64	59
Accumulated depreciation	(31)	(38)
Leased assets, net	33	20
Total property, plant and equipment	15,696	14,781
Intangible assets	386	470

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Investments and other assets		
Investment securities	4,072	4,018
Shares of subsidiaries and associates	3,933	4,423
Investments in capital	212	203
Long-term loans receivable	157	157
Long-term loans receivable from employees	11	9
Distressed receivables	1	0
Long-term prepaid expenses	119	115
Prepaid pension costs	1,325	1,925
Other	1,216	1,184
Allowance for doubtful accounts	(201)	(200)
Total investments and other assets	10,848	11,836
Total non-current assets	26,931	27,087
Total assets	103,399	114,526
Liabilities		
Current liabilities		
Notes payable - trade	156	349
Electronically recorded obligations - operating	7,452	7,559
Accounts payable for construction contracts	16,726	17,296
Short-term borrowings	100	10,202
Lease liabilities	13	11
Income taxes payable	165	266
Advances received on construction contracts in progress	5,222	8,545
Deposits received	19,050	21,407
Provision for warranties for completed construction	417	527
Provision for loss on construction contracts	166	598
Other	1,373	3,245
Total current liabilities	50,844	70,009
Non-current liabilities		
Long-term borrowings	10,350	556
Lease liabilities	22	11
Deferred tax liabilities	148	178
Provision for share awards for directors (and other officers)	47	60
Asset retirement obligations	63	63
Other	281	263
Total non-current liabilities	10,914	1,133
Total liabilities	61,758	71,143

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Net assets		
Shareholders' equity		
Share capital	5,519	5,519
Capital surplus		
Legal capital surplus	2,980	2,980
Other capital surplus	3,257	3,256
Total capital surplus	6,237	6,236
Retained earnings		
Other retained earnings		
Retained earnings brought forward	29,833	31,563
Total retained earnings	29,833	31,563
Treasury shares	(580)	(575)
Total shareholders' equity	41,009	42,743
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	631	639
Total valuation and translation adjustments	631	639
Total net assets	41,641	43,383
Total liabilities and net assets	103,399	114,526

(2) Non-consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales		
Net sales of completed construction contracts	104,507	112,194
Net sales in development business and other	1,239	1,053
Total net sales	105,747	113,248
Cost of sales		
Cost of sales of completed construction contracts	93,960	101,394
Cost of sales in development business and other	1,014	927
Total cost of sales	94,974	102,322
Gross profit		
Gross profit on completed construction contracts	10,547	10,799
Gross profit on development business and other	225	125
Total gross profit	10,773	10,925
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	199	191
Provision for share awards for directors (and other officers)	19	22
Employees' salaries and allowances	2,877	3,322
Retirement benefit expenses	39	20
Legal welfare expenses	442	513
Welfare expenses	61	66
Repair and maintenance expenses	32	15
Stationery expenses	102	121
Communication and transportation expenses	176	251
Power utilities expenses	43	51
Research study expenses	82	126
Research and development expenses	1,114	1,046
Advertising expenses	58	57
Entertainment expenses	112	177
Donations	10	7
Rent expenses on land and buildings	416	465
Depreciation	64	55
Taxes and dues	388	315
Insurance expenses	21	21
Miscellaneous expenses	684	780
Total selling, general and administrative expenses	6,947	7,629
Operating profit	3,825	3,295
Non-operating income		
Interest income	11	15
Interest on securities	0	0
Dividend income	24	25
Foreign exchange gains	37	115
Other	48	46
Total non-operating income	122	202

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Non-operating expenses		
Interest expenses	166	179
Commission for syndicated loans	50	163
Commission expenses	10	61
Other	173	33
Total non-operating expenses	401	438
Ordinary profit	3,547	3,059
Extraordinary income		
Gain on sale of non-current assets	–	122
Other	0	0
Total extraordinary income	0	122
Extraordinary losses		
Loss on sale of non-current assets	0	53
Loss on retirement of non-current assets	3	88
Impairment losses	371	–
Other	24	6
Total extraordinary losses	399	147
Profit before income taxes	3,148	3,034
Income taxes - current	367	317
Income taxes - deferred	54	25
Total income taxes	422	343
Profit	2,726	2,691

(3) Non-consolidated Statements of Changes in Equity
For the fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity					
	Share capital	Capital surplus			Retained earnings	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings
				Retained earnings brought forward		
Balance at beginning of period	5,519	2,980	3,257	6,237	28,069	28,069
Changes during period						
Dividends of surplus					(961)	(961)
Profit					2,726	2,726
Disposal of treasury shares			(0)	(0)		
Purchase of treasury shares						
Net changes in items other than shareholders' equity						
Total changes during period	–	–	(0)	(0)	1,764	1,764
Balance at end of period	5,519	2,980	3,257	6,237	29,833	29,833

	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	(577)	39,248	716	716	39,965
Changes during period					
Dividends of surplus		(961)			(961)
Profit		2,726			2,726
Disposal of treasury shares	0	0			0
Purchase of treasury shares	(3)	(3)			(3)
Net changes in items other than shareholders' equity			(85)	(85)	(85)
Total changes during period	(3)	1,760	(85)	(85)	1,675
Balance at end of period	(580)	41,009	631	631	41,641

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity					
	Share capital	Capital surplus			Retained earnings	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings
				Retained earnings brought forward		
Balance at beginning of period	5,519	2,980	3,257	6,237	29,833	29,833
Changes during period						
Dividends of surplus					(961)	(961)
Profit					2,691	2,691
Disposal of treasury shares			(0)	(0)		
Purchase of treasury shares						
Net changes in items other than shareholders' equity						
Total changes during period	–	–	(0)	(0)	1,730	1,730
Balance at end of period	5,519	2,980	3,256	6,236	31,563	31,563

	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	(580)	41,009	631	631	41,641
Changes during period					
Dividends of surplus		(961)			(961)
Profit		2,691			2,691
Disposal of treasury shares	8	7			7
Purchase of treasury shares	(3)	(3)			(3)
Net changes in items other than shareholders' equity			8	8	8
Total changes during period	4	1,734	8	8	1,742
Balance at end of period	(575)	42,743	639	639	43,383

5. Orders, Sales and Balance Brought Forward (Non-consolidated)

(1) Orders Received, Net Sales, and Balance Brought Forward

(a) Orders

(Millions of yen)

Category			For the fiscal year ended March 31, 2022		For the fiscal year ended March 31, 2023		Changes	
			Amount	Percentage	Amount	Percentage	Amount	Percentage changes
Construction Business	Civil Engineering	Domestic public sector	40,253	34.3%	35,126	33.6%	(5,126)	(12.7)%
		Domestic private sector	11,486	9.8%	16,494	15.8%	5,008	43.6%
		Overseas	12,798	10.9%	4,978	4.8%	(7,820)	(61.1)%
		Total	64,537	55.0%	56,599	54.2%	(7,938)	(12.3)%
	Building Construction	Domestic public sector	7,271	6.2%	14,805	14.2%	7,534	103.6%
		Domestic private sector	41,222	35.1%	31,224	29.9%	(9,998)	(24.3)%
		Overseas	3,047	2.6%	730	0.7%	(2,316)	(76.0)%
		Total	51,541	43.9%	46,760	44.8%	(4,780)	(9.3)%
	Total	Domestic public sector	47,524	40.5%	49,932	47.8%	2,407	5.1%
		Domestic private sector	52,708	44.9%	47,719	45.7%	(4,989)	(9.5)%
		Overseas	15,846	13.5%	5,709	5.5%	(10,136)	(64.0)%
		Total	116,079	98.9%	103,360	99.0%	(12,718)	(11.0)%
	Development Business, etc.			1,239	1.1%	1,053	1.0%	(186)
Total			117,319	100.0%	104,414	100.0%	(12,904)	(11.0)%

(b) Net sales

(Millions of yen)

Category			For the fiscal year ended March 31, 2022		For the fiscal year ended March 31, 2023		Changes	
			Amount	Percentage	Amount	Percentage	Amount	Percentage changes
Construction Business	Civil Engineering	Domestic public sector	41,693	39.4%	43,456	38.4%	1,763	4.2%
		Domestic private sector	16,858	15.9%	18,263	16.1%	1,404	8.3%
		Overseas	1,512	1.5%	1,114	1.0%	(398)	(26.3)%
		Total	60,064	56.8%	62,834	55.5%	2,769	4.6%
	Building Construction	Domestic public sector	9,423	8.9%	8,183	7.2%	(1,239)	(13.2)%
		Domestic private sector	32,443	30.7%	38,313	33.9%	5,870	18.1%
		Overseas	2,576	2.4%	2,863	2.5%	286	11.1%
		Total	44,443	42.0%	49,360	43.6%	4,916	11.1%
	Total	Domestic public sector	51,116	48.3%	51,640	45.6%	523	1.0%
		Domestic private sector	49,302	46.6%	56,576	50.0%	7,274	14.8%
		Overseas	4,089	3.9%	3,977	3.5%	(111)	(2.7)%
		Total	104,507	98.8%	112,194	99.1%	7,686	7.4%
	Development Business, etc.			1,239	1.2%	1,053	0.9%	(186)
Total			105,747	100.0%	113,248	100.0%	7,500	7.1%

(c) Balance Brought Forward

(Millions of yen)

Category			For the fiscal year ended March 31, 2022		For the fiscal year ended March 31, 2023		Changes	
			Amount	Percentage	Amount	Percentage	Amount	Percentage changes
Construction Business	Civil Engineering	Domestic public sector	72,229	34.2%	63,899	31.6%	(8,330)	(11.5)%
		Domestic private sector	53,123	25.2%	51,355	25.4%	(1,768)	(3.3)%
		Overseas	17,446	8.3%	21,310	10.5%	3,864	22.1%
		Total	142,799	67.7%	136,564	67.5%	(6,234)	(4.4)%
	Building Construction	Domestic public sector	15,355	7.3%	21,977	10.9%	6,622	43.1%
		Domestic private sector	48,613	23.0%	41,524	20.5%	(7,088)	(14.6)%
		Overseas	4,243	2.0%	2,110	1.1%	(2,132)	(50.3)%
		Total	68,211	32.3%	65,612	32.5%	(2,599)	(3.8)%
	Total	Domestic public sector	87,584	41.5%	85,876	42.5%	(1,707)	(1.9)%
		Domestic private sector	101,737	48.2%	92,879	45.9%	(8,857)	(8.7)%
		Overseas	21,689	10.3%	23,420	11.6%	1,731	8.0%
		Total	211,011	100.0%	202,177	100.0%	(8,833)	(4.2)%
Development Business, etc.			–	–%	–	–%	–	–%
Total			211,011	100.0%	202,177	100.0%	(8,833)	(4.2)%

(2) Orders Received, Completed Construction, and Work Carried Over

(Main orders received)

Client Name (Title Omitted)	Project Name
MLIT	R4 Arakawa No. 2 Regulating Pond Drainage Gate and Enclosing Dike New Construction
Kochi Prefecture	National Highway 441 Disaster Prevention and Safety Grant (Kuchiyana Tunnel (II))
WASA Faisalabad	Water Treatment Plant and Transmission and Distribution Pipeline Network Improvement Plan in Faisalabad, Pakistan
Mizuho Trust & Banking Co., Ltd.	(Tentative name) Shinjuku Aoki Building Reconstruction Plan
Tsuruga City	Cleaning Center Development and Operation Project Construction

(Main completed construction)

Client Name (Title Omitted)	Project Name
Japan Sewage Works Agency	Ishinomaki Port Drainage Pump Station and 2 Other Facilities Reconstruction Work No.2
Kisenuma City	(Tentative name) New General Waste Final Disposal Site Civil Engineering Construction Project
Cabinet Office	Construction of Akamine Tunnel (north side) in 2018
Japan Railway Construction, Transport and Technology Agency	Hokuriku Shinkansen, New Construction of Echizen (tentative name) Station
Tosa City	Tosa City New Government Building Construction

(Main work carried over)

Client Name (Title Omitted)	Project Name
Japan Railway Construction, Transport and Technology Agency	Sasson Tunnel (Tomioka), Hokkaido Shinkansen
The Kansai Electric Power Company, Incorporated	Major Civil Engineering Work for Waterproofing at Kasagi Power Station with Shin-Maruyama Dam Project
Tagawa District Water Supply Corporation Team	(Tentative name) Construction of the Shiratori Jogyo and Oura Adjustment Pond (civil engineering and construction work)
Supreme Court	Seismic retrofitting of the Osaka Heights Office Building, Phase 2
Aki City	Construction of a New Government Building in Aki City

(3) Orders Forecast

(Millions of yen)

Category		Fiscal year ended March 31, 2023 Full-year Results	Fiscal year ending March 31, 2024 Full-year Forecasts	Changes	Percentage changes
Construction Business	Civil Engineering	56,599	60,000	3,400	6.0%
	Building Construction	46,760	50,000	3,239	6.9%
	Total	103,360	110,000	6,639	6.4%
Development Business, etc.		1,053	1,000	(53)	(5.1)%
Total		104,414	111,000	6,585	6.3%

6. Changes in Directors

(1) Candidate for New Representative Director (as of June 29, 2023, planned)

Name	New Position	Current Position
Takuji Arao	Representative Director and Senior Managing Executive Officer (Chief of Building Construction Division, and in charge of quality)	Director and Senior Managing Executive Officer (Chief of Building Construction Division, and in charge of quality)

(2) Candidate for New Director (as of June 29, 2023, planned)

Name	New Position	Current Position
Shiro Takeki	Director and Managing Executive Officer (Chief of Civil Engineering Division)	Managing Executive Officer (Chief of Civil Engineering Division)

(3) Retiring Director (planned) (as of June 29, 2023, planned)

Name	New Position	Current Position
Yasuo Terashima	Advisor	Director and Executive Vice President

(4) Candidate for New Audit & Supervisory Board Member (as of June 29, 2023, planned)

Name	New Position	Current Position
Kiyoshi Usui	Standing Auditor & Supervisory Board Member	General Manager, Compliance Management Dept., Corporate Administration Division

(5) Retiring Audit & Supervisory Board Member (Planned) (as of June 29, 2023, planned)

Name	New Position	Current Position
Takashi Hagsako	Retirement	Standing Audit & Supervisory Board Member

(6) Candidate for Substitute Audit & Supervisory Board Member (as of June 29, 2023, planned)

Name	New Position	Current Position
Hiroataka Kobayashi	Audit & Supervisory Board Member	—

Note: Candidate for Substitute Audit & Supervisory Board Member, Hiroataka Kobayashi (attorney at law, Hikari Sogoh Law Offices), is an Outside Audit & Supervisory Board Member.