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## Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 [Japanese GAAP]

May 13, 2022

Company name : Kumagai Gumi Co., Ltd.  
 Stock exchange listings : Tokyo Stock Exchange, Prime Market  
 Securities code : 1861 URL : <https://www.kumagaigumi.co.jp/>  
 Representative : Yasunori Sakurano, President  
 Contact : Chihiro Nosaka, General Manager, Accounting Department, Administration Division  
 Tel. 03-3235-8606  
 Date of general meeting of shareholders : June 29, 2022  
 Date of filing of securities report : June 29, 2022  
 Scheduled date of dividend payment : June 30, 2022  
 Supplemental materials for financial results : Yes  
 Presentation on financial results : Yes

(Rounded down to the nearest million yen)

### 1. Consolidated Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022)

#### (1) Consolidated Operating Results (Percentage figures are changes from the same period in the previous fiscal year)

	Net sales of completed construction contracts		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2021	425,216	(5.6)	22,743	(19.0)	23,732	(16.4)	15,850	(11.6)
FY2020	450,232	3.2	28,069	10.3	28,400	10.4	17,925	(7.8)

(Note) Comprehensive income FY2021 15,267 million yen (28.7)% FY2020 21,414 million yen 20.0%

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
FY2021	342.13	—	9.5	6.3	5.3
FY2020	384.69	—	11.5	7.5	6.2

(Reference) Investment profit (loss) on equity method FY2021 245 million yen FY2020 226 million yen

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2021	371,096	169,302	45.6	3,751.09
FY2020	379,573	163,835	43.2	3,516.07

(Reference) Owner's equity FY2021 169,302 million yen FY2020 163,835 million yen

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
	Million yen	Million yen	Million yen	Million yen
FY2021	8,258	(3,395)	(9,686)	67,404
FY2020	6,572	(4,306)	(6,112)	71,335

### 2. Dividends

	Annual cash dividends per share					Total dividend paid	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Total			
FY2020	—	—	—	120.00	120.00	5,610	31.2	3.6
FY2021	—	—	—	120.00	120.00	5,442	35.1	3.3
FY2022 (forecast)	—	—	—	130.00	130.00		35.7	

### 3. Forecast of Consolidated Operating Results for FY2022 (April 1, 2022 – March 31, 2023)

(Percentage figures are changes from the same period in the previous fiscal year)

	Net sales of completed construction contracts		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2022	442,000	3.9	23,200	2.0	23,500	(1.0)	16,200	2.2	364.16

※Basic earnings per share reflects the impact of the "Acquisition of Own Shares and Cancellation of Own Shares" announced today.

※ Notes

(1) Changes in significant subsidiaries during the period  
(Changes in specified subsidiaries that resulted in a change in the scope of consolidation) : None

(2) Changes in accounting policies, changes in accounting estimates, and retrospective restatements

- ① Changes in accounting policies due to the revision of the accounting standards : Yes  
 ② Changes in accounting policies other than ① : None  
 ③ Changes in accounting estimates : None  
 ④ Retrospective restatements : None

(3) Number of shares issued (common stock)

- ① Number of shares issued at the end of the period (including treasury stocks)  
 ② Number of treasury stocks at the end of the period  
 ③ Average number of shares outstanding during the period

		(Shares)	
FY2021	45,411,660	FY2020	46,805,660
FY2021	277,460	FY2020	209,338
FY2021	46,327,955	FY2020	46,597,911

(Reference) Summary of Nonconsolidated Financial Results

1. Nonconsolidated Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022)

(1) Nonconsolidated Operating Results

(Percentage figures are changes from the same period in the previous fiscal year)

	Net sales of completed construction contracts		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2021	331,021	(8.1)	17,772	(20.8)	19,960	(15.2)	13,730	(8.8)
FY2020	360,240	2.3	22,447	10.9	23,543	13.8	15,047	1.5

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
FY2021	295.72		—	
FY2020	322.21		—	

(2) Nonconsolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio	Net assets per share
	Million yen		Million yen		%	Yen
FY2021	303,997		133,749		44.0	2,956.56
FY2020	316,659		131,287		41.5	2,811.32

(Reference) Owner's equity FY2021 133,749 million yen FY2020 131,287 million yen

2. Forecast of Nonconsolidated Operating Results for FY2022 (April 1, 2022 – March 31, 2023)

(Percentage figures are changes from the same period in the previous fiscal year)

	Net sales of completed construction contracts		Ordinary income		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
FY2022	334,000	0.9	18,700	(6.3)	13,300	(3.1)	298.27

※ Basic earnings per share reflects the impact of the "Acquisition of Own Shares and Cancellation of Own Shares" announced today.

※ "Kessan Tanshin" is not subject to an audit by a certified public accountant or an audit corporation.

※ Explanation regarding the appropriate use of forecasts of operating results, and other specific comments

- The financial forecast of operating results in this document are based on information available at present and logical assessments. Actual results may be materially different from expectations due to a variety of factors.
- The Company is to hold the presentation on financial results for analysts and institutional investors. The materials related to financial results which will be used on the presentation will be posted on the Company's website as soon as possible after the presentation.

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# 1. Consolidated Financial Statements

## (1) Consolidated balance sheet

(millions of yen)

	FY2020 (As of March 31, 2021)	FY2021 (As of March 31, 2022)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	71,335	67,404
Notes receivable, accounts receivable from completed construction contracts and other	197,175	204,809
Costs on construction contracts in progress	6,454	10,205
Accounts receivable – other	29,477	16,989
Other	7,554	2,514
Allowance for doubtful accounts	(226)	(48)
<b>Total current assets</b>	<b>311,770</b>	<b>301,874</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	20,216	22,317
Machinery, vehicles, tools, furniture and fixtures	18,189	18,968
Land	15,105	15,399
Leased assets	900	934
Construction in progress	375	182
Accumulated depreciation	(29,128)	(30,352)
<b>Total property, plant and equipment</b>	<b>25,658</b>	<b>27,451</b>
Intangible assets	558	876
<b>Investments and other assets</b>		
Investment securities	29,711	27,927
Long-term loans receivable	641	272
Long-term non-operating accounts receivable	116	94
Distressed receivables	26	34
Deferred tax assets	7,245	8,021
Other	4,022	4,705
Allowance for doubtful accounts	(177)	(162)
<b>Total investments and other assets</b>	<b>41,587</b>	<b>40,893</b>
<b>Total non-current assets</b>	<b>67,803</b>	<b>69,221</b>
<b>Total assets</b>	<b>379,573</b>	<b>371,096</b>

(millions of yen)

	FY2020 (As of March 31, 2021)	FY2021 (As of March 31, 2022)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	84,610	82,014
Electronically recorded obligations – operating	37,435	29,032
Short-term borrowings	4,161	3,145
Income taxes payable	3,841	4,330
Advances received on construction contracts in progress	11,929	12,920
Deposits received	34,622	26,402
Provision for warranties for completed construction	473	610
Provision for loss on construction contracts	156	849
Provision for contingent loss	1,482	41
Provision for bonuses	4,256	4,588
Other	7,633	11,464
<b>Total current liabilities</b>	<b>190,604</b>	<b>175,399</b>
<b>Non-current liabilities</b>		
Long-term borrowings	7,728	9,007
Provision for share awards	140	183
Retirement benefit liability	16,644	16,615
Other	620	587
<b>Total non-current liabilities</b>	<b>25,133</b>	<b>26,394</b>
<b>Total liabilities</b>	<b>215,737</b>	<b>201,794</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	30,108	30,108
Capital surplus	25,156	21,145
Retained earnings	104,727	114,967
Treasury shares	(451)	(631)
<b>Total shareholders' equity</b>	<b>159,540</b>	<b>165,589</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	4,241	2,758
Foreign currency translation adjustment	384	1,081
Remeasurements of defined benefit plans	(330)	(127)
<b>Total accumulated other comprehensive income</b>	<b>4,294</b>	<b>3,712</b>
<b>Total net assets</b>	<b>163,835</b>	<b>169,302</b>
<b>Total liabilities and net assets</b>	<b>379,573</b>	<b>371,096</b>

(2) Consolidated statement of income and Consolidated statement of comprehensive income  
Consolidated statement of income

(millions of yen)

	FY2020 (Apr 1, 2020—Mar 31, 2021)	FY2021 (Apr 1, 2021—Mar 31, 2022)
Net sales of completed construction contracts	450,232	425,216
Cost of sales of completed construction contracts	402,147	381,750
Gross profit on completed construction contracts	48,084	43,466
Selling, general and administrative expenses	20,015	20,723
Operating profit	28,069	22,743
Non-operating income		
Interest income	40	26
Dividend income	370	572
Share of profit of entities accounted for using equity method	226	245
Foreign exchange gains	24	168
Reversal of provision for contingent loss	—	119
Other	243	166
Total non-operating income	906	1,298
Non-operating expenses		
Interest expenses	190	174
Loss on sale of receivables	45	—
Commission for syndicated loans	210	66
Amortization of share issuance costs	33	—
Other	95	68
Total non-operating expenses	574	309
Ordinary profit	28,400	23,732
Extraordinary income		
Gain on sales of non-current assets	10	59
Gain on sales of investment securities	14	—
Gain on sales of memberships	2	9
Subsidy income	—	67
Compensation for expropriation	14	—
Settlement received	100	—
Other	—	1
Total extraordinary income	142	137
Extraordinary losses		
Loss on sale of non-current assets	12	0
Impairment loss	1	18
Loss on retirement of non-current assets	58	69
Loss on tax purpose reduction entry of non-current assets	—	67
Compensation for damage	240	393
Loss on litigation	—	89
Infectious disease related costs	269	245
Provision for contingent loss	1,281	—
Loss on transfer of receivables	458	—
Loss on change in equity	44	—
Other	83	65
Total extraordinary losses	2,449	950
Profit before income taxes	26,093	22,919
Income taxes – current	6,629	7,278
Income taxes – deferred	1,538	(209)
Total income taxes	8,168	7,069
Profit	17,925	15,850
Profit attributable to owners of parent	17,925	15,850

Consolidated statement of comprehensive income

(millions of yen)

	FY2020 (Apr 1, 2020—Mar 31, 2021)	FY2021 (Apr 1, 2021—Mar 31, 2022)
Profit	17,925	15,850
Other comprehensive income		
Valuation difference on available-for-sale securities	3,429	(1,478)
Foreign currency translation adjustment	(6)	697
Remeasurements of defined benefit plans, net of tax	70	203
Share of other comprehensive income of entities accounted for using equity method	(4)	(4)
Total other comprehensive income	3,488	(582)
Comprehensive income	21,414	15,267
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	21,414	15,267
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated statements of changes in equity  
 FY2020 (Apr 1, 2020—Mar 31, 2021)

(millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	30,108	25,157	92,413	(450)	147,228
Changes during period					
Dividends of surplus			(5,611)		(5,611)
Profit attributable to owners of parent			17,925		17,925
Purchase of treasury shares				(21)	(21)
Disposal of treasury shares		(0)		19	19
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(0)	12,314	(1)	12,312
Balance at end of current period	30,108	25,156	104,727	(451)	159,540

	Accumulated other comprehensive income				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 current period	816	391	(401)	806	148,034
Changes during period					
Dividends of surplus					(5,611)
Profit attributable to owners of parent					17,925
Purchase of treasury shares					(21)
Disposal of treasury shares					19
Net changes of items other than shareholders' equity	3,425	(6)	70	3,488	3,488
Total changes of items during period	3,425	(6)	70	3,488	15,800
Balance at end of current period	4,241	384	(330)	4,294	163,835



	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	30,108	25,156	104,727	(451)	159,540
Changes during period					
Dividends of surplus			(5,610)		(5,610)
Profit attributable to owners of parent			15,850		15,850
Purchase of treasury shares				(4,214)	(4,214)
Disposal of treasury shares		(0)		23	23
Cancellation of treasury shares		(4,010)		4,010	—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(4,010)	10,239	(180)	6,048
Balance at end of current period	30,108	21,145	114,967	(631)	165,589

	Accumulated other comprehensive income				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 current period	4,241	384	(330)	4,294	163,835
Changes during period					
Dividends of surplus					(5,610)
Profit attributable to owners of parent					15,850
Purchase of treasury shares					(4,214)
Disposal of treasury shares					23
Cancellation of treasury shares					—
Net changes of items other than shareholders' equity	(1,482)	697	203	(582)	(582)
Total changes of items during period	(1,482)	697	203	(582)	5,466
Balance at end of current period	2,758	1,081	(127)	3,712	169,302

## (4) Consolidated statements of cash flows

(millions of yen)

	FY2020 (Apr 1, 2020—Mar 31, 2021)	FY2021 (Apr 1, 2021—Mar 31, 2022)
Cash flows from operating activities		
Profit before income taxes	26,093	22,919
Depreciation	2,029	2,028
Impairment losses	1	18
Amortization of share issuance costs	33	—
Increase (decrease) in allowance for doubtful accounts	(19)	(203)
Increase (decrease) in provision for contingent loss	(6,131)	(1,440)
Increase (decrease) in retirement benefit liability	324	263
Interest and dividend income	(411)	(599)
Interest expenses	190	174
Foreign exchange losses (gains)	(36)	(131)
Share of loss (profit) of entities accounted for using equity method	(226)	(245)
Loss (gain) on sale of investment securities	(14)	—
Loss (gain) on sale of non-current assets	1	(59)
Loss on retirement of non-current assets	58	69
Decrease (increase) in trade receivables	(6,535)	(7,305)
Decrease (increase) in costs on construction contracts in progress	1,410	(3,714)
Increase (decrease) in trade payables	(3,607)	(12,263)
Increase (decrease) in advances received on construction contracts in progress	(8,004)	868
Decrease (increase) in accounts receivable – other	350	12,496
Increase (decrease) in deposits received	5,133	(8,220)
Decrease (increase) in other assets and other	(137)	5,165
Other, net	1,704	4,821
Subtotal	12,207	14,641
Interest and dividends received	410	634
Interest paid	(190)	(179)
Income taxes paid	(5,855)	(6,838)
Net cash provided by (used in) operating activities	6,572	8,258
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,094)	(3,158)
Proceeds from sale of property, plant and equipment	102	56
Purchase of investment securities	(21)	(20)
Proceeds from sale of investment securities	30	1
Purchase of shares of subsidiaries and associates	(1,723)	(123)
Loan advances	(517)	(47)
Proceeds from collection of loans receivable	214	428
Other, net	(297)	(531)
Net cash provided by (used in) investing activities	(4,306)	(3,395)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,000	(275)
Proceeds from long-term borrowings	690	1,685
Repayments of long-term borrowings	(2,059)	(1,146)
Purchase of treasury shares	(19)	(4,212)
Proceeds from disposal of treasury shares	5	7
Dividends paid	(5,595)	(5,598)
Other, net	(134)	(146)
Net cash provided by (used in) financing activities	(6,112)	(9,686)
Effect of exchange rate change on cash and cash equivalents	27	891
Net increase (decrease) in cash and cash equivalents	(3,819)	(3,931)
Cash and cash equivalents at beginning of period	75,155	71,335
Cash and cash equivalents at end of period	71,335	67,404

(5) Segment Information

FY2020 (Apr 1, 2020—Mar 31, 2021)

Information on Net Sales and Profit of Each Reportable Segment

(millions of yen)

	Reportable segments				Adjustments (Note1) (Note2)	Amounts on Consolidated statement of income (Note3)
	Civil engineering	Building construction	Subsidiaries	Total		
Net Sales						
Sales to customers	121,446	238,794	89,991	450,232	—	450,232
Intersegment sales and transfers	—	0	15,770	15,770	(15,770)	—
Total	121,446	238,794	105,762	466,003	(15,770)	450,232
Segment income	7,723	14,723	5,566	28,013	55	28,069
Others						
Depreciation	277	535	1,182	1,995	(4)	1,990

(Note1) The adjustments on segment income are eliminations of intersegment transactions.

(Note2) The adjustments on depreciation are eliminations of unrealized income.

(Note3) The segment income is reconciled with operating income in the consolidated statement of income.

FY2021 (Apr 1, 2021—Mar 31, 2022)

Information on Net Sales and Profit of Each Reportable Segment and Disaggregation of Revenue

(millions of yen)

	Reportable segments				Adjustments (Note1) (Note2)	Amounts on Consolidated statement of income (Note3)
	Civil engineering	Building construction	Subsidiaries	Total		
Net Sales						
Revenue from contracts with customers	94,077	236,943	102,303	433,324	(8,107)	425,216
Sales to customers	94,077	236,943	94,195	425,216	—	425,216
Intersegment sales and transfers	—	—	8,107	8,107	(8,107)	—
Total	94,077	236,943	102,303	433,324	(8,107)	425,216
Segment income	2,458	15,314	4,972	22,744	(1)	22,743
Others						
Depreciation	272	663	1,059	1,996	(4)	1,992

(Note1) The adjustments on segment income are eliminations of intersegment transactions.

(Note2) The adjustments on depreciation are eliminations of unrealized income.

(Note3) The segment income is reconciled with operating income in the consolidated statement of income.

## 2. Nonconsolidated Financial Statements

### (1) Nonconsolidated balance sheet

(millions of yen)

	FY2020 (As of March 31, 2021)	FY2021 (As of March 31, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	51,767	42,744
Notes receivable – trade	1,628	3,253
Accounts receivable from completed construction contracts	163,625	173,335
Costs on construction contracts in progress	5,443	9,259
Accounts receivable – other	29,456	16,022
Other	7,368	1,130
Allowance for doubtful accounts	(195)	(19)
Total current assets	259,095	245,726
Non-current assets		
Property, plant and equipment		
Buildings	10,573	12,228
Accumulated depreciation	(7,170)	(7,536)
Buildings, net	3,402	4,691
Structures	1,160	1,219
Accumulated depreciation	(1,005)	(1,028)
Structures, net	154	191
Machinery and equipment	2,494	3,126
Accumulated depreciation	(1,900)	(2,150)
Machinery and equipment, net	594	976
Vehicles	55	55
Accumulated depreciation	(55)	(55)
Vehicles, net	0	0
Tools, furniture and fixtures	2,786	2,903
Accumulated depreciation	(2,487)	(2,549)
Tools, furniture and fixtures, net	298	353
Land	12,207	12,474
Leased assets	191	192
Accumulated depreciation	(158)	(167)
Leased assets, net	33	24
Construction in progress	321	2
Total property, plant and equipment	17,012	18,714
Intangible assets	434	749
Investments and other assets		
Investment securities	10,408	9,431
Shares of subsidiaries and associates	22,940	21,901
Long-term loans receivable from employees	230	208
Long-term loans receivable from subsidiaries and associates	447	53
Long-term prepaid expenses	77	93
Deferred tax assets	5,369	6,428
Other	644	689
Allowance for doubtful accounts	(1)	—
Total investments and other assets	40,116	38,806
Total non-current assets	57,563	58,270
Total assets	316,659	303,997

(millions of yen)

	FY2020 (As of March 31, 2021)	FY2021 (As of March 31, 2022)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable – trade	3,459	3,189
Electronically recorded obligations – operating	32,973	25,050
Accounts payable for construction contracts	66,412	61,635
Short-term borrowings	3,942	2,945
Lease obligations	15	13
Income taxes payable	3,470	3,927
Advances received on construction contracts in progress	9,943	11,005
Deposits received	33,325	24,570
Provision for warranties for completed construction	428	566
Provision for loss on construction contracts	155	835
Provision for contingent loss	1,462	38
Provision for bonuses	2,760	3,083
Deposits received from employees	2,822	2,997
Other	2,621	7,137
<b>Total current liabilities</b>	<b>163,793</b>	<b>146,996</b>
<b>Non-current liabilities</b>		
Long-term borrowings	7,728	9,007
Lease obligations	19	11
Provision for stock payments	140	183
Provision for retirement benefits	13,624	13,922
Other	65	125
<b>Total non-current liabilities</b>	<b>21,577</b>	<b>23,251</b>
<b>Total liabilities</b>	<b>185,371</b>	<b>170,247</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	30,108	30,108
<b>Capital surplus</b>		
Legal capital surplus	16,767	16,767
Other capital surplus	8,389	4,378
<b>Total capital surpluses</b>	<b>25,156</b>	<b>21,145</b>
<b>Retained earnings</b>		
Legal retained earnings	559	559
Other retained earnings		
Retained earnings brought forward	71,583	79,703
<b>Total retained earnings</b>	<b>72,143</b>	<b>80,263</b>
Treasury shares	(328)	(506)
<b>Total shareholders' equity</b>	<b>127,079</b>	<b>131,011</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	4,208	2,738
<b>Total valuation and translation adjustments</b>	<b>4,208</b>	<b>2,738</b>
<b>Total net assets</b>	<b>131,287</b>	<b>133,749</b>
<b>Total liabilities and net assets</b>	<b>316,659</b>	<b>303,997</b>

## (2) Nonconsolidated statement of income

(millions of yen)

	FY2020 (Apr 1, 2020—Mar 31, 2021)	FY2021 (Apr 1, 2021—Mar 31, 2022)
Net sales of completed construction contracts	360,240	331,021
Cost of sales of completed construction contracts	322,639	297,687
Gross profit on completed construction contracts	37,600	33,333
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	215	292
Employees' salaries and allowances	5,970	5,993
Retirement benefit expenses	280	272
Legal welfare expenses	927	928
Welfare expenses	147	147
Repair and maintenance expenses	45	114
Stationery expenses	500	543
Communication and transportation expenses	517	611
Power utilities expenses	70	83
Research study expenses	2,258	2,358
Advertising expenses	189	217
Provision of allowance for doubtful accounts	1	—
Entertainment expenses	191	259
Donations	59	36
Rent expenses on land and buildings	505	517
Depreciation	180	202
Taxes and dues	907	911
Insurance expenses	88	92
Miscellaneous expenses	2,095	1,977
Total selling, general and administrative expenses	15,153	15,561
Operating profit	22,447	17,772
Non-operating income		
Interest income	32	16
Dividend income	1,354	2,048
Rental income	103	97
Foreign exchange gains	18	146
Provision for contingent loss	—	114
Other	135	72
Total non-operating income	1,644	2,496
Non-operating expenses		
Interest expenses	187	173
Loss on sale of receivables	45	—
Commission for syndicated loans	210	66
Amortization of share issuance costs	33	—
Other	71	68
Total non-operating expenses	547	308
Ordinary profit	23,543	19,960
Extraordinary income		
Gain on sale of non-current assets	6	0
Gain on sale of investment securities	14	—
Gain on sale of memberships	2	9
Subsidy income	—	67
Settlement received	100	—
Total extraordinary income	122	77
Extraordinary losses		
Loss on retirement of non-current assets	4	8
Loss on tax purpose reduction entry of non-current assets	—	67
Compensation for damage	162	367
Loss on litigation	—	89
Infectious disease related costs	220	215
Provision for contingent loss	1,278	—
Loss on transfer of receivables	458	—
Other	57	107
Total extraordinary losses	2,182	855
Profit before income taxes	21,484	19,181
Income taxes – current	5,116	5,861
Income taxes – deferred	1,319	(410)
Total income taxes	6,436	5,451
Profit	15,047	13,730

(3) Nonconsolidated statements of changes in equity  
 FY2020 (Apr 1, 2020—Mar 31, 2021)

(millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings
Balance at beginning of current period	30,108	16,767	8,389	25,157	559	62,146	62,706
Changes during period							
Dividends of surplus						(5,611)	(5,611)
Profit						15,047	15,047
Purchase of treasury shares							
Disposal of treasury shares			(0)	(0)			
Net changes of items other than shareholders' equity							
Total changes of items during period	—	—	(0)	(0)	—	9,436	9,436
Balance at end of current period	30,108	16,767	8,389	25,156	559	71,583	72,143

	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 current period	(327)	117,645	793	793	118,438
Changes during period					
Dividends of surplus		(5,611)			(5,611)
Profit		15,047			15,047
Purchase of treasury shares	(19)	(19)			(19)
Disposal of treasury shares	17	17			17
Net changes of items other than shareholders' equity			3,414	3,414	3,414
Total changes of items during period	(1)	9,434	3,414	3,414	12,849
Balance at end of current period	(328)	127,079	4,208	4,208	131,287

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings
		Retained earnings brought forward					
Balance at beginning of current period	30,108	16,767	8,389	25,156	559	71,583	72,143
Changes during period							
Dividends of surplus						(5,610)	(5,610)
Profit						13,730	13,730
Purchase of treasury shares							
Disposal of treasury shares			(0)	(0)			
Cancellation of treasury shares			(4,010)	(4,010)			
Net changes of items other than shareholders' equity							
Total changes of items during period	—	—	(4,010)	(4,010)	—	8,120	8,120
Balance at end of current period	30,108	16,767	4,378	21,145	559	79,703	80,263

	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 current period	(328)	127,079	4,208	4,208	131,287
Changes during period					
Dividends of surplus		(5,610)			(5,610)
Profit		13,730			13,730
Purchase of treasury shares	(4,212)	(4,212)			(4,212)
Disposal of treasury shares	23	23			23
Cancellation of treasury shares	4,010	—			—
Net changes of items other than shareholders' equity			(1,469)	(1,469)	(1,469)
Total changes of items during period	(177)	3,931	(1,469)	(1,469)	2,462
Balance at end of current period	(506)	131,011	2,738	2,738	133,749



### 3. Supplementary Information

#### (1) Orders received, net sales and carried-forward (Nonconsolidated)

(millions of yen)

	FY2020 Apr 1, 2020—Mar 31, 2021		FY2021 Apr 1, 2021—Mar 31, 2022		Change	
	Amount	Composition ratio %	Amount	Composition ratio %	Amount	%
Public	45,382	16.0	59,591	17.0	14,209	31.3
Private	54,724	19.3	51,235	14.6	(3,488)	(6.4)
Domestic	100,106	35.3	110,826	31.6	10,720	10.7
Overseas	—	—	—	—	—	—
<b>Civil engineering</b>	100,106	35.3	110,826	31.6	10,720	10.7
Public	13,981	4.9	35,917	10.3	21,936	156.9
Private	167,430	59.1	203,404	58.1	35,973	21.5
Domestic	181,411	64.0	239,321	68.4	57,910	31.9
Overseas	1,843	0.7	87	0.0	(1,755)	(95.3)
<b>Building construction</b>	183,255	64.7	239,409	68.4	56,154	30.6
Public	59,363	20.9	95,508	27.3	36,145	60.9
Private	222,155	78.4	254,639	72.7	32,484	14.6
Domestic	281,518	99.3	350,148	100.0	68,630	24.4
Overseas	1,843	0.7	87	0.0	(1,755)	(95.3)
<b>Orders received—Total</b>	283,361	100	350,236	100	66,874	23.6
Public	57,847	16.0	44,742	13.5	(13,105)	(22.7)
Private	63,598	17.7	49,335	14.9	(14,262)	(22.4)
Domestic	121,446	33.7	94,077	28.4	(27,368)	(22.5)
Overseas	—	—	—	—	—	—
<b>Civil engineering</b>	121,446	33.7	94,077	28.4	(27,368)	(22.5)
Public	32,389	9.0	20,790	6.3	(11,598)	(35.8)
Private	204,555	56.8	214,917	64.9	10,362	5.1
Domestic	236,944	65.8	235,708	71.2	(1,236)	(0.5)
Overseas	1,849	0.5	1,235	0.4	(614)	(33.2)
<b>Building construction</b>	238,794	66.3	236,943	71.6	(1,850)	(0.8)
Public	90,237	25.0	65,532	19.8	(24,704)	(27.4)
Private	268,153	74.5	264,253	79.8	(3,900)	(1.5)
Domestic	358,390	99.5	329,786	99.6	(28,604)	(8.0)
Overseas	1,849	0.5	1,235	0.4	(614)	(33.2)
<b>Net sales—Total</b>	360,240	100	331,021	100	(29,219)	(8.1)
Public	43,482	9.3	58,207	12.0	14,725	33.9
Private	123,664	26.5	125,564	25.9	1,899	1.5
Domestic	167,147	35.8	183,772	37.9	16,625	9.9
Overseas	—	—	—	—	—	—
<b>Civil engineering</b>	167,147	35.8	183,772	37.9	16,625	9.9
Public	25,860	5.6	40,987	8.4	15,127	58.5
Private	270,738	58.1	259,225	53.4	(11,513)	(4.3)
Domestic	296,599	63.7	300,213	61.8	3,613	1.2
Overseas	2,498	0.5	1,471	0.3	(1,027)	(41.1)
<b>Building construction</b>	299,098	64.2	301,684	62.1	2,586	0.9
Public	69,343	14.9	99,195	20.4	29,852	43.1
Private	394,403	84.6	384,789	79.3	(9,613)	(2.4)
Domestic	463,746	99.5	483,985	99.7	20,238	4.4
Overseas	2,498	0.5	1,471	0.3	(1,027)	(41.1)
<b>Carried-forward—Total</b>	466,245	100	485,457	100	19,211	4.1

(Note) 1. The carried-forward amount of overseas work has been translated at the closing rate.

FY2020 : Increased by 11 million yen      FY2021 : Increased by 120 million yen

2. Applying Accounting Standard for Revenue Recognition, etc., the amount of domestic public works of civil engineering carried forward in the previous fiscal year has decreased by 123 million yen at the beginning of the current fiscal year.

## (2) Financial Highlights

Consolidated

(100 millions of yen)

(Operating Results)

	A FY2020	B FY2021	B - A		C FY2022 (Forecasts)	C - B	
				%			%
Net sales	4,502	4,252	(250)	(5.6)	4,420	168	3.9
Gross profit	481	435	(46)	(9.6)	458	23	5.4
(Ratio)	10.7%	10.2%	(0.5)%		10.4%	0.2%	
SG&A expenses	200	207	7		226	19	
Operating profit	281	227	(53)	(19.0)	232	5	2.0
(Ratio)	6.2%	5.3%	(0.9)%		5.2%	(0.1)%	
Non-operating income - net	3	10	7		3	(7)	
Ordinary profit	284	237	(47)	(16.4)	235	(2)	(1.0)
Extraordinary income - net	(23)	(8)	15		(1)	7	
Profit before income taxes	261	229	(32)	(12.2)	234	5	2.1
Income taxes and others	82	71	(11)		72	1	
Profit attributable to owners of parent	179	159	(21)	(11.6)	162	3	2.2

Nonconsolidated

(Operating Results)

	A FY2020	B FY2021	B - A		C FY2022 (Forecasts)	C - B	
				%			%
Civil engineering	1,001	1,108	107		1,150	42	
Building construction	1,814	2,393	579		2,450	57	
Domestic	2,815	3,501	686		3,600	99	
Overseas	18	1	(18)		120	119	
Orders received	2,834	3,502	669	23.6	3,720	218	6.2
Civil engineering	1,214	941	(274)		1,000	59	
Building construction	2,369	2,357	(12)		2,320	(37)	
Domestic	3,584	3,298	(286)		3,320	22	
Overseas	18	12	(6)		20	8	
Net sales	3,602	3,310	(292)	(8.1)	3,340	30	0.9
Civil engineering	137	91	(47)		105	14	
(Ratio)	11.3%	9.7%	(1.6)%		10.5%	0.8%	
Building construction	238	242	4		234	(8)	
(Ratio)	10.0%	10.3%	0.3%		10.1%	(0.2)%	
Domestic	375	333	(42)		339	6	
(Ratio)	10.5%	10.1%	(0.4)%		10.2%	0.1%	
Overseas	1	1	(0)		2	1	
(Ratio)	5.0%	5.7%	0.7%		10.0%	4.3%	
Gross profit	376	333	(43)	(11.3)	341	8	2.3
(Ratio)	10.4%	10.1%	(0.3)%		10.2%	0.1%	
SG&A expenses	152	156	4		170	14	
Operating profit	224	178	(47)	(20.8)	171	(7)	(3.8)
(Ratio)	6.2%	5.4%	(0.8)%		5.1%	(0.3)%	
Non-operating income - net	11	22	11		16	(6)	
Ordinary profit	235	200	(36)	(15.2)	187	(13)	(6.3)
Extraordinary income - net	(21)	(8)	13		0	8	
Profit before income taxes	215	192	(23)	(10.7)	187	(5)	(2.5)
Income taxes and others	64	55	(10)		54	(1)	
Profit	150	137	(13)	(8.8)	133	(4)	(3.1)