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

May 12, 2023

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 : Kazunori Shimada, Joint General Manager, Administration Division,
General Manager, Administration Division, Accounting Department
Tel. 03-3235-8606

Date of general meeting of shareholders : June 29, 2023
Date of filing of securities report : June 29, 2023
Scheduled date of dividend payment : June 30, 2023
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, 2023 (April 1, 2022 – March 31, 2023)

(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	%
FY2022	403,502	(5.1)	11,483	(49.5)	12,236	(48.4)	7,973	(49.7)
FY2021	425,216	(5.6)	22,743	(19.0)	23,732	(16.4)	15,850	(11.6)

(Note) Comprehensive income FY2022 10,007 million yen (34.5)% FY2021 15,267 million yen (28.7)%

	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	%	%	%
FY2022	179.64	—	4.7	3.3	2.8
FY2021	342.13	—	9.5	6.3	5.3

(Reference) Investment profit (loss) on equity method FY2022 146 million yen FY2021 245 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2022	376,650	169,860	45.1	3,894.11
FY2021	371,096	169,302	45.6	3,751.09

(Reference) Owner's equity FY2022 169,860 million yen FY2021 169,302 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
FY2022	(18,826)	(8,458)	456	40,974
FY2021	8,258	(3,395)	(9,686)	67,404

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			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2021	—	—	—	120.00	120.00	5,442	35.1	3.3
FY2022	—	—	—	130.00	130.00	5,698	72.4	3.4
FY2023 (forecast)	—	—	—	130.00	130.00		53.9	

3. Forecast of Consolidated Operating Results for FY2023 (April 1, 2023 – March 31, 2024)

(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		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2023	433,100	7.3	15,200	32.4	15,700	28.3	10,400	30.4	241.07

※Basic earnings per share reflects the impact of the "Acquisition 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 : Yes
 ③ Changes in accounting estimates : Yes
 ④ Retrospective restatements : None

(3) Number of shares issued (common stock)

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

				(Shares)	
FY2022	43,900,360	FY2021	45,411,660		
FY2022	280,432	FY2021	277,460		
FY2022	44,385,881	FY2021	46,327,955		

(Reference) Summary of Nonconsolidated Financial Results

1. Nonconsolidated Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(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	%
FY2022	299,317	(9.6)	8,045	(54.7)	10,154	(49.1)	6,996	(49.0)
FY2021	331,021	(8.1)	17,772	(20.8)	19,960	(15.2)	13,730	(8.8)

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
FY2022	157.26		—	
FY2021	295.72		—	

(2) Nonconsolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio	Net assets per share
	Million yen		Million yen		%	Yen
FY2022	304,522		133,049		43.7	3,042.88
FY2021	303,997		133,749		44.0	2,956.56

(Reference) Owner's equity FY2022 133,049 million yen FY2021 133,749 million yen

2. Forecast of Nonconsolidated Operating Results for FY2023 (April 1, 2023 – March 31, 2024)

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

	Net sales of completed construction contracts		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
FY2023	311,000	3.9	11,400	12.3	7,800	11.5	180.37

※ Basic earnings per share reflects the impact of the "Acquisition 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.

Contents

1. Consolidated Financial Statements	2
(1) Consolidated balance sheet	2
(2) Consolidated statement of income and Consolidated statement of comprehensive income	4
(3) Consolidated statements of changes in equity	6
(4) Consolidated statements of cash flows	8
(5) Segment Information	9
2. Nonconsolidated Financial Statements	10
(1) Nonconsolidated balance sheet	10
(2) Nonconsolidated statement of income	12
(3) Consolidated statements of changes in equity	13
3. Supplementary Information	15
(1) Orders received, net sales and carried-forward (Nonconsolidated)	15
(2) Financial Highlights	16

1. Consolidated Financial Statements

(1) Consolidated balance sheet

(millions of yen)

	FY2021 (As of March 31, 2022)	FY2022 (As of March 31, 2023)
Assets		
Current assets		
Cash and deposits	67,404	40,977
Notes receivable, accounts receivable from completed construction contracts and other	204,809	225,453
Costs on construction contracts in progress	10,205	10,437
Accounts receivable – other	16,989	19,169
Other	2,514	2,295
Allowance for doubtful accounts	(48)	(56)
Total current assets	301,874	298,276
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,317	23,530
Machinery, vehicles, tools, furniture and fixtures	18,968	19,124
Land	15,399	17,053
Leased assets	934	936
Construction in progress	182	93
Accumulated depreciation	(30,352)	(31,429)
Total property, plant and equipment	27,451	29,309
Intangible assets	876	1,478
Investments and other assets		
Investment securities	27,927	34,131
Long-term loans receivable	272	296
Long-term non-operating accounts receivable	94	101
Distressed receivables	34	25
Deferred tax assets	8,021	6,914
Other	4,705	6,277
Allowance for doubtful accounts	(162)	(160)
Total investments and other assets	40,893	47,586
Total non-current assets	69,221	78,374
Total assets	371,096	376,650

(millions of yen)

	FY2021 (As of March 31, 2022)	FY2022 (As of March 31, 2023)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	82,014	83,341
Electronically recorded obligations – operating	29,032	27,107
Short-term borrowings	3,145	3,893
Income taxes payable	4,330	766
Advances received on construction contracts in progress	12,920	12,789
Deposits received	26,402	26,043
Provision for warranties for completed construction	610	550
Provision for loss on construction contracts	849	994
Provision for contingent loss	41	4
Provision for bonuses	4,588	4,057
Other	11,464	11,372
Total current liabilities	175,399	170,922
Non-current liabilities		
Long-term borrowings	9,007	18,303
Provision for share awards	183	250
Retirement benefit liability	16,615	16,711
Other	587	601
Total non-current liabilities	26,394	35,867
Total liabilities	201,794	206,789
Net assets		
Shareholders' equity		
Share capital	30,108	30,108
Capital surplus	21,145	17,133
Retained earnings	114,967	117,498
Treasury shares	(631)	(626)
Total shareholders' equity	165,589	164,113
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,758	4,512
Foreign currency translation adjustment	1,081	1,372
Remeasurements of defined benefit plans	(127)	(137)
Total accumulated other comprehensive income	3,712	5,747
Total net assets	169,302	169,860
Total liabilities and net assets	371,096	376,650

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

(millions of yen)

	FY2021 (Apr 1, 2021—Mar 31, 2022)	FY2022 (Apr 1, 2022—Mar 31, 2023)
Net sales of completed construction contracts	425,216	403,502
Cost of sales of completed construction contracts	381,750	370,291
Gross profit on completed construction contracts	43,466	33,211
Selling, general and administrative expenses	20,723	21,728
Operating profit	22,743	11,483
Non-operating income		
Interest income	26	36
Dividend income	572	816
Share of profit of entities accounted for using equity method	245	146
Foreign exchange gains	168	156
Reversal of provision for contingent loss	119	—
Other	166	194
Total non-operating income	1,298	1,349
Non-operating expenses		
Interest expenses	174	208
Loss on sale of receivables	—	18
Commission for syndicated loans	66	213
Loss on investments in investment partnerships	—	94
Other	68	61
Total non-operating expenses	309	596
Ordinary profit	23,732	12,236
Extraordinary income		
Gain on sales of non-current assets	59	6
Gain on sales of memberships	9	77
Subsidy income	67	—
Compensation for damage income	—	81
Other	1	1
Total extraordinary income	137	167
Extraordinary losses		
Loss on retirement of non-current assets	69	42
Loss on tax purpose reduction entry of non-current assets	67	—
Impairment loss	18	0
Compensation for damage	393	86
Loss on litigation	89	19
Infectious disease related costs	245	42
Additional taxes	—	155
Other	65	25
Total extraordinary losses	950	372
Profit before income taxes	22,919	12,030
Income taxes – current	7,278	3,718
Income taxes – deferred	(209)	339
Total income taxes	7,069	4,057
Profit	15,850	7,973
Profit attributable to owners of parent	15,850	7,973

Consolidated statement of comprehensive income

(millions of yen)

	FY2021 (Apr 1, 2021—Mar 31, 2022)	FY2022 (Apr 1, 2022—Mar 31, 2023)
Profit	15,850	7,973
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,478)	1,752
Foreign currency translation adjustment	697	290
Remeasurements of defined benefit plans, net of tax	203	(9)
Share of other comprehensive income of entities accounted for using equity method	(4)	1
Total other comprehensive income	(582)	2,034
Comprehensive income	15,267	10,007
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,267	10,007
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated statements of changes in equity
 FY2021 (Apr 1, 2021 – Mar 31, 2022)

(millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	30,108	25,156	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

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	30,108	21,145	114,967	(631)	165,589
Changes during period					
Dividends of surplus			(5,442)		(5,442)
Profit attributable to owners of parent			7,973		7,973
Purchase of treasury shares				(4,014)	(4,014)
Disposal of treasury shares		(0)		7	7
Cancellation of treasury shares		(4,012)		4,012	—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(4,012)	2,531	5	(1,476)
Balance at end of current period	30,108	17,133	117,498	(626)	164,113

	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	2,758	1,081	(127)	3,712	169,302
Changes during period					
Dividends of surplus					(5,442)
Profit attributable to owners of parent					7,973
Purchase of treasury shares					(4,014)
Disposal of treasury shares					7
Cancellation of treasury shares					—
Net changes of items other than shareholders' equity	1,754	290	(9)	2,034	2,034
Total changes of items during period	1,754	290	(9)	2,034	558
Balance at end of current period	4,512	1,372	(137)	5,747	169,860

(4) Consolidated statements of cash flows

(millions of yen)

	FY2021 (Apr 1, 2021—Mar 31, 2022)	FY2022 (Apr 1, 2022—Mar 31, 2023)
Cash flows from operating activities		
Profit before income taxes	22,919	12,030
Depreciation	2,028	1,898
Impairment losses	18	0
Increase (decrease) in allowance for doubtful accounts	(203)	2
Increase (decrease) in provision for contingent loss	(1,440)	(37)
Increase (decrease) in retirement benefit liability	263	81
Interest and dividend income	(599)	(852)
Interest expenses	174	208
Foreign exchange losses (gains)	(131)	(128)
Share of loss (profit) of entities accounted for using equity method	(245)	(146)
Loss (gain) on investments in investment partnerships	—	94
Loss (gain) on sale of non-current assets	(59)	(6)
Loss on retirement of non-current assets	69	42
Decrease (increase) in trade receivables	(7,305)	(20,421)
Decrease (increase) in costs on construction contracts in progress	(3,714)	(206)
Increase (decrease) in trade payables	(12,263)	(2,092)
Increase (decrease) in advances received on construction contracts in progress	868	(151)
Decrease (increase) in accounts receivable – other	12,496	(1,407)
Increase (decrease) in deposits received	(8,220)	(358)
Decrease (increase) in other assets and other	5,165	286
Other, net	4,821	(436)
Subtotal	14,641	(11,602)
Interest and dividends received	634	859
Interest paid	(179)	(211)
Income taxes paid	(6,838)	(7,871)
Net cash provided by (used in) operating activities	8,258	(18,826)
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,158)	(4,343)
Proceeds from sale of property, plant and equipment	56	199
Purchase of investment securities	(20)	(358)
Purchase of shares of subsidiaries and associates	(123)	(50)
Purchase of Investments in other securities of subsidiaries and associates	—	(3,235)
Loan advances	(47)	(103)
Proceeds from collection of loans receivable	428	88
Other, net	(530)	(655)
Net cash provided by (used in) investing activities	(3,395)	(8,458)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(275)	300
Proceeds from long-term borrowings	1,685	10,150
Repayments of long-term borrowings	(1,146)	(405)
Purchase of treasury shares	(4,212)	(4,012)
Dividends paid	(5,598)	(5,430)
Other, net	(139)	(144)
Net cash provided by (used in) financing activities	(9,686)	456
Effect of exchange rate change on cash and cash equivalents	891	399
Net increase (decrease) in cash and cash equivalents	(3,931)	(26,429)
Cash and cash equivalents at beginning of period	71,335	67,404
Cash and cash equivalents at end of period	67,404	40,974

(5) Segment Information

Reportable segment sales, profit or loss, assets, liabilities and other information and revenue breakdown information

FY2021 (Apr 1, 2021—Mar 31, 2022)

(millions of yen)

	Reportable segments				Adjustments (Note1) (Note2)	Amounts on consolidated financial statement (Note3)
	Civil engineering	Building construction	Subsidiaries	Total		
Net Sales						
Revenue from contracts with customers	94,077	236,909	93,038	424,025	—	424,025
Other revenue	—	34	1,156	1,190	—	1,190
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 profit	2,458	15,314	4,972	22,744	(1)	22,743
Others						
Depreciation	272	663	1,059	1,996	(4)	1,992

(Note1) The segment profit adjustment is for the elimination of intersegment transactions.

(Note2) The depreciation adjustment is for the write-off of unrealized gains.

(Note3) Segment profit is adjusted with operating profit recorded under the consolidated financial statement.

(Note4) Other revenue is a rental income based on the Accounting Standard for Lease Transactions (ASBJ statement No. 13 issued on March 30, 2007).

FY2022 (Apr 1, 2022—Mar 31, 2023)

(millions of yen)

	Reportable segments				Adjustments (Note1) (Note2)	Amounts on consolidated financial statement (Note3)
	Civil engineering	Building construction	Subsidiaries	Total		
Net Sales						
Revenue from contracts with customers	89,936	209,160	102,733	401,831	—	401,831
Other revenue	—	216	1,455	1,671	—	1,671
Sales to customers	89,936	209,376	104,189	403,502	—	403,502
Intersegment sales and transfers	—	4	10,152	10,157	(10,157)	—
Total	89,936	209,381	114,342	413,660	(10,157)	403,502
Segment profit	1,795	6,249	3,401	11,447	36	11,483
Others						
Depreciation	270	628	934	1,834	(4)	1,830

(Note1) The segment profit adjustment is for the elimination of intersegment transactions.

(Note2) The depreciation adjustment is for the write-off of unrealized gains.

(Note3) Segment profit is adjusted with operating profit recorded under the consolidated statement of income.

(Note4) Other revenue is a rental income based on the Accounting Standard for Lease Transactions (ASBJ statement No. 13 issued on March 30, 2007).

2. Nonconsolidated Financial Statements

(1) Nonconsolidated balance sheet

(millions of yen)

	FY2021 (As of March 31, 2022)	FY2022 (As of March 31, 2023)
Assets		
Current assets		
Cash and deposits	42,744	18,586
Notes receivable – trade	3,253	662
Accounts receivable from completed construction contracts	173,335	190,477
Costs on construction contracts in progress	9,259	9,174
Accounts receivable – other	16,022	17,910
Other	1,130	1,423
Allowance for doubtful accounts	(19)	(20)
Total current assets	245,726	238,215
Non-current assets		
Property, plant and equipment		
Buildings	12,228	13,273
Accumulated depreciation	(7,536)	(7,810)
Buildings, net	4,691	5,463
Structures	1,219	1,245
Accumulated depreciation	(1,028)	(1,044)
Structures, net	191	200
Machinery and equipment	3,126	3,146
Accumulated depreciation	(2,150)	(2,365)
Machinery and equipment, net	976	780
Vehicles	55	54
Accumulated depreciation	(55)	(47)
Vehicles, net	0	6
Tools, furniture and fixtures	2,903	2,937
Accumulated depreciation	(2,549)	(2,554)
Tools, furniture and fixtures, net	353	382
Land	12,474	14,096
Leased assets	192	188
Accumulated depreciation	(167)	(177)
Leased assets, net	24	11
Construction in progress	2	20
Total property, plant and equipment	18,714	20,962
Intangible assets	749	1,378
Investments and other assets		
Investment securities	9,431	9,943
Shares of subsidiaries and associates	21,901	24,301
Investments in other securities of subsidiaries and associates	—	3,140
Long-term loans receivable from employees	208	174
Long-term loans receivable from subsidiaries and associates	53	112
Long-term prepaid expenses	93	72
Deferred tax assets	6,428	5,548
Other	689	673
Total investments and other assets	38,806	43,966
Total non-current assets	58,270	66,307
Total assets	303,997	304,522

(millions of yen)

	FY2021 (As of March 31, 2022)	FY2022 (As of March 31, 2023)
Liabilities		
Current liabilities		
Notes payable – trade	3,189	1,920
Electronically recorded obligations – operating	25,050	23,170
Accounts payable for construction contracts	61,635	58,488
Short-term borrowings	2,945	5,693
Lease obligations	13	4
Income taxes payable	3,927	202
Advances received on construction contracts in progress	11,005	10,763
Deposits received	24,570	24,135
Provision for warranties for completed construction	566	518
Provision for loss on construction contracts	835	964
Provision for contingent loss	38	—
Provision for bonuses	3,083	2,746
Deposits received from employees	2,997	3,075
Other	7,137	6,883
Total current liabilities	146,996	138,567
Non-current liabilities		
Long-term borrowings	9,007	18,303
Lease obligations	11	7
Provision for stock payments	183	250
Provision for retirement benefits	13,922	14,078
Other	125	264
Total non-current liabilities	23,251	32,904
Total liabilities	170,247	171,472
Net assets		
Shareholders' equity		
Share capital	30,108	30,108
Capital surplus		
Legal capital surplus	16,767	7,000
Other capital surplus	4,378	10,133
Total capital surpluses	21,145	17,133
Retained earnings		
Legal retained earnings	559	559
Other retained earnings		
Retained earnings brought forward	79,703	81,257
Total retained earnings	80,263	81,817
Treasury shares	(506)	(499)
Total shareholders' equity	131,011	128,560
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,738	4,489
Total valuation and translation adjustments	2,738	4,489
Total net assets	133,749	133,049
Total liabilities and net assets	303,997	304,522

(2) Nonconsolidated statement of income

(millions of yen)

	FY2021 (Apr 1, 2021—Mar 31, 2022)	FY2022 (Apr 1, 2022—Mar 31, 2023)
Net sales of completed construction contracts	331,021	299,317
Cost of sales of completed construction contracts	297,687	274,760
Gross profit on completed construction contracts	33,333	24,557
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	292	320
Employees' salaries and allowances	5,993	5,988
Retirement benefit expenses	272	252
Legal welfare expenses	928	954
Welfare expenses	147	108
Repair and maintenance expenses	114	111
Stationery expenses	543	619
Communication and transportation expenses	611	763
Power utilities expenses	83	100
Research study expenses	2,358	2,470
Advertising expenses	217	525
Provision of allowance for doubtful accounts	—	1
Entertainment expenses	259	377
Donations	36	70
Rent expenses on land and buildings	517	547
Depreciation	202	179
Taxes and dues	911	820
Insurance expenses	92	85
Miscellaneous expenses	1,977	2,214
Total selling, general and administrative expenses	15,561	16,512
Operating profit	17,772	8,045
Non-operating income		
Interest income	16	14
Dividend income	2,048	2,376
Rental income	97	54
Foreign exchange gains	146	149
Provision for contingent loss	114	—
Other	72	124
Total non-operating income	2,496	2,719
Non-operating expenses		
Interest expenses	173	228
Commission for syndicated loans	66	213
Loss on investments in investment partnerships	—	94
Other	68	72
Total non-operating expenses	308	609
Ordinary profit	19,960	10,154
Extraordinary income		
Gain on sale of memberships	9	77
Subsidy income	67	—
Other	0	3
Total extraordinary income	77	80
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	67	—
Compensation for damage	367	86
Loss on litigation	89	19
Infectious disease related costs	215	30
Additional taxes	—	155
Other	115	26
Total extraordinary losses	855	318
Profit before income taxes	19,181	9,917
Income taxes – current	5,861	2,814
Income taxes – deferred	(410)	106
Total income taxes	5,451	2,921
Profit	13,730	6,996

(3) Nonconsolidated statements of changes in equity
 FY2021 (Apr 1, 2021—Mar 31, 2022)

(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
					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

	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	4,378	21,145	559	79,703	80,263
Changes during period							
Transfer from legal capital surplus to other capital surplus		(9,767)	9,767	—			
Dividends of surplus						(5,442)	(5,442)
Profit						6,996	6,996
Purchase of treasury shares							
Disposal of treasury shares			(0)	(0)			
Cancellation of treasury shares			(4,012)	(4,012)			
Net changes of items other than shareholders' equity							
Total changes of items during period	—	(9,767)	5,754	(4,012)	—	1,554	1,554
Balance at end of current period	30,108	7,000	10,133	17,133	559	81,257	81,817

	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	(506)	131,011	2,738	2,738	133,749
Changes during period					
Transfer from legal capital surplus to other capital surplus		—			—
Dividends of surplus		(5,442)			(5,442)
Profit		6,996			6,996
Purchase of treasury shares	(4,012)	(4,012)			(4,012)
Disposal of treasury shares	7	7			7
Cancellation of treasury shares	4,012	—			—
Net changes of items other than shareholders' equity			1,750	1,750	1,750
Total changes of items during period	7	(2,451)	1,750	1,750	(700)
Balance at end of current period	(499)	128,560	4,489	4,489	133,049

3. Supplementary Information

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

(millions of yen)

	FY2021 Apr 1, 2021 – Mar 31, 2022		FY2022 Apr 1, 2022 – Mar 31, 2023		Change	
	Amount	Composition ratio %	Amount	Composition ratio %	Amount	%
Public	59,591	17.0	64,940	18.6	5,349	9.0
Private	51,235	14.6	36,333	10.4	(14,902)	(29.1)
Domestic	110,826	31.6	101,273	29.0	(9,552)	(8.6)
Overseas	—	—	—	—	—	—
Civil engineering	110,826	31.6	101,273	29.0	(9,552)	(8.6)
Public	35,917	10.3	34,674	10.0	(1,243)	(3.5)
Private	203,404	58.1	212,575	61.0	9,171	4.5
Domestic	239,321	68.4	247,249	71.0	7,927	3.3
Overseas	87	0.0	123	0.0	36	41.3
Building construction	239,409	68.4	247,373	71.0	7,963	3.3
Public	95,508	27.3	99,614	28.6	4,105	4.3
Private	254,639	72.7	248,908	71.4	(5,730)	(2.3)
Domestic	350,148	100.0	348,523	100.0	(1,625)	(0.5)
Overseas	87	0.0	123	0.0	36	41.3
Orders received–Total	350,236	100	348,647	100	(1,588)	(0.5)
Public	44,742	13.5	41,502	13.9	(3,239)	(7.2)
Private	49,335	14.9	48,434	16.2	(901)	(1.8)
Domestic	94,077	28.4	89,936	30.1	(4,141)	(4.4)
Overseas	—	—	—	—	—	—
Civil engineering	94,077	28.4	89,936	30.1	(4,141)	(4.4)
Public	20,790	6.3	19,004	6.3	(1,786)	(8.6)
Private	214,917	64.9	189,049	63.2	(25,867)	(12.0)
Domestic	235,708	71.2	208,053	69.5	(27,654)	(11.7)
Overseas	1,235	0.4	1,327	0.4	92	7.5
Building construction	236,943	71.6	209,381	69.9	(27,562)	(11.6)
Public	65,532	19.8	60,506	20.2	(5,026)	(7.7)
Private	264,253	79.8	237,483	79.4	(26,769)	(10.1)
Domestic	329,786	99.6	297,990	99.6	(31,795)	(9.6)
Overseas	1,235	0.4	1,327	0.4	92	7.5
Net sales–Total	331,021	100	299,317	100	(31,703)	(9.6)
Public	58,207	12.0	81,645	15.3	23,437	40.3
Private	125,564	25.9	113,463	21.2	(12,100)	(9.6)
Domestic	183,772	37.9	195,109	36.5	11,336	6.2
Overseas	—	—	—	—	—	—
Civil engineering	183,772	37.9	195,109	36.5	11,336	6.2
Public	40,987	8.4	56,658	10.6	15,670	38.2
Private	259,225	53.4	282,751	52.9	23,525	9.1
Domestic	300,213	61.8	339,409	63.5	39,196	13.1
Overseas	1,471	0.3	323	0.0	(1,147)	(78.0)
Building construction	301,684	62.1	339,733	63.5	38,048	12.6
Public	99,195	20.4	138,303	25.9	39,108	39.4
Private	384,789	79.3	396,214	74.1	11,424	3.0
Domestic	483,985	99.7	534,518	100.0	50,533	10.4
Overseas	1,471	0.3	323	0.0	(1,147)	(78.0)
Carried-forward–Total	485,457	100	534,842	100	49,385	10.2

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

FY2021 : Increased by 120 million yen FY2022 : Increased by 55 million yen

(2) Financial Highlights

Consolidated

(100 millions of yen)

(Operating Results)

	A FY2021	B FY2022	B - A		C FY2023 (Forecasts)	C - B	
				%			%
Net sales	4,252	4,035	(217)	(5.1)	4,331	296	7.3
Gross profit	435	332	(103)	(23.6)	378	46	13.8
(Ratio)	10.2%	8.2%	(2.0)%		8.7%	0.5%	
SG&A expenses	207	217	10		226	9	
Operating profit	227	115	(113)	(49.5)	152	37	32.4
(Ratio)	5.3%	2.8%	(2.5)%		3.5%	0.7%	
Non-operating income - net	10	8	(2)		5	(3)	
Ordinary profit	237	122	(115)	(48.4)	157	35	28.3
Extraordinary income - net	(8)	(2)	6		(1)	1	
Profit before income taxes	229	120	(109)	(47.5)	156	36	29.7
Income taxes and others	71	41	(30)		52	11	
Profit attributable to owners of parent	159	80	(79)	(49.7)	104	24	30.4

Nonconsolidated

(Operating Results)

	A FY2021	B FY2022	B - A		C FY2023 (Forecasts)	C - B	
				%			%
Civil engineering	1,108	1,013	(96)		1,100	87	
Building construction	2,393	2,472	79		2,450	(22)	
Domestic	3,501	3,485	(16)		3,550	65	
Overseas	1	1	0		180	179	
Orders received	3,502	3,486	(16)	(0.5)	3,730	244	7.0
Civil engineering	941	899	(41)		900	1	
Building construction	2,357	2,081	(277)		2,200	119	
Domestic	3,298	2,980	(318)		3,100	120	
Overseas	12	13	1		10	(3)	
Net sales	3,310	2,993	(317)	(9.6)	3,110	117	3.9
Civil engineering	91	85	(6)		90	5	
(Ratio)	9.7%	9.4%	(0.3)%		10.0%	0.6%	
Building construction	242	160	(82)		178	18	
(Ratio)	10.3%	7.7%	(2.6)%		8.1%	0.4%	
Domestic	333	244	(88)		268	24	
(Ratio)	10.1%	8.2%	(1.9)%		8.6%	0.4%	
Overseas	1	1	0		1	(0)	
(Ratio)	5.7%	8.7%	3.0%		10.0%	1.3%	
Gross profit	333	246	(88)	(26.3)	269	23	9.5
(Ratio)	10.1%	8.2%	(1.9)%		8.6%	0.4%	
SG&A expenses	156	165	10		169	4	
Operating profit	178	80	(97)	(54.7)	100	20	24.3
(Ratio)	5.4%	2.7%	(2.7)%		3.2%	0.5%	
Non-operating income - net	22	21	(1)		14	(7)	
Ordinary profit	200	102	(98)	(49.1)	114	12	12.3
Extraordinary income - net	(8)	(2)	5		0	2	
Profit before income taxes	192	99	(93)	(48.3)	114	15	14.9
Income taxes and others	55	29	(25)		36	7	
Profit	137	70	(67)	(49.0)	78	8	11.5