

Consolidated Financial Results for the FY2021 Ended March 31, 2022



1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year ended March 31, 2022

During the fiscal year ended March 31, 2022, the Japanese economy showed signs of recovery, mainly in consumer spending and industrial production, even as severe conditions persisted due to the impact of another surge in COVID-19 infections. In the construction industry, while orders from the public sector declined, those from the private sector increased over the previous consolidated fiscal year on a recovery in the willingness to make capital investments.

Under these circumstances, the Toda Group's consolidated results were as follows.

Consolidated net sales decreased 1.1% year on year overall to ¥501.5 billion, mainly owing to a decrease in the Company's architectural construction business, despite increases in the Company's civil engineering business and investment and development business.

In terms of operating income, gross profit decreased by 3.4% year on year to ¥62.6 billion, mainly due lower profit in the architectural construction business and civil engineering business. Selling, general and administrative expenses were ¥38.2 billion, an increase of 3.0% year on year, due to increases in personnel expenses and depreciation, resulting in operating income of ¥24.3 billion, a decrease of 12.0% year on year.

Ordinary income decreased 7.4% year on year to ¥28.1 billion, with a solid contribution from interest income and dividend income on investment securities and other factors.

Profit for the year attributable to owners of the parent fell to ¥18.5 billion, a 6.0% decrease over the previous year, in part due to a gain on sales of investment securities, despite the recording of a loss on abandonment of noncurrent assets and other losses.

The application of the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter "Revenue Recognition Standard") and other standards resulted in an increase of ¥3.0 billion in net sales.

The results for each segment are as follows.

Segment results are presented including intersegment sales and transfers.

Architectural Construction Business

The segment recorded net sales of ¥304.6 billion, down 7.1% year on year. Segment operating income came to ¥7.8 billion, down 14.7%. Application of the Revenue Recognition Standard increased net sales by ¥8.2 billion.

On a non-consolidated basis, overall orders received increased 15.1% year on year to ¥322.8 billion, as orders from the private sector in Japan rose 26.5% year on year, despite a decrease in orders from the domestic public sector of 24.7%.

Civil Engineering Business

The segment recorded net sales of ¥147.9 billion, up 8.5% year on year, and operating income of ¥11.9 billion, a decrease of 15.6%. Application of the Revenue Recognition Standard decreased net sales by ¥91 million.

On a non-consolidated basis, overall orders received decreased 4.2% year on year to ¥129.4 billion as orders from the private sector in Japan decreased 35.0% year on year, despite an increase in orders from Japan's public sector of 19.8%.

Investment and Development Business

The segment recorded net sales of ¥21.4 billion, up 64.9% year on year, and operating income of ¥4.1 billion, down 1.9% year on year. Application of the Revenue Recognition Standard decreased net sales by ¥12 million.

Domestic Group Companies Business

The segment recorded net sales of ¥45.1 billion, down 19.0% year on year, and operating income of ¥1.9

billion, down 16.3% year on year. Application of the Revenue Recognition Standard decreased net sales by ¥13.0 billion, although the main item within this is intersegment sales.

New Business

Net sales from new business totaled ¥2.9 billion, up 48.6% year on year. The segment recorded an operating loss of ¥0.2 billion, compared to the previous year's ¥1.0 billion segment loss.

(2) Overview of Financial Position for the Fiscal Year ended March 31, 2022

Assets, liabilities, and net assets

Assets

Total assets as of March 31, 2022, were ¥761.1 billion, up 3.5%, or a ¥25.4 billion increase from the end of the previous fiscal year. The increase mainly reflects an increase of ¥25.5 billion in cash and deposits and an increase of ¥7.3 billion in buildings and structures, combined, despite a decrease of ¥7.6 billion in investment securities.

Liabilities

Total liabilities as of March 31, 2022, were ¥442.1 billion, up 4.5%, or a ¥18.9 billion increase from the end of the previous fiscal year. The major contributors to this increase in liabilities were increases in short-term loans payable, bonds payable, and long-term loans payable of ¥11.6 billion, ¥10.3 billion, and ¥6.3 billion, respectively, despite decreases amounting to ¥16.2 billion in notes payable, accounts payable for construction contracts and other.

Net assets

Total net assets as of March 31, 2022, were ¥319.0 billion, up 2.1%, or a ¥6.5 billion increase from the end of the previous fiscal year, mainly due to the recording of ¥18.5 billion in profit for the year attributable to owners of the parent, despite a decrease of ¥6.0 billion in valuation difference on available-for-sale securities. The equity capital ratio was 41.6%.

(3) Overview of Cash Flows for the Fiscal Year ended March 31, 2022

Cash and cash equivalents (hereinafter "cash") at the end of the fiscal year totaled ¥129.3 billion, up ¥25.5 billion compared to the end of the previous fiscal year.

Cash Flows from Operating Activities

Net cash provided by operating activities came to ¥27.2 billion, compared with net cash used in the previous fiscal year totaling ¥21.1 billion. The main inflows were depreciation and amortization of ¥4.7 billion and decreased real estate for sale of ¥4.3 billion, and outflows were profit before income taxes and non-controlling interests amounting to ¥28.2 billion and a decrease of notes and accounts payable – trade of ¥16.2 billion.

Cash Flows from Investing Activities

Net cash used in investing activities was ¥20.4 billion, compared with the ¥30.8 billion used in the previous fiscal year. The main inflow was ¥6.3 billion in proceeds from the sales and redemption of investment securities. The main outflows were purchase of property, plant and equipment totaling ¥21.8 billion, purchase of investment securities amounting to ¥3.3 billion, and purchase of intangible assets of ¥2.5 billion.

Cash Flows from Financing Activities

Net cash provided by financing activities totaled ¥18.3 billion, compared with net cash provided in the previous fiscal year totaling ¥31.2 billion. The main inflows were ¥13.8 billion in net increase from short-term loans payable, ¥10.0 billion in proceeds from issuance of bonds, and ¥3.8 billion in long-term loans payable. The main outflow was ¥9.2 billion in cash dividends paid.

The Group's cash flow indicators are as follows.

For years ended March 31	2018	2019	2020	2021	2022
Equity ratio	44.1%	39.9%	42.7%	42.1%	41.6%
Equity ratio on a market price basis	42.3%	31.2%	30.9%	33.8%	30.0%
Number of years to redeem debt	3.9 years	—	1.4 years	—	6.6 years
Interest coverage ratio	23.8 times	—	76.3 times	—	32.0 times

Notes: Equity ratio = shareholders' equity / total assets

Equity ratio on a market price basis = market capitalization / total assets

Number of years to redeem debt = interest-bearing debt / cash flows

Interest coverage ratio = cash flows / interest payments

*The indices are calculated based on consolidated financial figures.

* Market capitalization is calculated by multiplying the stock price at the end of the fiscal year by the number of outstanding shares at the end of the fiscal year excluding treasury stock.

*Cash flows from operating activities are used for cash flows.

*Interest-bearing debt is all of the liabilities recorded on the consolidated balance sheets for which the Company is paying interest

(4) Future Outlook

With regard to the future economic situation, although we anticipate a recovery, the situation is expected to remain uncertain due to trends concerning COVID-19, as well as with the geopolitical risks created by conditions in Ukraine. In the construction industry, public sector construction work remains firm and the private sector is trending toward recovery, although the impact of soaring construction material costs requires close monitoring.

We forecast consolidated net sales of ¥520.0 billion (up 3.7% year on year), operating income of ¥20.5 billion (down 15.9%), ordinary income of ¥22.9 billion (down 18.5%), and profit for the year attributable to owners of the parent of ¥18.8 billion (up 1.3%).

On a non-consolidated basis, we expect orders received to total ¥472.0 billion (down 0.2% year on year), net sales of ¥459.0 billion (up 1.6%), operating income of ¥17.1 billion (down 24.1%), ordinary income of ¥19.7 billion (down 24.2%), and profit of ¥16.9 billion (up 4.2%).

(5) Basic Policy on Profit Distribution and Dividends in the Fiscal Year ended March 31, 2022 and the Fiscal Year ending March 31, 2023

The Company's basic policy is to distribute profit based on business results and the business environment after giving consideration to the provision of continuous and stable dividends to shareholders and the need to secure sufficient retained earnings essential for improving the Company's competitiveness and its financial position.

In line with this basic policy, the Company plans to pay a year-end dividend of ¥16 per share. As a result, the total dividend for the current fiscal year, including the interim dividend, will be ¥26 per share.

For the next fiscal year, we plan to pay a dividend of ¥27 (including an interim dividend of ¥13.5).

2. Basic Rational for Selection of Accounting Standards

The Toda Group intends to continue producing consolidated financial statements based on Japanese accounting standards to enable comparisons of the Group's consolidated statements from different fiscal years and comparisons with other companies.

The Group also intends to make an appropriate response to the International Financial Reporting Standards (IFRS) based on considerations of the situation in Japan and abroad.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	95,037	120,538
Notes and accounts receivable - trade	209,347	208,892
Short-term investment securities	10,100	10,300
Real estate for sale	11,080	8,301
Costs on uncompleted construction contracts	11,010	9,680
Other inventories	8,031	5,124
Other	29,788	24,887
Allowance for doubtful accounts	(1,248)	(1,188)
Total current assets	373,147	386,536
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	40,552	47,912
Machinery, vehicles, tools, furniture and fixtures, net	6,119	11,019
Land	86,493	87,652
Lease assets, net	83	59
Construction in progress	11,622	15,294
Total property, plant and equipment	144,871	161,938
Intangible assets		
Goodwill	608	701
Other	8,876	11,255
Total intangible assets	9,484	11,956
Investments and other assets		
Investment securities	200,290	192,650
Long-term loans receivable	842	817
Net defined benefit assets	1,966	2,129
Deferred tax assets	637	677
Other	4,744	4,585
Allowance for doubtful accounts	(194)	(91)
Total investments and other assets	208,285	200,768
Total noncurrent assets	362,642	374,663
Total assets	735,789	761,199

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	114,000	97,728
Short-term loans payable	48,297	59,969
Commercial papers-liabilities	20,000	20,000
Current portion of bonds payable	-	15,190
Income taxes payable	8,525	6,175
Advances received on uncompleted construction contracts	27,779	28,369
Provision for bonuses	6,957	6,071
Provision for warranties for completed construction	3,641	3,819
Provision for loss on construction contracts	2,753	2,666
Deposits received	32,717	38,465
Other	17,009	20,660
Total current liabilities	281,681	299,116
Noncurrent liabilities		
Bonds payable	50,100	45,245
Long-term loans payable	32,643	38,991
Deferred tax liabilities	24,496	22,690
Deferred tax liabilities for land revaluation	6,389	6,124
Provision for directors' retirement benefits	205	239
Provision for stock payments for directors	236	240
Provision for loss on liquidation of subsidiaries and affiliates	28	1,193
Net defined benefit liability	21,470	21,849
Asset retirement obligations	1,999	2,207
Other	4,003	4,258
Total noncurrent liabilities	141,573	143,041
Total liabilities	423,255	442,157
Net assets		
Shareholders' equity		
Capital stock	23,001	23,001
Capital surplus	26,259	26,457
Retained earnings	189,217	199,155
Treasury stock	(9,388)	(8,462)
Total shareholders' equity	229,089	240,152
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	79,474	73,435
Deferred gains on hedges	108	385
Revaluation reserve for land	3,674	3,073
Foreign currency translation adjustments	(2,174)	(391)
Remeasurements of defined benefit plans	(153)	(81)
Total accumulated other comprehensive income	80,928	76,421
Non-controlling interests	2,515	2,467
Total net assets	312,533	319,042
Total liabilities and net assets	735,789	761,199

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

Years ended March 31, 2021 and 2022

(Millions of yen)

	Year ended March 31, 2021 (April 1, 2020 through March 31, 2021)	Year ended March 31, 2022 (April 1, 2021 through March 31, 2022)
Net sales		
Net sales of construction contracts	487,994	472,641
Net sales of investment development business and other	19,140	28,868
Total net sales	507,134	501,509
Cost of sales		
Cost of sales of construction contracts	430,693	417,249
Cost of sales of investment development business and other	11,553	21,582
Total cost of sales	442,246	438,832
Gross profit		
Gross profit on construction contracts	57,300	55,392
Gross profit on investment development business and other	7,586	7,285
Total gross profit	64,887	62,677
Selling, general and administrative expenses	37,190	38,292
Operating income	27,697	24,385
Non-operating income		
Interest income	220	210
Dividend income	3,129	3,464
Share of profit of entities accounted for using equity method	31	191
Dividend income of insurance	257	276
Other	872	764
Total non-operating income	4,511	4,907
Non-operating expenses		
Interest expenses	965	861
Commission fee	518	186
Other	360	133
Total non-operating expenses	1,845	1,180
Ordinary income	30,363	28,111
Extraordinary income		
Gain on sales of noncurrent assets	35	24
Gain on sales of investment securities	2,637	3,127
Other	105	595
Total extraordinary income	2,777	3,747
Extraordinary loss		
Loss on abandonment of noncurrent assets	1,593	1,550
Impairment loss	1,021	492
Loss on sales of investment securities	424	12
Loss on valuation of investment securities	481	0
Provision for loss on liquidation of subsidiaries and affiliates	-	1,162
Other	243	409
Total extraordinary losses	3,764	3,629
Profit before income taxes and non-controlling interests	29,376	28,230
Income taxes-current	10,112	9,271
Income taxes-deferred	(420)	490
Total income taxes	9,692	9,761

(Millions of yen)

	Year ended March 31, 2021 (April 1, 2020 through March 31, 2021)	Year ended March 31, 2022 (April 1, 2021 through March 31, 2022)
Profit for the year	19,684	18,468
Loss attributable to non-controlling interests	(51)	(92)
Profit for the year attributable to owners of the parent	19,735	18,560

Consolidated Statements of Comprehensive Income

Years ended March 31, 2021 and 2022

	(Millions of yen)	
	Year ended March 31, 2021 (April 1, 2020 through March 31, 2021)	Year ended March 31, 2022 (April 1, 2021 through March 31, 2022)
Profit for the year	19,684	18,468
Other comprehensive income		
Valuation difference on available-for-sale securities	27,520	(6,039)
Deferred gains or losses on hedges	121	277
Foreign currency translation adjustment	(1,527)	1,349
Remeasurements of defined benefit plans	1,029	88
Share of other comprehensive income of entities accounted for using equity method	200	414
Total other comprehensive income	27,344	(3,909)
Comprehensive income	47,028	14,559
Comprehensive income attributable to		
Owners of the parent	47,146	14,654
Non-controlling interests	(118)	(95)

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2021 (April 1, 2020 through March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2020	23,001	26,259	176,564	(9,392)	216,433
Changes during period					
Dividends from surplus			(7,993)		(7,993)
Profit for the year attributable to owners of the parent			19,735		19,735
Disposal of treasury stock				5	5
Purchase of treasury stock				(0)	(0)
Increase by share exchanges					-
Change in parent's ownership interests arising from capital increase of consolidated subsidiary		(0)			(0)
Reversal of revaluation reserve for land			909		909
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	(0)	12,652	4	12,656
Balance at March 31, 2021	23,001	26,259	189,217	(9,388)	229,089

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at March 31, 2020	51,954	(13)	4,584	(805)	(1,292)	54,427	2,635	273,496
Changes during period								
Dividends from surplus								(7,993)
Profit for the year attributable to owners of the parent								19,735
Disposal of treasury stock								5
Purchase of treasury stock								(0)
Increase by share exchanges								-
Change in parent's ownership interests arising from capital increase of consolidated subsidiary								(0)
Reversal of revaluation reserve for land								909
Net changes of items other than shareholders' equity	27,520	121	(909)	(1,369)	1,138	26,501	(120)	26,381
Total changes of items during the period	27,520	121	(909)	(1,369)	1,138	26,501	(120)	39,037
Balance at March 31, 2021	79,474	108	3,674	(2,174)	(153)	80,928	2,515	312,533

Year ended March 31, 2022 (April 1, 2021 through March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2021	23,001	26,259	189,217	(9,388)	229,089
Changes during period					
Dividends from surplus			(9,223)		(9,223)
Profit for the year attributable to owners of the parent			18,560		18,560
Disposal of treasury stock				32	32
Purchase of treasury stock				(1)	(1)
Increase by share exchanges		198		894	1,093
Change in parent's ownership interests arising from capital increase of consolidated subsidiary					-
Reversal of revaluation reserve for land			600		600
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	198	9,938	925	11,063
Balance at March 31, 2022	23,001	26,457	199,155	(8,462)	240,152

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at March 31, 2021	79,474	108	3,674	(2,174)	(153)	80,928	2,515	312,533
Changes during period								
Dividends from surplus								(9,223)
Profit for the year attributable to owners of the parent								18,560
Disposal of treasury stock								32
Purchase of treasury stock								(1)
Increase by share exchanges								1,093
Change in parent's ownership interests arising from capital increase of consolidated subsidiary								-
Reversal of revaluation reserve for land								600
Net changes of items other than shareholders' equity	(6,039)	277	(600)	1,782	72	(4,507)	(47)	(4,554)
Total changes of items during the period	(6,039)	277	(600)	1,782	72	(4,507)	(47)	6,508
Balance at March 31, 2022	73,435	385	3,073	(391)	(81)	76,421	2,467	319,042

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2021 (April 1, 2020 through March 31, 2021)	Year ended March 31, 2022 (April 1, 2021 through March 31, 2022)
Net cash provided by (used in) operating activities		
Profit before income taxes and non-controlling interests	29,376	28,230
Depreciation and amortization	3,834	4,765
Impairment loss	1,021	492
Amortization of goodwill	86	104
Increase (decrease) in allowance for doubtful accounts	246	(172)
Increase (decrease) in provision for loss on liquidation of subsidiaries and affiliates	(8)	1,164
Share of loss (profit) of entities accounted for using equity method	(31)	(191)
Increase (decrease) in net defined benefit liability	378	148
Decrease (increase) in net defined benefit asset	571	(63)
Increase (decrease) in other provision	(576)	(869)
Loss (gain) on valuation of investment securities	481	0
Loss (gain) on sales of investment securities	(2,212)	(3,115)
Loss (gain) on sales of property, plant and equipment	(34)	(24)
Loss on abandonment of noncurrent assets	1,593	1,550
Interest and dividend income	(3,349)	(3,675)
Interest expenses	965	861
Decrease (increase) in notes and accounts receivable-trade	(46,220)	1,625
Decrease (increase) in costs on uncompleted construction contracts	5,537	1,435
Decrease (increase) in real estate for sale	1,365	4,304
Decrease (increase) in costs on real estate business	(4,092)	1,136
Decrease (increase) in other current assets	(11,243)	6,025
Increase (decrease) in notes and accounts payable-trade	8,981	(16,298)
Increase (decrease) in advances received on uncompleted construction contracts	(2,140)	658
Increase (decrease) in other current liabilities	161	7,877
Other, net	693	(187)
Subtotal	(14,615)	35,785
Interest and dividend income received	3,423	3,681
Interest expenses paid	(953)	(853)
Income taxes paid	(9,012)	(11,526)
Other, net	18	186
Net cash provided by (used in) operating activities	(21,139)	27,274

(Millions of yen)

	Year ended March 31, 2021 (April 1, 2020 through March 31, 2021)	Year ended March 31, 2022 (April 1, 2021 through March 31, 2022)
Net cash provided by (used in) investing activities		
Payments into time deposits	(399)	-
Proceeds from withdrawal of time deposits	76	69
Proceeds from sales and redemption of securities	-	100
Purchase of property, plant and equipment	(25,735)	(21,814)
Proceeds from sales of property, plant and equipment	35	80
Payments from retirement of property, plant and equipment	(1,745)	(1,471)
Purchase of intangible assets	(1,842)	(2,511)
Proceeds from subsidy income	9	2,900
Purchase of investment securities	(4,190)	(3,357)
Proceeds from sales and redemption of investment securities	6,465	6,321
Payments of loans receivable	(101)	(3)
Collection of loans receivable	42	28
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(107)	(1,037)
Purchase of shares of equity method affiliate	(3,643)	(57)
Payments for lease and guarantee deposits	(85)	(263)
Other, net	370	582
Net cash provided by (used in) investing activities	(30,852)	(20,433)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,224	13,809
Increase (decrease) in commercial paper	20,000	-
Proceeds from long-term loans payable	9,717	12,920
Repayments of long-term loans payable	(6,616)	(9,037)
Proceeds from issuance of bonds	20,000	10,000
Redemption of bonds	(5,000)	(30)
Cash dividends paid	(7,993)	(9,223)
Cash dividends paid to non-controlling interests	(2)	(2)
Payments for acquisition of shares of subsidiaries not affecting the scope of consolidation	-	(76)
Purchase of treasury stock	(0)	(1)
Other, net	(49)	(51)
Net cash provided by (used in) financing activities	31,279	18,306
Effect of exchange rate change on cash and cash equivalents	(978)	426
Net increase (decrease) in cash and cash equivalents	(21,690)	25,574
Cash and cash equivalents at the beginning of current period	125,418	103,727
Cash and cash equivalents at the end of current period	103,727	129,301

4. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	80,149	107,668
Notes receivable-trade	216	930
Electronically recorded monetary claims – operating	1,653	2,578
Accounts receivable from completed construction contracts	196,472	190,784
Short-term investment securities	10,000	10,000
Real estate for sale	11,076	5,250
Costs on uncompleted construction contracts	9,322	8,629
Costs on real estate business	7,095	4,044
Raw materials and supplies	567	685
Accounts receivable-other	1,659	1,373
Advanced paid	18,144	17,945
Other	8,964	3,656
Allowance for doubtful accounts	(1,225)	(1,154)
Total current assets	344,096	352,390
Noncurrent assets		
Property, plant and equipment		
Buildings	48,033	55,522
Accumulated depreciation	(17,594)	(18,555)
Buildings, net	30,439	36,967
Structures	2,066	2,295
Accumulated depreciation	(1,371)	(1,213)
Structures, net	695	1,082
Machinery and equipment	6,410	7,065
Accumulated depreciation	(5,136)	(4,855)
Machinery and equipment, net	1,274	2,209
Vehicles	90	73
Accumulated depreciation	(81)	(68)
Vehicles, net	8	5
Tools, furniture and fixtures	2,020	2,077
Accumulated depreciation	(1,527)	(1,635)
Tools, furniture and fixtures, net	492	441
Land	75,433	77,168
Lease assets	297	120
Accumulated depreciation	(249)	(82)
Lease assets, net	47	38
Construction in progress	9,634	15,092
Total property, plant and equipment	118,027	133,005
Intangible assets		
Leasehold right	5,123	5,123
Software	2,038	2,448
Goodwill	450	381
Other	1,685	2,879
Total intangible assets	9,298	10,833

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Investments and other assets		
Investment securities	186,874	178,983
Stocks of subsidiaries and affiliates	21,542	28,643
Investments in other securities of subsidiaries and affiliates	2,387	1,566
Investments in capital	23	3
Long-term loans receivable	102	103
Long-term loans receivable from employees	10	5
Long-term loans receivable from subsidiaries and affiliates	1,803	1,661
Claims provable in bankruptcy, claims provable in rehabilitation and other	0	-
Long-term prepaid expenses	356	259
Long-term non-operating accounts receivable	109	3
Prepaid pension cost	1,906	2,012
Other	2,891	3,114
Allowance for doubtful accounts	(201)	(91)
Total investments and other assets	217,807	216,264
Total noncurrent assets	345,133	360,103
Total assets	689,230	712,493
Liabilities		
Current liabilities		
Notes payable-trade	2,781	2,156
Electronically recorded obligations - operating	21,043	31,982
Accounts payable for construction contracts	83,193	57,392
Short-term loans payable	43,758	55,471
Commercial paper	20,000	20,000
Current portion of bonds payable	-	15,000
Lease obligations	17	14
Accounts payable-other	4,427	3,116
Income taxes payable	7,955	5,767
Advances received on uncompleted construction contracts	23,650	26,774
Deposits received	32,142	37,706
Provision for bonuses	6,478	5,586
Provision for warranties for completed construction	3,548	3,782
Provision for loss on construction contracts	2,521	2,580
Deposits received from employees	10,383	11,340
Other	1,115	4,413
Total current liabilities	263,017	283,083

	As of March 31, 2021	As of March 31, 2022
Noncurrent liabilities		
Bonds payable	50,000	45,000
Long-term loans payable	30,043	36,528
Lease obligations	36	28
Deferred tax liabilities	24,251	22,279
Deferred tax liabilities for land revaluation	6,389	6,124
Provision for retirement benefits	20,219	20,353
Provision for directors' retirement benefits	127	128
Provision for stock payments for directors	236	240
Provision for loss on business of subsidiaries and affiliates	427	1,608
Asset retirement obligations	444	411
Other	2,922	3,211
Total noncurrent liabilities	135,100	135,915
Total liabilities	398,118	418,998
Net assets		
Shareholders' equity		
Capital stock	23,001	23,001
Capital surplus		
Legal capital surplus	25,573	25,573
Other capital surplus	-	198
Total capital surplus	25,573	25,771
Retained earnings		
Legal retained earnings	5,750	5,750
Other retained earnings		
Reserve for construction	50,000	50,000
General reserve	91,774	101,774
Retained earnings brought forward	21,187	18,780
Total retained earnings	168,712	176,305
Treasury stock	(9,388)	(8,462)
Total shareholders' equity	207,899	216,617
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	79,430	73,419
Deferred gains on hedges	108	385
Revaluation reserve for land	3,674	3,073
Total valuation and translation adjustments	83,213	76,878
Total net assets	291,112	293,495
Total liabilities and net assets	689,230	712,493

(2) Non-consolidated Statements of Income

	(Millions of yen)	
	Year ended March 31, 2021 (April 1, 2020 through March 31, 2021)	Year ended March 31, 2022 (April 1, 2021 through March 31, 2022)
Net sales		
Net sales of construction contracts	448,130	430,983
Net sales of investment development business and other	13,249	20,786
Total net sales	461,380	451,770
Cost of sales		
Cost of sales of construction contracts	395,887	380,879
Cost of sales of investment development business and other	7,631	14,958
Total cost of sales	403,519	395,837
Gross profit		
Gross profit on construction contracts	52,242	50,103
Gross profit on investment development business and other	5,618	5,828
Total gross profit	57,861	55,932
Selling, general and administrative expenses		
Directors' compensations	440	480
Provision for share allocation to directors	53	36
Employees' salaries and allowances	10,970	11,440
Provision for bonuses	4,255	4,141
Provision for directors' retirement benefits	99	108
Retirement benefit expenses	1,250	913
Legal welfare expenses	1,693	1,757
Welfare expenses	724	706
Repair and maintenance	235	191
Stationery expenses	1,968	1,577
Correspondence and transportation expenses	763	912
Power utilities expenses	84	88
Research study expenses	2,438	2,278
Advertising expenses	324	297
Provision of allowance for doubtful accounts	293	(178)
Entertainment expenses	499	608
Contribution	197	194
Rents	1,886	2,047
Depreciation	545	1,760
Amortization of goodwill	69	69
Taxes and dues	2,201	1,543
Insurance expenses	35	36
Miscellaneous expenses	1,637	2,380
Total selling, general and administrative expenses	32,671	33,392
Operating income	25,189	22,540

(Millions of yen)

	Year ended March 31, 2021 (April 1, 2020 through March 31, 2021)	Year ended March 31, 2022 (April 1, 2021 through March 31, 2022)
Non-operating income		
Interest income	60	39
Interest on securities	0	0
Dividend income	3,413	3,724
Dividend income of insurance	257	276
Miscellaneous income	819	506
Total non-operating income	4,550	4,547
Non-operating expenses		
Interest expenses	790	583
Interest on bonds	165	195
Commission fee	518	210
Miscellaneous expenses	196	101
Total non-operating expenses	1,670	1,091
Ordinary income	28,069	25,995
Extraordinary income		
Gain on sales of noncurrent assets	18	0
Gain on sales of investment securities	2,610	3,008
Other	84	280
Total extraordinary income	2,713	3,290
Extraordinary loss		
Loss on abandonment of noncurrent assets	1,603	1,542
Impairment loss	88	492
Loss on valuation of investment securities	431	0
Loss on valuation of stocks of subsidiaries and affiliates	3,005	1,189
Provision for loss on business of subsidiaries and affiliates	176	1,181
Other	634	344
Total extraordinary losses	5,939	4,750
Profit before income taxes and non-controlling interests	24,843	24,535
Income taxes-current	8,987	7,966
Income taxes-deferred	(804)	353
Total income taxes	8,182	8,320
Profit for the year	16,660	16,215

(3) Non-consolidated Statements of Changes in Net Assets

Year ended March 31, 2021 (April 1, 2020 through March 31, 2021)

(Millions of yen)

	Shareholders' equity								Total retained earnings
	Capital stock	Capital surplus			Retained earnings			Total retained earnings	
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			
						Reserve for construction	General reserve	Retained earnings brought forward	
Balance at March 31, 2020	23,001	25,573	-	25,573	5,750	50,000	71,774	31,610	159,135
Changes during period									
Provision of general reserve							20,000	(20,000)	-
Dividends from surplus								(7,993)	(7,993)
Profit for the year								16,660	16,660
Disposal of treasury stock									
Purchase of treasury stock									
Increase by share exchanges									
Reversal of revaluation reserve for land								909	909
Net changes of items other than shareholders' equity									
Total changes of items during the period	-	-	-	-	-	-	20,000	(10,422)	9,577
Balance at March 31, 2021	23,001	25,573	-	25,573	5,750	50,000	91,774	21,187	168,712

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at March 31, 2020	(9,392)	198,317	51,957	(11)	4,584	56,530	254,848
Changes during period							
Provision of general reserve		-					-
Dividends from surplus		(7,993)					(7,993)
Profit for the year		16,660					16,660
Disposal of treasury stock	5	5					5
Purchase of treasury stock	(0)	(0)					(0)
Increase by share exchanges		-					-
Reversal of revaluation reserve for land		909					909
Net changes of items other than shareholders' equity			27,472	119	(909)	26,682	26,682
Total changes of items during the period	4	9,581	27,472	119	(909)	26,682	36,263
Balance at March 31, 2021	(9,388)	207,899	79,430	108	3,674	83,213	291,112

Year ended March 31, 2022 (April 1, 2021 through March 31, 2022)

(Millions of yen)

	Shareholders' equity								Total retained earnings
	Capital stock	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			
						Reserve for construction	General reserve		
Balance at March 31, 2021	23,001	25,573	-	25,573	5,750	50,000	91,774	21,187	168,712
Changes during period									
Provision of general reserve							10,000	(10,000)	-
Dividends from surplus								(9,223)	(9,223)
Profit for the year								16,215	16,215
Disposal of treasury stock									
Purchase of treasury stock									
Increase by share exchanges			198	198					
Reversal of revaluation reserve for land								600	600
Net changes of items other than shareholders' equity									
Total changes of items during the period	-	-	198	198	-	-	10,000	(2,406)	7,593
Balance at March 31, 2022	23,001	25,573	198	25,771	5,750	50,000	101,774	18,780	176,305

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at March 31, 2021	(9,388)	207,899	79,430	108	3,674	83,213	291,112
Changes during period							
Provision of general reserve		-					-
Dividends from surplus		(9,223)					(9,223)
Profit for the year		16,215					16,215
Disposal of treasury stock	32	32					32
Purchase of treasury stock	(1)	(1)					(1)
Increase by share exchanges	894	1,093					1,093
Reversal of revaluation reserve for land		600					600
Net changes of items other than shareholders' equity			(6,011)	277	(600)	(6,334)	(6,334)
Total changes of items during the period	925	8,717	(6,011)	277	(600)	(6,334)	2,383
Balance at March 31, 2022	(8,462)	216,617	73,419	385	3,073	76,878	293,495

(2) Summary of Consolidated Results and Forecasts

(Millions of yen)

	Full Year							
	FY2020	FY2021	FY2021	YoY(b)-(a)		FY2022	YoY(c)-(b)	
	Actual (a)	Forecast	Actual (b)	Amount	Percentage(%)	Forecast (c)	Amount	Percentage(%)
Net sales	507,134	515,000	501,509	-5,624	-1.1	520,000	18,490	3.7
Construction business	455,907	453,000	439,128	-16,778	-3.7	451,000	11,871	2.7
Architectural construction	322,808	313,000	293,168	-29,640	-9.2	321,000	27,831	9.5
Civil engineering	133,098	140,000	145,959	12,861	9.7	130,000	-15,959	-10.9
Investment and development business	12,184	21,000	20,675	8,490	69.7	19,000	-1,675	-8.1
Domestic Group companies	37,035	37,200	38,723	1,687	4.6	46,200	7,476	19.3
New business	2,006	3,800	2,982	975	48.6	3,800	817	27.4

Gross profit	64,887	61,500	62,677	-2,209	-3.4	63,000	322	0.5
Profit margin	12.8 %	11.9 %	12.5 %			12.1 %		
SG&A expenses	37,190	37,900	38,292	1,102	3.0	42,500	4,207	11.0
Operating income	27,697	23,600	24,385	-3,312	-12.0	20,500	-3,885	-15.9
Non-operating income	2,666	2,100	3,726	1,060	39.8	2,400	-1,326	-35.6
Ordinary income	30,363	25,700	28,111	-2,251	-7.4	22,900	-5,211	-18.5
Extraordinary income	-987	-	118	1,105	-	5,000	4,881	-
Profit before income taxes	29,376	25,700	28,230	-1,146	-3.9	27,900	-330	-1.2
Income taxes	9,692	8,800	9,761	69	0.7	9,100	-661	-6.8
Profit	19,684	16,900	18,468	-1,215	-6.2	18,800	331	1.8
Profit attributable to non-controlling interests	-51	-	-92	-	-	-	92	-
Profit for the year attributable to owners of the parent	19,735	16,900	18,560	-1,175	-6.0	18,800	239	1.3

Note: 1. Net sales are based on business segments and intercompany sales are eliminated.

(3) Summary of Non-consolidated Results and Forecasts

(Millions of yen)

	Full Year							
	FY2020	FY2021	FY2021	YoY (b)-(a)		FY2022	YoY (c)-(b)	
	Actual (a)	Forecast	Actual (b)	Amount	Percentage (%)	Forecast (c)	Amount	Percentage (%)
Orders received	428,916	466,000	473,082	44,166	10.3	472,000	-1,082	-0.2
Construction business	415,666	445,000	452,296	36,629	8.8	453,000	703	0.2
Domestic architectural construction	278,128	317,000	320,893	42,764	15.4	332,000	11,106	3.5
Domestic civil engineering	134,888	120,000	128,618	-6,269	-4.6	117,000	-11,618	-9.0
Overseas	2,649	8,000	2,784	135	5.1	4,000	1,215	43.6
Investment development business and other	13,249	21,000	20,786	7,536	56.9	19,000	-1,786	-8.6
Net sales	461,380	461,000	451,770	-9,610	-2.1	459,000	7,229	1.6
Construction business	448,130	440,000	430,983	-17,146	-3.8	440,000	9,016	2.1
Domestic architectural construction	313,718	297,700	282,412	-31,305	-10.0	307,500	25,087	8.9
Domestic civil engineering	132,004	136,300	144,821	12,817	9.7	129,700	-15,121	-10.4
Overseas	2,407	6,000	3,749	1,341	55.7	2,800	-949	-25.3
Investment development business and other	13,249	21,000	20,786	7,536	56.9	19,000	-1,786	-8.6
Gross profit	57,861	54,000	55,932	-1,928	-3.3	54,100	-1,832	-3.3
Profit margin	12.5 %	11.7 %	12.4 %			11.8 %		
Construction business	52,242	49,000	50,103	-2,138	-4.1	48,800	-1,303	-2.6
Domestic architectural construction	30,947	27,875	30,013	-933	-3.0	27,750	-2,263	-7.5
Domestic civil engineering	19,566	20,900	19,063	-503	-2.6	20,700	1,636	8.6
Overseas	1,728	225	1,026	-701	-40.6	350	-676	-65.9
Investment development business and other	5,618	5,000	5,828	209	3.7	5,300	-528	-9.1
Profit margin	42.4 %	23.8 %	28.0 %			27.9 %		
SG&A expenses	32,671	33,000	33,392	720	2.2	37,000	3,607	10.8
Operating income	25,189	21,000	22,540	-2,649	-10.5	17,100	-5,440	-24.1
Non-operating income	2,879	2,400	3,455	575	20.0	2,600	-855	-24.8
Ordinary income	28,069	23,400	25,995	-2,073	-7.4	19,700	-6,295	-24.2
Extraordinary income	-3,226	-	-1,460	1,765	-	5,000	6,460	-
Profit before income taxes	24,843	23,400	24,535	-307	-1.2	24,700	164	0.7
Income taxes	8,182	7,700	8,320	137	1.7	7,800	-520	-6.3
Profit	16,660	15,700	16,215	-444	-2.7	16,900	684	4.2
Dividend per share (yen)	20.0	20.0	26.0	6.0	30.0	27.0	1.0	3.8

(4) Orders Received, Net Sales and Balance Brought Forward (non-consolidated)

1) Orders Received

(Millions of yen)

Business segment/Classification	FY2020 (As of March 31, 2021)		FY2021 (As of March 31, 2022)		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Percentage (%)
I Construction business						
(a) Architectural construction						
Domestic public sector	60,457	14.1	45,528	9.6	- 14,928	- 24.7
Domestic private sector	217,670	50.7	275,364	58.2	57,693	26.5
Overseas	2,338	0.5	1,935	0.4	- 402	- 17.2
Subtotal	280,466	65.4	322,828	68.2	42,361	15.1
(b) Civil engineering						
Domestic public sector	74,717	17.4	89,521	18.9	14,804	19.8
Domestic private sector	60,170	14.0	39,096	8.3	- 21,074	- 35.0
Overseas	311	0.1	849	0.2	537	172.6
Subtotal	135,199	31.5	129,467	27.4	- 5,732	- 4.2
(c) Total (a)+(b)						
Domestic public sector	135,174	31.5	135,050	28.5	- 124	- 0.1
Domestic private sector	277,841	64.8	314,460	66.5	36,619	13.2
Overseas	2,649	0.6	2,784	0.6	135	5.1
Subtotal	415,666	96.9	452,296	95.6	36,629	8.8
II Investment development business	12,219	2.8	20,716	4.4	8,496	69.5
III New business	1,030	0.2	70	0.0	- 959	- 93.2
IV Total (I + II + III)	428,916	100.0	473,082	100.0	44,166	10.3

2) Net Sales

(Millions of yen)

Business segment/Classification	FY2020 (As of March 31, 2021)		FY2021 (As of March 31, 2022)		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Percentage (%)
I Construction business						
(a) Architectural construction						
Domestic public sector	39,753	8.6	38,510	8.5	- 1,242	- 3.1
Domestic private sector	273,964	59.4	243,902	54.0	- 30,062	- 11.0
Overseas	408	0.1	1,755	0.4	1,347	330.1
Subtotal	314,126	68.1	284,168	62.9	- 29,958	- 9.5
(b) Civil engineering						
Domestic public sector	92,872	20.1	83,922	18.6	- 8,950	- 9.6
Domestic private sector	39,131	8.5	60,898	13.5	21,767	55.6
Overseas	1,999	0.4	1,993	0.4	- 5	- 0.3
Subtotal	134,003	29.0	146,815	32.5	12,811	9.6
(c) Total (a)+(b)						
Domestic public sector	132,626	28.7	122,433	27.1	- 10,192	- 7.7
Domestic private sector	313,096	67.9	304,800	67.5	- 8,295	- 2.6
Overseas	2,407	0.5	3,749	0.8	1,341	55.7
Subtotal	448,130	97.1	430,983	95.4	- 17,146	- 3.8
II Investment development business	12,219	2.6	20,716	4.6	8,496	69.5
III New business	1,030	0.2	70	0.0	- 959	- 93.2
IV Total (I + II + III)	461,380	100.0	451,770	100.0	- 9,610	- 2.1

3) Balance Brought Forward

Business segment/Classification	FY2020 (As of March 31, 2021)		FY2021 (As of March 31, 2022)		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Percentage (%)
I Construction business						
(a) Architectural construction						
Domestic public sector	93,741	13.1	100,758	13.6	7,017	7.5
Domestic private sector	339,048	47.3	370,511	50.2	31,462	9.3
Overseas	2,212	0.3	2,392	0.3	180	8.1
Subtotal	435,002	60.7	473,662	64.1	38,660	8.9
(b) Civil engineering						
Domestic public sector	171,256	23.9	176,854	23.9	5,597	3.3
Domestic private sector	108,591	15.1	86,790	11.8	- 21,800	- 20.1
Overseas	2,359	0.3	1,215	0.2	- 1,144	- 48.5
Subtotal	282,207	39.3	264,859	35.9	- 17,347	- 6.1
(c) Total (a)+(b)						
Domestic public sector	264,997	36.9	277,613	37.6	12,615	4.8
Domestic private sector	447,640	62.4	457,301	61.9	9,661	2.2
Overseas	4,572	0.6	3,607	0.5	- 964	-21.1
Subtotal	717,209	100.0	738,522	100.0	21,312	3.0
II Investment development business	-	-	-	-	-	-
III New business	-	-	-	-	-	-
IV Total (I + II + III)	717,209	100.0	738,522	100.0	21,312	3.0

Note: The effect of applying the “Accounting Standard for Revenue Recognition” and other standards was added to or deducted from the balance brought forward for the previous fiscal year.