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Consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]

February 13, 2023

Company name: TODA CORPORATION

Stock exchange listing: Tokyo

Code number: 1860

URL: <https://www.toda.co.jp/>

Representative: Seisuke Otani President and Representative Director

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Scheduled date of filing quarterly securities report: February 13, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: No

Schedule of quarterly financial results briefing session: No

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2022 (April 01, 2022 to December 31, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2022	381,072	6.8	4,558	(72.6)	9,024	(54.7)	8,370	(37.9)
December 31, 2021	356,652	1.0	16,620	15.2	19,926	18.4	13,484	19.9

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥5,288 million [(54.3) %]

Nine months ended December 31, 2021: ¥11,565 million [(64.0) %]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	27.16	-
December 31, 2021	43.95	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
December 31, 2022	795,964	319,503	39.3
March 31, 2022	761,199	319,042	41.6

(Reference) Equity: As of December 31, 2022: ¥312,588 million

As of March 31, 2022: ¥316,574 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	10.00	-	16.00	26.00
Fiscal year ending March 31, 2023	-	13.50	-		
Fiscal year ending March 31, 2023 (Forecast)				13.50	27.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	540,000	7.7	12,600	(48.3)	16,700	(40.6)	14,700	(20.8)	47.69

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2022

(changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New 1 (Company name: PT Tatamulia Nusantara Indah)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

December 31, 2022: 322,656,796 shares

March 31, 2022: 322,656,796 shares

2) Total number of treasury shares at the end of the period:

December 31, 2022: 14,426,611 shares

March 31, 2022: 14,440,349 shares

3) Average number of shares during the period:

Nine months ended December 31, 2022: 308,222,129 shares

Nine months ended December 31, 2021: 306,815,769 shares

*Notes:

These statements include Toda Corporation's forecasts based on information currently available as of the announcement date, which are subject to a number of risks and uncertainties. Therefore, the actual results of developments may differ from those presented in these forward-looking statements due to the changes in various factors.

Consolidated Financial Results for the Third Quarter Ended December 31, 2022



1. Qualitative Information on Consolidated Financial Results for the Three Months Ended December 31, 2022

(1) Explanation of Operating Results

During the nine months ended December 31, 2022, the Japanese economy saw an easing of restrictions due to COVID-19 pandemic, and the normalization of social and economic activities were underway, centered around personal consumption. However, the outlook remains uncertain due to the factors such as Japanese yen's depreciation as a result of global monetary tightening policies and the prolonged situation in Ukraine leading to inflation.

In the construction industry, orders received increased compared with the same period of the previous year, mainly in the private sector, but the business environment remains challenging due to soaring prices of various commodities and other factors.

The Toda Group announced in May 2022 the Medium-term Management Plan 2024 - Rolling Plan. While evolving the value that we provide to customers in each of our core operations, namely, the architectural construction, civil engineering and strategic businesses, we position the New Toda Building project, overseas business and renewable energy projects, such as the floating offshore wind power generation business, as priority management initiatives. By making investments for future growth in these businesses, the Group has been strengthening its business portfolio. During the period under review, the Group continued to invest in growth with the active involvement of top management in order to achieve medium to long-term growth. To ensure our ROE (return on equity) target of 8% over the medium to long term while promoting growth investments, the Group is also working to strengthen its investment process by using indicators such as IRR (internal rate of return) and cost of capital to manage post-investment profitability.

Under these circumstances, the Toda Group's consolidated results for the period under review were as follows.

Consolidated net sales increased 6.8% year on year to ¥381.0 billion, mainly due to higher sales in the architectural construction business, domestic group companies business, and overseas investment and development business, despite lower sales in the civil engineering business.

Operating income increased in the overseas investment and development business compared with the same period of the previous fiscal year, while the architectural construction business posted a provision for losses on construction contracts for several projects due to the rise in prices of steel frames and other materials caused by changes in the market environment. Gross profit was ¥34.7 billion, down 20.2% year on year. Selling, general and administrative expenses were ¥30.2 billion, up 12.0% year on year. As a result, overall operating income was ¥4.5 billion, down 72.6% year on year.

Ordinary income decreased 54.7% year on year to ¥9.0 billion, despite an increase in non-operating income year on year due to dividend income from investment securities held and foreign exchange gains.

Profit for the quarter attributable to owners of the parent was ¥8.3 billion, down 37.9% year on year.

The results for each segment are as follows. Segment results are presented including intersegment sales and transfers.

From the first quarter ended June 30, 2022, the Group has changed the way it presents its reportable segments, with year-on-year comparisons and analysis now made using these changed segment classifications. For details, please refer to "2. Consolidated Financial Statements (3) Notes to Quarterly Consolidated Financial Statements (Segment Information, etc.) II Three months ended December 31, 2022, 3. Matters pertaining to changes in reportable segments, etc."

Architectural Construction Business

The segment recorded net sales of ¥236.3 billion (up 7.2% year on year), and the segment loss (operating loss) was ¥3.5 billion (segment income was ¥6.9 billion in the same quarter of the previous year).

On a non-consolidated basis, orders received from domestic private sector construction increased 2.7% year on year, while orders received from domestic public sector construction decreased 44.1% year on year, resulting in an overall decrease of 9.4% year on year, to ¥169.2 billion.

Civil Engineering Business

The segment recorded net sales of ¥100.2 billion (down 6.2% year on year), and the segment income (operating income) was ¥6.8 billion (down 1.4% year on year).

On a non-consolidated basis, overall orders received decreased 12.6% year on year to ¥82.6 billion, due to a 12.8% decrease year on year in domestic public sector construction orders and a 9.5% decrease year on year in domestic private sector orders.

Domestic Investment and Development Business

The segment recorded net sales of ¥14.0 billion (down 18.9% year on year), and the segment income (operating income) of ¥800 million (down 74.7% year on year).

Domestic Group Companies Business

The segment recorded net sales of ¥33.4 billion (up 35.4% year on year), and the segment income (operating income) of ¥600 million (up 187.0% year on year).

Overseas Investment and Development Business

The segment recorded net sales of ¥15.4 billion (up 814.6% year on year), and the segment income (operating income) of ¥1.1 billion (up 118.2% year on year).

Environment and Energy Business

The segment recorded net sales of ¥1 billion (up 151.9% year on year), and the segment loss (operating loss) of ¥100 million (segment loss was ¥600 million in the same quarter of the previous year).

(2) Explanation of Financial Position

Assets, Liabilities and Net Assets

Assets

Total assets as of December 31, 2022 were ¥795.9 billion (up 4.6% year on year), a ¥34.7 billion increase from the end of the previous fiscal year, despite decreases of ¥37.2 billion in cash and deposits and ¥12.4 billion in investment securities, but increased ¥54.5 billion in notes receivable, accounts receivable from completed construction contracts and other, ¥14.1 billion in construction in progress, and ¥10.5 billion in costs on uncompleted construction contracts.

Liabilities

Total liabilities as of December 31, 2022 were ¥476.4 billion (up 7.8% year on year), a ¥34.3 billion increase from the end of the previous fiscal year. The main contributors to this increase were decreases of ¥5.9 billion in income taxes payable and ¥5.0 billion in bonds payable, and increases of ¥33.6 billion in long term loans payable, ¥7.4 billion in advances received on uncompleted construction contracts, and ¥5.9 billion in short term loans payable.

Net Assets

Total net assets as of December 31, 2022, were ¥319.5 billion (up 0.1% year on year), a ¥400 million increase from the end of the previous fiscal year, and the shareholders' equity ratio was 39.3%. Although net unrealized gains on available-for-sale securities decreased by ¥5.3 billion due to the sale of shares held and the decline in market values, this was mainly attributable to an increase in non-controlling interests of ¥4.4 billion resulting from PT Tatamulia Nusantara Indah becoming a consolidated subsidiary, and an increase in foreign currency translation adjustments of ¥2.5 billion due to the depreciation of the Japanese yen.

(3) Explanation of Consolidated Results Forecasts and Other Forward-looking Information

There are no changes to the consolidated results forecasts for the fiscal year ending March 31, 2023, which were announced on October 31, 2022.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Previous Consolidated Fiscal Year (As of March 31, 2022)	Current Consolidated 3 rd Quarter (As of December 31, 2022)
Assets		
Current assets		
Cash and deposits	120,538	83,326
Notes and accounts receivable - trade	208,892	263,457
Short-term investment securities	10,300	600
Real estate for sale	8,301	8,641
Costs on uncompleted construction contracts	9,680	20,204
Other inventories	5,124	2,983
Other	24,887	36,831
Allowance for doubtful accounts	(1,188)	(3,171)
Total current assets	386,536	412,873
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	47,912	50,674
Machinery, vehicles, tools, furniture and fixtures, net	11,019	12,349
Land	87,652	89,866
Lease assets, net	59	138
Construction in progress	15,294	29,411
Total property, plant and equipment	161,938	182,441
Intangible assets		
Goodwill	701	1,611
Other	11,255	10,666
Total intangible assets	11,956	12,278
Investments and other assets		
Investment securities	192,650	180,230
Long-term loans receivable	817	796
Net defined benefit assets	2,129	1,628
Deferred tax assets	677	737
Other	4,585	5,062
Allowance for doubtful accounts	(91)	(83)
Total investments and other assets	200,768	188,371
Total noncurrent assets	374,663	383,090
Total assets	761,199	795,964

(Millions of yen)

	Previous Consolidated Fiscal Year (As of March 31, 2022)	Current Consolidated 3 rd Quarter (As of December 31, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	97,728	97,839
Short-term loans payable	59,969	65,913
Commercial papers-liabilities	20,000	20,000
Current portion of bonds payable	15,190	5,170
Income taxes payable	6,175	193
Advances received on uncompleted construction contracts	28,369	35,838
Provision for bonuses	6,071	2,046
Provision for warranties for completed construction	3,819	3,273
Provision for loss on construction contracts	2,666	8,199
Deposits received	38,465	37,528
Other	20,660	18,904
Total current liabilities	299,116	294,907
Noncurrent liabilities		
Bonds payable	45,245	50,205
Long-term loans payable	38,991	72,654
Deferred tax liabilities	22,690	20,627
Deferred tax liabilities for land revaluation	6,124	6,110
Provision for directors' retirement benefits	239	92
Provision for stock payments for directors	240	420
Provision for loss on liquidation of subsidiaries and affiliates	1,193	1,037
Net defined benefit liability	21,849	23,254
Asset retirement obligations	2,207	2,228
Other	4,258	4,921
Total noncurrent liabilities	143,041	181,552
Total liabilities	442,157	476,460
Net assets		
Shareholders' equity		
Capital stock	23,001	23,001
Capital surplus	26,457	26,625
Retained earnings	199,155	198,279
Treasury stock	(8,462)	(8,626)
Total shareholders' equity	240,152	239,280
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	73,435	68,123
Deferred gains on hedges	385	(4)
Revaluation reserve for land	3,073	3,180
Foreign currency translation adjustments	(391)	2,121
Remeasurements of defined benefit plans	(81)	(112)
Total accumulated other comprehensive income	76,421	73,307
Non-controlling interests	2,467	6,915
Total net assets	319,042	319,503
Total liabilities and net assets	761,199	795,964

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

Nine Months ended December 31, 2021 and 2022

(Millions of yen)

	Nine Months ended December 31, 2021 (April 1 through Dec 31, 2021)	Nine Months ended December 31, 2022 (April 1 through Dec 31, 2022)
Net sales		
Net sales of construction contracts	333,874	360,223
Net sales of investment development business and other	22,778	20,848
Total net sales	356,652	381,072
Cost of sales		
Cost of sales of construction contracts	295,981	329,342
Cost of sales of investment development business and other	17,078	16,956
6 Total cost of sales	313,060	346,299
Gross profit		
Gross profit on construction contracts	37,893	30,880
Gross profit on investment development business and other	5,699	3,892
Total gross profit	43,592	34,772
Selling, general and administrative expenses	26,972	30,214
Operating income	16,620	4,558
Non-operating income		
Interest income	161	211
Dividend income	3,317	3,880
Share of profit of entities accounted for using equity method	69	152
Foreign exchange gains	122	1,198
Other	473	403
Total non-operating income	4,144	5,846
Non-operating expenses		
Interest expenses	610	722
Commission fee	135	552
Other	92	105
Total non-operating expenses	838	1,380
Ordinary income	19,926	9,024
Extraordinary income		
Gain on step acquisitions	-	1,908
Gain on sales of investment securities	1,665	3,963
Other	495	369
Total extraordinary income	2,161	6,241
Extraordinary loss		
Loss on abandonment of noncurrent assets	943	223
Impairment loss	-	2,784
Loss on valuation of investment securities	0	458
Provision for loss on liquidation of subsidiaries and affiliates	1,331	-
Other	129	209
Total extraordinary losses	2,405	3,676
Profit before income taxes and non-controlling interests	19,682	11,589
Income taxes	6,281	3,212
Profit	13,400	8,376
Profit (loss) attributable to non-controlling interests	(84)	6
Profit attributable to owners of the parent	13,484	8,370

Consolidated Statements of Comprehensive Income

Nine Months ended December 31, 2021 and 2022

(Millions of yen)

	Nine Months ended December 31, 2021 (April 1 through Dec 31, 2021)	Nine Months ended December 31, 2022 (April 1 through Dec 31, 2022)
Profit	13,400	8,376
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,026)	(5,310)
Deferred gains or losses on hedges	62	(390)
Foreign currency translation adjustment	830	3,166
Remeasurements of defined benefit plans	49	61
Share of other comprehensive income of entities accounted for using equity method	249	(614)
Total other comprehensive income	(1,834)	(3,087)
Comprehensive income	11,565	5,288
Comprehensive income attributable to		
Owners of the parent	11,697	5,149
Non-controlling interests	(131)	138

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes in Case of Significant Changes in Shareholders' Equity)

Not applicable.

(Adoption of Special Accounting Methods for Preparing Quarterly Consolidated Financial Statements)

	Nine months ended December 31, 2022 (April 1, 2022 through December 31, 2022)
Calculation of tax expenses	In calculating tax expenses, the Company has made a reasonable estimate of the effective tax rate, to which tax effect accounting has been applied to profit before income taxes and non-controlling interests for the consolidated fiscal year, including the third quarter ended December 31, 2022. We have then made our calculations by multiplying profit before income taxes and non-controlling interests by this estimated effective tax rate.

(Changes in Accounting Policies)

(Implementation guidance on accounting standard for fair value measurement)

With the application of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021; hereinafter, the "Fair Value Measurement Standard Guidance") effective from the beginning of the first quarter ended June 30, 2022, the new accounting policies specified in the Fair Value Measurement Standard Guidance will be prospectively applied in accordance with the transitional treatment specified in Paragraph 27-2 of the Fair Value Measurement Standard Guidance. This change in accounting policies shall have minimal impact on the quarterly consolidated financial statements.

(Segment Information, etc.)

[Segment Information]

I Nine Months ended December 31, 2021 (April 1, 2021 through December 31, 2021)

1. Information on amounts of net sales and income (loss) by reportable segment

(Millions of yen)

	Reportable segment							Adjustment (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
	Architectural Construction Business	Civil Engineering Business	Domestic Investment and Development Business	Domestic Group Companies Business	Overseas Investment and Development Business	Environment and Energy Business	Total		
Net sales									
Net sales to external customers	211,806	105,704	16,715	20,298	1,694	434	356,652	–	356,652
Intersegment sales and transfers	8,746	1,215	604	4,436	–	–	15,003	(15,003)	–
Total	220,553	106,919	17,319	24,735	1,694	434	371,656	(15,003)	356,652
Segment income (loss)	6,946	6,991	3,384	235	514	(676)	17,396	(776)	16,620

(Notes) 1. The adjustment amount of ¥(776) million for segment income (loss) is eliminations of intersegment transactions.

2. Segment income (loss) is adjusted with operating income in the quarterly consolidated statements of income.

2. Information on impairment loss of noncurrent assets and on goodwill, etc. by reportable segment

(Significant changes in the amount of goodwill)

In the "Domestic Group Companies Business" segment, the Company acquired shares of Showa Kensetsu Corporation during the third quarter of the fiscal year, making it a consolidated subsidiary. The increase in goodwill due to this event was ¥191 million for the period under review.

II Nine Months ended December 31, 2022 (April 1, 2022 through December 31, 2022)

1. Information on amounts of net sales and income (loss) by reportable segment

(Millions of yen)

	Reportable segment							Adjustment (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
	Architectural Construction Business	Civil Engineering Business	Domestic Investment and Development Business	Domestic Group Companies Business	Overseas Investment and Development Business	Environment and Energy Business	Total		
Net sales									
Net sales to external customers	229,713	94,687	13,430	26,647	15,498	1,093	381,072	–	381,072
Intersegment sales and transfers	6,634	5,604	614	6,850	–	–	19,704	(19,704)	–
Total	236,348	100,292	14,045	33,497	15,498	1,093	400,776	(19,704)	381,072
Segment income (loss)	(3,582)	6,893	856	675	1,122	(187)	5,777	(1,219)	4,558

(Notes) 1. The adjustment amount of ¥(1,219) million for segment income (loss) is eliminations of intersegment transactions.

2. Segment income (loss) is adjusted with operating income in the quarterly consolidated statements of income.

2. Information on impairment loss of noncurrent assets and on goodwill, etc. by reportable segment

(Significant impairment loss pertaining to noncurrent assets)

The recoverability of construction in progress in the "Environment and Energy Business" segment was examined, considering future revenue and expenditure projections. As a result, the book value was reduced to the recoverable amount, and the amount of the reduction was recorded as an impairment loss under extraordinary losses. The amount of such impairment loss was ¥2,784 million for the nine months ended December 31, 2022.

(Significant changes in the amount of goodwill)

In the "Overseas Investment and Development Business" segment, during the second quarter of the fiscal year, the Company acquired additional shares of PT Tatamulia Nusantara Indah, an equity method affiliate, and made it a consolidated subsidiary. The increase in goodwill due to this event was ¥1,112 million for the period under review.

3. Matters pertaining to changes in reportable segments, etc.

(Changes in segment classification)

From the first quarter ended June 30, 2022, the conventional five reportable segment classifications of "Architectural Construction Business", "Civil Engineering Business", "Investment and Development Business", "Domestic Group Companies Business", and "New Business" shall be changed to six segment classifications, namely "Architectural Construction Business", "Civil Engineering Business", "Domestic Investment and Development Business", "Domestic Group Companies Business", "Overseas Investment and Development Business", and "Environment and Energy Business". These changes were made to align the reportable segment classifications with the classifications for the financial results targets in the Medium-term Management Plan 2024–Rolling Plan and the classifications of the business reports in the monthly report materials presented at meetings of the Board of Directors.

The segment information presented for the nine months ended December 31, 2021 is based on the classifications after these changes.

3. (Reference) Non-consolidated Financial Statements
(1) (Reference) Non-consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year As of March 31, 2022	Current 3 rd Quarter As of December 31, 2022
Assets		
Current assets		
Cash and deposits	107,668	57,824
Notes and accounts receivable - trade	194,292	234,207
Short-term investment securities	10,000	-
Real estate for sale	5,250	5,064
Costs on uncompleted construction contracts	8,629	12,916
Other inventories	4,729	1,571
Other	22,974	37,875
Allowance for doubtful accounts	(1,154)	(1,476)
Total current assets	352,390	347,983
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	38,049	37,407
Machinery, vehicles, tools, furniture and fixtures, net	2,656	2,318
Land	77,168	74,877
Lease assets, net	38	52
Construction in progress	15,092	25,634
Total property, plant and equipment	133,005	140,290
Intangible assets	10,833	10,205
Investments and other assets		
Investment securities	209,192	210,113
Long-term loans receivable	1,770	1,689
Prepaid pension cost	2,012	1,500
Other	3,381	3,147
Allowance for doubtful accounts	(91)	(82)
Total investments and other assets	216,264	216,368
Total noncurrent assets	360,103	366,864
Total assets	712,493	714,848

(Millions of yen)

	Previous fiscal year As of March 31, 2022	Current 3 rd Quarter As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	91,531	82,609
Short-term loans payable	55,471	60,753
Commercial paper	20,000	20,000
Current portion of bonds payable	15,000	5,000
Income taxes payable	5,767	-
Advances received on uncompleted construction contracts	26,774	24,880
Provision for bonuses	5,586	1,774
Provision for warranties for completed construction	3,782	3,158
Provision for loss on construction contracts	2,580	7,968
Deposits received	37,706	36,512
Other	18,884	15,717
Total current liabilities	283,083	258,376
Noncurrent liabilities		
Bonds payable	45,000	50,000
Long-term loans payable	36,528	70,158
Deferred tax liabilities	22,279	19,857
Deferred tax liabilities for land revaluation	6,124	6,110
Provision for retirement benefits	20,353	20,816
Provision for directors' retirement benefits	128	-
Provision for stock payments for directors	240	420
Provision for loss on business of subsidiaries and affiliates	1,608	1,308
Asset retirement obligations	411	432
Other	3,239	3,858
Total noncurrent liabilities	135,915	172,961
Total liabilities	418,998	431,337
Net assets		
Shareholders' equity		
Capital stock	23,001	23,001
Capital surplus		
Legal capital surplus	25,573	25,573
Other capital surplus	198	370
Total capital surplus	25,771	25,944
Retained earnings		
Legal retained earnings	5,750	5,750
Other retained earnings		
Reserve for construction	50,000	50,000
General reserve	101,774	109,774
Retained earnings brought forward	18,780	6,379
Total retained earnings	176,305	171,904
Treasury stock	(8,462)	(8,626)
Total shareholders' equity	216,617	212,223
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	73,419	68,111
Deferred gains on hedges	385	(4)
Revaluation reserve for land	3,073	3,180
Total valuation and translation adjustments	76,878	71,286
Total net assets	293,495	283,510
Total liabilities and net assets	712,493	714,848

(2) (Reference) Non-consolidated Statements of Income

	(Millions of yen)	
	Nine Months ended December 31, 2021 (April 1 through Dec 31, 2021)	Nine Months ended December 31, 2022 (April 1 through Dec 31, 2022)
Net sales		
Net sales of construction contracts	312,082	316,624
Net sales of investment development business and other	16,789	13,557
Total net sales	328,871	330,182
Cost of sales		
Cost of sales of construction contracts	276,467	290,591
Cost of sales of investment development business and other	12,283	11,346
Total cost of sales	288,751	301,938
Gross profit		
Gross profit on construction contracts	35,614	26,032
Gross profit on investment development business and other	4,505	2,211
Total gross profit	40,120	28,244
Selling, general and administrative expenses	23,279	25,677
Operating income	16,840	2,566
Non-operating income	4,031	5,105
Non-operating expenses	783	1,297
Ordinary income	20,088	6,374
Extraordinary income	1,777	4,708
Extraordinary loss	3,148	4,051
Profit before income taxes	18,716	7,031
Income taxes	5,783	2,187
Profit	12,933	4,844

4. Supplementary Information

(1) Summary of Consolidated Results and Forecasts

(Millions of yen)

	Nine-month Period from April				Full Year						
	FY2021	FY2022	YoY (b)-(a)		FY2021	FY2022	FY2022	YoY(c)-(a)		VS. initial forecast (c)-(b)	
	Actual (a)	Actual (b)	Amount	Percentage (%)	Actual (a)	Initial forecast May 13, 2022 (b)	Revised forecast Oct. 31, 2022 (c)	Amount	Percentage (%)	Amount	Percentage (%)
Net sales	356,652	381,072	24,419	6.8	501,509	520,000	540,000	38,490	7.7	20,000	3.8
Construction business	317,510	324,401	6,891	2.2	439,128	451,000	455,000	15,871	3.6	4,000	0.9
Architectural construction	211,806	229,713	17,907	8.5	293,168	321,000	325,000	31,831	10.9	4,000	1.2
Civil engineering	105,704	94,687	(11,016)	(10.4)	145,959	130,000	130,000	(15,959)	(10.9)	-	-
Domestic investment development business	16,715	13,430	(3,284)	(19.6)	20,683	19,000	18,500	(2,183)	(10.6)	(500)	(2.6)
Domestic Group companies business	20,298	26,647	6,348	31.3	38,726	46,200	43,500	4,773	12.3	(2,700)	(5.8)
Overseas investment development business	1,694	15,498	13,804	814.6	2,283	2,600	21,500	19,216	841.4	18,900	726.9
Environment and energy business	434	1,093	659	151.9	687	1,200	1,500	812	118.1	300	25.0
Gross profit	43,592	34,772	(8,819)	(20.2)	62,677	63,000	57,800	(4,877)	(7.8)	(5,200)	(8.3)
Profit margin	12.2 %	9.1 %			12.5 %	12.1 %	10.7 %				
SG&A expenses	26,972	30,214	3,241	12.0	38,292	42,500	45,200	6,907	18.0	2,700	6.4
Operating income	16,620	4,558	(12,061)	(72.6)	24,385	20,500	12,600	(11,785)	(48.3)	(7,900)	(38.5)
Non-operating income	3,306	4,466	1,159	35.1	3,726	2,400	4,100	373	10.0	1,700	70.8
Ordinary income	19,926	9,024	(10,902)	(54.7)	28,111	22,900	16,700	(11,411)	(40.6)	(6,200)	(27.1)
Extraordinary income	(244)	2,564	2,808	-	118	5,000	5,900	5,781	-	900	18.0
Profit before income taxes	19,682	11,589	(8,093)	(41.1)	28,230	27,900	22,600	(5,630)	(19.9)	(5,300)	(19.0)
Income taxes	6,281	3,212	(3,069)	(48.9)	9,761	9,100	7,700	(2,061)	(21.1)	(1,400)	(15.4)
Profit	13,400	8,376	(5,023)	(37.5)	18,468	18,800	14,900	(3,568)	(19.3)	(3,900)	(20.7)
Profit attributable to non-controlling interests	(84)	6	90	-	(92)	-	200	292	-	200	-
Profit attributable to owners of the parent	13,484	8,370	(5,113)	(37.9)	18,560	18,800	14,700	(3,860)	(20.8)	(4,100)	(21.8)

Note: Net sales are based on business segment classifications and intercompany sales are eliminated.

(2) Summary of Non-consolidated Results and Forecasts

(Millions of yen)

	Nine-month Period from April				Full Year							
	FY2021	FY2022	YoY (b)-(a)		FY2021	FY2022	FY2022	YoY (c)-(a)		VS. initial forecast (c)-(b)		
	Actual (a)	Actual (b)	Amount	Percentage (%)	Actual (a)	Initial forecast May 13, 2022 (b)	Revised forecast Oct. 31, 2022 (c)	Amount	Percentage (%)	Amount	Percentage (%)	
Orders received	298,025	265,422	(32,602)	(10.9)	473,082	472,000	471,500	(1,582)	(0.3)	(500)	(0.1)	
Construction business	281,236	251,864	(29,371)	(10.4)	452,296	453,000	453,000	703	0.2	-	-	
Domestic architectural construction	184,805	169,009	(15,795)	(8.5)	320,893	332,000	332,000	11,106	3.5	-	-	
Domestic civil engineering	94,033	83,037	(10,996)	(11.7)	128,618	117,000	119,500	(9,118)	(7.1)	2,500	2.1	
Overseas	2,396	(182)	(2,578)	-	2,784	4,000	1,500	(1,284)	(46.1)	(2,500)	(62.5)	
Investment development business and other	16,789	13,557	(3,231)	(19.2)	20,786	19,000	18,500	(2,286)	(11.0)	(500)	(2.6)	
Net sales	328,871	330,182	1,310	0.4	451,770	459,000	463,500	11,729	2.6	4,500	1.0	
Construction business	312,082	316,624	4,542	1.5	430,983	440,000	445,000	14,016	3.3	5,000	1.1	
Domestic architectural construction	205,135	219,599	14,463	7.1	282,412	307,500	312,500	30,087	10.7	5,000	1.6	
Domestic civil engineering	104,460	95,502	(8,957)	(8.6)	144,821	129,700	129,700	(15,121)	(10.4)	-	-	
Overseas	2,485	1,522	(963)	(38.8)	3,749	2,800	2,800	(949)	(25.3)	-	-	
Investment development business and other	16,789	13,557	(3,231)	(19.2)	20,786	19,000	18,500	(2,286)	(11.0)	(500)	(2.6)	
Gross profit	40,120	28,244	(11,876)	(29.6)	55,932	54,100	47,600	(8,332)	(14.9)	(6,500)	(12.0)	
Profit margin	12.2 %	8.6 %			12.4 %	11.8 %	10.3 %					
Construction business	35,614	26,032	(9,582)	(26.9)	50,103	48,800	42,800	(7,303)	(14.6)	(6,000)	(12.3)	
Domestic architectural construction	22,696	12,330	(10,365)	(45.7)	30,013	27,750	21,800	(8,213)	(27.4)	(5,950)	(21.4)	
Domestic civil engineering	12,721	14,151	1,429	11.2	19,063	20,700	20,800	1,736	9.1	100	0.5	
Overseas	196	(449)	(645)	-	1,026	350	200	(826)	(80.5)	(150)	(42.9)	
Investment development business and other	4,505	2,211	(2,294)	(50.9)	5,828	5,300	4,800	(1,028)	(17.6)	(500)	(9.4)	
SG&A expenses	23,279	25,677	2,398	10.3	33,392	37,000	38,300	4,907	14.7	1,300	3.5	
Operating income	16,840	2,566	(14,274)	(84.8)	22,540	17,100	9,300	(13,240)	(58.7)	(7,800)	(45.6)	
Non-operating income	3,247	3,808	561	17.3	3,455	2,600	3,700	244	7.1	1,100	42.3	
Ordinary income	20,088	6,374	(13,713)	(68.3)	25,995	19,700	13,000	(12,995)	(50.0)	(6,700)	(34.0)	
Extraordinary income	(1,371)	657	2,028	-	(1,460)	5,000	5,000	6,460	-	-	-	
Profit before income taxes	18,716	7,031	(11,684)	(62.4)	24,535	24,700	18,000	(6,535)	(26.6)	(6,700)	(27.1)	
Income taxes	5,783	2,187	(3,596)	(62.2)	8,320	7,800	5,700	(2,620)	(31.5)	(2,100)	(26.9)	
Profit	12,933	4,844	(8,088)	(62.5)	16,215	16,900	12,300	(3,915)	(24.1)	(4,600)	(27.2)	
Dividend per share (yen)	10.0	13.5	3.5	35.0	26.0	27.0	27.0	1.0	3.8	-	-	

Note: These non-consolidated quarterly financial statements, exempt from the quarterly review by auditors for statutory disclosure, were prepared pursuant to Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Financial Statements, etc.

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

1) Orders Received

(Millions of yen)

Business segment/Classification	Nine-month Period From April 1, 2021 to Dec 31, 2021		Nine-month Period From April 1, 2022 to Dec 31, 2022		Change		Previous Fiscal Year (From April 1, 2021 to March 31, 2022)	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Percentage (%)	Amount	Ratio (%)
I Construction business								
(a) Architectural construction								
Domestic public sector	44,513	14.9	24,868	9.4	(19,644)	(44.1)	45,528	9.6
Domestic private sector	140,291	47.1	144,140	54.3	3,849	2.7	275,364	58.2
Overseas	1,879	0.6	212	0.1	(1,666)	(88.7)	1,935	0.4
Subtotal	186,684	62.6	169,221	63.8	(17,462)	(9.4)	322,828	68.2
(b) Civil engineering								
Domestic public sector	62,707	21.0	54,692	20.6	(8,014)	(12.8)	89,521	18.9
Domestic private sector	31,326	10.5	28,344	10.7	(2,982)	(9.5)	39,096	8.3
Overseas	517	0.2	(394)	(0.1)	(912)	-	849	0.2
Subtotal	94,551	31.7	82,642	31.1	(11,908)	(12.6)	129,467	27.4
(c) Total (a)+(b)								
Domestic public sector	107,220	36.0	79,561	30.0	(27,659)	(25.8)	135,050	28.5
Domestic private sector	171,618	57.6	172,485	65.0	866	0.5	314,460	66.5
Overseas	2,396	0.8	(182)	(0.1)	(2,578)	-	2,784	0.6
Subtotal	281,236	94.4	251,864	94.9	(29,371)	(10.4)	452,296	95.6
II Domestic investment development business	16,742	5.6	13,459	5.1	(3,282)	(19.6)	20,724	4.4
III Environment and energy business	46	0.0	98	0.0	51	110.8	62	0.0
IV Total (I + II + III)	298,025	100.0	265,422	100.0	(32,602)	(10.9)	473,082	100.0

2) Net Sales

(Millions of yen)

Business segment/Classification	Nine-month Period From April 1, 2021 to Dec 31, 2021		Nine-month Period From April 1, 2022 to Dec 31, 2022		Change		Previous Fiscal Year (From April 1, 2021 to March 31, 2022)	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Percentage (%)	Amount	Ratio (%)
I Construction business								
(a) Architectural construction								
Domestic public sector	26,198	8.0	42,068	12.7	15,869	60.6	38,510	8.5
Domestic private sector	178,937	54.4	177,531	53.8	(1,406)	(0.8)	243,902	54.0
Overseas	808	0.2	1,655	0.5	846	104.7	1,755	0.4
Subtotal	205,944	62.6	221,254	67.0	15,310	7.4	284,168	62.9
(b) Civil engineering								
Domestic public sector	62,895	19.1	62,795	19.0	(100)	(0.2)	83,922	18.6
Domestic private sector	41,564	12.6	32,707	9.9	(8,857)	(21.3)	60,898	13.5
Overseas	1,676	0.5	(133)	0.0	(1,810)	(108.0)	1,993	0.4
Subtotal	106,137	32.3	95,369	28.9	(10,768)	(10.1)	146,815	32.5
(c) Total (a)+(b)								
Domestic public sector	89,094	27.1	104,863	31.8	15,769	17.7	122,433	27.1
Domestic private sector	220,502	67.0	210,238	63.7	(10,263)	(4.7)	304,800	67.5
Overseas	2,485	0.8	1,522	0.5	(963)	(38.8)	3,749	0.8
Subtotal	312,082	94.9	316,624	95.9	4,542	1.5	430,983	95.4
II Domestic investment development business	16,742	5.1	13,459	4.1	(3,282)	(19.6)	20,724	4.6
III Environment and energy business	46	0.0	98	0.0	51	110.8	62	0.0
IV Total (I + II + III)	328,871	100.0	330,182	100.0	1,310	0.4	451,770	100.0

3) Balance Brought Forward

(Millions of yen)

Business segment/Classification	FY2021 3Q (As of Dec 31, 2021)		FY2022 3Q (As of Dec 31, 2022)		Change		Previous Fiscal Year (As of March 31, 2022)	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Percentage (%)	Amount	Ratio (%)
I Construction business								
(a) Architectural construction								
Domestic public sector	112,056	16.3	83,559	12.4	(28,496)	(25.4)	100,758	13.6
Domestic private sector	300,403	43.8	337,120	50.0	36,717	12.2	370,511	50.2
Overseas	3,282	0.5	949	0.1	(2,333)	(71.1)	2,392	0.3
Subtotal	415,742	60.6	421,629	62.6	5,887	1.4	473,662	64.1
(b) Civil engineering								
Domestic public sector	171,066	24.9	169,872	25.2	(1,193)	(0.7)	176,854	23.9
Domestic private sector	98,354	14.3	81,306	12.1	(17,048)	(17.3)	86,790	11.8
Overseas	1,200	0.2	954	0.1	(246)	(20.5)	1,215	0.2
Subtotal	270,621	39.4	252,133	37.4	(18,488)	(6.8)	264,859	35.9
(c) Total (a)+(b)								
Domestic public sector	283,122	41.2	253,432	37.6	(29,690)	(10.5)	277,613	37.6
Domestic private sector	398,757	58.1	418,426	62.1	19,669	4.9	457,301	61.9
Overseas	4,483	0.7	1,903	0.3	(2,579)	(57.5)	3,607	0.5
Subtotal	686,363	100.0	673,762	100.0	(12,600)	(1.8)	738,522	100.0
II Domestic investment development business	-	-	-	-	-	-	-	-
III Environment and energy business	-	-	-	-	-	-	-	-
IV Total (I + II + III)	686,363	100.0	673,762	100.0	(12,600)	(1.8)	738,522	100.0