

1. Operating performance

(1) Orders received (Non-consolidated) <Table 1> (billion yen)

	FY2021 (Apr 1,2021- Mar 31,2022)	FY2022 (Apr 1,2022- Mar 31,2023)	Change	Rate of Change
Domestic-Public	88.6	75.3	(13.3)	(15.0%)
Domestic-Private	21.8	19.9	(1.9)	(8.9%)
Overseas	5.8	78.9	73.1	-
<b>Civil Engineering</b>	<b>116.3</b>	<b>174.2</b>	<b>57.9</b>	<b>49.8%</b>
Domestic-Public	25.9	4.9	(21.0)	(81.2%)
Domestic-Private	164.6	134.1	(30.4)	(18.5%)
Overseas	2.9	11.7	8.8	307.9%
<b>Building Construction</b>	<b>193.3</b>	<b>150.7</b>	<b>(42.6)</b>	<b>(22.0%)</b>
Domestic-Public	114.5	80.2	(34.3)	(30.0%)
Domestic-Private	186.4	154.0	(32.4)	(17.4%)
Overseas	8.7	90.6	81.9	946.2%
<b>Total</b>	<b>309.6</b>	<b>324.8</b>	<b>15.3</b>	<b>4.9%</b>

Contract Backlogs (billion yen)

	Mar 31, 2023	Change
Civil	346.5	26.2
Building	348.0	(38.6)
<b>Total</b>	<b>694.5</b>	<b>(12.5)</b>

(Orders from Sumitomo and Mitsui group)	65.2	70.8	5.6	8.5%
< Overseas (Include Subsidiaries) >	55.2	133.9	78.7	142.5%

<Note 1>

- Total orders received increased by 15.3 billion yen from the previous fiscal year to 324.8 billion yen due to orders received for large-scale civil engineering construction overseas.
- Overseas orders received increased by 78.7 billion yen from the previous fiscal year to 133.9 billion yen.
- Contract Backlogs decreased from the end of the previous fiscal year, but remained at a high level.

(2) Statements of Income Consolidated <Table 2> (billion yen)

	FY2021 (Apr 1,2021- Mar 31,2022)		FY2022 (Apr 1,2022- Mar 31,2023)		Change
	(%)	(%)	(%)	(%)	
<b>Net sales</b>	403.3	100.0%	458.6	100.0%	55.3
<b>Gross profit</b>	18.2	4.5%	9.1	2.0%	(9.1)
Selling,general and administrative expenses	25.6	6.3%	27.8	6.1%	2.2
<b>Operating income</b>	<b>(7.5)</b>	<b>(1.8%)</b>	<b>(18.8)</b>	<b>(4.1%)</b>	<b>(11.3)</b>
Non-operating income (expenses), net	(0.9)	(0.3%)	0.3	0.1%	1.2
<b>Ordinary income</b>	<b>(8.3)</b>	<b>(2.1%)</b>	<b>(18.5)</b>	<b>(4.0%)</b>	<b>(10.1)</b>
Extraordinary income (losses), net	(0.2)	(0.0%)	0.2	0.0%	0.3
Income taxes	(1.9)	(0.5%)	7.0	1.5%	8.9
<b>Profit</b>	<b>(6.6)</b>	<b>(1.6%)</b>	<b>(25.3)</b>	<b>(5.5%)</b>	<b>(18.8)</b>
Profit attributable to non-controlling interests	0.5	0.1%	0.4	0.1%	(0.1)
<b>Profit attributable to owners of parent</b>	<b>(7.0)</b>	<b>(1.7%)</b>	<b>(25.7)</b>	<b>(5.6%)</b>	<b>(18.7)</b>

Non-consolidated <Table 3> (billion yen)

	FY2021 (Apr 1,2021- Mar 31,2022)		FY2022 (Apr 1,2022- Mar 31,2023)		Change
	(%)	(%)	(%)	(%)	
Construction (Civil Engineering)	128.0	42.1%	148.0	43.8%	20.0
Construction (Building Construction)	176.0	57.8%	189.3	56.1%	13.3
Other	0.4	0.1%	0.3	0.1%	(0.1)
<b>Net sales</b>	<b>304.4</b>	<b>100.0%</b>	<b>337.6</b>	<b>100.0%</b>	<b>33.2</b>
Construction (Civil Engineering)	15.6	12.2%	18.4	12.5%	2.9
Construction (Building Construction)	(9.7)	(5.5%)	(23.4)	(12.3%)	(13.7)
Other	0.1	23.4%	0.1	35.9%	0.0
<b>Gross profit</b>	<b>6.0</b>	<b>2.0%</b>	<b>(4.8)</b>	<b>(1.4%)</b>	<b>(10.8)</b>
Selling,general and administrative expenses	17.6	5.8%	18.2	5.4%	0.6
<b>Operating income</b>	<b>(11.6)</b>	<b>(3.8%)</b>	<b>(23.1)</b>	<b>(6.8%)</b>	<b>(11.4)</b>
Non-operating income (expenses), net	0.2	0.0%	1.6	0.5%	1.5
<b>Ordinary income</b>	<b>(11.5)</b>	<b>(3.8%)</b>	<b>(21.4)</b>	<b>(6.3%)</b>	<b>(9.9)</b>
Extraordinary income (losses), net	(0.6)	(0.2%)	0.2	0.0%	0.9
Income taxes	(3.6)	(1.2%)	4.4	1.3%	8.0
<b>Profit</b>	<b>(8.6)</b>	<b>(2.8%)</b>	<b>(25.6)</b>	<b>(7.6%)</b>	<b>(17.1)</b>

<Note 2>

- Net sales exceeded the results for the same period of the previous fiscal year due to the steady completion of work on hand at both individual and subsidiary companies.
- Consolidated operating loss was 18.8 billion yen due to significant deterioration in non-consolidated building construction gross profit.
- The main factors are the impact of price hikes in large-scale domestic building construction projects and the occurrence of product defects in factory-manufactured components in ground framework construction, which is expected to increase construction costs. In addition to that, the loss was recorded due to the deterioration in profitability due to the impact of soaring material prices.

2. Financial standing

Balance Sheet (Consolidated) <Table 4> (billion yen)

	As of			Change	As of			Change
	Mar 31, 2022	Mar 31, 2023	Change		Mar 31, 2022	Mar 31, 2023	Change	
Cash and deposits	71.0	65.1	(5.9)	Notes payable, accounts payable for construction contracts and other	119.0	120.9	1.9	
Notes receivable, accounts receivable from completed construction contracts and other	197.2	215.2	18.0	Short-term and Long-term loans payable	64.8	84.3	19.5	
Costs on uncompleted construction contracts and other	27.9	30.4	2.5	Advances received on uncompleted construction contracts	28.6	35.3	6.7	
Property, plant and equipment	34.0	36.5	2.5	Other liabilities	82.0	98.5	16.5	
Other investments	38.5	31.6	(6.9)	<b>Total liabilities</b>	<b>294.4</b>	<b>339.0</b>	<b>44.6</b>	
Allowance for doubtful accounts	(0.9)	(3.2)	(2.3)	Capital stock	12.0	12.0	-	
Other assets	26.4	34.6	8.2	Other shareholders' equity and valuation and translation adjustments	79.4	51.6	(27.8)	
				Non-controlling interests	8.3	7.5	(0.8)	
				<b>Total net assets</b>	<b>99.7</b>	<b>71.1</b>	<b>(28.6)</b>	
<b>Total assets</b>	<b>394.1</b>	<b>410.2</b>	<b>16.1</b>	<b>Total liabilities and net assets</b>	<b>394.1</b>	<b>410.2</b>	<b>16.1</b>	
				Capital-to-Asset ratio (Consolidated)	23.2%	15.5%		
				Capital-to-Asset ratio (Non-consolidated)	22.4%	12.3%		

<Note 3>

- Consolidated Total assets amounted to 410.2 billion yen, an increase of 16.1 billion yen compared with the previous fiscal year ending.
- Total net assets decreased 28.6 billion yen to 71.1 billion yen compared with the previous fiscal year ending, and Consolidated Capital-to-Asset ratio records 15.5%.

3. Dividend <Table 5>

	Dividends per share (yen)			Payout Ratio
	End of 2Q	Year-End	Total	
FY2021	0.00	20.00	20.00	-
FY2022	0.00	14.00	14.00	-
FY2023 (Forecast)	0.00	14.00	14.00	54.8%

4. Other information

(1) Cash flows (Consolidated) <Table 6> (billion yen)

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at end of the year
FY2022	(16.1)	(3.5)	14.2	60.8

(2) Number of Employees <Table 7> (persons)

	As of			Change
	Mar 31, 2022	Mar 31, 2023	Change	
Consolidated	5,420	5,449	29	
Non-consolidated	2,954	2,977	23	

5. Forecast of Operating performance <Table 8>

Consolidated (billion yen)

	FY2022 Result (Apr 1,2022- Mar 31,2023)		FY2023 Projection (Apr 1,2023- Mar 31,2024)		Change
	(%)	(%)	(%)	(%)	
<b>Net sales</b>	458.6	100.0%	463.0	100.0%	4.4
<b>Gross profit</b>	9.1	2.0%	41.2	8.9%	32.1
<b>Operating income</b>	(18.8)	(4.1%)	13.0	2.8%	31.8
<b>Ordinary income</b>	(18.5)	(4.0%)	9.0	1.9%	27.5
<b>Profit attributable to owners of parent</b>	(25.7)	(5.6%)	4.0	0.9%	29.7

Non-consolidated (billion yen)

	FY2022 Result (Apr 1,2022- Mar 31,2023)		FY2023 Projection (Apr 1,2023- Mar 31,2024)		Change
	(%)	(%)	(%)	(%)	
Construction (Civil Engineering)	174.2	42.1%	90.0	12.4%	(84.2)
Construction (Building Constr)	150.7	57.8%	110.0	4.7%	(40.7)
<b>Orders received</b>	<b>324.8</b>	<b>100.0%</b>	<b>200.0</b>	<b>2.8%</b>	<b>(124.8)</b>
Construction (Civil Engineering)	148.0	35.9%	140.0	12.4%	(8.0)
Construction (Building Construction)	189.3	57.8%	180.0	4.7%	(9.3)
Other	0.3	0.1%	0.3	0.1%	0.0
<b>Net sales</b>	<b>337.6</b>	<b>100.0%</b>	<b>320.3</b>	<b>2.8%</b>	<b>(17.3)</b>
Construction (Civil Engineering)	18.4	5.3%	17.4	5.4%	(1.0)
Construction (Building Construction)	(23.4)	(6.9%)	8.5	2.6%	31.9
Other	0.1	0.1%	0.1	0.1%	0.0
<b>Gross profit</b>	<b>(4.8)</b>	<b>(1.4%)</b>	<b>26.0</b>	<b>8.1%</b>	<b>30.8</b>
<b>Operating income</b>	<b>(23.1)</b>	<b>(6.8%)</b>	<b>8.0</b>	<b>2.5%</b>	<b>31.1</b>
<b>Ordinary income</b>	<b>(21.4)</b>	<b>(6.3%)</b>	<b>6.0</b>	<b>1.9%</b>	<b>27.4</b>
<b>Profit</b>	<b>(25.6)</b>	<b>(7.6%)</b>	<b>3.5</b>	<b>1.1%</b>	<b>29.1</b>

Disclaimer

Projections contained herein are based on information available as at the date of this announcement, and are subject to risks and uncertainties that may cause the actual results to vary.