Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 12, 2023

Company name: Br. Holdings Corporation
Stock exchange listing: Tokyo
Stock code: 1726 URL https://www.brhd.co.jp
Representative: President Kimiyasu Fujita
Inquiries: Accounting Manager Hiroaki Kawano TEL 082-261-2860
Scheduled date of ordinary general meeting of shareholders: June 16, 2023
Scheduled date to file Securities Report: June 19, 2023
Scheduled date to commence dividend payments: June 19, 2023
Preparation of supplementary material on financial results: No
Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2023	36,022	0.3	1,636	(28.5)	1,624	(29.3)	1,025	(32.8)
Year ended March 31, 2022	35,899	(7.5)	2,289	(24.8)	2,296	(22.3)	1,527	(21.6)

Note: Comprehensive income
Year ended March 31, 2023: ¥1,016 million [(33.9) %]
Year ended March 31, 2022: ¥1,538 million [(22.0) %]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2023	22.63	22.43	7.6	4.4	4.5
Year ended March 31, 2022	33.85	33.55	12.1	6.9	6.4

Reference: Share of profit (loss) of entities accounted for using equity method
Year ended March 31, 2023: ¥– million
Year ended March 31, 2022: ¥– million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	40,355	13,842	34.0	302.57
As of March 31, 2022	33,961	13,296	38.8	292.06

Reference: Equity
As of March 31, 2023: ¥13,739 million
As of March 31, 2022: ¥13,193 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	(5,702)	(76)	6,173	1,820
Year ended March 31, 2022	20	(520)	(639)	1,425

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	–	6.00	–	6.00	12.00	542	35.5	4.3
Year ended March 31, 2023	–	6.00	–	6.00	12.00	544	53.0	4.0
Year ending March 31, 2024 (Forecast)	–	6.00	–	6.00	12.00		41.9	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	42,000	16.6	2,050	25.3	2,000	23.1	1,300	26.7	28.67

Note: As Br. Holdings Corporation (the "Company") conducts performance management on an annual basis, a forecast of consolidated financial results for the first six months of the year ending March 31, 2024 is omitted for disclosure purposes. For details, please refer to the section of "1. Overview of operating results and others, (1) Analysis of operating results" on page 2 of the Attached Material.

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023 (changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2023	45,795,000 shares	As of March 31, 2022	45,795,000 shares

Number of treasury shares at the end of the period

As of March 31, 2023	384,596 shares	As of March 31, 2022	622,596 shares

Average number of shares during the period

Year ended March 31, 2023	45,343,243 shares	Year ended March 31, 2022	45,121,117 shares

(Reference) Overview of non-consolidated financial results

1. Non-consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit (loss)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2023	1,105	(2.1)	501	(5.5)	566	3.4	602	1.6
Year ended March 31, 2022	1,128	4.1	530	3.2	548	8.3	592	7.9

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended March 31, 2023	13.28	13.16
Year ended March 31, 2022	13.14	13.02

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	25,962	8,456	32.2	183.95
As of March 31, 2022	19,309	8,323	42.6	181.97

(Reference) Equity
As of March 31, 2023: ¥8,353 million
As of March 31, 2022: ¥8,220 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of financial forecasts, and other special matters
(Caution concerning forward-looking statements)
The forward-looking statements, including financial results forecasts, contained in this material are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, actual operating and other results may differ substantially due to various factors.

Attached Material

Index

1. Overview of operating results and others

(1) Analysis of operating results

(i) Operating results for the fiscal year ended March 31, 2023

During the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023) (the "fiscal year under review"), the Japanese economy showed a recovery trend in economic activities during the fiscal year under review, as behavioral limitations of the public eased amid the prolonged impact of COVID-19. However, outlook remained uncertain due to rising raw material prices caused by geopolitical risks and the rapid depreciation of the yen due to fluctuations in financial and capital markets.

As for the construction industry, the core business of Br. Holdings Corporation (the "Company") and its subsidiaries (collectively "the Group"), orders for new PC bridges are in decline, while the market for existing social infrastructure is expanding due to aging infrastructure. As such, construction demand continues to be resilient in the face of changing market conditions.

Regarding the Group, in the construction business, the core business of the Group, COVID-19 may have an impact on future progress of construction and total cost of construction, which is a computational element for the application of accounting standards for revenue. However, there is currently no construction where any impact has materialized. Furthermore, serious impact has not occurred in other lines of business.

Under these circumstances, net sales for the fiscal year under review were ¥36,022 million (up 0.3% year on year), operating profit was ¥1,636 million (down 28.5% year on year), ordinary profit was ¥1,624 million (down 29.3% year on year), and profit attributable to owners of parent ¥1,025 million (down 32.8% year on year).

The Group's performance by business segment are as follows. The amounts below include intersegment transactions.

Construction business
In the construction business, the amount of orders received was ¥33,093 million (up 25.2% year on year) for the fiscal year under review due to large orders to replace slabs on the Chugoku and Hiroshima Expressways and the amount of construction contracts was ¥49,010 million (up 4.7% year on year).

The amount of net sales was ¥30,853 million (down 1.2% year on year) for the fiscal year under review impacted by the decline in the beginning balance of construction contracts, and segment profit was ¥2,875 million (down 14.3% year on year) due to the absence of a large amount of profit earned in the same period year on year due to a significant design change, as well as the fact that contract changes were not finalized until the following fiscal year.

Product sales business
In the product sales business, the amount of orders received was ¥6,552 million (up 39.8% year on year) for the fiscal year under review owing to large-volume orders of the manufacturing of slabs and PC girders, and net sales was ¥5,101 million (up 15.2% year on year), but segment profit was ¥89 million (down 57.3% year on year) due to a decline in profitable product sales projects.

Information systems business
In the information systems business, the impact that COVID-19 had on incoming orders has alleviated, and the amount of orders received was ¥479 million (up 5.6% year on year) in the fiscal year under review. Due to steady progress in projects for which orders have already been received, net sales was ¥495 million (up 25.6% year on year) and segment profit was ¥21 million (up 288.9% year on year) for the fiscal year under review.

Real estate leasing business
In the real estate leasing business, the Group leases office space and manages rental properties for stores and housing in the Kyokuto Building, which is owned by the Company. The Group also leases office space to its subsidiaries, which was rented by the Company to use as bases of the subsidiaries. We therefore record stable net sales. Net sales was ¥172 million (down 1.7% year on year) and segment profit was ¥114 million (down 1.5% year on year) for the fiscal year under review.

(ii) Future outlook

In the Group's business environment, the Expressway Renewal Project being carried out by the three NEXCO expressway companies, which involves a total investment of ¥3 trillion in large-scale expressway renewal and large-scale expressway repair, has been continuing for eight years since starting in fiscal 2015, and it is progressing smoothly. Moreover, in railway related projects, the Hokuriku Shinkansen's Kanazawa to Tsuruga segment is scheduled to open in about 2024, the Hokkaido Shinkansen's Shin-Hakodate-Hokuto to Sapporo segment is scheduled to open at the end of fiscal 2030, and the Linear Chuo Shinkansen's Shinagawa to Nagoya segment is scheduled to open in 2027, and then the line will be extended to Osaka.

In addition to this, the government has announced the ¥15 trillion budget "five-year plan for disaster prevention and mitigation and strengthening of national resilience" starting in fiscal 2021, in which measures to strengthen functionality of the road network, including the elimination of missing links on high-standard expressways and making provisional two lane (one lane each direction) sections four lanes, as well as measures to address the deterioration of road facilities, are set forth as priority measures. Therefore, we expect an increase in orders from large projects such as these.

In this business environment, the Group's beginning balance of construction contracts in the next term totaled ¥49,010 million. While the percentage of long-term large-scale construction projects for expressways, such as PC slab replacement and four-lane construction, is increasing, we expect to secure a certain level of sales in fiscal 2023 by applying the revenue recognition method. However, we anticipate that the progress of large-scale construction projects ordered in the fiscal year under review will advance from fiscal 2023, and for these reasons we expect record high net sales of ¥42,000 million, operating profit of ¥2,050 million, ordinary profit of ¥2,000 million, and profit attributable to owners of parent of ¥1,300 million for the next fiscal year.

The Group will continue to actively participate in large-scale renewal and repair work for expressways and large-scale projects related to railway, including the Hokuriku Shinkansen, and will work to improve productivity and promote work-style reforms, aiming to build an organizational structure corresponding to the government policy regarding strengthening national resilience and ensure our competitiveness.

[Sustainable Management Initiatives]

Given the ever-increasing importance of sustainable management, which simultaneously aims for sustainable corporate growth and a sustainable global environment and society, we established the Sustainability Promotion Office in fiscal 2021 as an organization dedicated to speedily respond to the changing times and implement initiatives to solve sustainability-related management issues (SDGs and DX).

In order to achieve carbon neutrality by 2050, a global warming prevention initiative, which is gaining momentum worldwide, we will continue our efforts to build a sustainable society by promoting the use of alternatives to cement, which emits large amounts of CO_2, by expanding the adoption of environmentally friendly proprietary construction methods, and by promoting the use of clean energy.

(The Group's main CO_2 reduction initiatives)

A. Reduction of CO_2 by fabricating structures using admixture (blast-furnace slag fine powder, fly ash) as an alternative to cement

(a) Main initiatives utilizing blast-furnace slag fine powder

Blast-furnace slag fine powder is a hydraulic admixture produced by pulverizing granulated blast furnace slag, a by-product of blast furnaces at steel mills. By replacing cement in the manufacture of concrete products, it is expected to make effective use of industrial by-products and reduce greenhouse gas emissions.

Concrete products using blast-furnace slag fine powder (mainly PC slabs)

FY order received	Name of construction project	Client	Cement replacement ratio
2016	Yotani Bridge & other bridges slab replacement	NEXCO-West	50%
2017	Yamada Bridge & other bridges slab replacement	NEXCO-West	50%
2018	Eboshi First Bridge slab replacement	NEXCO-West	50%
2019	Akayama Bridge slab replacement	NEXCO-West	50%
2019	Honmachi Viaduct slab replacement	NEXCO-West	50%
2019	Shonaigawa Bridge slab replacement	NEXCO-Central	50%
2020	Kamihagiwara & 8 other bridges slab replacement	NEXCO-West	50%
2020	Kusarigawa Bridge slab replacement	NEXCO-Central	50%
2020	Gonokawa Third Bridge & other bridges slab replacement	NEXCO-West	50%
2021	Seikenji Bridge slab replacement (tentative)	NEXCO-Central	50%
2021	Yotani Bridge & 1 other bridge slab replacement (tentative)	NEXCO-West	50%
2022	Yoshinogawa Bridge & 1 other bridge slab replacement	NEXCO-West	50%
–	PC composite bridges (produced by Shizuoka Factory)	Kanto region	30%

(b) Main initiatives using fly ash

Fly ash is a particulate ash produced in large quantities when coal is burned in thermal power plants, and is used as an admixture to improve the quality and workability of concrete, while also contributing to the reduction of industrial waste.

Concrete products using fly ash (mainly girders for bridges)

FY order received	Name of construction project	Client	Cement replacement ratio
2006	Haizuka Dam–top Bridge	MLIT (Hiroshima)	30%
2006	Shitsumi Dam route construction, Ogawajiri Bridge	MLIT (Shimane)	30%
2013	Shimane Nuclear Power Station No. 3, installation of duct connected to the fire–extinguishing tank	The Chugoku Electric Power Company, Incorporated	30%
2015	Shimane Nuclear Power Station No. 3, installation of duct connected to the fire–extinguishing tank 2	The Chugoku Electric Power Company, Incorporated	30%
2016	Shimane Nuclear Power Station, construction of means to prevent the inflow of groundwater	The Chugoku Electric Power Company, Incorporated	30%
2020	Agricultural road bridge No. 1	Shimane Prefecture	50%
2020	Misumi Power Station Unit 2 construction, installation of water intake tank, water discharge connection tank	The Chugoku Electric Power Company, Incorporated	30%
–	PC girders in Chugoku region	Chugoku region	30%

B. Reduction by proprietary technology construction method

(a) Micropiling Method

By shifting the new rock shed foundation work from conventional deep foundation piles to our proprietary micropiling method, CO_2 emissions were reduced by 45% by downsizing the equipment, reducing excavation, reducing the scale of temporary facilities, and shortening the construction period.

(b) K–LIP Method

It is said that fundamental repair of piers and other structures deteriorated by alkali–silica reaction (ASR), also known as “concrete cancer,” is impossible with conventional methods. The K–LIP method has made such ASR repairs possible and extends the life of the structure, thereby reducing life–cycle CO_2 (LC–CO_2).

(c) Branch Block Construction Method

This method combines masonry construction using natural stone with branch blocks, which are secondary concrete products. The amount of ready–mixed concrete used in the products and on site is reduced, which in turn reduces CO_2 emissions.

(d) S–type rock frame construction method Gripac

This method uses Gripac, a secondary concrete product, to construct a retaining wall integrated with the filling material. The amount of ready–mixed concrete used in the products and on site is reduced, which in turn reduces CO_2 emissions.

(e) Precast slab joints without joint reinforcement (ELSS Joint)

Unlike conventional loop joints using steel bars, this new joint structure semi–rigidly joins floor slabs by simply filling the space between the precast slabs with a special low–rigidity material. The wider width of the precast slab reduces the number of slabs that need to be constructed, and the joints are easier to connect without using steel bars. This effectively shortens the construction period for on–site installation of the slab by approximately 11% and reduces the amount of CO_2 emissions. The joints are used in one project in the Tohoku region, and further usage is planned in a large–scale slab replacement project on an expressway in the Chugoku region in the future.

(f) K–SLASH Method

This method streamlines the removal of reinforced concrete slabs for composite girder bridges that have many anti–slip devices among existing steel bridges with reinforced concrete slabs scheduled to be replaced. The level of CO_2 emissions can be reduced by saving labor for removal work and shortening the construction period by approximately 20%.

C. Reduction due to Research & Development

(a) Geopolymer technology

We are conducting research and development to reduce LC–CO_2 by applying our proprietary K–LIP method to concrete materials that have lost strength due to fire damage and restoring their function by internally press–fitting geopolymer without using cement.

(b) Development of artificial seaweed reef products

Artificial seaweed reefs are products that are installed on the seafloor to form seaweed beds and promote the reduction of CO_2 and the purification of ocean areas through the greening of the sea. We aim to expand carbon sinks and conserve marine resources by developing seaweed reef products that utilize porous concrete, which has excellent greening performance.

(2) Analysis of financial positions

(i) Assets, liabilities, and net assets

Total assets at the end of the fiscal year under review increased by ¥6,393 million year on year to ¥40,355 million.

Current assets at the end of the fiscal year under review increased by ¥6,604 million year on year to ¥34,553 million. This was mainly due to a decrease by ¥2,014 million in accounts receivable, which was more than offset by increases by ¥7,822 million in notes receivable, accounts receivable from completed construction contracts and other, ¥280 million in cash and deposits, and ¥221 million in raw materials and supplies.

Non–current assets at the end of the fiscal year under review decreased by ¥210 million year on year to ¥5,802 million. This is mainly due to depreciation.

Total liabilities at the end of the fiscal year under review increased by ¥5,847 million year on year to ¥26,513 million.

Current liabilities at the end of the fiscal year under review increased by ¥3,083 million year on year to ¥20,821 million. This was mainly due to a decrease of ¥1,176 million in deposits received, which was more than offset by increases of ¥3,700 million in short–term borrowings, ¥417 million in electronically recorded obligations – operating, ¥259 million in advances received on construction contracts in progress, and ¥249 million in current portion of long–term borrowings.

Non–current liabilities at the end of the fiscal year under review increased by ¥2,763 million year on year to ¥5,691 million. This was mainly due to an increase in long–term borrowings.

Total net assets at the end of the fiscal year under review increased by ¥546 million year on year to ¥13,842 million mainly due to the profit attributable to owners of parent of ¥1,025 million, against shareholders' dividends of ¥543 million.

(ii) Cash flows

Cash and cash equivalents ("cash") for the fiscal year under review increased by ¥394 million year on year to ¥1,820 million.

Cash flows from operating activities
Cash used in operating activities amounted to ¥5,702 million. This was mainly due to a decrease by ¥1,931 million in accounts receivable – other, to profit before income taxes of ¥1,624 million, increase of ¥430 million in trade payables, depreciation of ¥364 million, increase of ¥259 million in advances received on construction contracts in progress which were more than offset by an increase of ¥7,822 million in trade receivables.

Cash flows from investing activities
Cash used in investing activities amounted to ¥76 million. This was mainly due to withdrawal of time deposits of ¥560 million which was more than offset by payment into time deposit by ¥446 million, and purchase of property, plant and equipment by ¥154 million.

Cash flows from financing activities
Cash provided by financing activities amounted to ¥6,173 million. This was mainly due to repayments of long–term borrowings of ¥983 million and dividends paid of ¥543 million, which were more than offset by proceeds from long–term borrowings of ¥4,000 million and net increase in short–term borrowings of ¥3700 million.

In addition, trends in the corporate group's cash flow indicators are as follows.

(Trends in cash flow indicators)

	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2023
Equity ratio (%)	36.9	38.8	34.0
Market value equity ratio (%)	81.4	42.6	39.9
Debt dependency ratio (%)	28.6	27.2	39.6
Current ratio (%)	155.3	172.8	181.4
Debt redemption period (years)	–	–	–
Interest coverage ratio (times)	–	–	–

Equity ratio: Equity/Total capital
Market value equity ratio: Market capitalization/Total capital
Debt dependency ratio: Interest–bearing liabilities/Total assets
Current ratio: Current assets (excluding costs on construction contracts in progress)/Current liabilities (excluding advances received on construction contracts in progress)
Debt redemption period: Interest–bearing liabilities/Operating cash flow
Interest coverage ratio: Operating cash flow/interest payment

* All indicators are calculated on a consolidated basis.
* Market capitalization is based on the closing stock price at the fiscal year–end multiplied by the number of shares issued (less treasury shares) at the fiscal year–end.
* Operating cash flow represents cash flows from operating activities in the consolidated statement of cash flows. Interest–bearing liabilities include all liabilities recorded in the consolidated balance sheets for which interest is paid. Interest payment represents interest paid in the consolidated statements of cash flows.

(3) Basic policy on profit distribution and dividends for the fiscal year ended March 31, 2023 and fiscal year ending March 31, 2024

The Group’s basic policy is to consistently pay out stable dividends commensurate with business performance and actively return profits to shareholders, taking into consideration factors including future business development, strengthening of the management foundation and enhancement of internal reserves as a group.

According to the Company’s basic policy, the Company pays dividends of surplus twice a year as an interim dividend and a year–end dividend. Decision–making bodies for interim dividend payments and year–end dividend payments are the Board of Directors and the General Meeting of Shareholders, respectively. The Company plans to pay a year–end dividend of ¥6 per share for the fiscal year under review. For the fiscal year ending March 31, 2024, the Company intends to pay an annual dividend of ¥12 per share (of which ¥6 per share as interim dividend).

(4) Business risks

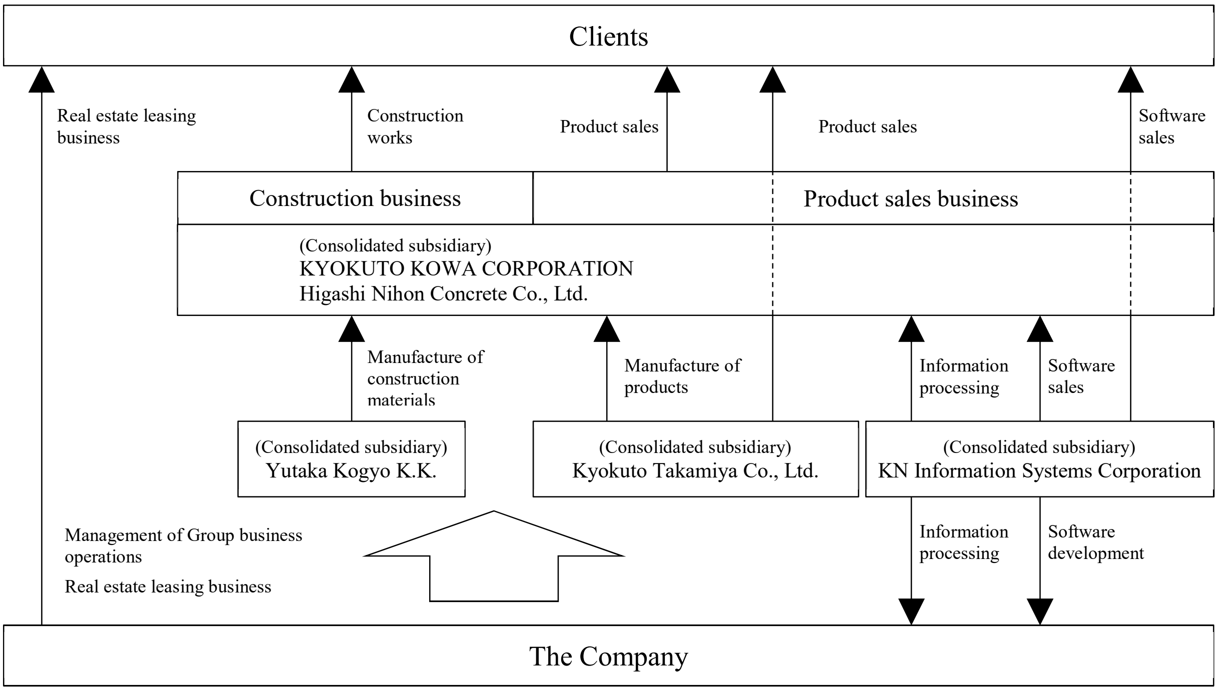
No new risks have emerged since the filing of the Annual Securities Report on June 20, 2022. Accordingly, this information has been omitted.

2. Status of the Group

The Group is a corporate group consisting of the Company and five subsidiaries. The Company, as a holding company, manages business operations of its subsidiaries and also manages leasing of the Kyokuto Building. The subsidiaries mainly operate the construction business specialized in prestressed concrete (PC) construction of bridges and other structures; the product sales business engaged in manufacturing and selling secondary concrete products; and the information systems business engaged in information processing and software developing, etc.

The positioning and operating segment for each of the subsidiaries constituting the Group are as shown below.

Construction business and product sales business	KYOKUTO KOWA CORPORATION	Construction works of mainly bridges, using PC; sale of PC; and manufacture and sale of railroad sleepers
Construction business and product sales business	Higashi Nihon Concrete Co., Ltd.	Construction works of mainly bridges, using PC; sale of PC; and manufacture and sale of railroad sleepers
Construction business	Yutaka Kogyo K.K.	Engaged primarily in manufacture of construction materials for the Group
Product sales business	Kyokuto Takamiya Co., Ltd.	Engaged primarily in manufacture of secondary concrete products for the Group
Information systems business	KN Information Systems Corporation	Engaged primarily in information processing and software developing for the Group



3. Basic rationale for selection of accounting standards

The stakeholders of the Group consist mainly of domestic shareholders, creditors and business partners. As the Group rarely has the need to procure funds from abroad, it has adopted the Japanese GAAP as its accounting standards.

The Group, however, may adopt IFRS in the future if it is deemed appropriate to do so in view of circumstances at home and abroad.

4. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	1,556	1,837
Notes receivable, accounts receivable from completed construction contracts and other	20,458	28,280
Costs on construction contracts in progress	376	487
Merchandise and finished goods	1,204	1,373
Work in process	229	233
Raw materials and supplies	136	358
Accounts receivable - other	3,972	1,958
Other	13	23
Total current assets	27,949	34,553
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,801	6,834
Machinery, vehicles, tools, furniture and fixtures	5,733	5,843
Land	2,201	2,201
Construction in progress	1	1
Accumulated depreciation and impairment	(9,514)	(9,839)
Total property, plant and equipment	5,223	5,042
Intangible assets		
Software	83	99
Telephone subscription right	20	20
Total intangible assets	103	119
Investments and other assets		
Investment securities	429	427
Deferred tax assets	123	91
Other	155	139
Allowance for doubtful accounts	(23)	(18)
Total investments and other assets	685	640
Total non-current assets	6,012	5,802
Total assets	33,961	40,355

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	5,242	5,255
Electronically recorded obligations - operating	1,897	2,314
Short-term borrowings	5,500	9,200
Current portion of long-term borrowings	950	1,199
Accounts payable - other	152	168
Income taxes payable	181	149
Accrued consumption taxes	99	21
Deposits received	1,425	249
Advances received on construction contracts in progress	1,784	2,044
Provision for loss on construction contracts	155	20
Provision for warranties for completed construction	20	–
Other	328	196
Total current liabilities	17,737	20,821
Non-current liabilities		
Long-term borrowings	2,800	5,566
Other	128	124
Total non-current liabilities	2,928	5,691
Total liabilities	20,665	26,513
Net assets		
Shareholders’ equity		
Share capital	3,114	3,114
Capital surplus	2,794	2,773
Retained earnings	7,429	7,912
Treasury shares	(247)	(152)
Total shareholders’ equity	13,091	13,647
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	101	92
Total accumulated other comprehensive income	101	92
Share acquisition rights	103	103
Total net assets	13,296	13,842
Total liabilities and net assets	33,961	40,355

(2) Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	35,899	36,022
Cost of sales	31,053	31,730
Gross profit	4,845	4,291
Selling, general and administrative expenses	2,556	2,655
Operating profit	2,289	1,636
Non-operating income		
Interest and dividend income	6	7
Gain on sale of scraps	54	47
Other	33	31
Total non-operating income	94	86
Non-operating expenses		
Interest expenses	39	55
Construction guarantee fee	18	18
Financing expenses	28	17
Other	1	6
Total non-operating expenses	87	97
Ordinary profit	2,296	1,624
Profit before income taxes	2,296	1,624
Income taxes - current	772	561
Income taxes - deferred	(2)	37
Total income taxes	769	598
Profit	1,527	1,025
Profit attributable to owners of parent	1,527	1,025

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	1,527	1,025
Other comprehensive income		
Valuation difference on available-for-sale securities	10	(9)
Total other comprehensive income	10	(9)
Comprehensive income	1,538	1,016
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,538	1,016
Comprehensive income attributable to non-controlling interests	–	–

(3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,114	2,776	6,386	(318)	11,958
Cumulative effects of changes in accounting policies			57		57
Restated balance	3,114	2,776	6,443	(318)	12,015
Changes during period					
Dividends of surplus			(540)		(540)
Profit attributable to owners of parent			1,527		1,527
Disposal of treasury shares		17		71	89
Net changes in items other than shareholders' equity					
Total changes during period	–	17	986	71	1,075
Balance at end of period	3,114	2,794	7,429	(247)	13,091

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	90	90	103	12,152
Cumulative effects of changes in accounting policies				57
Restated balance	90	90	103	12,209
Changes during period				
Dividends of surplus				(540)
Profit attributable to owners of parent				1,527
Disposal of treasury shares				89
Net changes in items other than shareholders' equity	10	10	–	10
Total changes during period	10	10	–	1,086
Balance at end of period	101	101	103	13,296

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,114	2,794	7,429	(247)	13,091
Changes during period					
Dividends of surplus			(543)		(543)
Profit attributable to owners of parent			1,025		1,025
Disposal of treasury shares		(21)		94	73
Net changes in items other than shareholders' equity					
Total changes during period	–	(21)	482	94	555
Balance at end of period	3,114	2,773	7,912	(152)	13,647

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	101	101	103	13,296
Changes during period				
Dividends of surplus				(543)
Profit attributable to owners of parent				1,025
Disposal of treasury shares				73
Net changes in items other than shareholders' equity	(9)	(9)	–	(9)
Total changes during period	(9)	(9)	–	546
Balance at end of period	92	92	103	13,842

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	2,296	1,624
Depreciation	349	364
Share-based payment expenses	89	73
Increase (decrease) in allowance for doubtful accounts	(1)	(5)
Increase (decrease) in provision for loss on construction contracts	8	(134)
Increase (decrease) in provision for warranties for completed construction	1	(20)
Interest and dividend income	(6)	(7)
Interest expenses	39	55
Decrease (increase) in trade receivables	(601)	(7,822)
Decrease (increase) in costs on construction contracts in progress	215	(110)
Decrease (increase) in other inventories	(351)	(395)
Decrease (increase) in accounts receivable - other	(2,071)	1,931
Increase (decrease) in trade payables	299	430
Increase (decrease) in advances received on construction contracts in progress	961	259
Increase (decrease) in accrued consumption taxes	(405)	4
Increase (decrease) in deposits received	386	(1,176)
Decrease (increase) in other assets	2	(15)
Increase (decrease) in other liabilities	136	(118)
Other loss (gain)	0	(0)
Subtotal	1,349	(5,058)
Interest and dividends received	6	7
Interest paid	(40)	(57)
Income taxes paid	(1,295)	(592)
Net cash provided by (used in) operating activities	20	(5,702)
Cash flows from investing activities		
Payments into time deposits	(446)	(446)
Proceeds from withdrawal of time deposits	480	560
Purchase of property, plant and equipment	(529)	(154)
Purchase of intangible assets	(28)	(47)
Purchase of investment securities	(1)	(11)
Loan advances	(0)	(1)
Proceeds from collection of loans receivable	5	24
Net cash provided by (used in) investing activities	(520)	(76)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	200	3,700
Proceeds from long-term borrowings	1,000	4,000
Repayments of long-term borrowings	(1,300)	(983)
Dividends paid	(539)	(543)
Net cash provided by (used in) financing activities	(639)	6,173
Net increase (decrease) in cash and cash equivalents	(1,139)	394
Cash and cash equivalents at beginning of period	2,565	1,425
Cash and cash equivalents at end of period	1,425	1,820

(5) Notes to consolidated financial statements

Notes on premise of going concern

Not applicable.

Important information constituting the basis for preparation of consolidated financial statements

1. Matters concerning the scope of consolidation

Total number of consolidated subsidiaries: 5

Names of consolidated subsidiaries:

KYOKUTO KOWA CORPORATION

Higashi Nihon Concrete Co., Ltd.

Kyokuto Takamiya Co., Ltd.

Yutaka Kogyo K.K.

KN Information Systems Corporation

2. Matters related to application of equity method

Not applicable.

3. Fiscal year of consolidated subsidiaries

The fiscal year ends of all consolidated subsidiaries are the same as the fiscal year end on a consolidated basis.

4. Accounting policies

(1) Valuation standards and methods for significant assets

a. Securities

Other securities

Securities with market price

Stated at fair value (valuation differences are excluded from income and reported in a separate component of net assets. The cost of securities sold is calculated using the moving–average method.)

Securities without market price

Stated at cost using the moving–average method.

b. Inventories

(a) Costs on construction contracts in progress, finished goods and work in process

Stated at cost determined by the specific identification method (for the value stated in the balance sheet, the carrying amount is written down based on the decreased profitability).

(b) Raw materials and supplies

Stated at cost using the moving–average method (for the value stated in the balance sheet, the carrying amount is written down based on the decreased profitability).

(2) Depreciation and amortization methods of significant depreciable and amortizable assets

a. Property, plant and equipment (excluding leased assets)

Depreciated by declining–balance method.

However, the Company's main office building, buildings (excluding facilities accompanying the buildings) acquired on April 1, 1998 and thereafter, and facilities accompanying buildings and structures acquired on April 1, 2016 and thereafter are depreciated by the straight–line method.

The range of useful lives of property, plant and equipment is principally as follows:

Buildings and structures: 12 to 50 years

Machinery, vehicles, tools, furniture and fixtures: 3 to 9 years

b. Intangible assets (excluding leased assets)

Amortized by the straight–line method.

Software for internal use is amortized by the straight–line method over its estimated internal useful life (five years).

c. Leased assets

Depreciated using the straight–line method over the lease period with no residual value.

(3) Accounting policies for major provisions

a. Allowance for doubtful accounts

To provide against losses on defaults of trade receivables, etc. the Company provides the allowance for doubtful accounts based on historical experience for general claims and on an estimate of collectability of specific doubtful receivables from customers in financial difficulties.

b. Provision for loss on construction contracts

To provide against future losses on construction contracts, the Company recognizes the anticipated amounts of losses related to construction contracts at the end of the fiscal year.

c. Provision for warranties for completed construction

To provide for expenses arising from warranties, etc. for completed construction, the Company recognizes the future warranty amounts anticipated during the warranty period.

(4) Accounting policies for major revenues and expenses

The main performance obligations under contracts with customers in the main businesses and the usual points of time at which revenue is recognized are as follows:

Construction business

In the construction business, the Company offers critical services that integrate individual goods or services (inputs), into contracted construction projects (output), and these goods or services are judged to be a single performance obligation because individual goods and services stipulated in contracts with customers cannot be identified separately from other promises. Accordingly, the Company recognizes net sales over the construction period based on the degree of progress made in satisfying performance obligations measured at the end of the fiscal year. In addition, the Group uses the input method (method that uses an amount according to the percentage of incurred costs to the total estimated costs at the end of the fiscal year) for estimating percentage of completion because it is possible to sum up total construction costs and rationally estimate the percentage of the contract completed, but if it is not possible to rationally measure total construction costs, revenue equivalent to the amount of incurred costs expected to be recovered is recognized.

For contracts whose performance obligations are completed in a short time, however, revenue is recognized at one point in time, the day of the acceptance inspection.

Product sales business

In the product sales business, performance obligations consist of manufacturing and shipping products that meet customer specifications, and these are judged to be a single performance obligation because it is not possible to separately satisfy performance obligations for individual goods and services. The Group has an enforceable right to collect compensation for the portion of assets that cannot be used by other customers or for other purposes and whose performance obligations have been completed by the present time. Therefore, net sales are recognized over the contract period based on the percentage of completion for performance obligations measured at the end of the fiscal year under review. To estimate the percentage of completion, the output method (primarily recognize revenue based on the percentage of total goods and services that have been transferred) is used.

For contracts whose performance obligations are completed in a short time, however, revenue is recognized at one point in time, the day delivery is made.

Information systems business

In the contracted software development business, the performance obligation is to complete the work entrusted by the customer by the due date, and the satisfaction of such performance obligations is deemed to occur upon completion of the work and acceptance of the work by the customer, at which time revenue is recognized based on the amount stipulated in the contract.

In the temporary staffing business, the performance obligation is to provide workers for the duration of the contract, and such performance obligation is deemed to be satisfied over the contract period with the passage of working hours, and revenue is recognized based on the amount stipulated in the staffing contract during the period when the performance obligation is satisfied.

(5) Scope of cash in consolidated statements of cash flows

Cash (cash and cash equivalents) in consolidated statements of cash flows includes cash on hand, demand deposits and short–term investments with maturities of three months or less from the date of acquisition, that are liquid, readily convertible into cash and are subject to minimum risk of changes in value.

(6) Other significant matters for preparing consolidated financial statements

a. Application of the group tax sharing system The group tax sharing system is applied.

(Application of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system)

The Company and a portion of its domestic consolidated subsidiaries have transitioned from the consolidated taxation system to the group tax sharing system from the fiscal year under review. As for items regarding the transition to the group tax sharing system introduced in the "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 8 of 2020) and items revised on non–consolidated taxation system in connection with the transition to the group tax sharing system, the Company has not applied the provisions of paragraph 44 of the "Implementation Guidance on Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Guidance No. 28, February 16, 2018) as allowed by the provisions of paragraph 3 of the "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (ASBJ PITF No. 39, March 31, 2020). Accordingly, amounts of deferred tax assets and deferred tax liabilities are determined in accordance with the provisions of the tax law before revision.

Starting from the beginning of the fiscal year under review, the Company applied "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF No. 42, August 12, 2021), which stipulates accounting treatment and presentation of income tax, local income tax, and tax effect accounting when using the group tax sharing system.

b. Restricted Stock

The total payment expenses for restricted stock is measured at the market price (stock price) at the time the contract is executed, and because the corresponding service period is as short as one year, the entire amount is handled as operating expenses in the fiscal year under review.

Notes to consolidated balance sheets

*1. Of the notes receivable and accounts receivable from completed construction contracts and other, receivables arising from contracts with customers and contract assets are as follows:

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Notes receivable	738	795
Accounts receivable from completed construction contracts and other	3,967	3,199
Contract assets	15,753	24,285
Total	20,458	28,280

*2. The amount of contract liabilities included in "Other" current liabilities are as follows:

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Contract liabilities	239	102

Advances received on construction contracts in progress are fully contract liabilities

*3. Assets pledged as collateral and corresponding liabilities are as follows:

a) Assets pledged as collateral

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Buildings and structures	48	46
Machinery, vehicles, tools, furniture and fixtures	12	10
Land	495	495
Total	556	551

Of the above property, plant and equipment, assets pledged as collateral on factory foundation mortgages

	As of March 31, 2022	As of March 31, 2023
Buildings and structures	48	46
Machinery, vehicles, tools, furniture and fixtures	12	10
Land	495	495
Total	556	551

b) Liabilities corresponding to the above

Not applicable.

*4. Loan commitment

The Company has entered into loan commitment agreements with six banks to efficiently raise working capital.

The balance of unexecuted borrowings based on the loan commitment agreements at the end of the fiscal year under review is as follows:

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Total amount of loan commitment	6,000	6,000
Outstanding borrowings	2,900	4,000
Balance of unexecuted borrowings	3,100	2,000

(Note) On December 21, 2022, the loan commitment term was extended to January 20, 2025.

Notes to consolidated statements of income

*1. Revenue from contracts with customers

Regarding net sales, revenues from contracts with customers are not listed separately from that of other revenues.

*2. The inventory balance at the end of the fiscal year is presented after book values were written down due to a decline in profitability of assets and the following loss on valuation of inventories is included in cost of sales.

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Amount of reduction in book value of inventories	7	8

*3. The major components and amounts of selling, general and administrative expenses are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Employees' salaries and allowances	824	841
Bonuses	284	274
Provision of allowance for doubtful accounts	(1)	(5)

*4. The components of research and development expenses are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Selling, general and administrative expenses	93	56

Notes to consolidated statements of changes in equity

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

1. Type and total number of issued shares and type and number of treasury shares

	Number of shares at the beginning of the fiscal year	Increase	Decrease	Number of shares at the end of the fiscal year
Issued shares				
Common shares	45,795,000	–	–	45,795,000
Total	45,795,000	–	–	45,795,000
Treasury shares				
Common shares (Note)	802,596	–	180,000	622,596
Total	802,596	–	180,000	622,596

(Note) The decrease of shares of common shares in treasury shares is due to the disposal as restricted share remuneration.

2. Share acquisition rights and treasury share acquisition rights

Category	Breakdown of share acquisition rights	Class of shares subject to share acquisition rights	Number of shares to be issued upon exercise of share acquisition rights (shares)				Balance as of the end of the fiscal year (Millions of yen)
			As of the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	As of the end of the fiscal year	
Reporting company (parent company)	Share acquisition rights as stock options	–	–	–	–	–	103
Total		–	–	–	–	–	103

3. Matters related to dividends

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders held on June 18, 2021	Common shares	269	6	March 31, 2021	June 21, 2021
Board of Directors Meeting held on November 10, 2021	Common shares	271	6	September 30, 2021	December 1, 2021

(2) Of the dividends whose record date falls during the fiscal year, those which become effective in the following fiscal year

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Source of dividends	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders held on June 17, 2022	Common shares	271	Retained earnings	6	March 31, 2022	June 20, 2022

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

1. Type and total number of issued shares and type and number of treasury shares

	Number of shares at the beginning of the fiscal year	Increase	Decrease	Number of shares at the end of the fiscal year
Issued shares				
Common shares	45,795,000	–	–	45,795,000
Total	45,795,000	–	–	45,795,000
Treasury shares				
Common shares (Note)	622,596	–	238,000	384,596
Total	622,596	–	238,000	384,596

(Note) The decrease of shares of common shares in treasury shares is due to the disposal as restricted share remuneration.

2. Share acquisition rights and treasury share acquisition rights

Category	Breakdown of share acquisition rights	Class of shares subject to share acquisition rights	Number of shares to be issued upon exercise of share acquisition rights (shares)				Balance as of the end of the fiscal year (Millions of yen)
			As of the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	As of the end of the fiscal year	
Reporting company (parent company)	Share acquisition rights as stock options	–	–	–	–	–	103
Total		–	–	–	–	–	103

3. Matters related to dividends

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders held on June 17, 2022	Common shares	271	6	March 31, 2022	March 31, 2022
Board of Directors Meeting held on November 11, 2022	Common shares	272	6	September 30, 2022	December 1, 2022

(2) Of the dividends whose record date falls during the fiscal year, those which become effective in the following fiscal year

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Source of dividends	Dividend per share (Yen)	Record date	Effective date
Annual General Meeting of Shareholders to be held on June 16, 2023	Common shares	272	Retained earnings	6	March 31, 2023	June 19, 2023

Notes to consolidated statements of cash flows

* Relationship between the balance of cash and cash equivalents at the end of the fiscal year and the amounts of the items shown on the consolidated balance sheets

(Millions of yen)

	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Cash and deposits	1,556	1,837
Time deposits with maturities of more than three months	(131)	(17)
Cash and cash equivalents	1,425	1,820

Segment information, etc.

[Segment information]

1. Overview of reportable segments

The Group's reportable segments are the constituent units of the Group for which separate financial information is available and which are subject to periodic reviews by the Board of Directors in order to make decisions on allocation of business resources and to evaluate performance of the business.

The Company engages in the management of subsidiaries and the rent and management of real estate as a holding company. Each group company formulates comprehensive business strategies for each business categorized by industry, such as construction, product sales and information systems.

Accordingly, the Group consists of segments by industry, with four reportable segments: "Construction business," "Product sales business," "Information systems business" and "Real estate leasing business."

The "Construction business" mainly engages in prestressed concrete work, primarily for bridges. The "Product sales business" mainly engages in the sale of secondary concrete products. The "Information systems business" mainly engages in information processing and software development, while the "Real estate leasing business" leases and manages real estate owned by the Company.

2. The methods of calculating the amounts of net sales, profit (loss), assets and other items by reportable segment

The accounting method for reportable segments is generally the same as the method described in "Important information constituting the basis for preparation of consolidated financial statements."

Profit of reportable segments is calculated based on operating profit.

Intersegment revenue and transfers are based on prevailing market prices.

3. Information on net sales, profit (loss), assets and other items by reportable segment

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Construction business	Product sales business	Information systems business	Real estate leasing business	Total	Adjusted amount (Note) 1	Amount in consolidated financial statements (Note) 2
Net sales:							
Sales to external customers	31,236	4,364	256	41	35,899	–	35,899
Intersegment sales and transfers	–	64	137	134	336	(336)	–
Total	31,236	4,429	394	175	36,236	(336)	35,899
Segment profit (loss)	3,355	209	5	116	3,687	(1,397)	2,289
Segment assets	26,357	3,153	289	1,256	31,057	2,904	33,961
Other items:							
Depreciation	162	116	0	17	297	52	349
Increase in property, plant and equipment and intangible assets	277	54	–	–	332	90	422

Notes: 1. Details of adjustment are as follows:

(1) Included in the ¥1,397 million deducted from segment profit as an adjustment are a deduction of ¥0 million in intersegment eliminations, and a deduction of ¥1,398 million in corporate expenses that cannot be allocated to any reportable segment. Corporate expenses mainly consist of general and administrative expenses that are not attributable to reportable segments.

(2) The adjustment of ¥2,904 million in segment assets includes eliminations of ¥10,477 million in common group–wide receivables and ¥13,382 million in corporate assets not allocated to any reportable segment.

(3) Included in the ¥52 million adjustment to depreciation are an adjustment of ¥3 million in common group–wide depreciation and amortization, and ¥48 million in depreciation and amortization for the whole Group that has not been allocated to any reportable segment.

(4) The ¥90 million adjustment increase in property, plant and equipment and intangible assets is the amount of capital investment in corporate assets.

2. Segment profit is adjusted for operating profit on the consolidated financial statements.

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Construction business	Product sales business	Information systems business	Real estate leasing business	Total	Adjusted amount (Note) 1	Amount in consolidated financial statements (Note) 2
Net sales:							
Sales to external customers	30,853	4,797	333	38	36,022	–	36,022
Intersegment sales and transfers	–	304	162	134	601	(601)	–
Total	30,853	5,101	495	172	36,623	(601)	36,022
Segment profit (loss)	2,875	89	21	114	3,101	(1,464)	1,636
Segment assets	33,031	3,115	335	1,242	37,724	2,631	40,355
Other items:							
Depreciation	169	129	1	43	344	19	363
Increase in property, plant and equipment and intangible assets	93	39	3	–	136	58	195

Notes: 1. Details of adjustment are as follows:

(1) Included in the ¥1,464 million deducted from segment profit as an adjustment are a deduction of ¥0 million in intersegment eliminations, and a deduction of ¥1,465 million in corporate expenses

that cannot be allocated to any reportable segment. Corporate expenses mainly consist of general and administrative expenses that are not attributable to reportable segments.

(2) The adjustment of ¥2,631 million in segment assets includes eliminations of ¥17,377 million in common group–wide receivables and ¥20,009 million in corporate assets not allocated to any reportable segment.

(3) Included in the ¥19 million adjustment to depreciation are an adjustment of ¥1 million in common group–wide depreciation and amortization, and ¥20 million in depreciation and amortization for the whole Group that has not been allocated to any reportable segment.

(4) The ¥58 million adjustment increase in property, plant and equipment and intangible assets is the amount of capital investment in corporate assets.

2. Segment profit is adjusted for operating profit on the consolidated financial statements.

[Related information]

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

1. Information by product and service

This information has been omitted as similar information has been disclosed in “Segment information 1. Overview of reportable segments.”

2. Regional information

(1) Net sales

This information is not presented as the Group has no sales to customers outside Japan.

(2) Property, plant and equipment

This information is not presented as the Group has no property, plant and equipment outside Japan.

3. Information by major customer

Name of customer	Net sales (Millions of yen)	Name of related segment
Expressway companies	13,740	Construction business

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

1. Information by product and service

This information has been omitted as similar information has been disclosed in “Segment information 1. Overview of reportable segments.”

2. Regional information

(1) Net sales

This information is not presented as the Group has no sales to customers outside Japan.

(2) Property, plant and equipment

This information is not presented as the Group has no property, plant and equipment outside Japan.

3. Information by major customer

Name of customer	Net sales (Millions of yen)	Name of related segment
Expressway companies	15,718	Construction business

[Information on impairment loss on non-current assets by reportable segment]
Not applicable.

[Information on amortization and unamortized balance of goodwill by reportable segment]
Not applicable.

[Information on gains on bargain purchase by reportable segment]
Not applicable.

Per-share information

(Yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net assets per share	292.06	302.57
Earnings per share	33.85	22.63
Diluted earnings per share	33.55	22.43

Note: The basis for calculation of basic earnings per share and diluted earnings per share is as follows.

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Earnings per share		
Profit attributable to owners of parent (Millions of yen)	1,527	1,025
Amounts not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to owners of parent concerning common shares (Millions of yen)	1,527	1,025
Average number of common shares during the period (Thousands of shares)	45,121	45,343
Diluted earnings per share		
Adjustments of profit attributable to owners of parent (Millions of yen)	–	–
Increase in number of common shares (Thousands of shares)	404	403
(Of which, share acquisition rights (Thousands of shares))	(404)	(403)
Overview of potential shares not included in the calculation of diluted earnings per share because of having no dilutive effect	–	–

Significant subsequent events

Not applicable.

5. Overview of orders received and sales

(i) Orders received

(Millions of yen)

Business segments	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Change
	Orders received	Orders received	Orders received
Construction business	26,422	33,093	6,670
Product sales business	4,687	6,552	1,864
Information systems business	454	479	25
Real estate leasing business	175	172	(3)
Total	31,739	40,297	8,558

Notes: 1. Intersegment transactions are included in the amounts.
2. The above amounts do not include consumption and other taxes

(ii) Sales results

(Millions of yen)

Business segments	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Change
	Sales	Sales	Sales
Construction business	31,236	30,853	(382)
Product sales business	4,364	4,797	432
Information systems business	256	333	76
Real estate leasing business	41	38	(3)
Total	35,899	36,022	122

Notes: 1. Intersegment transactions have been eliminated.
2. The above amounts do not include consumption and other taxes

The status of the construction business, which is a core business of the Group, is as follows.

Orders, net sales, balance carried forward and value of finished work

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

Segment	Balance carried from the previous fiscal year	Orders received for the fiscal year	Total	Net sales for the fiscal year	Balance carried forward			Value of finished work for the fiscal year
					Amount on hand	Of which, value of finished work		
Construction business						(%)		
Bridges	25,684	14,375	40,059	13,272	26,787	0.8	219	13,069
Other	25,899	12,047	37,946	17,964	19,982	0.6	110	17,861
Total	51,583	26,422	78,006	31,236	46,770	0.7	329	30,930

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

Segment	Balance carried from the previous fiscal year	Orders received for the fiscal year	Total	Net sales for the fiscal year	Balance carried forward			Value of finished work for the fiscal year
					Amount on hand	Of which, value of finished work		
Construction business						(%)		
Bridges	26,787	11,844	38,631	13,408	25,223	1.1	281	13,470
Other	19,982	21,249	41,231	17,445	23,786	0.9	205	17,539
Total	46,770	33,093	79,863	30,853	49,010	1.0	486	31,010

Notes: 1. Amounts that have been changed in contract amounts due to renewal of contracts for construction that was ordered in the previous fiscal year or before are included in orders received for the fiscal year. Accordingly, this change is also included in net sales for the fiscal year.

2. The value of finished work in balance carried forward for the next fiscal year assumes the value of finished work of construction in progress using costs on construction contracts in progress.