



May 11, 2023

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange Prime Market
 Securities code: 1884
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 Scheduled date of annual general meeting of shareholders: June 23, 2023
 Scheduled date of commencing dividend payments: June 2, 2023
 Scheduled date of filing annual securities report: June 23, 2023
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal 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	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	155,353	(0.7)	5,695	(30.6)	5,920	(31.0)	5,704	0.6
March 31, 2022	156,379	(0.9)	8,202	(23.9)	8,582	(24.0)	5,667	(25.4)

Note: Comprehensive income For the fiscal year ended March 31, 2023: ¥3,743 million [(25.3) %]
 For the fiscal year ended March 31, 2022: ¥5,011 million [(39.8) %]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	648.99	—	6.0	3.9	3.7
March 31, 2022	644.82	—	6.1	5.6	5.2

Reference: Equity in earnings (losses) of affiliates For the fiscal year ended March 31, 2023: ¥- million
 For the fiscal year ended March 31, 2022: ¥- million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	151,850	96,909	63.7	11,009.73
March 31, 2022	152,194	95,006	62.3	10,793.58

Reference: Equity
 As of March 31, 2023: ¥96,762 million
 As of March 31, 2022: ¥94,867 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Ending balance of cash and cash equivalents
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	10,918	307	(3,349)	38,129
March 31, 2022	2,360	(5,140)	(3,788)	30,158

2. Cash dividends

	Annual dividends per share					Total dividends (total)	Payout ratio (consolidated)	Dividends to net assets ratio (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	—	—	—	210.00	210.00	1,845	32.6	2.0
Fiscal year ended March 31, 2023	—	—	—	280.00	280.00	2,460	43.1	2.6
Fiscal year ending March 31, 2024 (Forecast)	—	—	—	300.00	300.00		40.6	

Note: Breakdown of year-end dividend for the fiscal year ended March 31, 2023

Ordinary dividend	180.00 yen
Special dividend	100.00 yen

3. Consolidated financial results forecast for the fiscal 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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	164,000	5.6	10,000	75.6	10,100	70.6	6,500	14.0	739.57

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: – companies (–)

Excluded: – companies (–)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to reasons other than (i) above: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: Please refer to “3. Consolidated Financial Statements and Major Notes (5) Notes to consolidated financial statements (Changes in accounting policies)” on page 12 for more information.

(3) Number of issued shares (common shares)

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

As of March 31, 2023	8,789,268 shares
As of March 31, 2022	8,789,268 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2023	409 shares
As of March 31, 2022	– shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2023	8,789,099 shares
Fiscal year ended March 31, 2022	8,789,554 shares

(Reference) Summary of Non-Consolidated Financial Results

1. Non-consolidated financial results for the fiscal 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	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	135,142	0.0	3,717	(38.0)	3,901	(37.9)	4,448	6.5
March 31, 2022	135,113	0.1	5,993	(27.9)	6,287	(27.8)	4,175	(29.6)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2023	506.11	–
March 31, 2022	475.07	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	130,633	80,753	61.8	9,188.18
March 31, 2022	132,028	79,916	60.5	9,092.54

Reference: Equity

As of March 31, 2023: ¥80,753 million

As of March 31, 2022: ¥79,916 million

- * Financial results reports are exempt from review by certified public accountants or an audit corporation.
- * Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements, etc.)

Financial results forecasts and other forward-looking statements provided in these materials are based on information available to the Company and certain other assumptions deemed reasonable as of the date of publication of this document, and do not represent any guarantee that the Company will achieve these results. Actual financial results and other aspects of business performance may differ significantly from these forecasts owing to various factors. Please refer to “1. Overview of Operating Results, etc.” on page 2 to 4 of the attached materials for conditions forming the basis for financial results forecasts, notes regarding the use of financial results forecasts, and other information.

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1. Overview of Operating Results, etc.

(1) Overview of operating results for the fiscal year under review

The Japanese economy in the fiscal year under review showed signs of recovery, despite the progression of the depreciation of the yen and geopolitical factors such as the situation in Ukraine.

In the construction industry, the main business of the Group (the Company and its consolidated subsidiaries), while government construction investment continued to remain above ¥20 trillion and there were signs of recovery mainly in private sector construction investment mainly in manufacturing, capital investment for corporations remained cautious.

Under such circumstances, the Group as a whole conducted proactive and strategic sales that were compatible with area environments in order to secure orders by enhancing integration accuracy and proposals of technology for government projects and increasing the number of high-quality orders for private sector projects. As a result, the amount of construction orders received was ¥127,896 million (up 6.3% year-on-year), the amount of construction sales was ¥126,743 million (down 2.2% year-on-year), and total net sales including finished goods, etc., were ¥155,353 million (down 0.7% year-on-year).

Concerning profits, due to rising raw materials and energy costs in the Construction Business and Manufacturing & Sales Business, gross profit was ¥15,059 million (down 11.3% year-on-year), operating profit was ¥5,695 million (down 30.6% year-on-year), and ordinary profit was ¥5,920 million (down 31.0% year-on-year). Profit attributable to owners of parent amounted to ¥5,704 million (up 0.6% year-on-year) due to recording ¥2,791 million in gain on sale of investment securities for the disposal by sale of parent company shares and cross-shareholdings, etc.

Business performance by segment is as follows. (Business performance by segment includes inter-segment net sales and transfers.)

(Construction Business)

As the Group's key division, net sales amounted to ¥126,748 million (down 2.2% year-on-year) and operating profit was ¥7,357 million (down 17.7% year-on-year) in the Construction Business.

Key construction projects of the Company are as follows.

Major construction orders

Client	Name of construction project	Location
Ministry of Land, Infrastructure, Transport and Tourism Chugoku Regional Development Bureau	FY2022 construction work of Shizuma Nima-Road Oya District pavement	Shimane
East Nippon Expressway Company Limited	Tohoku Expressway FY2023 paving construction work within Sendai	Miyagi, Iwate
Ministry of Defense, Kyushu Defense Bureau	Tsuiki Air Base (4) apron maintenance works and other construction	Fukuoka
Toyota Mobility Service Co., Ltd.	Toyota Rent a Car Akabane Station Shop new building construction (tentative)	Tokyo
Shimizu Corporation	Floor slab replacement works of Sugegaya Viaduct on Tomei Expressway	Shizuoka

Main completed construction projects

Client	Name of construction project	Location
Ministry of Land, Infrastructure, Transport and Tourism Hokkaido Development Bureau	New Chitose Airport North taxiway outside construction	Hokkaido
Central Nippon Expressway Company Limited	Construction work for Shin Tomei Expressway expansion to six lanes between Surugawan-Numazu SA and Shin-Fuji IC	Shizuoka
Japan Racing Association	Kyoto Racecourse maintenance works (horse-riding areas)	Kyoto
Japan Automobile Research Institute	ADAS testing ground construction	Ibaraki
Asia University	Hinode Campus redevelopment plan phase 3 construction	Tokyo

(Manufacturing & Sales Business)

Net sales amounted to ¥31,917 million (up 9.1% year-on-year) and operating profit was ¥1,232 million (down 35.6% year-on-year).

(Leasing Business)

Net sales amounted to ¥6,404 million (up 0.8% year-on-year) and operating profit was ¥523 million (up 25.4% year-on-year).

(Other)

Net sales amounted to ¥1,291 million (down 9.6% year-on-year) and operating profit was ¥287 million (down 5.0% year-on-year).

(2) Overview of financial position for the fiscal year under review

(Assets)

Total assets for the fiscal year under review amounted to ¥151,850 million (down ¥344 million year-on-year, or down 0.2%), current assets were ¥112,989 million (up ¥2,846 million year-on-year, or up 2.6%), and non-current assets were ¥38,860 million (down ¥3,190 million year-on-year, or down 7.6%).

The main factors were increases of ¥8,000 million in cash and deposits, ¥1,242 million in electronically recorded monetary claims – operating, and ¥1,463 million in construction in progress due to the construction of a complex that integrates technology laboratories and training facilities alongside decreases of ¥6,815 million in notes receivable, accounts receivable from completed construction contracts and other, and ¥4,759 million in investment securities due to the disposal by sale of parent company shares and cross-shareholdings, etc.

(Liabilities)

Total liabilities for the fiscal year under review amounted to ¥54,941 million (down ¥2,246 million year-on-year, or down 3.9%), current liabilities amounted to ¥47,146 million (down ¥3,956 million year-on-year, or down 7.7%), and non-current liabilities amounted to ¥7,794 million (up ¥1,710 million, or up 28.1%).

The main factors were a decrease of ¥1,500 million in borrowings due to renewal of borrowings.

(Net assets)

Total net assets for the fiscal year under review totaled ¥96,909 million (up ¥1,902 million year-on-year, or up 2.0%).

The main factors were a recording of ¥5,704 million to profit attributable to owners of parent and a payment of ¥1,845 million in shareholder dividends.

(3) Overview of cash flows for the fiscal year under review

Consolidated cash flows for the fiscal year under review amounted to ¥10,918 million in net cash provided by operating activities, ¥307 million in net cash provided by investing activities, and ¥3,349 million in net cash used in financing activities.

As a result, cash and cash equivalents at the end of the fiscal year under review increased by ¥7,970 million from the end of the previous fiscal year to ¥38,129 million (¥30,158 million at the end of the previous fiscal year).

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥10,918 million (net cash provided during the previous fiscal year was ¥2,360 million) due to recording ¥8,635 million in profit before income taxes, an increase of ¥5,767 million due to a decrease in trade receivables and a decrease of ¥3,018 million due to income taxes paid.

(Cash flows from investing activities)

Net cash provided by investing activities amounted to ¥307 million (net cash used during the previous fiscal year was ¥5,140 million) due an increase of ¥4,977 million in proceeds from sale of securities owing to sale of parent company shares and cross-shareholdings, and a decrease of ¥3,269 million owing to purchase of property, plant and equipment stemming from expenditures from the expansion and upgrade of manufacturing and sales locations and construction of a complex that integrates technology laboratories and training facilities.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥3,349 million (net cash used during the previous fiscal year was ¥3,788 million) due to a decrease of ¥1,845 million from dividends paid and ¥1,500 million from the repayment on renewal of borrowings.

(4) Future outlook

Despite uncertainty stemming from the rise in raw material prices and overseas conditions, the Company expects the Japanese economy during the next consolidated fiscal year to recover due to the reclassification of the novel coronavirus (COVID-19) as a Class V Infectious Disease and an increase in personal consumption aided by wage increases as well as capital investment for corporations.

In the construction industry, government construction investment is expected to continue remain above ¥20 trillion in FY2023, and construction investment, including private-sector housing investment and non-residential construction investment, is projected to maintain the same level as the previous fiscal year and exceed ¥60 trillion.

Amid this environment, the Company forecasts the amount of construction orders received to be ¥140,000 million (up 9.5% year-on-year), total net sales of ¥164,000 million (up 5.6% year-on-year), operating profit to be ¥10,000 million (up 75.6% year-on-year), ordinary profit of ¥10,100 million (up 70.6% year-on-year), and profit attributable to owners of parent of ¥6,500 million (up 14.0% year-on-year) for the fiscal year ending March 31, 2024.

(5) Basic policy on dividends and payments for this period and next period

The Company's basic policy for our shareholders is to maintain stable dividends and appropriate profit distribution, while strengthening the Company's financial structure and ensuring a stable business foundation and striving to stabilize and improve on employee living standards.

Furthermore, the Company strives to enhance internal reserves to strengthen our financial structure, research and development for the future, and for capital investments.

Year-end dividends for this period will be ¥180 per share for ordinary dividends, and a special dividend of ¥100 as returns concerning one-time revenue from the sale of parent company shares, totaling ¥280 per share.

As for dividends for the next period, the Company intends to pay ¥300 per share based on stable and continued business performance.

2. Basic Policy on Selection of Accounting Standards

The Group currently applies Japanese GAAP and will take appropriate measures for the application of International Financial Reporting Standards (IFRS) in consideration of various domestic and international circumstances.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated balance sheets

	(Unit: millions of yen)	
	Previous consolidated fiscal year (March 31, 2022)	Consolidated fiscal year under review (March 31, 2023)
Assets		
Current assets		
Cash and deposits	30,158	38,159
Notes receivable, accounts receivable from completed construction contracts and other	64,389	57,573
Electronically recorded monetary claims - operating	3,509	4,751
Lease receivables and investments in leases	8,726	8,332
Merchandise	158	158
Costs on construction contracts in progress	92	76
Raw materials	1,033	1,129
Other	2,114	2,844
Allowance for doubtful accounts	(39)	(37)
Total current assets	110,142	112,989
Non-current assets		
Property, plant and equipment		
Buildings and structures	21,497	21,390
Machinery, vehicles, tools, furniture and fixtures	39,120	39,777
Assets for lease	4,037	4,129
Land	17,697	17,701
Construction in progress	47	1,511
Accumulated depreciation	(48,595)	(50,564)
Total property, plant and equipment	33,805	33,947
Intangible assets	1,320	1,950
Investments and other assets		
Investment securities	6,085	1,326
Deferred tax assets	110	823
Other	848	903
Allowance for doubtful accounts	(118)	(91)
Total investments and other assets	6,925	2,962
Total non-current assets	42,051	38,860
Total assets	152,194	151,850

(Unit: millions of yen)

	Previous consolidated fiscal year (March 31, 2022)	Consolidated fiscal year under review (March 31, 2023)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	30,767	30,779
Electronically recorded obligations - operating	7,367	7,560
Short-term borrowings	3,000	100
Accounts payable – other	2,167	1,295
Accrued expenses	2,433	2,263
Income taxes payable	2,254	2,060
Advances received on construction contracts in progress	1,874	1,499
Provision for warranties for completed construction	62	62
Provision for loss on construction contracts	141	172
Provision for bonuses for directors (and other officers)	78	63
Other	955	1,287
Total current liabilities	51,102	47,146
Non-current liabilities		
Long-term borrowings	5,200	6,600
Retirement benefit liability	522	940
Other	362	253
Total non-current liabilities	6,084	7,794
Total liabilities	57,187	54,941
Net assets		
Shareholders' equity		
Share capital	12,290	12,290
Capital surplus	14,524	14,524
Retained earnings	66,425	70,291
Treasury shares	–	(2)
Total shareholders' equity	93,240	97,103
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,006	245
Foreign currency translation adjustment	(548)	(432)
Remeasurements of defined benefit plans	169	(152)
Total accumulated other comprehensive income	1,627	(340)
Non-controlling interests	138	146
Total net assets	95,006	96,909
Total liabilities and net assets	152,194	151,850

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

(Unit: millions of yen)

	Previous consolidated fiscal year (from April 1, 2021 to March 31, 2022)	Consolidated fiscal year under review (from April 1, 2022 to March 31, 2023)
Net sales		
Net sales of completed construction contracts	129,532	126,743
Net sales of finished goods	20,217	22,076
Sales in leasing business and other	6,630	6,533
Total net sales	156,379	155,353
Cost of sales		
Cost of sales of completed construction contracts	115,721	114,305
Cost of finished goods sold	18,350	20,817
Cost of sales in leasing business and other	5,339	5,171
Total cost of sales	139,411	140,293
Gross profit		
Gross profit on completed construction contracts	13,810	12,437
Gross profit - finished goods	1,866	1,259
Gross profit – leasing business and other	1,291	1,361
Total gross profit	16,968	15,059
Selling, general and administrative expenses	8,765	9,363
Operating profit	8,202	5,695
Non-operating income		
Interest income	21	24
Dividend income	218	127
Dividend income of group term insurance	18	15
Foreign exchange gains	–	36
Reversal of allowance for doubtful accounts	88	11
Other	66	60
Total non-operating income	413	276
Non-operating expenses		
Interest expenses	7	26
Other	25	25
Total non-operating expenses	32	51
Ordinary profit	8,582	5,920
Extraordinary income		
Gain on sale of non-current assets	30	12
Gain on sale of investment securities	5	2,791
Total extraordinary income	35	2,804
Extraordinary losses		
Loss on retirement of non-current assets	84	61
Impairment losses	–	25
Other	1	2
Total extraordinary losses	86	90
Profit before income taxes	8,532	8,635
Income taxes – current	2,609	2,831
Income taxes – deferred	247	92
Total income taxes	2,856	2,923
Profit	5,675	5,711
Profit attributable to non-controlling interests	8	7
Profit attributable to owners of parent	5,667	5,704

(Consolidated statement of comprehensive income)

(Unit: millions of yen)

	Previous consolidated fiscal year (from April 1, 2021 to March 31, 2022)	Consolidated fiscal year under review (from April 1, 2022 to March 31, 2023)
Profit	5,675	5,711
Other comprehensive income		
Valuation difference on available-for-sale securities	(660)	(1,761)
Foreign currency translation adjustment	53	115
Remeasurements of defined benefit plans, net of tax	(56)	(322)
Total other comprehensive income	(664)	(1,968)
Comprehensive income	5,011	3,743
Comprehensive income attributable to:		
Owners of parent	5,003	3,735
Non-controlling interests	8	7

(3) Consolidated statement of changes in net assets

Previous consolidated fiscal year (from April 1, 2021 to March 31, 2022)

(Unit: millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Opening balance	12,290	14,540	64,657	(1,677)	89,810
Cumulative effects of changes in accounting policies			50		50
Restated balance	12,290	14,540	64,707	(1,677)	89,861
Changes during period					
Dividends of surplus			(2,285)		(2,285)
Profit attributable to owners of parent			5,667		5,667
Purchase of treasury shares				(3)	(3)
Cancellation of treasury shares		(15)	(1,665)	1,680	—
Change in scope of consolidation					—
Net changes in items other than shareholders' equity					
Total changes during period	—	(15)	1,717	1,677	3,378
Ending balance	12,290	14,524	66,425	—	93,240

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Opening balance	2,667	(601)	226	2,291	131	92,233
Cumulative effects of changes in accounting policies						50
Restated balance	2,667	(601)	226	2,291	131	92,284
Changes during period						
Dividends of surplus						(2,285)
Profit attributable to owners of parent						5,667
Purchase of treasury shares						(3)
Cancellation of treasury shares						—
Change in scope of consolidation						—
Net changes in items other than shareholders' equity	(660)	53	(56)	(664)	7	(656)
Total changes during period	(660)	53	(56)	(664)	7	2,722
Ending balance	2,006	(548)	169	1,627	138	95,006

Consolidated fiscal year under review (from April 1, 2022 to March 31, 2023)

(Unit: millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Opening balance	12,290	14,524	66,425	—	93,240
Cumulative effects of changes in accounting policies					—
Restated balance	12,290	14,524	66,425	—	93,240
Changes during period					
Dividends of surplus			(1,845)		(1,845)
Profit attributable to owners of parent			5,704		5,704
Purchase of treasury shares				(2)	(2)
Cancellation of treasury shares					—
Change in scope of consolidation			7		7
Net changes in items other than shareholders' equity					
Total changes during period	—	—	3,866	(2)	3,863
Ending balance	12,290	14,524	70,291	(2)	97,103

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Opening balance	2,006	(548)	169	1,627	138	95,006
Cumulative effects of changes in accounting policies						—
Restated balance	2,006	(548)	169	1,627	138	95,006
Changes during period						
Dividends of surplus						(1,845)
Profit attributable to owners of parent						5,704
Purchase of treasury shares						(2)
Cancellation of treasury shares						—
Change in scope of consolidation						7
Net changes in items other than shareholders' equity	(1,761)	115	(322)	(1,968)	7	(1,960)
Total changes during period	(1,761)	115	(322)	(1,968)	7	1,902
Ending balance	245	(432)	(152)	(340)	146	96,909

(4) Consolidated cash flows statement

(Unit: millions of yen)

	Previous consolidated fiscal year (from April 1, 2021 to March 31, 2022)	Consolidated fiscal year under review (from April 1, 2022 to March 31, 2023)
Cash flows from operating activities		
Profit before income taxes	8,532	8,635
Depreciation	3,857	3,450
Increase (decrease) in allowance for doubtful accounts	(101)	(29)
Increase (decrease) in retirement benefit liability	(78)	(86)
Interest and dividend income	(239)	(152)
Interest expenses	96	87
Loss (gain) on sale of property, plant and equipment	(28)	(9)
Loss on retirement of non-current assets	84	61
Loss (gain) on sale of investment securities	(5)	(2,791)
Loss on retirement of assets for lease	52	41
Purchase of assets for lease	(338)	(391)
Decrease (increase) in trade receivables	(6,514)	5,767
Decrease (increase) in costs on construction contracts in progress	3	18
Decrease (increase) in inventories	(138)	(95)
Increase (decrease) in trade payables	(503)	120
Increase (decrease) in advances received on construction contracts in progress	272	(380)
Increase (decrease) in accounts payable - other	(204)	(509)
Other, net	577	135
Subtotal	5,324	13,872
Interest and dividends received	239	152
Interest paid	(96)	(87)
Income taxes paid	(3,107)	(3,018)
Net cash provided by (used in) operating activities	2,360	10,918
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,119)	(3,269)
Proceeds from sale of property, plant and equipment	70	17
Proceeds from sale of investment securities	52	4,977
Other, net	(1,143)	(1,418)
Net cash provided by (used in) investing activities	(5,140)	307
Cash flows from financing activities		
Proceeds from long-term borrowings	4,000	1,500
Repayments of long-term borrowings	(5,500)	(3,000)
Purchase of treasury shares	(3)	(2)
Dividends paid	(2,285)	(1,845)
Dividends paid to non-controlling interests	(0)	(0)
Net cash provided by (used in) financing activities	(3,788)	(3,349)
Effect of exchange rate change on cash and cash equivalents	36	48
Net increase (decrease) in cash and cash equivalents	(6,533)	7,925
Opening balance of cash and cash equivalents	36,691	30,158
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	44
Ending balance of cash and cash equivalents	30,158	38,129

(5) Notes to consolidated financial statements

(Note on entity's ability to continue as going concern)

Not applicable.

(Changes in accounting policies)

(Application of "Implementation Guidance on Accounting Standard for Fair Value Measurement")

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021; the "Fair Value Measurement Guidance") from the consolidated fiscal year under review, and it has applied the new accounting policy provided for by the Fair Value Measurement Guidance prospectively in accordance with Paragraph 27-2 of the Fair Value Measurement Guidance. There is no effect on the consolidated financial statements.

(Changes in accounting estimates)

Not applicable.

(Restatements)

Not applicable.

(Segment information)

[Segment information]

1. Description of reportable segments

The Group's reportable segments are constituent units of the Group for which separate financial information is available and which are subject to periodic review by the Board of Directors for the purpose of determining the allocation of management resources and evaluating business performance.

The Company conducts business activities by formulating comprehensive strategies concerning construction businesses, mainly pavement construction, and related products and services centered around the Company and the main business management divisions of its consolidated subsidiaries group companies.

Therefore, the Company is composed of segments by service, and the reportable segments are the Construction Business, the Manufacturing & Sales Business, and the Leasing Business.

The Construction Business conducts business concerning pavement, civil works, construction, and other general construction-related business. The Manufacturing & Sales Business conducts business concerning the manufacture and sale of asphalt mixture and other materials for pavement. The Leasing Business conducts leases, etc. of automobiles, office equipment, etc.

2. Explanation of measurements of net sales, profit (loss), assets, liabilities, and other items for each reportable segment

The accounting method for the reportable business segments is generally the same as the method used in the preparation of the consolidated financial statements.

Profit of reportable segments are based on operating profit.

Inter-segment net sales and transfers are based on prevailing market prices.

3. Disclosure of net sales, profit (loss), assets, liabilities, and other items for each reportable segment

Previous consolidated fiscal year (from April 1, 2021 to March 31, 2022)

(Unit: millions of yen)

	Reportable segment			
	Construction Business	Manufacturing & Sales Business	Leasing Business	Total
Net sales				
Net sales to external customers	129,532	20,217	5,311	155,060
Inter-segment net sales and transfers	4	9,038	1,042	10,086
Total	129,537	29,256	6,354	165,147
Segment profit	8,939	1,914	417	11,271
Other items				
Depreciation	1,278	1,923	515	3,717
Increase in property, plant and equipment and intangible assets	1,045	1,075	535	2,655

	Other (Note) 1	Total	Adjustments (Note) 2	Per consolidated financial statements (Note) 3
Net sales				
Net sales to external customers	1,319	156,379	—	156,379
Inter-segment net sales and transfers	109	10,196	(10,196)	—
Total	1,428	166,576	(10,196)	156,379
Segment profit	302	11,574	(3,371)	8,202
Other items				
Depreciation	35	3,752	104	3,857
Increase in property, plant and equipment and intangible assets	7	2,662	2,149	4,812

Consolidated fiscal year under review (from April 1, 2022 to March 31, 2023)

(Unit: millions of yen)

	Reportable segment			
	Construction Business	Manufacturing & Sales Business	Leasing Business	Total
Net sales				
Net sales to external customers	126,743	22,076	5,350	154,170
Inter-segment net sales and transfers	4	9,840	1,053	10,899
Total	126,748	31,917	6,404	165,069
Segment profit	7,357	1,232	523	9,113
Other items				
Depreciation	1,142	1,664	450	3,257
Increase in property, plant and equipment and intangible assets	763	833	398	1,996

	Other (Note) 1	Total	Adjustments (Note) 2	Per consolidated financial statements (Note) 3
Net sales				
Net sales to external customers	1,182	155,353	—	155,353
Inter-segment net sales and transfers	108	11,007	(11,007)	—
Total	1,291	166,360	(11,007)	155,353
Segment profit	287	9,401	(3,705)	5,695
Other items				
Depreciation	32	3,289	161	3,450
Increase in property, plant and equipment and intangible assets	17	2,014	2,241	4,256

- Notes: 1. The “Other” section is a business segment that is not included in the reportable segments and includes real estate business, development and sales of computer software, sales of office equipment, insurance agency business, planning and operation of sports facilities, etc.
2. Details of adjustments are as follows.

Segment profit

(Unit: millions of yen)

	Previous consolidated fiscal year	Fiscal year under review
Elimination of inter-segment transactions	16	10
Corporate expenses*	(3,388)	(3,715)
Total	(3,371)	(3,705)

* Corporate expenses are mainly expenses that do not belong to any reportable segment concerning the head office administration of the submitting company.

Adjustments for depreciation and increase in property, plant and equipment and intangible assets in other items are related to the headquarters of the submitting company that do not belong to any reportable segment.

3. Segment profit is adjusted with the operating profit in the consolidated statement of income.
4. Segment assets are not shown because assets are not allocated to business segments.

[Related information]

Previous consolidated fiscal year (from April 1, 2021 to March 31, 2022)

1. Information by product and service

Information is omitted as they are the same sections as the reportable segments.

2. Information by region

(1) Net sales

Information is omitted as net sales from external customers in Japan exceeded 90% of net sales on the consolidated statement of income.

(2) Property, plant and equipment

Information is omitted as the amount of property, plant and equipment located in Japan exceeded 90% of the amount on the consolidated balance sheet.

3. Information by major customer

Information is omitted as there was no customer that accounted for 10% or more of sales in the consolidated statement of income.

Consolidated fiscal year under review (from April 1, 2022 to March 31, 2023)

1. Information by product and service

Information is omitted as they are the same sections as the reportable segments.

2. Information by region

(1) Net sales

Information is omitted as net sales from external customers in Japan exceeded 90% of net sales on the consolidated statement of income.

(2) Property, plant and equipment

Information is omitted as the amount of property, plant and equipment located in Japan exceeded 90% of the amount on the consolidated balance sheet.

3. Information by major customer

(Unit: millions of yen)

Name of customer	Net sales	Relevant segment
Shimizu Corporation	15,712	Construction Business, Manufacturing & Sales Business

[Information on impairment loss on non-current assets by reportable segment]

Previous consolidated fiscal year (from April 1, 2021 to March 31, 2022)

Not applicable.

Consolidated fiscal year under review (from April 1, 2022 to March 31, 2023)

Information is omitted as it was immaterial.

[Information on amortization of goodwill and balance of unamortized goodwill by reportable segment]

Not applicable.

[Information on gain on negative goodwill by reportable segment]

Not applicable.

(Per share information)

	Previous consolidated fiscal year (from April 1, 2021 to March 31, 2022)	Consolidated fiscal year under review (from April 1, 2022 to March 31, 2023)
Net assets per share	10,793.58 yen	11,009.73 yen
Basic earnings per share	644.82 yen	648.99 yen

Notes: 1. Diluted earnings per share is not shown because there are no dilutive potential shares.

2. The basis for calculating net assets per share is as follows.

	Previous consolidated fiscal year (March 31, 2022)	Consolidated fiscal year under review (March 31, 2023)
Total net assets (million yen)	95,006	96,909
Deduction for total net assets (million yen)	138	146
(Non-controlling interests) (million yen)	(138)	(146)
Net assets related to common stock at fiscal year-end (million yen)	94,867	96,762
Number of shares of common stock at fiscal year-end used for calculating net assets per share (thousand shares)	8,789	8,788

3. The basis for calculating basic earnings per share is as follows.

	Previous consolidated fiscal year (from April 1, 2021 to March 31, 2022)	Consolidated fiscal year under review (from April 1, 2022 to March 31, 2023)
Profit attributable to owners of parent (million yen)	5,667	5,704
Amount not attributable to common stock (million yen)	—	—
Profit attributable to owners of parent related to common stock (million yen)	5,667	5,704
Weighted average number of common shares outstanding during the period (thousand shares)	8,789	8,789

(Significant events after reporting period)

Not applicable.

4. Supplementary Information

Amount of orders received, net sales, and amount carried forward to next period by business (non-consolidated)

(Unit: millions of yen)

Segment			Previous fiscal year (from April 1, 2021 to March 31, 2022)		Fiscal year under review (from April 1, 2022 to March 31, 2023)		Increase or decrease	
			Amount	Percentage change	Amount	Percentage change	Amount	Percentage change
Orders received	Construction Business	Pavement construction	72,106	56.5	73,201	53.8	1,094	1.5
		Civil works construction	32,999	25.9	38,426	28.2	5,427	16.4
		Construction	485	0.4	709	0.5	223	46.1
		Total	105,591	82.8	112,337	82.5	6,745	6.4
	Manufacturing & Sales Business		21,841	17.1	23,780	17.5	1,939	8.9
	Other		76	0.1	75	0.0	(0)	(0.1)
	Total		127,509	100	136,194	100	8,685	6.8
Net sales	Construction Business	Pavement construction	76,352	56.5	74,695	55.2	(1,656)	(2.2)
		Civil works construction	36,042	26.7	35,910	26.6	(132)	(0.4)
		Construction	800	0.6	679	0.5	(121)	(15.1)
		Total	113,195	83.8	111,285	82.3	(1,910)	(1.7)
	Manufacturing & Sales Business		21,841	16.2	23,780	17.6	1,939	8.9
	Other		76	0.0	75	0.1	(0)	(0.1)
Amount carried forward to next period	Total		135,113	100	135,142	100	29	0.0
	Construction Business	Pavement construction	42,836	68.0	41,342	64.5	(1,494)	(3.5)
		Civil works construction	19,836	31.5	22,352	34.9	2,516	12.7
		Construction	339	0.5	370	0.6	30	9.0
		Total	63,012	100	64,065	100	1,052	1.7
	Manufacturing & Sales Business		—	—	—	—	—	—
	Other		—	—	—	—	—	—
	Total		63,012	100	64,065	100	1,052	1.7