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Consolidated Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP]

August 9, 2024

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 Scheduled date to commence dividend payments: -
 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 Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(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	%
Three months ended June 30, 2024	111,788	(2.3)	(107)	-	2,455	(46.7)	3,717	93.5
June 30, 2023	114,391	(0.5)	2,123	(37.7)	4,610	(23.7)	1,921	(47.8)

(Note) Comprehensive income: Three months ended June 30, 2024: ¥7,387 million [(47.5)%]
 Three months ended June 30, 2023: ¥14,065 million [94.8%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	12.23	-
June 30, 2023	6.20	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	870,351	357,075	40.2
March 31, 2024	872,060	355,524	40.0

(Reference) Equity: As of June 30, 2024: ¥349,701 million
 As of March 31, 2024: ¥348,519 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	14.00	-	14.00	28.00
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (Forecast)		14.50	-	14.50	29.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(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	600,000	14.8	30,000	67.5	35,500	39.3	27,000	67.7	88.68

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

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

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

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

June 30, 2024: 322,656,796 shares

March 31, 2024: 322,656,796 shares

2) Number of treasury shares at the end of the period:

June 30, 2024: 19,615,254 shares

March 31, 2024: 18,176,306 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2024: 304,013,191 shares

Three months ended June 30, 2023: 309,926,207 shares

(Note) The number of shares of treasury stock at the end of the period includes the Company's shares held by the BIP Trust for directors' remuneration and the ESOP Trust for granting shares.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (Discretionary)

* Proper use of earnings forecasts, and other special matters

At the Board of Directors Meeting held on May 15, 2024, the Company has resolved the matters relating to acquisition of its own shares, but the impact on "net income per share" in the consolidated earnings forecasts for the fiscal year ending March 31, 2025 has not been taken into account.

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

(Reference) Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025

(April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	475,000	12.3	15,500	19.8	18,600	5.2	17,600	52.5	57.80

* Proper use of earnings forecasts, and other special matters

At the Board of Directors Meeting held on May 15, 2024, the Company has resolved the matters relating to acquisition of its own shares, but the impact on "net income per share" in the non-consolidated earnings forecasts for the fiscal year ending March 31, 2025 has not been taken into account.

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

**Consolidated Financial Results
for the First Quarter
Ended June 30, 2024**



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1. Qualitative Information on Financial Results for the Three Months Ended June 30, 2024

(1) Overview of Operating Results for the Three Months Ended June 30, 2024

During the first quarter of the current consolidated fiscal year, the domestic economy showed recovery trend, with an improved employment and income environment and signs of a gradual pickup in the outlook.

In the construction industry, although orders from private-sector declined, mainly in the non-manufacturing sector, orders from public-sector remained strong, and total industry orders exceeded the same period of the previous year. On the other hand, there are concerns that construction costs will continue to rise due to soaring construction material prices and a tight labor force caused by the application of limits on overtime work.

In May 2022, the Group announced the “Medium-Term Management Plan 2024 - Rolling Plan”, and we are further enhancing the value we provide to customers in the core businesses of architectural construction, civil engineering, and strategy. As key management priorities, we have identified the construction of new TODA BUILDING, overseas business and renewable energy business such as floating offshore wind power generation, and we are making growth investments in these businesses to strengthen our business portfolio. During the first quarter of the current consolidated fiscal year, we continued to promote growth investments with the active involvement of top management in order to realize medium to long-term growth. While promoting investment for growth, we are also working to strengthen our investment process by setting ROIC (return on invested capital) at 5% or higher as a management indicator of profitability, with aim of achieving ROE (return on equity) of more 8% or higher over the medium to long-term.

Under these circumstances, the Group’s performance for the first quarter of the consolidated fiscal year under review was as follows:

Consolidated net sales decreased by 2.3% y-o-y to ¥111.7 billion, mainly due to lower sales in the Architectural Construction Business, which has large scale projects that are expected to progress in the near future, and the Domestic Investment and Development Business.

As for operating income (loss), gross profit declined 7.8% y-o-y to ¥10.9 billion due to decreases in the Architectural Construction Business, the Civil Engineering Business and the Domestic Investment and Development Business. Selling, general and administrative (SG&A) expenses increased by 13.5% y-o-y to ¥11.0 billion, due to factors such as higher personnel costs, resulting in an operating loss of ¥0.1 billion (operating income of ¥2.1 billion in the same quarter of the previous fiscal year).

Although dividends received on investment securities held by the Company and other income were recorded as non-operating income, ordinary income was ¥2.4 billion, down 46.7% y-o-y.

Quarterly net income attributable to owners of the parent increased by 93.5% y-o-y to ¥3.7 billion, due to extraordinary gains including gains on sales of investment securities.

Segment results, including intersegment sales or transfers, were as follows.

Please note that effective from the first quarter of the consolidated accounting period, the Group has changed the measurement method of segment income or loss. For details, please refer to “2. Quarterly Consolidated Financial Statements and Notes”, “(3) Notes to Quarterly Consolidated Financial Statements (Notes to Segment Information, etc.)”, “3. Matters related to changes in reporting segments, etc.”.

Architectural Construction Business

Net sales were ¥78.5 billion (up 13.0% y-o-y), and the segment income (operating income) was ¥600 million (up 170.7% y-o-y).

Orders received by the Company on a non-consolidated basis increased by 18.1% y-o-y for domestic private-sector construction, but public-sector construction decreased by 77.2% y-o-y, resulting in an overall decrease of ¥74.0 billion, 11.2% lower than the same quarter of the previous fiscal year.

Civil Engineering Business

Net sales were ¥29.5 billion (up 16.0% y-o-y), and segment income (operating income) was ¥1.0 billion (down 21.4% y-o-y).

Orders received by the Company on a non-consolidated basis decreased by 14.6% y-o-y for domestic private-sector construction and by 18.8% for domestic public-sector construction, resulting in an overall decrease of ¥13.7 billion, down 17.0% y-o-y.

Domestic Investment and Development Business

Net sales were ¥1.5 billion (down 52.7% y-o-y), and segment loss (operating loss) was ¥69 million (segment income of ¥500 million in the same quarter of the previous fiscal year).

Domestic Group Companies Business

Net sales were ¥9.8 billion (down 1.3% y-o-y), and segment loss (operating loss) was ¥200 million (segment loss of ¥300 million in the same quarter of the previous fiscal year).

Overseas Group Companies Business

Net sales were ¥11.0 billion (down 8.8% y-o-y), and segment income (operating income) was ¥71 million (down 89.3% y-o-y).

Environment & Energy Business

Net sales were ¥200 million (down 35.3% y-o-y), and segment loss (operating loss) was ¥300 million (segment loss of ¥18 million in the same quarter of the previous fiscal year).

(2) Explanation on Financial Condition

Assets, liabilities, and net assets

Assets

Total assets as of the end of the first quarter of the consolidated accounting period were ¥870.3 billion, a decrease of ¥1.7 billion (down 0.2%) from the end of the previous consolidated accounting period, mainly due to increases of ¥3.1 billion in costs on uncompleted construction contracts, ¥3.9 billion in investment securities, ¥13.9 billion in construction in progress, and a decrease of ¥22.3 billion in notes and accounts receivable from completed construction contracts and other.

Liabilities

Total liabilities as of the end of the first quarter of the consolidated accounting period decreased by ¥3.2 billion from the end of the previous consolidated accounting period to ¥513.2 billion (down 0.6%), mainly due to increases of ¥6.8 billion in advances received on uncompleted construction contracts and ¥40.0 billion in commercial paper, and decreases of ¥17.2 billion in notes payable, accounts payable for construction contracts and other, and ¥31.1 billion in short-term loans payable.

Net assets

Net assets as of the end of the first quarter of the consolidated accounting period were ¥357.0 billion, an increase of ¥1.5 billion (up 0.4%) from the end of the previous consolidated accounting period, mainly due to the recording of ¥1.5 billion for the acquisition of treasury stock (a decrease in net assets), ¥0.9 billion for an increase in valuation difference on available-for-sale securities resulting from the rise in market values of cross shareholdings, and ¥2.1 billion for an increase in foreign currency translation adjustments due to the depreciation of the yen. The equity ratio was 40.2%.

(3) Explanation of Consolidated Financial Forecasts and Other Forward-Looking Statements

At this time, there are no changes to the consolidated earnings forecasts for the fiscal year ending March 31, 2025 from that announced on May 15, 2024.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	113,810	103,160
Notes and accounts receivable - trade	222,602	200,235
Short-term investment securities	600	599
Real estate for sale	35,890	38,081
Costs on uncompleted construction contracts	13,273	16,447
Other inventories	12,054	16,959
Other	25,837	29,222
Allowance for doubtful accounts	(2,143)	(2,035)
Total current assets	421,924	402,671
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	47,088	47,141
Machinery, vehicles, tools, furniture and fixtures, net	10,961	11,050
Land	81,416	81,744
Lease assets, net	354	399
Construction in progress	70,492	84,440
Total property, plant and equipment	210,313	224,776
Intangible assets		
Goodwill	941	834
Other	11,912	11,842
Total intangible assets	12,854	12,676
Investments and other assets		
Investment securities	208,268	212,172
Long-term loans receivable	6,549	6,540
Net defined benefit assets	5,548	5,389
Deferred tax assets	864	903
Other	5,855	5,346
Allowance for doubtful accounts	(118)	(124)
Total investments and other assets	226,967	230,227
Total noncurrent assets	450,135	467,680
Total assets	872,060	870,351

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	97,140	79,873
Short-term loans payable	74,103	42,977
Commercial paper	—	40,000
Current portion of bonds payable	30	10,030
Income taxes payable	7,695	2,851
Advances received on uncompleted construction contracts	38,142	45,025
Provision for bonuses	6,238	3,069
Provision for warranties for completed construction	3,672	3,207
Provision for loss on construction contracts	4,061	3,789
Deposits received	38,732	41,372
Other	25,659	29,274
Total current liabilities	295,476	301,471
Noncurrent liabilities		
Bonds payable	63,165	53,150
Long-term loans payable	89,272	89,148
Deferred tax liabilities	31,546	32,038
Deferred tax liabilities for land revaluation	5,831	5,831
Provision for directors' retirement benefits	109	99
Provision for stock payments for directors	676	754
Provision for loss on liquidation of subsidiaries and affiliates	13	12
Provision for loss on environment and energy business	821	—
Net defined benefit liability	22,000	22,221
Asset retirement obligations	2,114	2,117
Other	5,508	6,429
Total noncurrent liabilities	221,059	211,805
Total liabilities	516,536	513,276
Net assets		
Shareholders' equity		
Capital stock	23,001	23,001
Capital surplus	26,786	26,786
Retained earnings	208,849	208,268
Treasury stock	(12,599)	(14,134)
Total shareholders' equity	246,037	243,922
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	92,805	93,741
Deferred gains on hedges	424	795
Revaluation reserve for land	2,741	2,741
Foreign currency conversion adjustments	3,152	5,299
Remeasurements of defined benefit plans	3,357	3,200
Total accumulated other comprehensive income	102,481	105,779
Non-controlling interests	7,004	7,373
Total net assets	355,524	357,075
Total liabilities and net assets	872,060	870,351

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income
Three Months Ended June 30, 2023 and 2024

(Millions of yen)

	Three Months Ended June 30, 2023 (April 1 through June 30, 2023)	Three Months Ended June 30, 2024 (April 1 through June 30, 2024)
Net sales		
Net sales of construction contracts	108,832	107,789
Net sales of investment development business and other	5,559	3,998
Total net sales	114,391	111,788
Cost of sales		
Cost of sales of construction contracts	98,644	97,879
Cost of sales of investment development business and other	3,922	3,002
Total cost of sales	102,567	100,882
Gross profit		
Gross profit on construction contracts	10,188	9,910
Gross profit on investment development business and other	1,636	996
Total gross profit	11,824	10,906
Selling, general and administrative expenses	9,701	11,013
Operating income	2,123	(107)
Non-operating income		
Interest income	455	420
Dividend income	1,899	2,137
Foreign exchange gain	396	296
Other	124	267
Total non-operating income	2,875	3,121
Non-operating expenses		
Interest expenses	314	420
Commission fee	40	40
Other	34	96
Total non-operating expenses	388	558
Ordinary Income	4,610	2,455
Extraordinary income		
Gain on sales of investment securities	614	3,926
Other	19	27
Total extraordinary income	634	3,954
Extraordinary loss		
Loss on abandonment of noncurrent assets	4	9
Provision for loss on liquidation of subsidiaries and affiliates	1,419	—
Other	7	6
Total extraordinary losses	1,431	16
Profit before income taxes and non-controlling interests	3,813	6,393
Total income taxes	1,781	2,514
Profit for the year	2,031	3,878
Loss attributable to non-controlling interests	110	161
Profit for the year attributable to owners of the parent	1,921	3,717

Quarterly Consolidated Statements of Comprehensive Income
Three Months Ended June 30, 2023 and 2024

(Millions of yen)

	Three Months Ended June 30, 2023 (April 1 through June 30, 2023)	Three Months Ended June 30, 2024 (April 1 through June 30, 2024)
Profit	2,031	3,878
Other comprehensive income		
Valuation difference on available-for-sale securities	8,824	947
Deferred gains or losses on hedges	471	310
Foreign currency conversion adjustment	2,752	2,353
Remeasurements of defined benefit plans	(16)	(163)
Share of other comprehensive income of entities accounted	—	60
Total other comprehensive income	12,033	3,508
Comprehensive income	14,065	7,387
Comprehensive income attributable to		
Owners of the parent	13,743	7,015
Non-controlling interests	321	372

(3) Notes to Quarterly Consolidated Financial Statements

Notes to Changes in Accounting Policies

Application of Accounting Standard for Corporate Tax, Inhabitant Tax and Enterprise Tax, etc.:

The Group applied the “Accounting Standard for Corporate, Inhabitant and Enterprise Taxes, etc.” (ASBJ Statement No.27, October 28, 2022; Hereinafter referred to as the “Revised Accounting Standard 2022”) from the beginning of the first quarter of the consolidated accounting period.

The revision of accounting classification of current income taxes (taxation on other comprehensive income) is in accordance with the transitional treatment stipulated in the proviso of Paragraph 20-3 of the Revised 2022 Accounting Standard and Paragraph 65-2, Item 2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; Hereinafter referred to as the "Revised Implementation Guidance 2022”). There were no significant effects on the quarterly consolidated financial statements due to the application of the accounting policies.

As for the revision to review the treatment of gains or losses on sales arising from the sale of subsidiaries’ stocks and others between consolidated companies in the consolidated financial statements, in cases where the gains or losses on sales is deferred for tax purposes, the Group applied the Revised Implementation Guidance 2022 from the beginning of the first quarter of the consolidated accounting period. The application of the accounting policies was applied retrospectively, and the quarterly consolidated financial statements and consolidated financial statements of the previous accounting period were prepared retrospectively. There were no significant effects on the quarterly consolidated financial statements and consolidated financial statements of the previous accounting period due to the application of the accounting policies.

Notes to Accounting Methods Specific to the Preparation of Quarterly Consolidated Financial Statements

Three Months Ended June 30, 2024 (April 1 through June 30, 2024)	
Calculation of tax expenses	Tax expenses were calculated by reasonably estimating the effective tax rate after applying tax effect accounting to income before income taxes and minority interests for the consolidated accounting period, including the first quarter under review, and multiplying quarterly income before income taxes and minority interests by said estimated effective tax rate.

Notes to Segment Information, etc.

Segment information

I. For three months ended June 30, 2023 (April 1, 2023 through June 30, 2023)

1. Information on sales and income or loss by reporting segment

(Millions of yen)

	Reporting Segments							Adjustment (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
	Architectural Construction	Civil Engineering	Domestic Investment and Development	Domestic Group Companies	Overseas Group Development	Environment and Energy	Total		
Net sales									
Sales to external customers	65,623	24,638	3,080	8,651	12,068	329	114,391	—	114,391
Intersegment sales and transfers	3,928	851	112	1,283	46	—	6,223	(6,223)	—
Total	69,552	25,490	3,193	9,935	12,114	329	120,615	(6,223)	114,391
Segment income or (loss)	228	1,386	524	(362)	668	(18)	2,425	(302)	2,123

Note 1. “Segment income or (loss)” adjustment of (¥302) million refers to elimination of intersegment transactions.

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

2. Information on impairment loss on fixed assets and goodwill, etc. by reporting segment

Not applicable.

II. For three months ended June 30, 2024 (April 1, 2024 through June 30, 2024)

1. Information on sales and income or loss by reporting segment

(Millions of yen)

	Reporting Segments							Adjustment (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
	Architectural Construction	Civil Engineering	Domestic Investment and Development	Domestic Group Companies	Overseas Group Companies	Environment and Energy	Total		
Net sales									
Sales to external customers	63,395	26,803	1,389	8,997	10,995	206	111,788	—	111,788
Intersegment sales and transfers	15,184	2,774	120	804	49	6	18,940	(18,940)	—
Total	78,580	29,578	1,509	9,802	11,045	212	130,729	(18,940)	111,788
Segment income or (loss)	617	1,090	(69)	(213)	71	(312)	1,184	(1,291)	(107)

Note 1. “Segment income or (loss)” adjustment of (¥1,291) million refers to elimination of intersegment transactions.

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

2. Information on impairment loss on fixed assets and goodwill, etc. by reporting segment

Not applicable.

3. Matters related to changes in reporting segments, etc.

Change in measurement method of segment income (loss):

Effective from the first quarter of the consolidated accounting period, the Group has changed the basis for reporting internal sales due to a change in the management method of real estate for own use.

The segment information for the first quarter of the previous fiscal year was prepared based on the new method of measuring income or loss.

Notes to Substantial Changes in the Amount of Shareholders’ Equity:

The Company repurchased 1,436,700 shares of treasury stock in accordance with the resolution of the Board of Directors Meeting held on May 15, 2024. As a result of this and other factors, treasury stock increased by ¥1,534 million during the first quarter of the current fiscal year, resulting in treasury stock of ¥14,134 million at the end of the first quarter.

Notes to Going Concern Assumption:

Not applicable.

Notes to Quarterly Consolidated Cash Flow Statements:

Quarterly consolidated cash flow statements were not prepared for the first quarter of the consolidated accounting period. Depreciation (which includes amortization of intangible fixed assets other than goodwill) and amortization of goodwill for the first quarter were as follows.

	Three Months Ended June 30, 2023 (April 1 through June 30, 2023)	Three Months Ended June 30, 2024 (April 1 through June 30, 2024)
Depreciation	¥1,614 million	¥1,432 million
Amortization of goodwill	¥109 million	¥133 million

3. (Reference) Non-consolidated Financial Statements

(1) (Reference) Quarterly Non-consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	77,809	60,575
Notes receivable, accounts receivable from completed construction contracts, etc.	190,419	173,784
Real estate for sale	28,438	30,411
Costs on uncompleted construction contracts	19,041	21,634
Other inventories	11,274	16,524
Other	24,125	27,260
Allowance for doubtful accounts	(1,144)	(1,026)
Total current assets	349,964	329,164
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	32,076	31,608
Machinery, vehicles, tools, furniture and fixtures, net	1,791	1,694
Land	68,751	68,751
Lease assets, net	195	205
Construction in progress	46,826	59,156
Total property, plant and equipment	149,640	161,416
Intangible assets	9,672	9,530
Investments and other assets		
Investment securities	246,313	250,200
Long-term loans receivable	24,123	26,913
Prepaid pension cost	2,361	2,346
Other	4,128	3,530
Allowance for doubtful accounts	(218)	(236)
Total investments and other assets	276,707	282,754
Total noncurrent assets	436,021	453,701
Total assets	785,986	782,866

	(Millions of yen)	
	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	81,498	67,557
Short-term loans payable	68,588	37,353
Commercial paper	—	40,000
Current portion of bonds payable	—	10,000
Income taxes payable	6,454	2,064
Advances received on uncompleted construction contracts	37,711	44,315
Provision for bonuses	5,670	2,245
Provision for warranties for completed construction	3,161	2,807
Provision for loss on construction contracts	4,001	3,752
Deposits received	39,473	41,310
Other	19,209	21,615
Total current liabilities	265,769	273,021
Noncurrent liabilities		
Bonds payable	63,000	53,000
Long-term loans payable	84,435	83,941
Deferred tax liabilities	27,658	28,196
Deferred tax liabilities for land revaluation	5,831	5,831
Provision for retirement benefits	21,716	21,896
Provision for stock payments for directors	676	754
Provision for loss on business of subsidiaries and affiliates	4	4
Provision for loss on environment and energy business	2,825	1,583
Asset retirement obligations	300	303
Other	4,374	5,203
Total noncurrent liabilities	210,822	200,715
Total liabilities	476,591	473,737
Net assets		
Shareholders' equity		
Capital stock	23,001	23,001
Capital surplus		
Legal capital surplus	25,573	25,573
Other capital surplus	574	574
Total capital surplus	26,147	26,147
Retained earnings		
Legal retained earnings	5,750	5,750
Other retained earnings		
Reserve for construction	50,000	50,000
General reserve	109,774	109,774
Retained earnings brought forward	11,542	11,591
Total retained earnings	177,067	177,116
Treasury stock	(12,599)	(14,134)
Total shareholders' equity	213,616	212,131
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	92,651	93,561
Deferred gains on hedges	383	694
Revaluation reserve for land	2,741	2,741
Total valuation and translation adjustments	95,777	96,997
Total net assets	309,394	309,129
Total liabilities and net assets	785,986	782,866

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

	(Millions of yen)	
	Three Months Ended June 30, 2023 (April 1 through June 30, 2023)	Three Months Ended June 30, 2024 (April 1 through June 30, 2024)
Net sales		
Net sales of construction contracts	90,266	90,201
Net sales of investment development business and other	3,125	1,446
Total net sales	93,392	91,647
Cost of sales		
Cost of sales of construction contracts	82,120	82,233
Cost of sales of investment development business and other	2,167	909
Total cost of sales	84,288	83,143
Gross profit		
Gross profit on construction contracts	8,145	7,967
Gross profit on investment development business and other	957	536
Total gross profit	9,103	8,504
Selling, general and administrative expenses	7,666	8,735
Operating income	1,437	(231)
Non-operating income	2,668	3,013
Non-operating expenses	390	430
Ordinary income	3,715	2,352
Extraordinary income	620	3,949
Extraordinary loss	265	9
Profit before income taxes	4,070	6,292
Income taxes	1,250	1,945
Profit	2,820	4,347

4. Supplementary Information

(1) Summary of Consolidated Results and Forecasts

(Millions of yen)

	Three months period ended June 30, 2024				Full year			
	FY2023	FY2024	Y-o-Y (b) - (a)		FY2023	FY2024	Y-o-Y (b) - (a)	
	Actual (a)	Actual (b)	Amount	Rate of change (%)	Actual (a)	Initial forecasts (b)	Amount	Rate of change (%)
Net sales	114,391	111,788	(2,603)	(2.3)	522,434	600,000	77,565	14.8
Construction Business	90,262	90,199	(62)	(0.1)	400,466	435,000	34,533	8.6
Architectural Construction	65,623	63,395	(2,228)	(3.4)	287,954	305,000	17,045	5.9
Civil Engineering	24,638	26,803	2,165	8.8	112,511	130,000	17,488	15.5
Domestic Investment and Development	3,080	1,389	(1,690)	(54.9)	22,421	40,000	17,578	78.4
Domestic Group Companies	8,651	8,997	345	4.0	49,524	55,500	5,975	12.1
Overseas Group Companies	12,068	10,995	(1,072)	(8.9)	48,673	68,000	19,326	39.7
Environment and Energy	329	206	(122)	(37.3)	1,348	1,500	151	11.3
Gross profit	11,824	10,906	(918)	(7.8)	63,587	79,000	15,412	24.2
Profit margin	10.3 %	9.8 %			12.2 %	13.2 %		
SG&A expenses	9,701	11,013	1,312	13.5	45,679	49,000	3,320	7.3
Operating income	2,123	(107)	(2,230)	-	17,908	30,000	12,091	67.5
Non-operating income	2,487	2,562	75	3.0	7,575	5,500	(2,075)	(27.4)
Ordinary income	4,610	2,455	(2,155)	(46.7)	25,483	35,500	10,016	39.3
Extraordinary income	(797)	3,938	4,735	-	2,785	6,500	3,714	133.3
Profit before income taxes	3,813	6,393	2,579	67.6	28,269	42,000	13,730	48.6
Income taxes	1,781	2,514	733	41.1	11,454	15,000	3,545	31.0
Net income	2,031	3,878	1,846	90.9	16,815	27,000	10,184	60.6
Net income attributable to non-controlling interests	110	161	50	46.1	713	-	(713)	-
Net income attributable to owners of the parent	1,921	3,717	1,795	93.5	16,101	27,000	10,898	67.7

Note: Net sales are based on business segment classifications, and internal transactions are eliminated.

(2) Summary of Non-consolidated Results and Forecasts

(Millions of yen)

	Three months period ended June 30, 2024				Full year			
	FY2023	FY2024	Y-o-Y (b) - (a)		FY2023	FY2024	Y-o-Y (b) - (a)	
	Actual (a)	Actual (b)	Amount	Rate of change (%)	Actual (a)	Initial forecasts (b)	Amount	Rate of change (%)
Orders received	103,040	89,210	(13,829)	(13.4)	523,404	540,000	16,595	3.2
Construction Business	99,914	87,764	(12,150)	(12.2)	500,765	500,000	(765)	(0.2)
Domestic Architectural Construction	83,328	74,022	(9,305)	(11.2)	375,629	359,000	(16,629)	(4.4)
Domestic Civil Engineering	16,526	13,719	(2,806)	(17.0)	122,527	138,000	15,472	12.6
Overseas	60	21	(38)	(64.0)	2,608	3,000	391	15.0
Investment and Development	3,125	1,446	(1,679)	(53.7)	22,638	40,000	17,361	76.7
Net sales	93,392	91,647	(1,744)	(1.9)	423,132	475,000	51,867	12.3
Construction Business	90,266	90,201	(65)	(0.1)	400,493	435,000	34,506	8.6
Domestic Architectural Construction	65,401	63,386	(2,014)	(3.1)	286,968	303,500	16,531	5.8
Domestic Civil Engineering	24,638	26,803	2,165	8.8	112,081	129,400	17,318	15.5
Overseas	226	11	(215)	(95.1)	1,444	2,100	655	45.4
Investment and Development	3,125	1,446	(1,679)	(53.7)	22,638	40,000	17,361	76.7
Gross profit	9,103	8,504	(599)	(6.6)	49,885	55,500	5,614	11.3
Profit margin	9.7 %	9.3 %			11.8 %	11.7 %		
Construction Business	8,145	7,967	(178)	(2.2)	44,041	50,000	5,958	13.5
Domestic Architectural Construction	4,559	4,538	(21)	(0.5)	25,972	29,850	3,877	14.9
Domestic Civil Engineering	3,654	3,464	(190)	(5.2)	17,494	19,970	2,475	14.1
Overseas	(68)	(34)	34	-	574	180	(394)	(68.7)
	(30.2%)	(311.4%)			39.8 %	8.6 %		
Investment and Development	957	536	(421)	(44.0)	5,843	5,500	(343)	(5.9)
	30.6 %	37.1 %			25.8 %	13.8 %		
SG&A expenses	7,666	8,735	1,069	13.9	36,948	40,000	3,051	8.3
Operating income	1,437	(231)	(1,668)	-	12,936	15,500	2,563	19.8
Non-operating income	2,277	2,583	305	13.4	4,752	3,100	(1,652)	(34.8)
Ordinary income	3,715	2,352	(1,363)	(36.7)	17,688	18,600	911	5.2
Extraordinary income	355	3,939	3,584	-	1,032	6,500	5,467	529.5
Profit before income taxes	4,070	6,292	2,221	54.6	18,721	25,100	6,378	34.1
Income taxes	1,250	1,945	695	55.6	7,179	7,500	320	4.5
Net income	2,820	4,347	1,526	54.1	11,541	17,600	6,058	52.5
Dividend per share (yen)	-	-	-	-	28.0	29.0	1.0	3.6

Note: The quarterly financial statements were prepared in accordance with the Regulations Concerning Financial Statements, etc., but not subject to review in the statutory disclosure.

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

1) Orders Received

(Millions of yen)

Business segment/ Classification		Three months period From April 1, 2023 to June 30, 2023		Three months period From April 1, 2024 to June 30, 2024		Change		Previous fiscal year From April 1, 2023 to March 31, 2024		
		Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)	
Construction Business	Architectural Construction	Domestic Public-Sector	25,595	24.8	5,847	6.6	(19,747)	(77.2)	49,538	9.5
		Domestic Private-Sector	57,733	56.0	68,175	76.4	10,442	18.1	326,091	62.3
		Overseas	60	0.1	21	0.0	(38)	(64.0)	2,178	0.4
		Total	83,388	80.9	74,044	83.0	(9,344)	(11.2)	377,808	72.2
	Civil Engineering	Domestic Public-Sector	9,209	8.9	7,474	8.4	(1,735)	(18.8)	62,157	11.9
		Domestic Private-Sector	7,316	7.1	6,245	7.0	(1,071)	(14.6)	60,369	11.5
		Overseas	-	-	-	-	-	-	430	0.1
	Total	16,526	16.0	13,719	15.4	(2,806)	(17.0)	122,957	23.5	
	Total	Domestic Public-Sector	34,805	33.8	13,322	14.9	(21,483)	(61.7)	111,695	21.3
		Domestic Private-Sector	65,049	63.1	74,420	83.4	9,370	14.4	386,461	73.8
		Overseas	60	0.1	21	0.0	(38)	(64.0)	2,608	0.5
		Total	99,914	97.0	87,764	98.4	(12,150)	(12.2)	500,765	95.7
Domestic Investment and Development		3,097	3.0	1,431	1.6	(1,666)	(53.8)	22,574	4.3	
Environment and Energy		28	0.0	14	0.0	(13)	(46.7)	63	0.0	
Total		103,040	100.0	89,210	100.0	(13,829)	(13.4)	523,404	100.0	

2) Net Sales

(Millions of yen)

Business segment/ Classification		Three months period From April 1, 2023 to June 30, 2023		Three months period From April 1, 2024 to June 30, 2024		Change		Previous fiscal year From April 1, 2023 to March 31, 2024		
		Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)	
Construction Business	Architectural Construction	Domestic Public-Sector	7,731	8.3	12,051	13.1	4,319	55.9	41,567	9.8
		Domestic Private-Sector	57,669	61.7	51,334	56.0	(6,334)	(11.0)	245,400	58.0
		Overseas	226	0.2	11	0.0	(215)	(95.1)	1,013	0.2
		Total	65,628	70.3	63,397	69.2	(2,230)	(3.4)	287,981	68.1
	Civil Engineering	Domestic Public-Sector	18,320	19.6	21,751	23.7	3,430	18.7	83,085	19.6
		Domestic Private-Sector	6,317	6.8	5,052	5.5	(1,265)	(20.0)	28,996	6.9
		Overseas	-	-	-	-	-	-	430	0.1
	Total	24,638	26.4	26,803	29.2	2,165	8.8	112,511	26.6	
	Total	Domestic Public-Sector	26,052	27.9	33,803	36.9	7,750	29.7	124,652	29.5
		Domestic Private-Sector	63,986	68.5	56,387	61.5	(7,599)	(11.9)	274,397	64.8
		Overseas	226	0.2	11	0.0	(215)	(95.1)	1,444	0.3
		Total	90,266	96.7	90,201	98.4	(65)	(0.1)	400,493	94.6
Domestic Investment and Development		3,097	3.3	1,431	1.6	(1,666)	(53.8)	22,574	5.3	
Environment and Energy		28	0.0	14	0.0	(13)	(46.7)	63	0.0	
Total		93,392	100.0	91,647	100.0	(1,744)	(1.9)	423,132	100.0	

3) Balance Brought Forward

(Millions of yen)

Business segment/ Classification		FY2023 Q1 As of June 30, 2023		FY2024 Q1 As of June 30, 2024		Change		As of March 31, 2024		
		Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)	
Construction Business	Architectural Construction	Domestic Public-Sector	98,571	13.5	82,475	10.1	(16,096)	(16.3)	88,678	10.8
		Domestic Private-Sector	358,196	49.2	455,663	55.8	97,467	27.2	438,823	53.6
		Overseas	382	0.1	1,724	0.2	1,341	350.4	1,714	0.2
		Total	457,150	62.8	539,863	66.1	82,712	18.1	529,216	64.6
	Civil Engineering	Domestic Public-Sector	194,295	26.7	172,759	21.2	(21,535)	(11.1)	182,478	22.3
		Domestic Private-Sector	76,864	10.6	103,874	12.7	27,009	35.1	107,239	13.1
		Overseas	-	-	-	-	-	-	-	-
	Total	271,160	37.2	276,634	33.9	5,473	2.0	289,718	35.4	
	Total	Domestic Public-Sector	292,866	40.2	255,234	31.3	(37,631)	(12.8)	271,157	33.1
		Domestic Private-Sector	435,061	59.7	559,538	68.5	124,476	28.6	546,063	66.7
		Overseas	382	0.1	1,724	0.2	1,341	350.4	1,714	0.2
		Total	728,310	100.0	816,497	100.0	88,186	12.1	818,934	100.0
Domestic Investment and Development		-	-	-	-	-	-	-	-	
Environment and Energy		-	-	-	-	-	-	-	-	
Total		728,310	100.0	816,497	100.0	88,186	12.1	818,934	100.0	