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## Consolidated Financial Results for the Year Ended March 31, 2022 [Japanese GAAP]

May 11, 2022

Company name: Nishimatsu Construction Co., Ltd.

Stock exchange listing: Tokyo

Code number: 1820

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

Representative: Nobutoshi Takase

Representative Director and President

Contact: Junichi Usuki

General Manager of Finance & Accounting Department

Phone: 03(3502)0232

Scheduled date of Annual General Meeting of Shareholders: June 29, 2022

Scheduled date of commencing dividend payments: June 30, 2022

Scheduled date of filing annual securities report: June 30, 2022

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

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

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 01, 2021 to March 31, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2022	323,754	(3.7)	23,540	12.4	23,497	9.0	15,103	(12.0)
March 31, 2021	336,241	(14.1)	20,950	(17.2)	21,561	(16.6)	17,166	(8.3)

(Note) Comprehensive income: Fiscal year ended March 31, 2022: ¥ 11,154 million [ (20.7) %]  
Fiscal year ended March 31, 2021: ¥ 14,066 million [ 146.5%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2022	312.34	-	8.5	4.9	7.3
March 31, 2021	313.83	-	8.5	4.4	6.2

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2022: ¥ - million  
Fiscal year ended March 31, 2021: ¥ - million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2022	477,613	157,715	31.7	3,833.71
March 31, 2021	472,440	207,537	43.6	3,765.62

(Reference) Equity: As of March 31, 2022: ¥ 151,328 million  
As of March 31, 2021: ¥ 205,982 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 the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2022	41,243	(22,532)	(16,074)	47,121
March 31, 2021	4,907	5,302	(12,653)	43,574

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2021	-	-	-	105.00	105.00	5,743	33.5	2.9
March 31, 2022	-	90.00	-	131.00	221.00	10,123	70.8	5.8
Fiscal year ending March 31, 2023 (Forecast)	-	140.00	-	145.00	285.00		70.3	

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended September 30, 2022	151,500	(1.0)	10,300	1.7	10,700	1.1	7,500	1.4	190.00
Full year	338,500	4.6	24,000	2.0	24,000	2.1	16,000	5.9	405.34

### \* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

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

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

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

3) Changes in accounting estimates: No

4) Retrospective restatement: No

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

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

March 31, 2022: 55,591,502 shares

March 31, 2021: 55,591,502 shares

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

March 31, 2022: 16,118,423 shares

March 31, 2021: 890,792 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2022: 48,355,699 shares

Fiscal Year ended March 31, 2021: 54,701,269 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 01, 2021 to March 31, 2022)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	317,707	(3.2)	23,851	17.7	23,771	3.1	15,003	(17.0)
March 31, 2021	328,252	(13.0)	20,266	(17.8)	23,067	(11.1)	18,086	(5.5)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2022	310.27	-
March 31, 2021	330.64	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2022	462,400	147,941	32.0	3,747.90
March 31, 2021	464,220	203,230	43.8	3,715.32

(Reference) Equity: As of March 31, 2022: ¥ 147,941 million  
As of March 31, 2021: ¥ 203,230 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

Six months ended	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
September 30, 2022	147,500	(1.9)	10,300	0.5	10,700	(0.1)	7,600	0.5	192.54
Full year	324,000	2.0	23,500	(1.5)	23,500	(1.1)	15,700	4.6	397.74

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of March 31,2022
<b>Assets</b>		
Current assets		
Cash and deposits	43,769	47,121
Notes receivable, accounts receivable from completed construction contracts and other	203,082	183,464
Costs on construction contracts in progress	6,373	6,227
Real estate for sale	2,543	4,646
Costs on real estate business	4,794	4,100
Raw materials and supplies	670	294
Advances paid	9,306	10,992
Other	4,897	5,462
Allowance for doubtful accounts	(163)	(19)
Total current assets	275,273	262,292
Non-current assets		
Property, plant and equipment		
Buildings and structures	83,408	95,980
Machinery, vehicles, tools, furniture and fixtures	9,586	10,049
Land	83,759	95,720
Leased assets	117	125
Construction in progress	4,155	1,297
Accumulated depreciation	(39,390)	(41,041)
Total property, plant and equipment	141,636	162,131
Intangible assets	1,189	1,254
Investments and other assets		
Investment securities	44,641	35,485
Long-term loans receivable	599	1,047
Retirement benefit asset	961	2,801
Deferred tax assets	3,314	6,095
Other	4,905	6,580
Allowance for doubtful accounts	(80)	(75)
Total investments and other assets	54,340	51,935
Total non-current assets	197,166	215,320
Total assets	472,440	477,613

(Million yen)

	As of March 31,2021	As of March 31,2022
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	56,305	60,532
Short-term borrowings	35,039	43,039
Commercial papers	20,000	20,000
Current portion of bonds payable	-	10,000
Income taxes payable	7,968	5,879
Advances received on construction contracts in progress	18,703	14,802
Provision for warranties for completed construction	9,815	7,923
Provision for bonuses	2,894	3,673
Provision for bonuses for directors (and other officers)	-	58
Provision for loss on construction contracts	1,488	2,820
Provision for loss on real estate business and other	28	38
Deposits received	34,306	45,883
Asset retirement obligations	-	27
Other	4,579	2,987
Total current liabilities	191,127	217,663
Non-current liabilities		
Bonds payable	60,000	87,000
Deferred tax liabilities	301	292
Provision for environmental measures	2	-
Provision for share awards for directors (and other officers)	-	54
Retirement benefit liability	6,340	6,509
Asset retirement obligations	636	734
Other	6,494	7,642
Total non-current liabilities	73,775	102,233
Total liabilities	264,903	319,897
Net assets		
Shareholders' equity		
Share capital	23,513	23,513
Capital surplus	20,780	20,795
Retained earnings	154,041	158,485
Treasury shares	(2,177)	(57,335)
Total shareholders' equity	196,158	145,459
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,627	6,389
Foreign currency translation adjustment	(296)	326
Remeasurements of defined benefit plans	(506)	(847)
Total accumulated other comprehensive income	9,824	5,868
Non-controlling interests	1,554	6,387
Total net assets	207,537	157,715
Total liabilities and net assets	472,440	477,613

# Consolidated Statements of Income and Comprehensive Income

## Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
<b>Net sales</b>		
Net sales of completed construction contracts	321,338	304,193
Net sales in real estate business and other	14,902	19,560
<b>Total net sales</b>	<b>336,241</b>	<b>323,754</b>
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	286,541	267,729
Cost of sales in real estate business and other	9,938	12,251
<b>Total cost of sales</b>	<b>296,479</b>	<b>279,981</b>
<b>Gross profit</b>		
Gross profit on completed construction contracts	34,797	36,463
Gross profit on real estate business and other	4,964	7,308
<b>Total gross profit</b>	<b>39,761</b>	<b>43,772</b>
<b>Selling, general and administrative expenses</b>	<b>18,810</b>	<b>20,232</b>
<b>Operating profit</b>	<b>20,950</b>	<b>23,540</b>
<b>Non-operating income</b>		
Interest income	62	34
Dividend income	932	658
Foreign exchange gains	-	424
Reversal of allowance for doubtful accounts	5	149
Gain on investments in silent partnerships	54	134
Late charges income	-	498
Other	461	476
<b>Total non-operating income</b>	<b>1,516</b>	<b>2,374</b>
<b>Non-operating expenses</b>		
Interest expenses	443	578
Foreign exchange losses	91	-
Financing expenses	168	789
Advisory fees	-	631
Other	201	417
<b>Total non-operating expenses</b>	<b>905</b>	<b>2,417</b>
<b>Ordinary profit</b>	<b>21,561</b>	<b>23,497</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	11	1,272
Gain on sale of investment securities	15,242	2,107
Other	66	20
<b>Total extraordinary income</b>	<b>15,320</b>	<b>3,400</b>
<b>Extraordinary losses</b>		
Loss on sale of non-current assets	1,948	72
Loss on retirement of non-current assets	54	24
Impairment losses	280	952
Loss on sale of investment securities	443	-
Head office relocation expenses	112	-
Increase (decrease) in employee deposits	684	10
Provision for warranties for completed construction	9,049	2,998
Other	310	143
<b>Total extraordinary losses</b>	<b>12,883</b>	<b>4,201</b>
<b>Profit before income taxes</b>	<b>23,998</b>	<b>22,696</b>
Income taxes - current	10,031	8,268
Income taxes - deferred	(2,475)	(666)
<b>Total income taxes</b>	<b>7,556</b>	<b>7,602</b>
<b>Profit</b>	<b>16,442</b>	<b>15,093</b>
Loss attributable to non-controlling interests	(724)	(9)
<b>Profit attributable to owners of parent</b>	<b>17,166</b>	<b>15,103</b>

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Profit	16,442	15,093
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,509)	(4,237)
Foreign currency translation adjustment	(499)	638
Remeasurements of defined benefit plans, net of tax	633	(340)
Total other comprehensive income	(2,375)	(3,939)
Comprehensive income	14,066	11,154
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,922	11,148
Comprehensive income attributable to non-controlling interests	(855)	5

Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31,2021

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	23,513	20,780	142,684	(2,174)	184,803
Changes during period					
Dividends of surplus			(5,743)		(5,743)
Profit attributable to owners of parent			17,166		17,166
Change in scope of consolidation			(66)		(66)
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		(0)		0	0
Change in ownership interest of parent due to transactions with non-controlling interests					-
Net changes in items other than shareholders' equity					
Total changes during period	-	(0)	11,357	(2)	11,354
Balance at end of period	23,513	20,780	154,041	(2,177)	196,158

	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		
Balance at beginning of period	13,136	71	(1,139)	12,068	2,415	199,287
Changes during period						
Dividends of surplus						(5,743)
Profit attributable to owners of parent						17,166
Change in scope of consolidation						(66)
Purchase of treasury shares						(2)
Disposal of treasury shares						0
Change in ownership interest of parent due to transactions with non-controlling interests						-
Net changes in items other than shareholders' equity	(2,509)	(368)	633	(2,244)	(860)	(3,105)
Total changes during period	(2,509)	(368)	633	(2,244)	(860)	8,249
Balance at end of period	10,627	(296)	(506)	9,824	1,554	207,537



For the fiscal year ended March 31,2022

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	23,513	20,780	154,041	(2,177)	196,158
Changes during period					
Dividends of surplus			(10,666)		(10,666)
Profit attributable to owners of parent			15,103		15,103
Change in scope of consolidation			7		7
Purchase of treasury shares				(55,158)	(55,158)
Disposal of treasury shares					-
Change in ownership interest of parent due to transactions with non-controlling interests		15			15
Net changes in items other than shareholders' equity					
Total changes during period	-	15	4,444	(55,158)	(50,698)
Balance at end of period	23,513	20,795	158,485	(57,335)	145,459

	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		
Balance at beginning of period	10,627	(296)	(506)	9,824	1,554	207,537
Changes during period						
Dividends of surplus						(10,666)
Profit attributable to owners of parent						15,103
Change in scope of consolidation						7
Purchase of treasury shares						(55,158)
Disposal of treasury shares						-
Change in ownership interest of parent due to transactions with non-controlling interests						15
Net changes in items other than shareholders' equity	(4,237)	623	(340)	(3,955)	4,832	877
Total changes during period	(4,237)	623	(340)	(3,955)	4,832	(49,821)
Balance at end of period	6,389	326	(847)	5,868	6,387	157,715

## Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	23,998	22,696
Depreciation	3,350	3,728
Amortization of goodwill	-	4
Impairment losses	280	952
Increase (decrease) in allowance for doubtful accounts	(5)	(149)
Increase (decrease) in provision for loss on construction contracts	436	1,332
Increase (decrease) in provision for loss on real estate business and other	3	10
Increase (decrease) in provision for warranties for completed construction	9,018	(1,892)
Increase (decrease) in retirement benefit liability	(1,692)	(2,162)
Interest and dividend income	(994)	(692)
Interest expenses	443	578
Loss (gain) on sale of investment securities	(14,798)	(2,107)
Loss (gain) on sale of non-current assets	1,937	(1,199)
Decrease (increase) in trade receivables	17,161	19,706
Decrease (increase) in costs on construction contracts in progress	(1,282)	146
Decrease (increase) in other inventories	733	2,531
Decrease (increase) in other assets	8,028	(2,908)
Increase (decrease) in trade payables	(36,601)	4,211
Loss (gain) on valuation of investment securities	53	21
Increase (decrease) in advances received on construction contracts in progress	1,978	(3,905)
Increase (decrease) in deposits received	(1,688)	11,570
Increase (decrease) in other liabilities	660	(704)
Other, net	110	(390)
Subtotal	11,131	51,375
Interest and dividends received	1,005	693
Interest paid	(451)	(562)
Income taxes paid	(6,778)	(10,262)
Net cash provided by (used in) operating activities	4,907	41,243
<b>Cash flows from investing activities</b>		
Purchase of short-term and long-term investment securities	(5,812)	(200)
Proceeds from sale and redemption of short-term and long-term investment securities	27,533	5,441
Purchase of property, plant and equipment and intangible assets	(19,889)	(29,833)
Proceeds from sale of property, plant and equipment and intangible assets	3,787	3,121
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(62)
Loan advances	(37)	(453)
Proceeds from collection of loans receivable	6	346
Net decrease (increase) in time deposits	(194)	194
Other payments	(436)	(1,513)
Other proceeds	345	426
Net cash provided by (used in) investing activities	5,302	(22,532)

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(6,870)	8,000
Net increase (decrease) in commercial papers	(15,000)	-
Proceeds from issuance of bonds	30,000	37,000
Redemption of bonds	(15,000)	-
Proceeds from share issuance to non-controlling shareholders	-	4,800
Net decrease (increase) in treasury shares	(2)	(55,158)
Dividends paid	(5,743)	(10,651)
Dividends paid to non-controlling interests	(4)	(36)
Other, net	(32)	(28)
Net cash provided by (used in) financing activities	(12,653)	(16,074)
Effect of exchange rate change on cash and cash equivalents	(440)	914
Net increase (decrease) in cash and cash equivalents	(2,884)	3,550
Cash and cash equivalents at beginning of period	46,459	43,574
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	(0)	(3)
Cash and cash equivalents at end of period	43,574	47,121

# Non-consolidated Financial Statements

## Non-consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of March 31,2022
<b>Assets</b>		
Current assets		
Cash and deposits	34,965	36,811
Notes receivable - trade	4,479	7,023
Accounts receivable from completed construction contracts	197,969	175,642
Costs on construction contracts in progress	6,370	6,202
Real estate for sale	2,543	4,653
Costs on real estate business	4,794	4,100
Raw materials and supplies	665	293
Short-term loans receivable	10	11
Short-term loans receivable from subsidiaries and associates	326	122
Prepaid expenses	312	482
Advances paid	9,387	11,014
Other	3,520	3,912
Allowance for doubtful accounts	(163)	(19)
Total current assets	265,182	250,251
Non-current assets		
Property, plant and equipment		
Buildings	76,457	87,936
Accumulated depreciation	(28,016)	(29,523)
Buildings, net	48,440	58,412
Structures	3,375	3,583
Accumulated depreciation	(1,870)	(1,901)
Structures, net	1,504	1,681
Machinery and equipment	7,113	7,323
Accumulated depreciation	(6,428)	(6,342)
Machinery and equipment, net	684	980
Vehicles	396	364
Accumulated depreciation	(352)	(336)
Vehicles, net	44	27
Tools, furniture and fixtures	1,830	2,083
Accumulated depreciation	(1,445)	(1,485)
Tools, furniture and fixtures, net	384	597
Land	77,836	80,067
Leased assets	117	125
Accumulated depreciation	(49)	(63)
Leased assets, net	68	61
Construction in progress	4,155	1,273
Total property, plant and equipment	133,118	143,103

(Million yen)

	As of March 31,2021	As of March 31,2022
<b>Intangible assets</b>		
Software	893	843
Other	189	254
Total intangible assets	1,082	1,098
<b>Investments and other assets</b>		
Investment securities	41,711	34,507
Shares of subsidiaries and associates	8,802	12,132
Investments in capital	26	25
Investments in capital of subsidiaries and associates	4,765	4,712
Long-term loans receivable	76	71
Long-term loans receivable from employees	1	0
Long-term loans receivable from subsidiaries and associates	754	1,136
Long-term prepaid expenses	19	44
Prepaid pension costs	1,253	3,620
Deferred tax assets	2,977	5,581
Other	4,528	6,189
Allowance for doubtful accounts	(80)	(75)
Total investments and other assets	64,835	67,946
Total non-current assets	199,037	212,148
Total assets	464,220	462,400
<b>Liabilities</b>		
Current liabilities		
Notes payable - trade	1,362	1,905
Electronically recorded obligations - operating	17,311	16,372
Accounts payable for construction contracts	36,062	40,803
Short-term borrowings	35,039	43,039
Commercial papers	20,000	20,000
Current portion of bonds payable	-	10,000
Lease liabilities	23	25
Accounts payable - other	3,989	2,127
Accrued expenses	48	71
Income taxes payable	7,921	5,832
Advances received on construction contracts in progress	18,645	14,484
Deposits received	34,077	45,864
Unearned revenue	10	5
Provision for warranties for completed construction	9,815	7,923
Provision for bonuses	2,811	3,577
Provision for bonuses for directors (and other officers)	-	58
Provision for loss on construction contracts	1,488	2,820
Provision for loss on real estate business and other	28	38
Asset retirement obligations	-	27
Other	57	38
Total current liabilities	188,694	215,013

(Million yen)

	As of March 31,2021	As of March 31,2022
<b>Non-current liabilities</b>		
Bonds payable	60,000	87,000
Lease liabilities	50	42
Provision for retirement benefits	5,694	5,904
Provision for environmental measures	2	-
Provision for share awards for directors (and other officers)	-	54
Asset retirement obligations	607	705
Other	5,939	5,739
<b>Total non-current liabilities</b>	<b>72,295</b>	<b>99,445</b>
<b>Total liabilities</b>	<b>260,989</b>	<b>314,458</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	23,513	23,513
Capital surplus		
Legal capital surplus	20,780	20,780
Other capital surplus	0	0
<b>Total capital surplus</b>	<b>20,780</b>	<b>20,780</b>
Retained earnings		
Legal retained earnings	5,878	5,878
Other retained earnings		
Reserve for tax purpose reduction entry of replacement assets	866	862
General reserve	121,475	126,475
Retained earnings brought forward	22,454	21,795
<b>Total retained earnings</b>	<b>150,674</b>	<b>155,011</b>
Treasury shares	(2,177)	(57,335)
<b>Total shareholders' equity</b>	<b>192,791</b>	<b>141,969</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	10,439	5,971
<b>Total valuation and translation adjustments</b>	<b>10,439</b>	<b>5,971</b>
<b>Total net assets</b>	<b>203,230</b>	<b>147,941</b>
<b>Total liabilities and net assets</b>	<b>464,220</b>	<b>462,400</b>

Non-consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
<b>Net sales</b>		
Net sales of completed construction contracts	314,720	299,681
Net sales in real estate business and other	13,532	18,025
<b>Total net sales</b>	<b>328,252</b>	<b>317,707</b>
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	281,189	263,592
Cost of sales in real estate business and other	8,929	11,094
<b>Total cost of sales</b>	<b>290,118</b>	<b>274,686</b>
<b>Gross profit</b>		
Gross profit on completed construction contracts	33,530	36,089
Gross profit on real estate business and other	4,603	6,931
<b>Total gross profit</b>	<b>38,134</b>	<b>43,020</b>
<b>Selling, general and administrative expenses</b>		
Remuneration for directors (and other officers)	262	255
Employees' salaries and allowances	9,037	9,973
Retirement payments	10	14
Retirement benefit expenses	552	424
Legal welfare expenses	1,068	1,134
Welfare expenses	363	428
Repair and maintenance expenses	109	109
Stationery expenses	765	732
Communication and transportation expenses	766	854
Power utilities expenses	68	72
Research study expenses	1,539	1,844
Advertising expenses	86	105
Entertainment expenses	258	363
Donations	124	74
Rent expenses on land and buildings	547	522
Depreciation	544	542
Taxes and dues	1,164	1,066
Insurance expenses	49	70
Miscellaneous expenses	546	580
<b>Total selling, general and administrative expenses</b>	<b>17,867</b>	<b>19,168</b>
<b>Operating profit</b>	<b>20,266</b>	<b>23,851</b>

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
<b>Non-operating income</b>		
Interest income	27	20
Interest on securities	-	0
Dividend income	3,080	731
Foreign exchange gains	-	276
Reversal of allowance for doubtful accounts	5	149
Gain on investments in silent partnerships	54	134
Late charges income	-	498
Other	449	448
Total non-operating income	3,617	2,259
<b>Non-operating expenses</b>		
Interest expenses	249	311
Interest on bonds	193	208
Foreign exchange losses	12	-
Financing expenses	168	789
Advisory fees	-	631
Other	191	398
Total non-operating expenses	816	2,340
Ordinary profit	23,067	23,771
<b>Extraordinary income</b>		
Gain on sale of non-current assets	209	1,272
Gain on sale of investment securities	15,242	2,107
Other	66	20
Total extraordinary income	15,518	3,400
<b>Extraordinary losses</b>		
Loss on sale of non-current assets	1,987	72
Loss on retirement of non-current assets	54	24
Impairment losses	280	925
Loss on sale of investment securities	443	-
Head office relocation expenses	112	-
Increase (decrease) in employee deposits	684	10
Provision for warranties for completed construction	9,049	2,998
Loss on support to subsidiaries	-	387
Other	310	143
Total extraordinary losses	12,922	4,561
Profit before income taxes	25,662	22,609
Income taxes - current	9,914	8,240
Income taxes - deferred	(2,337)	(634)
Total income taxes	7,576	7,606
Profit	18,086	15,003



Non-consolidated Statements of Changes in Net Assets  
For the fiscal year ended March 31,2021

(Million yen)

	Shareholders' equity								
	Share capital	Capital surplus			Legal retained earnings	Retained earnings			Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		Reserve for tax purpose reduction entry of replacement assets	General reserve	Retained earnings brought forward	
Balance at beginning of period	23,513	20,780	0	20,780	5,878	1,095	106,475	24,881	138,331
Changes during period									
Reversal of reserve for tax purpose reduction entry of replacement assets						(229)		229	-
Provision of general reserve							15,000	(15,000)	-
Dividends of surplus								(5,743)	(5,743)
Profit								18,086	18,086
Purchase of treasury shares									
Disposal of treasury shares			(0)	(0)					
Net changes in items other than shareholders' equity									
Total changes during period	-	-	(0)	(0)	-	(229)	15,000	(2,427)	12,342
Balance at end of period	23,513	20,780	0	20,780	5,878	866	121,475	22,454	150,674

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(2,174)	180,450	13,136	13,136	193,587
Changes during period					
Reversal of reserve for tax purpose reduction entry of replacement assets		-			-
Provision of general reserve		-			-
Dividends of surplus		(5,743)			(5,743)
Profit		18,086			18,086
Purchase of treasury shares	(2)	(2)			(2)
Disposal of treasury shares	0	0			0
Net changes in items other than shareholders' equity			(2,697)	(2,697)	(2,697)
Total changes during period	(2)	12,340	(2,697)	(2,697)	9,643
Balance at end of period	(2,177)	192,791	10,439	10,439	203,230

For the fiscal year ended March 31,2022

(Million yen)

	Shareholders' equity								
	Share capital	Capital surplus			Legal retained earnings	Retained earnings			Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		Reserve for tax purpose reduction entry of replacement assets	General reserve	Retained earnings brought forward	
Balance at beginning of period	23,513	20,780	0	20,780	5,878	866	121,475	22,454	150,674
Changes during period									
Reversal of reserve for tax purpose reduction entry of replacement assets						(3)		3	-
Provision of general reserve							5,000	(5,000)	-
Dividends of surplus								(10,666)	(10,666)
Profit								15,003	15,003
Purchase of treasury shares									
Disposal of treasury shares									
Net changes in items other than shareholders' equity									
Total changes during period	-	-	-	-	-	(3)	5,000	(659)	4,336
Balance at end of period	23,513	20,780	0	20,780	5,878	862	126,475	21,795	155,011

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(2,177)	192,791	10,439	10,439	203,230
Changes during period					
Reversal of reserve for tax purpose reduction entry of replacement assets		-			-
Provision of general reserve		-			-
Dividends of surplus		(10,666)			(10,666)
Profit		15,003			15,003
Purchase of treasury shares	(55,158)	(55,158)			(55,158)
Disposal of treasury shares		-			-
Net changes in items other than shareholders' equity			(4,468)	(4,468)	(4,468)
Total changes during period	(55,158)	(50,821)	(4,468)	(4,468)	(55,289)
Balance at end of period	(57,335)	141,969	5,971	5,971	147,941