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Consolidated Financial Statements for the Period Ending March 2024 [Japanese Standard]

May 9, 2024

Name of listed company: DAI-DAN Co., Ltd.

Stock Exchange Listing:

Code No.: 1980 URL: <https://www.daidan.co.jp/>

Tokyo Stock Exchange Prime Market

Representative of Company: Yasuhiro Yamanaka, Representative Director, President

Inquiries to be addressed to: Yasuo Kamei, Director, Senior Corporate Officer,

Head of General Administration

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Date scheduled to ordinary shareholders general meeting convention: June 27, 2024

Date scheduled to dividend payment commencement: June 28, 2024

Date scheduled to submit annual securities report: June 27, 2024

Creating supplements to the financial statement: Yes

Holding a briefing session on the financial statement: Yes (for instituted investors and analysts)

(Amounts are indicated with figures less than 1 million yen discarded)

1. Consolidated business results for the period ending March 2024 (From April 1, 2023 to March 31, 2024)

(1) Consolidated management performance (Cumulative total) (Percentage indications show increase or decrease from the previous period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Period ending March 2024	197,431	6.2	10,877	29.1	11,918	28.3	9,087	37.1
Period ending March 2023	185,961	14.1	8,428	11.1	9,288	14.7	6,626	14.7

(Note) Comprehensive income Period ending March 2024 13,892 Million yen 96.1%

Period ending March 2023 7,083 Million yen 64.7%

	Profit per share		Diluted Profit per share		Equity capital vs. profit ratio	Total asset vs. Ordinary profit ratio	Net sales vs. Operating profit ratio
	Yen	Sen	Yen	Sen	%	%	%
Period ending March 2024	212.10	—	—	—	10.3	7.7	5.5
Period ending March 2023	154.78	—	—	—	8.3	6.5	4.5

(Reference) Income from investment in affiliates (Equity method) Period ending March 2024 146 Million yen

Period ending March 2023 — Million yen

(Note) The Company conducted a 2-for-1 stock split of shares of common stock, with an effective date of October 1, 2023. "Profit per share" is calculated assuming that the stock split was executed at the beginning of the previous consolidated accounting year.

(2) Consolidated financial position

	Total assets		Net assets		Equity capital ratio	Net assets per share	
	Million yen		Million yen		%	Yen	Sen
Period ending March 2024	160,553		93,987		58.4	2,187.86	
Period ending March 2023	148,544		82,424		55.4	1,920.67	

(Reference) Equity capital Period ending March 2024 93,754 Million yen

Period ending March 2023 82,242 Million yen

(Note) The Company conducted a 2-for-1 stock split of shares of common stock, with an effective date of October 1, 2023. "Net assets per share" is calculated assuming that the stock split was executed at the beginning of the previous consolidated accounting year.

(3) Consolidated cash flows

	Cash flows from operating activities		Cash flows from investing activities		Cash flows from financing activities		Cash and cash equivalents at end of period
	Million yen		Million yen		Million yen		Million yen
Period ending March 2024	596		(603)		(2,829)		22,665
Period ending March 2023	15,941		(4,729)		(2,218)		25,348

2. Dividends

	Annual dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Period end	Through year
	Yen Sen	Yen Sen	Yen Sen	Yen Sen	Yen Sen
Period ending March 2023	—	45.00	—	55.00	100.00
Period ending March 2024	—	55.00	—	48.00	—
Period ending March 2025 (Forecast)	—	52.00	—	52.00	104.00

(Note) 1 The Company conducted a 2-for-1 stock split of shares of common stock, with an effective date of October 1, 2023. Dividends before the second quarter of the fiscal year ending March 31, 2024, are the actual dividend amount before the stock split. The period end dividend for the period ending March 31, 2024 shown in the table above reflects the effect of the stock split, and the total annual dividend is shown as "—". Without considering the stock split, the Company plans to pay a period end dividend of 96 yen per share for the fiscal year ending March 31, 2024.

2 Breakdown of dividend for the period ending March 2023: Ordinary dividend:90yen
Commemorative dividend:10yen (120th anniversary commemorative dividend)

3. Estimate of consolidated performance for the period ending March 2025 (From April 1, 2024, to March 31, 2025)

(Percentage indications show increase or decrease from the previous period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share	
	Mil. yen	%	Mil. yen	%	Mil. yen	%	Mil. yen	%	Yen	Sen
Total period	250,000	26.6	15,000	37.9	15,300	28.4	11,000	21.1	256.70	

(Reference) Estimated net sales of construction contract orders 250,000 Million yen

* Annotations

- (1) Changes in key subsidiaries in the period (changes in specific subsidiaries requiring changes of consolidation scope): None
- (2) Application of particular accounting to the preparation of quarter consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, restatement
 - ① Changes in accounting policies due to revision of accounting standards, etc.: None
 - ② Changes in accounting policies other than ①: None
 - ③ Changes in accounting estimates: None
 - ④ Restatement: None

(4) Number of issued shares (common stock)

- ① Number of issued shares at the end of period (including treasury shares)
- ② Number of treasury shares at the end of period
- ③ Average number of shares in the period

Period ending March 2024	45,963,802 shares	Period ending March 2023	45,963,802 shares
Period ending March 2024	3,111,494 shares	Period ending March 2023	3,144,134 shares
Period ending March 2024	42,843,787 shares	period ending March 2023	42,810,955 shares

(Note) 1 The Company conducted a 2-for-1 stock split of shares of common stock, with an effective date of October 1, 2023.

“Number of issued shares at the end of period,” “Number of treasury shares at the end of period” and “Average numbers of shares in the period” are calculated assuming that the stock split was executed at the beginning of the previous consolidated accounting year.

- 2 The number of treasury shares at the end of the period includes the Company's shares held in the BIP Trust for Directors (180,414 shares for the period ending March 2023, 147,252 shares for the period ending March 2024). In addition, the Company's shares held in the BIP Trust for Directors (189,489 shares for the period ending March 2023, 155,972 shares for the period ending March 2024) are also included in treasury shares, which is deducted in the calculation of the average number of shares outstanding during the period.

(Reference) Estimate of individual performance

1. Individual business results for the period ending March 2024 (From April 1, 2023 to March 31, 2024)

(1) Individual management performance (Percentage indications show increase or decrease from the previous period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Period ending March 2024	186,930	4.1	10,574	23.8	11,515	22.2	8,799	29.9
Period ending March 2023	179,619	11.5	8,542	10.8	9,423	14.7	6,775	15.5

	Profit per share		Diluted Profit per share	
	Yen	Sen	Yen	Sen
Period ending March 2024	205.38	—	—	—
Period ending March 2023	158.26	—	—	—

(Note) The Company conducted a 2-for-1 stock split of shares of common stock, with an effective date of October 1, 2023. "Profit per share" is calculated assuming that the stock split was executed at the beginning of the previous consolidated accounting year.

(2) Individual financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share	
	Million yen	Million yen	%	Yen	Sen
Period ending March 2024	151,193	88,795	58.7	2,072.12	—
Period ending March 2023	144,312	80,689	55.9	1,884.41	—

(Reference) Equity capital Period ending March 2024 88,795 Million yen

Period ending March 2023 80,689 Million yen

(Note) The Company conducted a 2-for-1 stock split of shares of common stock, with an effective date of October 1, 2023. "Net assets per share" is calculated assuming that the stock split was executed at the beginning of the previous consolidated accounting year.

2. Estimate of individual performance for the period ending March 2025 (From April 1, 2024 to March 31, 2025)

(Percentage indications show increase or decrease from the previous period.)

	Net sales		Operating profit		Ordinary profit		Profit		Profit per share	
	Mil. yen	%	Mil. yen	%	Mil. Yen	%	Mil. yen	%	Yen	Sen
Total period	240,000	28.4	15,000	41.8	15,300	32.9	11,000	25.0	256.70	—

(Reference) Estimated net sales of construction contract orders 235,000 Million yen

* Brief report on financial statements is beyond the object of audit by CPA or an audit corporation.

* Explanation about adequate use of achievement forecasts and other noteworthy matters

(Caution regarding forward-looking statements and others)

The forward-looking statements disclosed herein are based on the information available at the time of preparation of this document and the assumption considered as reasonable.

Consequently, actual results differ materially from forecasts above due to changes in business results.

(How to obtain supplementary explanatory materials for quarterly financial results)

Supplementary explanatory materials for financial results will be available on the Company's website.

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1. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	Previous Consolidated Accounting Year (As of March 31, 2023)	Current Consolidated Accounting Year (As of March 31, 2024)
Assets		
Current assets		
Cash and deposits	25,379	22,696
Notes receivable, accounts receivable from completed construction contracts and other	69,625	74,901
Electronically recorded monetary claims - operating	9,487	11,499
Costs on construction contracts in progress	671	726
Other	3,092	2,366
Allowance for doubtful accounts	(136)	(99)
Total current assets	108,120	112,090
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,274	10,576
Accumulated depreciation	(4,049)	(4,343)
Buildings and structures, net	5,225	6,233
Machinery, equipment and vehicles	708	782
Accumulated depreciation	(133)	(233)
Machinery, equipment and vehicles, net	574	549
Tools, furniture and fixtures	953	860
Accumulated depreciation	(714)	(526)
Tools, furniture and fixtures, net	238	333
Land	1,280	1,280
Construction in progress	197	0
Total property, plant and equipment	7,516	8,396
Intangible assets	1,178	1,390
Investments and other assets		
Investment securities	18,790	21,160
Retirement benefit asset	11,459	15,997
Other	1,611	1,625
Allowance for doubtful accounts	(133)	(107)
Total investments and other assets	31,728	38,675
Total non-current assets	40,424	48,462
Total assets	148,544	160,553

(Millions of yen)

	Previous Consolidated Accounting Year (As of March 31, 2023)	Current Consolidated Accounting Year (As of March 31, 2024)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	23,294	21,449
Electronically recorded obligations - operating	12,109	11,961
Short-term borrowings	2,901	2,788
Income taxes payable	2,258	3,336
Advances received on construction contracts in progress	1,899	1,531
Provision for share awards	26	28
Provision for warranties for completed construction	48	36
Provision for loss on construction contracts	516	696
Asset retirement obligations	—	99
Deposits received	9,307	9,894
Other	9,169	9,072
Total current liabilities	61,532	60,895
Non-current liabilities		
Long-term borrowings	720	369
Deferred tax liabilities	2,660	4,153
Retirement benefit liability	1,148	1,101
Long-term accounts payable - other	5	2
Other	51	43
Total non-current liabilities	4,587	5,670
Total liabilities	66,119	66,565
Net assets		
Shareholders' equity		
Share capital	4,479	4,479
Capital surplus	4,837	4,837
Retained earnings	68,638	75,360
Treasury shares	(3,132)	(3,099)
Total shareholders' equity	74,822	81,577
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,116	7,754
Foreign currency translation adjustment	112	308
Remeasurements of defined benefit plans	1,191	4,114
Total accumulated other comprehensive income	7,419	12,177
Non-controlling interests	182	232
Total net assets	82,424	93,987
Total liabilities and net assets	148,544	160,553

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(Millions of yen)

	Previous Consolidated Accounting Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Accounting Year (From April 1, 2023 to March 31, 2024)
Net sales of completed construction contracts	185,961	197,431
Cost of sales of completed construction contracts	163,337	171,213
Gross profit on completed construction contracts	22,624	26,217
Selling, general and administrative expenses	14,195	15,340
Operating profit	8,428	10,877
Non-operating income		
Interest income	12	13
Dividend income	432	405
Insurance fee income	128	170
Foreign exchange gains	327	320
Share of profit of entities accounted for using equity method	—	146
Rental income from real estate	32	34
Other	43	89
Total non-operating income	976	1,180
Non-operating expenses		
Interest expenses	70	80
Guarantee commission	8	16
Rental expenses on real estate	9	10
Commitment fees	19	17
Other	8	14
Total non-operating expenses	117	139
Ordinary profit	9,288	11,918
Extraordinary income		
Gain on sale of non-current assets	3	1
Gain on sales of investment securities	551	1,574
Reversal of allowance for doubtful accounts	4	1
Total extraordinary income	559	1,578
Extraordinary losses		
Impairment losses	—	102
Loss on retirement of non-current assets	16	24
Loss on valuation of investment securities	—	100
Total extraordinary losses	16	227
Profit before income taxes	9,830	13,268
Income taxes - current	3,116	4,668
Income taxes - deferred	82	(520)
Total income taxes	3,199	4,147
Profit	6,631	9,121
Profit (loss) attributable to non-controlling interests	4	33
Profit attributable to owners of parent	6,626	9,087

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Previous Consolidated Accounting Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Accounting Year (From April 1, 2023 to March 31, 2024)
Profit	6,631	9,121
Other comprehensive income		
Valuation difference on available-for-sale securities	36	1,638
Foreign currency translation adjustment	94	28
Remeasurements of defined benefit plans	321	2,923
Share of other comprehensive income of entities accounted for using equity method	—	183
Total other comprehensive income	452	4,773
Comprehensive income	7,083	13,894
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,061	13,844
Comprehensive income attributable to non-controlling interests	22	50

(3) Consolidated Statements of Changes in Equity

Previous Consolidated Accounting Year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,479	4,837	63,946	(3,166)	70,097
Changes during period					
Dividends of surplus			(1,935)		(1,935)
Profit attributable to owners of parent			6,626		6,626
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				34	34
Net changes in items other than shareholders' equity					
Total changes during period	—	—	4,691	33	4,725
Balance at end of period	4,479	4,837	68,638	(3,132)	74,822

	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	6,079	34	870	6,984	160	77,242
Changes during period						
Dividends of surplus						(1,935)
Profit attributable to owners of parent						6,626
Purchase of treasury shares						(0)
Disposal of treasury shares						34
Net changes in items other than shareholders' equity	36	77	321	435	22	457
Total changes during period	36	77	321	435	22	5,182
Balance at end of period	6,116	112	1,191	7,419	182	82,424

Current Consolidated Accounting Year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,479	4,837	68,638	(3,132)	74,822
Changes during period					
Dividends of surplus			(2,364)		(2,364)
Profit attributable to owners of parent			9,087		9,087
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				33	33
Net changes in items other than shareholders' equity					
Total changes during period	—	—	6,722	32	6,754
Balance at end of period	4,479	4,837	75,360	(3,099)	81,577

	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	6,116	112	1,191	7,419	182	82,424
Changes during period						
Dividends of surplus						(2,364)
Profit attributable to owners of parent						9,087
Purchase of treasury shares						(0)
Disposal of treasury shares						33
Net changes in items other than shareholders' equity	1,638	195	2,923	4,757	50	4,807
Total changes during period	1,638	195	2,923	4,757	50	11,562
Balance at end of period	7,754	308	4,114	12,177	232	93,987

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Previous Consolidated Accounting Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Accounting Year (From April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Profit before income taxes	9,830	13,268
Depreciation	489	763
Increase (decrease) in allowance for doubtful accounts	124	(62)
Increase (decrease) in retirement benefit liability	(17)	(13)
Interest and dividend income	(444)	(419)
Interest expenses	70	80
Share of loss (profit) of entities accounted for using equity method	—	(146)
Loss (gain) on valuation of investment securities	—	100
Loss (gain) on sale of investment securities	(551)	(1,574)
Loss (gain) on sale of non-current assets	(3)	(1)
Loss on retirement of non-current assets	16	24
Impairment losses	—	102
Decrease (increase) in trade receivables	4,793	(7,288)
Decrease (increase) in costs on construction contracts in progress	(206)	(54)
Decrease (increase) in other current assets	1,040	575
Decrease (increase) in other non-current assets	10	(0)
Decrease (increase) in retirement benefit asset	(454)	(356)
Increase (decrease) in trade payables	(670)	(1,992)
Increase (decrease) in advances received on construction contracts in progress	(158)	(367)
Increase (decrease) in other current liabilities	3,241	1,241
Increase (decrease) in other non-current liabilities	29	(11)
Subtotal	17,142	3,859
Interest and dividends received	444	419
Interest paid	(69)	(80)
Income taxes refund (paid)	(1,575)	(3,601)
Net cash provided by (used in) operating activities	15,941	596

(Millions of yen)

	Previous Consolidated Accounting Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Accounting Year (From April 1, 2023 to March 31, 2024)
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	27	30
Payments into time deposits	(30)	(30)
Purchase of property, plant and equipment	(1,804)	(1,616)
Proceeds from sale of property, plant and equipment	3	2
Payments for retirement of property, plant and equipment	(5)	(10)
Purchase of investment securities	(3)	(203)
Proceeds from sale of investment securities	744	2,322
Loan advances	—	(0)
Proceeds from collection of loans receivable	9	10
Purchase of shares of subsidiaries and associates	(3,078)	(311)
Other payments	(658)	(851)
Other proceeds	67	54
Net cash provided by (used in) investing activities	(4,729)	(603)
Cash flows from financing activities		
Proceeds from short-term borrowings	21,400	42,200
Repayments of short-term borrowings	(21,400)	(42,200)
Proceeds from long-term borrowings	800	250
Repayments of long-term borrowings	(1,083)	(714)
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,935)	(2,364)
Net cash provided by (used in) financing activities	(2,218)	(2,829)
Effect of exchange rate change on cash and cash equivalents	317	154
Net increase (decrease) in cash and cash equivalents	9,310	(2,682)
Cash and cash equivalents at beginning of period	16,037	25,348
Cash and cash equivalents at end of period	25,348	22,665

- (5) Annotation Items Concerning Consolidated Financial Statements
(Notes to Going Concern Assumption)
None

2. Individual Financial Statements and Major Notes

(1) Balance Sheets

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2023)	Current Fiscal Year (As of March 31, 2024)
Assets		
Current assets		
Cash and deposits	23,561	19,927
Notes receivable - trade	1,091	301
Electronically recorded monetary claims - operating	9,487	11,499
Accounts receivable from completed construction contracts	66,041	71,742
Costs on construction contracts in progress	560	683
Prepaid expenses	8	7
Advances paid	1,228	187
Other	1,717	2,004
Allowance for doubtful accounts	(134)	(98)
Total current assets	103,562	106,256
Non-current assets		
Property, plant and equipment		
Buildings	9,057	10,336
Accumulated depreciation	(3,899)	(4,187)
Buildings, net	5,158	6,148
Structures	214	235
Accumulated depreciation	(147)	(155)
Structures, net	66	79
Machinery and equipment	563	635
Accumulated depreciation	(22)	(112)
Machinery and equipment, net	541	523
Vehicles	116	116
Accumulated depreciation	(86)	(92)
Vehicles, net	30	23
Tools, furniture and fixtures	920	819
Accumulated depreciation	(690)	(497)
Tools, furniture and fixtures, net	229	322
Land	1,280	1,280
Construction in progress	197	0
Total property, plant and equipment	7,504	8,378
Intangible assets		
Software	241	1,259
Other	932	124
Total intangible assets	1,174	1,383

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2023)	Current Fiscal Year (As of March 31, 2024)
Investments and other assets		
Investment securities	15,216	17,055
Shares of subsidiaries and associates	4,160	6,007
Long-term loans receivable from employees	1	—
Long-term loans receivable from subsidiaries and associates	1,587	633
Guarantee deposits	743	757
Distressed receivables	2	2
Prepaid pension costs	9,802	10,159
Golf club membership	597	573
Other	90	90
Allowance for doubtful accounts	(130)	(103)
Total investments and other assets	32,072	35,174
Total non-current assets	40,750	44,936
Total assets	144,312	151,193
Liabilities		
Current liabilities		
Notes payable - trade	448	194
Electronically recorded obligations - operating	12,109	11,961
Accounts payable for construction contracts	21,315	19,680
Short-term loans payable	2,200	2,200
Current portion of long-term borrowings	701	588
Accounts payable - other	1,549	1,640
Accrued expenses	4,215	5,144
Income taxes payable	2,251	3,254
Accrued consumption taxes	2,193	1,057
Advances received on construction contracts in progress	1,724	1,066
Deposits received	9,289	9,884
Deposits received from employees	936	924
Provision for share awards	26	28
Provision for warranties for completed construction	47	34
Provision for loss on construction contracts	516	696
Asset retirement obligations	—	99
Other	2	2
Total current liabilities	59,529	58,459
Non-current liabilities		
Long-term loans payable	720	369
Deferred tax liabilities	2,142	2,351
Provision for retirement benefits	1,194	1,177
Long-term accounts payable - other	5	2
Other	30	36
Total non-current liabilities	4,093	3,938
Total liabilities	63,622	62,397

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2023)	Current Fiscal Year (As of March 31, 2024)
Net assets		
Shareholders' equity		
Share capital	4,479	4,479
Capital surplus		
Legal capital surplus	4,716	4,716
Other capital surplus	181	181
Total capital surplus	4,897	4,897
Retained earnings		
Legal retained earnings	1,119	1,119
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	30	27
General reserve	29,720	29,720
Retained earnings brought forward	37,458	43,896
Total retained earnings	68,329	74,763
Treasury shares	(3,132)	(3,099)
Total shareholders' equity	74,573	81,040
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	6,116	7,754
Total valuation and translation adjustments	6,116	7,754
Total net assets	80,689	88,795
Total liabilities and net assets	144,312	151,193

(2) Statements of Income

(Millions of yen)

	Previous Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Fiscal Year (From April 1, 2023 to March 31, 2024)
Net sales of completed construction contracts	179,619	186,930
Cost of sales of completed construction contracts	157,432	161,574
Gross profit on completed construction contracts	22,187	25,355
Selling, general and administrative expenses	13,644	14,780
Operating profit	8,542	10,574
Non-operating income		
Interest income	36	44
Dividend income	432	405
Rental income from real estate	128	170
Insurance fee income	327	320
Foreign exchange gains	32	34
Other	34	85
Total non-operating income	992	1,060
Non-operating expenses		
Interest expenses	63	67
Guarantee commission	8	16
Rental expenses on real estate	9	10
Commitment Fees	19	17
Other	8	8
Total non-operating expenses	111	120
Ordinary profit	9,423	11,515
Extraordinary income		
Gain on sale of non-current assets	3	1
Gain on sale of investment securities	551	1,574
Reversal of allowance for doubtful accounts	4	1
Total extraordinary income	559	1,578
Extraordinary losses		
Impairment losses	—	102
Loss on retirement of non-current assets	16	24
Loss on valuation of investment securities	—	0
Loss on valuation of shares of subsidiaries and associates	—	100
Total extraordinary losses	16	227
Profit before income taxes	9,966	12,865
Income taxes - current	3,110	4,580
Income taxes - deferred	81	(513)
Total income taxes	3,191	4,066
Profit	6,775	8,799

(3) Statements of Changes in Equity

Previous Fiscal Year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	
Balance at beginning of period	4,479	4,716	181	4,897	1,119	34	29,720	32,614	63,489
Changes during period									
Reversal of reserve						(3)		3	—
Dividends of surplus								(1,935)	(1,935)
Profit								6,775	6,775
Purchase of treasury shares									
Disposal of treasury shares									
Net changes in items other than shareholders' equity									
Total changes during period	—	—	—	—	—	(3)	—	4,843	4,840
Balance at end of period	4,479	4,716	181	4,897	1,119	30	29,720	37,458	68,329

	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	(3,166)	69,699	6,079	6,079	75,779
Changes during period					
Reversal of reserve		—			—
Dividends of surplus		(1,935)			(1,935)
Profit		6,775			6,775
Purchase of treasury shares	(0)	(0)			(0)
Disposal of treasury shares	34	34			34
Net changes in items other than shareholders' equity			36	36	36
Total changes during period	33	4,874	36	36	4,910
Balance at end of period	(3,132)	74,573	6,116	6,116	80,689

Current Fiscal Year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
					Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward		
Balance at beginning of period	4,479	4,716	181	4,897	1,119	30	29,720	37,458	68,329
Changes during period									
Reversal of reserve						(3)		3	—
Dividends of surplus								(2,364)	(2,364)
Profit								8,799	8,799
Purchase of treasury shares									
Disposal of treasury shares									
Net changes in items other than shareholders' equity									
Total changes during period	—	—	—	—	—	(3)	—	6,437	6,434
Balance at end of period	4,479	4,716	181	4,897	1,119	27	29,720	43,896	74,763

	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	(3,132)	74,573	6,116	6,116	80,689
Changes during period					
Reversal of reserve		—			—
Dividends of surplus		(2,364)			(2,364)
Profit		8,799			8,799
Purchase of treasury shares	(0)	(0)			(0)
Disposal of treasury shares	33	33			33
Net changes in items other than shareholders' equity			1,638	1,638	1,638
Total changes during period	32	6,467	1,638	1,638	8,105
Balance at end of period	(3,099)	81,040	7,754	7,754	88,795

2. Supplementary Information

Divisional net sales of construction contract orders received, completed construction contracts, and uncompleted construction contracts (consolidated)

(Millions of yen)

		Previous Consolidated Accounting Year		Current Consolidated Accounting Year		Increase (decrease)	
		(From April 1, 2022 to March 31, 2023)		(From April 1, 2023 to March 31, 2024)		Amount	Ratio %
		Amount	Component ratio %	Amount	Component ratio %		
Net sales of construction contract orders received	Electrical installations	28,741	13.9	39,236	15.5	10,495	36.5
	Air conditioning and plumbing installations	177,596	86.1	213,897	84.5	36,300	20.4
	Total	206,337	100.0	253,134	100.0	46,796	22.7
	(Renovations)	83,691	40.6	83,997	33.2	305	0.4
	(Industrial facilities)	91,181	44.2	145,203	57.4	54,022	59.2
	(Overseas operations)	20,390	9.9	17,426	6.9	(2,964)	(14.5)
Net sales of completed construction contracts	Electrical installations	32,879	17.7	30,880	15.6	(1,998)	(6.1)
	Air conditioning and plumbing installations	153,082	82.3	166,550	84.4	13,467	8.8
	Total	185,961	100.0	197,431	100.0	11,469	6.2
	(Renovations)	84,285	45.3	81,769	41.4	(2,515)	(3.0)
	(Industrial facilities)	75,874	40.8	86,277	43.7	10,402	13.7
	(Overseas operations)	17,233	9.3	19,023	9.6	1,789	10.4
Net sales of uncompleted construction contracts	Electrical installations	19,324	10.5	27,681	11.5	8,356	43.2
	Air conditioning and plumbing installations	164,833	89.5	212,179	88.5	47,346	28.7
	Total	184,158	100.0	239,861	100.0	55,702	30.2
	(Renovations)	36,302	19.7	38,529	16.1	2,227	6.1
	(Industrial facilities)	60,567	32.9	119,493	49.8	58,926	97.3
	(Overseas operations)	15,996	8.7	14,400	6.0	(1,596)	(10.0)

(Note) 1. The “Air conditioning and plumbing installations” category has been set as a total of air conditioning installations and plumbing installations.

2. Renovations and Industrial facilities, Overseas operations are aggregated for each type of construction. These includes duplicated construction.

Divisional net sales of construction contract orders received, completed construction contracts, and uncompleted construction contracts (individual)

(Millions of yen)

		Previous Fiscal Year		Current Fiscal Year		Increase (decrease)	
		(From April 1, 2022 to March 31, 2023)		(From April 1, 2023 to March 31, 2024)		Amount	Ratio %
		Amount	Component ratio %	Amount	Component ratio %		
Net sales of construction contract orders received	Electrical installations	27,013	13.8	38,100	15.8	11,086	41.0
	Air conditioning and plumbing installations	168,719	86.2	202,647	84.2	33,928	20.1
	Total	195,732	100.0	240,747	100.0	45,014	23.0
	(Renovations)	75,815	38.7	73,372	30.5	(2,442)	(3.2)
	(Industrial facilities)	83,324	42.6	137,389	57.1	54,065	64.9
	(Overseas operations)	12,268	6.3	7,526	3.1	(4,741)	(38.7)
Net sales of completed construction contracts	Electrical installations	32,023	17.8	29,229	15.6	(2,793)	(8.7)
	Air conditioning and plumbing installations	147,596	82.2	157,700	84.4	10,104	6.8
	Total	179,619	100.0	186,930	100.0	7,310	4.1
	(Renovations)	79,232	44.1	73,231	39.2	(6,001)	(7.6)
	(Industrial facilities)	71,323	39.7	78,377	41.9	7,054	9.9
	(Overseas operations)	13,059	7.3	11,438	6.1	(1,620)	(12.4)
Net sales of uncompleted construction contracts	Electrical installations	18,301	10.2	27,172	11.7	8,870	48.5
	Air conditioning and plumbing installations	160,469	89.8	205,416	88.3	44,946	28.0
	Total	178,771	100.0	232,588	100.0	53,817	30.1
	(Renovations)	32,493	18.2	32,635	14.0	141	0.4
	(Industrial facilities)	56,577	31.6	115,590	49.7	59,012	104.3
	(Overseas operations)	11,817	6.6	7,905	3.4	(3,911)	(33.1)

- (Note) 1. The "Air conditioning and plumbing installations" category has been set as a total of air conditioning installations and plumbing installations.
2. Renovations and Industrial facilities, Overseas operations are aggregated for each type of construction. These includes duplicated construction.