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Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Japanese GAAP]



May 13, 2024

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 Stock exchange listing: Tokyo Stock Exchange
 Code number: 7022
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Scheduled date of Annual General Meeting of Shareholders: June 25, 2024

Scheduled date of filing annual securities report: June 25, 2024

Scheduled date of commencing dividend payments: June 26, 2024

Availability of supplementary briefing material on annual financial results: Available (Only in Japanese)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	23,352	15.9	509	433.1	636	60.9	459	7.9
March 31, 2023	20,145	5.2	95	(57.1)	395	92.7	425	(2.1)

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥1,083 million [298.2%]

Fiscal year ended March 31, 2023: ¥272 million [(69.3)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Rate of ordinary profit to total assets	Rate of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2024	13.65	13.51	5.5	2.4	2.2
March 31, 2023	12.77	12.60	5.4	1.5	0.5

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	27,249	8,961	32.7	263.62
As of March 31, 2023	25,702	8,010	30.9	237.40

(Reference) Equity: As of March 31, 2024: ¥8,901 million

As of March 31, 2023: ¥7,935 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, 2024	1,610	(804)	(583)	1,566
March 31, 2023	(534)	(933)	(597)	1,329

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, 2023	—	0.00	—	5.00	5.00	167	39.2	2.1
March 31, 2024	—	0.00	—	5.00	5.00	168	36.6	2.0
Fiscal year ending March 31, 2025 (Forecast)	—	0.00	—	5.00	5.00		84.1	

3. 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		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	23,500	0.6	100	(80.4)	200	(68.6)	200	(56.4)	5.95

* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: None
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (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, 2024: 33,814,782 shares
March 31, 2023: 33,473,786 shares
 - 2) Total number of treasury shares at the end of the period:
March 31, 2024: 47,248 shares
March 31, 2023: 47,215 shares
 - 3) Average number of shares during the period:
Fiscal Year Ended March 31, 2024: 33,639,530 shares
Fiscal Year Ended March 31, 2023: 33,324,689 shares

* These consolidated financial results are outside the scope of audit

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available and certain assumptions deemed reasonable. Actual results may differ significantly from these forecasts due to a wide range of factors.

4. Consolidated Financial Statements [Japanese GAAP]

(1) Consolidated Balance Sheets [Japanese GAAP]

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	1,389	1,626
Notes receivable - trade	443	275
Accounts receivable - trade	4,676	4,766
Contract assets	300	744
Electronically recorded monetary claims - operating	1,003	1,272
Merchandise and finished goods	243	266
Work in process	1,565	1,491
Raw materials and supplies	1,179	1,290
Other	1,018	726
Allowance for doubtful accounts	(13)	(14)
Total current assets	11,807	12,446
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,633	6,654
Accumulated depreciation	(3,357)	(3,510)
Buildings and structures, net	3,275	3,144
Machinery, vehicles, tools, furniture and fixtures	14,419	15,008
Accumulated depreciation	(12,577)	(12,991)
Machinery, vehicles, tools, furniture and fixtures, net	1,842	2,017
Land	2,831	2,831
Construction in progress	342	166
Total property, plant and equipment	8,292	8,159
Intangible assets		
Software	353	509
Goodwill	679	589
Other	17	17
Total intangible assets	1,050	1,116
Investments and other assets		
Investment securities	3,853	4,777
Deferred tax assets	222	200
Net defined benefit asset	278	301
Other	206	250
Allowance for doubtful accounts	(8)	(2)
Total investments and other assets	4,552	5,526
Total non-current assets	13,895	14,803
Total assets	25,702	27,249

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,575	1,840
Electronically recorded monetary obligations	983	2,468
Short-term loans payable	2,250	3,650
Current portion of long-term loans payable	1,797	1,432
Income taxes payable	91	212
Contract liabilities	1,030	595
Provision for bonuses	370	383
Provision for construction warranties	69	127
Provision for loss on construction contract	3	50
Lease obligations	222	229
Asset retirement obligations	—	29
Other	1,002	1,005
Total current liabilities	10,395	12,025
Non-current liabilities		
Long-term loans payable	3,660	2,432
Lease obligations	575	356
Deferred tax liabilities	1,084	1,389
Net defined benefit liability	1,661	1,784
Asset retirement obligations	311	294
Other	2	4
Total non-current liabilities	7,296	6,261
Total liabilities	17,691	18,287
Net assets		
Shareholders' equity		
Capital stock	2,603	2,628
Capital surplus	22	46
Retained earnings	3,506	3,798
Treasury shares	(9)	(9)
Total shareholders' equity	6,122	6,464
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,619	2,269
Deferred gain on hedges	1	12
Foreign currency translation adjustment	60	79
Remeasurements of defined benefit plans	130	75
Total accumulated other comprehensive income	1,812	2,437
Share acquisition right	75	59
Total net assets	8,010	8,961
Total liabilities and net assets	25,702	27,249

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income [Japanese GAAP]

Consolidated Statements of Income [Japanese GAAP]

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	20,145	23,352
Cost of sales	15,244	18,031
Gross profit	4,900	5,321
Selling, general and administrative expenses	4,805	4,812
Operating profit	95	509
Non-operating income		
Interest income	2	3
Dividend income	364	197
Other	82	39
Total non-operating income	448	240
Non-operating expenses		
Interest expenses	113	96
Other	35	17
Total non-operating expenses	149	114
Ordinary profit	395	636
Extraordinary income		
Gain on sales of investment securities	458	155
Gain on sales of noncurrent assets	7	1
Total extraordinary income	465	157
Extraordinary loss		
Impairment loss	394	18
Total extraordinary loss	394	18
Profit before income taxes	466	775
Income taxes – current	143	273
Income taxes – deferred	(102)	42
Total income taxes	41	315
Profit	425	459
Profit attributable to owners of parent	425	459

Consolidated Statements of Comprehensive Income [Japanese GAAP]

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	425	459
Other comprehensive income (loss)		
Valuation difference on available-for-sale securities	(305)	650
Deferred gain (loss) on hedges	(10)	10
Foreign currency translation adjustment	21	18
Remeasurements of defined benefit plans, net of tax	141	(55)
Total other comprehensive loss (income)	(153)	624
Comprehensive income	272	1,083
Comprehensive income (loss) attributable to		
Owners of the parent	272	1,083
Non-controlling interests	—	—

(3) Consolidated Statements of Cash Flows [Japanese GAAP]

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	466	775
Depreciation	682	735
Impairment loss	394	18
Amortization of goodwill	120	89
Increase (decrease) in net defined benefit liability	(164)	122
Increase (decrease) in allowance for doubtful accounts	1	(5)
Increase (decrease) in provision for bonuses	(7)	12
Increase (decrease) in provision for construction warranties	(19)	57
Increase (decrease) in provision for loss on construction contracts	3	46
Interest and dividend income	(366)	(200)
Interest expenses	113	96
Loss (gain) on sale of non-current assets	(6)	(1)
Loss (gain) on sales of investment securities	(458)	(155)
Decrease (increase) in notes and accounts receivable – trade	(769)	(613)
Decrease (increase) in inventories	(1,010)	(56)
Decrease (increase) in advance payment	166	(37)
Increase (decrease) in notes and accounts payable - trade	386	800
Increase (decrease) in contract liabilities	554	(445)
Decrease (increase) in consumption taxes refund receivable	59	181
Other, net	(121)	(205)
Subtotal	23	1,214
Interest and dividend income received	366	200
Interest expenses paid	(114)	(97)
Income taxes paid	(810)	293
Net cash provided by (used in) operating activities	(534)	1,610

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from investing activities		
Payments into time deposits	(267)	(60)
Proceeds from withdrawal of time deposits	267	60
Purchase of property, plant and equipment	(1,032)	(637)
Proceeds from sales of property, plant and equipment	98	4
Purchase of non-current assets	(95)	(262)
Purchase of investment securities	(18)	(18)
Proceeds from sales of investment securities	573	179
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(295)	—
Other, net	(162)	(69)
Net cash provided by (used in) investing activities	(933)	(804)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,300	1,400
Proceeds from long-term loans payable	1,200	940
Repayments of long-term loans payable	(2,627)	(2,532)
Cash dividends paid	(165)	(167)
Repayments of lease obligations	(304)	(223)
Other, net	0	0
Net cash provided by (used in) financing activities	(597)	(583)
Effect of exchange rate change on cash and cash equivalents	18	14
Net increase (decrease) in cash and cash equivalents	(2,046)	237
Cash and cash equivalents at beginning of period	3,376	1,329
Cash and cash equivalents at end of period	1,329	1,566

(Segment Information)

Information concerning Net sales and Operating profit by Reportable business segment

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

	Reportable segment			Total	Adjustments (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
	Machinery / Equipment & Services for Manufacturing Industry	Machinery / Equipment & Services for Construction Industry	Leisure business			
Net sales						
Goods transferred at a point in time	8,436	4,716	2,762	15,915	—	15,915
Goods transferred over time	267	2,803	1,159	4,230	—	4,230
Revenue from contacts with customers	8,704	7,520	3,921	20,145	—	20,145
External sales	8,704	7,520	3,921	20,145	—	20,145
Internal sales or transfers	—	1	—	1	(1)	—
Total	8,704	7,521	3,921	20,146	(1)	20,145
Segment profit	574	92	849	1,516	(1,421)	95
Segment assets	11,415	9,250	1,909	22,576	3,126	25,702
Other items						
Depreciation and amortization	423	149	61	633	48	682
Amortization of goodwill	—	120	—	120	—	120
Increase in property, plant and equipment and intangible assets	777	385	36	1,198	51	1,250

(Note 1) Details of “Adjustments” are as follows:

Adjustments for the segment gain of ¥(1,421) million include corporate cost of ¥(1,439) million not allocated to each reportable segment, allowance for doubtful accounts of ¥1 million and elimination of inter-segment transaction of ¥16 million. Adjustments for segment assets of ¥3,126 million include corporate assets of ¥5,100 million and consolidated adjustment of ¥(1,974) million

Adjustments for depreciation and amortization of ¥48 million include depreciation and amortization of corporate assets of ¥48 million.

Adjustment for the increase in property, plant and equipment and intangible assets of ¥51 million include investments in corporate assets of ¥8 million and software of ¥43 million.

Corporate cost consists of general and administrative expenses which do not belong to the reporting segment.

(Note 2) Segment loss is adjusted with operating profit recorded in the consolidated statements of income.

(Million yen)

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

(Million yen)

	Reportable segment			Total	Adjustments (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
	Machinery / Equipment & Services for Manufacturing Industry	Machinery / Equipment & Services for Construction Industry	Leisure business			
Net sales						
Goods transferred at a point in time	9,551	6,372	2,569	18,493	—	18,493
Goods transferred over time	519	3,458	881	4,859	—	4,859
Revenue from contacts with customers	10,071	9,830	3,450	23,352	—	23,352
External sales	10,071	9,830	3,450	23,352	—	23,352
Internal sales or transfers	—	—	—	—	—	—
Total	10,071	9,830	3,450	23,352	—	23,352
Segment profit	982	488	467	1,938	(1,428)	509
Segment assets	11,213	9,528	2,040	22,782	4,466	27,249
Other items						
Depreciation and amortization	417	198	60	676	58	735
Amortization of goodwill	—	89	—	89	—	89
Increase in property, plant and equipment and intangible assets	112	340	125	579	196	776

(Note 1) Details of “Adjustments” are as follows:

Adjustments for the segment gain of ¥(1,428) million include corporate cost of ¥(1,446) million not allocated to each reportable segment, allowance for doubtful accounts of ¥0 million and elimination of inter-segment transaction of ¥17 million. Adjustments for segment assets of ¥4,466 million include corporate assets of ¥5,482 million and consolidated adjustment of ¥(1,016) million

Adjustments for depreciation and amortization of ¥58 million include depreciation and amortization of corporate assets of ¥58 million.

Adjustment for the increase in property, plant and equipment and intangible assets of ¥196 million include investments in corporate assets of ¥11 million and software of ¥185 million.

Corporate cost consists of general and administrative expenses which do not belong to the reporting segment.

(Note 2) Segment loss is adjusted with operating profit recorded in the consolidated statements of income.