

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



May 13, 2022

Company name: Komaihaltec Inc.

Stock exchange listing: Tokyo Stock Exchange

Code number: 5915

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

Representative: Takahide Nakamura, President

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

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

Scheduled date of commencing dividend payments: June 30, 2022

Availability of supplementary briefing material on financial results: No

Schedule of financial results briefing session: Yes (for institutional investors and analysts)

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

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

**(1) Consolidated Business 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	29,552	(2.4)	1,510	231.0	1,803	118.4	1,345	73.3
March 31, 2021	30,293	(14.6)	456	719.9	825	200.6	776	-

(Note) Comprehensive income: Fiscal year ended March 31, 2022: ¥1,870 million [10.7%]

Fiscal year ended March 31, 2021: ¥1,689 million [ - %]

	Profit per share	Diluted profit per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2022	289.12	-	4.7	3.5	5.1
March 31, 2021	164.79	-	2.9	1.6	1.5

(Reference) Share of profit (loss) of entities accounted for using equity method:

Fiscal year ended March 31, 2022: ¥- million

Fiscal year ended March 31, 2021: ¥- million

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	yen
As of March 31, 2022	52,526	29,543	55.4	6,249.80
As of March 31, 2021	49,944	28,040	55.4	6,032.23

(Reference) Equity: As of March 31, 2022: ¥29,092 million

As of March 31, 2021: ¥27,691 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 end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended				
March 31, 2022	4,816	37	(1,446)	12,338
March 31, 2021	3,491	(2,516)	(686)	8,927

## 2. Dividends

	Annual dividends per share					Total amount of dividends	Dividend payout ratio (consolidated)	Dividend on net assets ratio (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	yen	yen	yen	yen	yen	Million yen	%	%
Fiscal year ended March 31, 2021	-	25.00	-	45.00	70.00	327	42.5	1.2
Fiscal year ended March 31, 2022	-	30.00	-	40.00	70.00	325	24.2	1.1
Fiscal year ending March 31, 2023 (forecast)	-	35.00	-	35.00	70.00		81.4	

(Note) The year-end dividend of the fiscal year ended March 31, 2021 includes a commemorative dividend of ¥10.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	49,000	65.8	700	(53.7)	750	(58.4)	400	(70.3)	85.97

### \* Notes:

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

Newly added: 0 Company name: --

Excluded: 0 Company name: --

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

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 restatements: No

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

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

March 31, 2022: 4,972,709

March 31, 2021: 4,972,709

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

March 31, 2022: 317,837

March 31, 2021: 324,200

3) Average number of shares during the period:

Fiscal year ended March 31, 2022: 4,652,980

Fiscal year ended March 31, 2021: 4,710,853

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

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2022	25,309	(0.3)	1,434	144.5	1,728	85.3	1,444	52.3
March 31, 2021	25,390	(20.0)	586	271.6	932	151.1	948	-

	Profit per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended				
March 31, 2022	310.44		-	
March 31, 2021	201.29		-	

**(2) Non-consolidated Financial Position**

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
As of March 31, 2022	49,445		28,578		57.8		6,139.51	
As of March 31, 2021	46,910		27,114		57.8		5,832.86	

(Reference) Equity: As of March 31, 2022: ¥28,578 million

As of March 31, 2021: ¥27,114 million

**2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)**

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Profit per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	
Full year	43,000	69.9	800	(44.2)	900	(47.9)	600	(58.5)	128.95	

\* These financial results are outside the scope of audit by certified public accountants or audit corporations.\* Explanation of the proper use of financial results forecasts and other matters of note

The forecasts and other forward-looking statements presented herein are the Company's current prospects based on information currently available and certain assumptions deemed reasonably made. Actual results may therefore differ from the above forecasts to a great extent due to various factors. With respect to matters concerning the above forecasts, please refer to "1. Overview of Business Results, Etc., (4) Future Outlook" on page 7 of the Attachments.

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## 1. Overview of Business Results, Etc.

### (1) Overview of Business Results for the Fiscal Year under Review

During the fiscal year ended March 31, 2022, the Japanese economy began the year positively as the number of new COVID-19 cases was on the decline. With the fifth wave of infections in July last year and then the sixth wave triggered by the Omicron variant from January this year, however, the central government expanded COVID-19 pre-emergency measures, subsequently rolling them out nationwide and putting a brake on the pickup in consumer spending. This brought economic recovery to a standstill. Currently, as a variant with a relatively low risk of causing severe symptoms has become prevalent, and the spread of infections has slowed somewhat, the Japanese economy is on a mild recovery trajectory, buoyed primarily by the improvement in consumer spending. Meanwhile, the surge in the prices of crude oil and raw materials was accelerated by Russia's invasion of Ukraine and the economic sanctions imposed by several countries against Russia. This being the case, there is a concern that the ongoing upward pressure on prices will add to downward pressure on corporate earnings.

In the steel bridge and steel frame industry, while orders for the construction of steel bridges grew slightly over the previous fiscal year, the amount of orders in value terms was split roughly fifty/fifty between new construction projects and maintenance and repair work, and the competition for new construction projects remains fierce. Meanwhile, orders for steel frames increased over the previous fiscal year. There are concerns, however, that corporate earnings might be squeezed going forward as prices of steel and other raw materials remain lofty and delivery schedules are noticeably shorter.

Under these severe business circumstances, as a result of diligent efforts to obtain orders, the consolidated orders received by the Company and its consolidated subsidiaries (hereinafter collectively the "Group") during the fiscal year under review amounted to 51,402 million yen (up 51.9% year-on-year). Net sales amounted to 29,552 million yen (down 2.4% year-on-year).

As for profit and loss, the Group's operating profit amounted to 1,510 million yen (up 231.0% year-on-year) primarily due to orders for additions and changes with the completion of large steel bridge construction works and productivity enhancement made possible by capital expenditures and otherwise. Ordinary profit and profit attributable to owners of parent, on the other hand, were 1,803 million yen (up 118.4% year-on-year) and 1,345 million yen (up 73.3% year-on-year), respectively, primarily due to non-operating income and extraordinary income.

An overview of by-segment performance is as follows.

#### Steel Bridges

Orders received during the fiscal year under review amounted to 21,703 million yen (up 54.8% year-on-year). Some of the major projects included the construction of the bridge superstructure and other related works for the D3 Ramp of the Yamato Gose Road Kashihara Takada Interchange, ordered by the Kinki Regional Development Bureau of the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), and the construction of three bridges (steel superstructures), including one for the C Ramp of the Tokai-Kanjo Expressway Yamagata Interchange, ordered by Central Nippon Expressway Company Limited.

Net sales amounted to 12,374 million yen (down 6.0% year-on-year). Some of the major projects included the construction of the superstructure of Obaminetoge Pass Road Steel Bridge No. 2, ordered by the MLIT Kinki Regional Development Bureau, and the construction of the steel superstructure as part of the 2019 Kitatamagaki Elevated Bridge on Route 23 construction project, ordered by the MLIT Chubu Regional Development Bureau. As a result, order backlog amounted to 25,531 million yen (up 57.6% year-on-year).

#### Steel Frames

Orders received during the fiscal year under review amounted to 29,382 million yen (up 52.3% year-on-year). Among major projects were the Shinjuku Station South Exit Project (provisional name) (construction of new buildings), and the Nihonbashi 1-chome Middle District Type 1 Urban

Redevelopment Project (construction of new buildings).

Net sales amounted to 16,487 million yen (up 4.5% year-on-year), which included sales from construction works using the percentage-of-completion method regarding large-scale redevelopment construction projects. As a result, order backlog amounted to 31,224 million yen (up 70.1% year-on-year).

#### Infrastructure and the Environment

Orders received in the environmental business, including wind power generation, and the overseas business, mainly in the area of infrastructure, amounted to 316 million yen (down 39.2% year-on-year), and net sales amounted to ¥130 million (down 83.9% year-on-year). As a result, order backlog amounted to 203 million yen (up 1,013.3% year-on-year).

#### Real Estate

The Group engages in the real estate business by renting out unused plots of its Osaka Works in Nishi-Yodogawa Ward, Osaka City. Segment net sales amounted to 414 million yen (up 1.9% year-on-year).

#### Others

The Group engages in other businesses, including printing. Net sales from these businesses amounted to 144 million yen (up 17.1% year-on-year).

### (2) Overview of Financial Position for the Fiscal Year under Review

The Group's total assets at the end of the fiscal year under review amounted to 52,526 million yen (an increase of 2,582 million year-on-year).

Current assets amounted to 31,600 million yen (an increase of 2,868 million yen year-on-year) as notes receivable, accounts receivable from completed construction contracts, and contract assets declined by 930 million yen while cash and deposits increased by 3,411 million yen. Non-current assets amounted to 20,925 million yen (a decrease of 285 million yen year-on-year).

In terms of liabilities, current liabilities amounted to 13,847 million yen (an increase of 2,050 million year-on-year) primarily due to an increase in notes payable and accounts payable for construction contracts by 1,000 million yen. Non-current liabilities amounted to 9,135 million yen (a decrease of 970 million yen year-on-year), and accordingly, total liabilities amounted to 22,982 million yen (an increase of 1,079 million yen year-on-year).

Net assets amounted to 29,543 million yen (an increase of 1,502 million yen year-on-year) primarily due to an increase in retained earnings by 966 million yen.

### (3) Overview of Cash Flows for the Fiscal Year under Review

The status of cash flows and their contributing factors are as follows.

The balance of cash and cash equivalents (hereinafter referred to as "net cash") at the end of the fiscal year under review was 12,338 million yen on a consolidated basis, an increase of 3,411 million yen from the end of the previous fiscal year.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 4,816 million yen (3,419 million yen provided in the previous fiscal year). This was primarily due to income before income taxes of 1,922 million yen.

(Cash flows from investing activities)

Net cash provided by investing activities amounted to 37 million yen (2,516 million yen used in the previous fiscal year). This was primarily due to proceeds from sales of investment securities of 142 million yen, despite outflows of 207 million yen for the acquisition of non-current assets.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 1,446 million yen (686 million yen used in the previous fiscal year). This was primarily due to outflows of 2,160 million yen for the redemption of bonds despite proceeds from the issuance of bonds of 1,477 million yen.

## (Reference) Indicators related to cash flows

	Fiscal Year Ended				
	March 31, 2018	March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022
Equity ratio	49.7%	51.2%	52.4%	55.4%	55.4%
Equity ratio based on fair value	20.2%	16.2%	13.9%	20.5%	19.3%
Ratio of interest-bearing debt to cash flows	4.0 years	3.0 years	-	2.9 years	1.9 years
Interest coverage ratio	38.1 times	37.8 times	-	46.7 times	65.5 times

## [Calculation methods]

Equity ratio: total equity / total assets

Equity ratio based on fair value: market capitalization / total assets

Ratio of interest-bearing debt to cash flows: interest-bearing debt outstanding / cash flows from operating activities

Interest coverage ratio: cash flows from operating activities / interest paid

## Notes:

1. Each of the above indicators is calculated based on financial figures on a consolidated basis.
2. Market capitalization is calculated based on the total number of shares issued, excluding treasury shares.
3. Cash flows from operating activities are used as cash flows.
4. Interest-bearing debt outstanding covers all liabilities with interest payments among liabilities stated in consolidated balance sheets.
5. As interest payments, interest expenses in the consolidated statements of cash flows are used.
6. The ratio of interest-bearing debt to cash flows and the interest coverage ratio of the fiscal year ended March 31, 2020, are not stated because cash flows from operating activities for the fiscal year were negative.

## (4) Future Outlook

The Japanese economy is expected to remain on a mild recovery path if the government continues to promote economic normalization while controlling COVID-19. Meanwhile, if prolonged further, the Ukrainian crisis will add considerable downward pressure to the global economy, with Europe experiencing the brunt of impact, with the result that the rise in prices of natural resources and raw materials will cut into corporate earnings, which in turn can deter their capital expenditures and then dampen the recovery of consumer spending.

In the steel bridge and steel frame industry, orders are anticipated for a number of steel bridge-related projects, which are designed to strengthen existing infrastructure to cope with frequent natural disasters or enhance them in accordance with the Basic Act for National Resilience Contributing to Preventing and Mitigating Disasters for Developing Resilience in the Lives of the Citizenry. Also on the horizon are orders for projects to construct large steel bridges, such as the Osaka Wangan Expressway Western Extension Route, to transform existing highways into four lanes, and to drastically upgrade obsolete highways and other structures. Yet, fierce competition for new orders is expected to continue.

Meanwhile, in the area of steel frames, the Group expects to receive multiple orders for large-scale urban redevelopment projects in the Tokyo metropolitan area and elsewhere. However, there are concerns that corporate earnings will be placed under pressure going forward, as prices of steel and other materials might continue to soar, delivery schedules tighten, and transportation and other costs increase.

Against this backdrop, the Company chose to move to the top-tier "prime" section under the Tokyo Stock Exchange's reorganization, which commenced in April 2022, with a view toward contributing to the creation of

a sustainable society and further enhancing corporate value and corporate governance.

The Group's forecasts for its consolidated earnings results for the fiscal year ending March 31, 2023, are net sales of 49,000 million yen, operating profit of 700 million yen, ordinary profit of 750 million yen, and profit attributable to owners of parent of 400 million yen.

## 2. Basic Views on the Selection of Accounting Standards

The Group plans to continue to prepare its consolidated financial statements under the Japanese GAAP for the foreseeable future, in consideration of the comparability of data to allow for comparisons among different periods and with other companies.

With regard to the adoption of the International Financial Reporting Standards (IFRS), the Group will make appropriate judgments in consideration of various circumstances within and outside of Japan.



### 3. Consolidated Financial Statements and Primary Notes

#### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	8,927	12,338
Notes receivable, accounts receivable from completed construction contracts	16,988	-
Notes receivable, accounts receivable from completed construction contracts, and contract assets	-	16,057
Electronically recorded monetary claims - operating	972	1,662
Costs on construction contracts in progress	156	181
Raw materials and supplies	363	561
Accounts receivable - other	183	496
Other	1,143	305
Allowance for doubtful accounts	(2)	(2)
Total current assets	28,732	31,600
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,818	12,876
Machinery and vehicles	8,104	8,090
Land	8,585	8,585
Other	2,223	2,289
Accumulated depreciation	(17,379)	(17,835)
Total property, plant and equipment	14,351	14,005
Intangible assets		
Goodwill	1,223	917
Other	114	118
Total intangible assets	1,337	1,035
Investments and other assets		
Investment securities	5,180	5,573
Long-term loans receivable	95	93
Deferred tax assets	104	44
Other	234	266
Allowance for doubtful accounts	(92)	(92)
Total investments and other assets	5,521	5,884
Total non-current assets	21,211	20,925
Total assets	49,944	52,526

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts	5,158	6,158
Electronically recorded obligations - operating	256	312
Short-term borrowings	1,947	2,472
Current portion of bonds payable	2,110	1,760
Income taxes payable	99	273
Accrued consumption taxes	296	537
Advances received on construction contracts in progress	816	1,102
Provision for bonuses	375	466
Provision for loss on construction contracts	219	136
Other	515	626
Total current liabilities	11,796	13,847
Non-current liabilities		
Bonds payable	3,570	3,260
Long-term borrowings	2,340	1,509
Deferred tax liabilities	1,078	1,377
Retirement benefit liability	2,581	2,515
Other	536	473
Total non-current liabilities	10,106	9,135
<b>Total liabilities</b>	<b>21,903</b>	<b>22,982</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	6,619	6,619
Capital surplus	8,215	8,211
Retained earnings	11,710	12,677
Treasury shares	(734)	(719)
Total shareholders' equity	25,811	26,789
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,937	2,293
Remeasurements of defined benefit plans	(57)	9
Total accumulated other comprehensive income	1,880	2,302
Non-controlling interests	349	451
<b>Total net assets</b>	<b>28,040</b>	<b>29,543</b>
<b>Total liabilities and net assets</b>	<b>49,944</b>	<b>52,526</b>

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

(Millions of yen)

	Fiscal Year from April 1, 2020 to March 31, 2021	Fiscal Year from April 1, 2021 to March 31, 2022
Net sales of completed construction contracts	30,293	29,552
Cost of sales of completed construction contracts	26,569	24,675
Gross profit on completed construction contracts	3,723	4,876
Selling, general and administrative expenses	3,267	3,366
Operating profit	456	1,510
Non-operating income		
Interest income	1	0
Dividend income	155	172
Insurance claim income	180	5
Rental income from buildings	56	57
Gain on sales of scraps	48	88
Compensation income for damage	103	27
Miscellaneous income	31	57
Total non-operating income	578	409
Non-operating expenses		
Interest expenses	66	59
Bond issuance costs	34	22
Commission expenses	83	12
Electricity sale expenses	20	18
Miscellaneous expenses	3	2
Total non-operating expenses	208	116
Ordinary profit	825	1,803
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	7	122
Gain on redemption of memberships	5	-
Other	0	-
Total extraordinary income	14	123
Extraordinary losses		
Loss on sale of non-current assets	1	0
Loss on retirement of non-current assets	2	4
Loss on redemption of investment securities	0	-
Other	0	-
Total extraordinary losses	5	5
Profit before income taxes	835	1,922
Income taxes – current	116	298
Income taxes – deferred	(207)	175
Total income taxes	(91)	474
Profit	926	1,447
Profit attributable to non-controlling interests	149	102
Profit attributable to owners of parent	776	1,345

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal Year from April 1, 2020 to March 31, 2021	Fiscal Year from April 1, 2021 to March 31, 2022
Profit	926	1,447
Other comprehensive income		
Valuation difference on available-for-sale securities	795	356
Remeasurements of defined benefit plans, net of tax	(32)	66
Total other comprehensive income	762	422
Comprehensive income	1,689	1,870
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,539	1,767
Comprehensive income attributable to non-controlling interests	149	102

## (3) Consolidated Statements of Changes in Equity

Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,619	8,222	11,218	(578)	25,482
Changes during period					
Dividends of surplus			(284)		(284)
Profit attributable to owners of parent			776		776
Purchase of treasury shares				(174)	(174)
Disposal of treasury shares		(7)		18	11
Net changes in items other than shareholders' equity					
Total changes during period	-	(7)	492	(156)	328
Balance at end of period	6,619	8,215	11,710	(734)	25,811

	Accumulated other comprehensive income			Non- controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,141	(24)	1,117	-	26,600
Changes during period					
Dividends of surplus					(284)
Profit attributable to owners of parent					776
Purchase of treasury shares					(174)
Disposal of treasury shares					11
Net changes in items other than shareholders' equity	795	(32)	762	349	1,112
Total changes during period	795	(32)	762	349	1,440
Balance at end of period	1,937	(57)	1,880	349	28,040

Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,619	8,215	11,710	(734)	25,811
Cumulative effects of changes in accounting policies			3		3
Restated balance	6,619	8,215	11,714	(734)	25,814
Changes during period					
Dividends of surplus			(382)		(382)
Profit attributable to owners of parent			1,345		1,345
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(3)		15	12
Net changes in items other than shareholders' equity					
Total changes during period	-	(3)	963	14	974
Balance at end of period	6,619	8,211	12,677	(719)	26,789

	Accumulated other comprehensive income			Non- controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,937	(57)	1,880	349	28,040
Cumulative impact due to changes in accounting policies					3
Restated balance	1,937	(57)	1,880	349	28,044
Changes during period					
Dividends of surplus					(382)
Profit attributable to owners of parent					1,345
Purchase of treasury shares					(1)
Disposal of treasury shares					12
Net changes in items other than shareholders' equity	356	66	422	102	524
Total changes during period	356	66	422	102	1,499
Balance at end of period	2,293	9	2,302	451	29,543

## (4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal Year from April 1, 2020 to March 31, 2021	Fiscal Year from April 1, 2021 to March 31, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	835	1,922
Depreciation	646	565
Amortization of goodwill	305	305
Increase (decrease) in allowance for doubtful accounts	(0)	0
Increase (decrease) in provision for bonuses	(19)	90
Increase (decrease) in retirement benefit liability	66	29
Increase (decrease) in provision for loss on construction contracts	(86)	(82)
Interest and dividend income	(156)	(172)
Loss (gain) on sale of investment securities	(7)	(122)
Interest expenses	78	72
Bond issuance costs	34	22
Foreign exchange losses (gains)	(1)	(4)
Loss (gain) on sale and retirement of property, plant and equipment	4	4
Decrease (increase) in trade receivables	5,396	241
Decrease (increase) in costs on construction contracts in progress	1,197	(223)
Increase (decrease) in trade payables	(2,258)	1,057
Increase (decrease) in advances received on construction contracts in progress	(1,193)	286
Decrease (increase) in accounts receivable - other	(22)	(312)
Decrease (increase) in consumption taxes refund receivable	(791)	817
Increase (decrease) in accrued consumption taxes	(664)	240
Increase (decrease) in accounts payable - other	(258)	43
Other, net	358	28
Subtotal	3,461	4,809
Interest and dividends received	156	172
Interest paid	(74)	(73)
Income taxes paid	(51)	(92)
Net cash provided by (used in) operating activities	3,491	4,816
<b>Cash flows from investing activities</b>		
Proceeds from redemption of investment securities	100	100
Purchase of non-current assets	(791)	(207)
Proceeds from sale of non-current assets	24	2
Purchase of investment securities	(1)	(1)
Proceeds from sale of investment securities	13	142
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,876)	-
Proceeds from sale of membership	0	-
Proceeds from redemption of membership	11	-
Proceeds from collection of loans receivable	2	2
Net cash provided by (used in) investing activities	(2,516)	37

(Millions of yen)

	Fiscal Year from April 1, 2020 to March 31, 2021	Fiscal Year from April 1, 2021 to March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	300	(500)
Repayments of lease liabilities	(68)	(74)
Proceeds from long-term borrowings	1,680	900
Repayments of long-term borrowings	(1,844)	(706)
Proceeds from issuance of bonds	1,965	1,477
Redemption of bonds	(2,260)	(2,160)
Proceeds from disposal of treasury shares	-	0
Purchase of treasury shares	(174)	(1)
Dividends paid	(284)	(348)
Dividends paid to non-controlling interests	-	(33)
Net cash provided by (used in) financing activities	(686)	(1,446)
Effect of exchange rate change on cash and cash equivalents	1	4
Net increase (decrease) in cash and cash equivalents	290	3,411
Cash and cash equivalents at beginning of period	8,636	8,927
Cash and cash equivalents at end of period	8,927	12,338



(5) Notes to the Consolidated Financial Statements  
(Notes on the Premise of a Going Concern)

There are no applicable matters to be reported.

(Changes in Accounting Policies)

(Application of Accounting Standard for Revenue Recognition)

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter "Revenue Recognition Standard") and other standards from the beginning of the reporting period. The Company recognizes revenue when control of a promised good or service is transferred to a customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

Previously, the percentage-of-completion method was applied to construction activity whose outcome is deemed certain during the course of the activity, and the completed-contract method was applied otherwise. As a result of this application, however, the Company now recognizes revenue from construction activity that is expected to satisfy performance obligations of transferring goods or services to a customer over time, if control of goods or services is transferred to a customer for a certain period of time. Progress toward satisfaction of performance obligations is estimated from the percentage of the costs incurred by the end of the reporting period to the estimated total cost. Revenue is recognized by the cost recovery method when it is not possible to reasonably estimate progress toward satisfaction of performance obligations but it is probable that the costs incurred will be recovered. For construction activity whose period from the commencement date of a transaction set forth in a contract to the time when it is deemed performance obligations are completely satisfied is very short, an alternative treatment set forth in Paragraph 95 of the "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Statement No. 30, March 26, 2021) is applied, and revenue is not recognized for a certain period of time but is recognized once performance obligations are completely satisfied.

The Company applies the Revenue Recognition Standard, etc. in accordance with the transitional treatment provided for in the proviso to Paragraph 84 of the Revenue Recognition Standard. The cumulative impact of retroactively applying the new accounting policies to prior periods is adjusted to retained earnings at the beginning of the reporting period, with the new accounting policies applied from the beginning balance.

As a result, net sales of completed construction contracts and cost of sales of completed construction contracts for the fiscal year under review decreased by 37 million yen and 42 million yen, respectively. The impact that this change has on operating profit, ordinary profit, and income before income taxes is negligible. Meanwhile, the beginning-of-year balance of retained earnings increased by 3 million yen.

Following the application of the Revenue Recognition Standard, etc., "Notes receivable, accounts receivable from completed construction contracts," which was presented under "Current assets" in the consolidated balance sheet for the previous fiscal year, has been included under "Notes receivable, accounts receivable from completed construction contracts, and contract assets" from the reporting period. However, in accordance with the transitional treatment set forth in Paragraph 89-2 of the Revenue Recognition Standard, figures for the previous fiscal year have not been reclassified based on the new presentation method.

(Application of Accounting Standard for Fair Value Measurement)

The Company has applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019; hereinafter "Fair Value Measurement Standard") and other standards from the beginning of the reporting period, and will prospectively apply the new accounting policies stipulated by the Fair Value Measurement Standard, etc. in accordance with the transitional treatment provided in Paragraph 19 of the Fair Value Measurement Standard and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019). This change does not have any impact on our consolidated financial statements.

(Segments of an Enterprise and Related Information)

1. Description of reportable segments

The Company's reportable segments are components of the Company for which discrete financial information is available and the operating results of which are regularly reviewed by the Company's Board of Directors to make decisions about management resource allocation and to assess the performance of the Company.

The Company operates under a structure consisting of business divisions. Each business division plans comprehensive strategies for its products in Japan and overseas, and conducts its operations based on the strategies.

The Company is composed of business segments classified based on relevant products. The four reportable segments are Steel Bridges, Steel Frames, Infrastructure and the Environment, and Real Estate.

The Steel Bridges segment engages in the design, manufacture, on-site installation and construction, and maintenance and repair of steel bridges. The work of the Steel Frames segment consists of the following: the design, manufacture, and on-site assembly of steel frames and steel towers; the planning, design, implementation, and supervision of construction works; consulting services. As the Company purchased shares of KH FACILITECH Co. Ltd. in the previous fiscal year and made said company a consolidated subsidiary, its businesses has been included in the Steel Frames segment since the previous fiscal year. The segment of Infrastructure and the Environment engages in environmental business, including wind power generation, and overseas business mainly in the area of infrastructure. The Real Estate segment engages in the real estate business by renting out unused plots of the Company's Osaka Works in Nishi-Yodogawa Ward, Osaka City.

2. Method of calculation of net sales, profits or losses, assets, liabilities, and other items by reportable segment

The accounting method for each of the reportable segments is largely the same as that for preparing consolidated financial statements. The amounts of segment profits or losses are based on the operating profit or loss of each segment. Inter-segment sales and transfers are based on current market prices.

As disclosed in "Changes in Accounting Principles," the Company applied the Revenue Recognition Standard from consolidated financial statements for the fiscal year under review, and changed the accounting method for revenue recognition. Accordingly, the Company also changed the method for calculating segment profit or loss for operating segments. As a result, net sales for the Steel Bridges segment and the Steel Frames segment decreased by 71 million yen and increased by 34 million yen, respectively. The impact that this change has on respective segment profit is negligible

### 3. Information on net sales, profits or losses, assets, liabilities, and other items by reportable segment

For the fiscal year ended March 31, 2021 (from April 1, 2020, to March 31, 2021):

(Millions of yen)

	Reportable Segments					Others <sup>1</sup>	Total	Adjustments <sup>2</sup>	Amount stated in the consolidated financial statements <sup>3</sup>
	Steel Bridges	Steel Frames	Infrastructure and the Environment	Real Estate	Total				
Net sales									
Net sales to external customers	13,167	15,780	815	406	30,169	123	30,293	-	30,293
Inter-segment sales or transfers	-	-	-	6	6	105	112	(112)	-
Total	13,167	15,780	815	413	30,176	229	30,406	(112)	30,293
Segment profits (losses)	633	811	60	309	1,814	(34)	1,780	(1,323)	456
Segment assets	12,340	15,994	1,059	1,225	30,620	86	30,706	19,237	49,944
Other items									
Depreciation	107	345	62	20	536	2	539	107	646
Amortization of goodwill	-	305	-	-	305	-	305	-	305
Increase in property, plant and equipment and intangible assets	190	409	60	7	668	5	673	34	707

#### Notes:

- The “Others” segment is a business segment not designated as a reportable segment, and includes printing and other business.
- Details of “Adjustments” are as follows.
  - The adjustment of -1,323 million yen in segment profits (losses) includes -10 million yen eliminated for inter-segment transactions and -1,313 million yen of corporate expenses not allocated to the reportable segments. Corporate expenses mainly consist of selling, general and administrative expenses not attributed to the reportable segments.
  - The adjustment of 19,237 million yen in segment assets represents corporate assets not allocated to the reportable segments. Corporate assets mainly consist of a surplus in the operating funds (cash and deposits) and long-term investment funds (investment securities) of the parent company and non-current assets not attributed to the reportable segments.
  - The adjustment of 34 million yen of an increase in property, plant and equipment and intangible assets consists of capital investment categorized as corporate assets not attributed to the reportable segments.
- Adjustments are made to reconcile segment profits (losses) to the operating profit stated in the consolidated statements of income.
- The Company included KH FACILITECH Co. Ltd. in its scope of consolidation in the first quarter of the fiscal year ended March 31, 2021.
- An increase in the property, plant and equipment and intangible assets does not include the increase resulting from the new consolidation.

For the fiscal year ended March 31, 2022 (from April 1, 2021, to March 31, 2022):

(Millions of yen)

	Reportable Segments					Others <sup>1</sup>	Total	Adjustments <sup>2</sup>	Amount stated in the consolidated financial statements <sup>3</sup>
	Steel Bridges	Steel Frames	Infrastructure and the Environment	Real Estate	Total				
Net Sales									
Goods transferred at one point in time	227	207	98	-	532	144	677	-	677
Goods transferred over time	12,147	16,280	32	-	28,460	-	28,460	-	28,460
Revenue from contracts with customers	12,374	16,487	130	-	28,993	144	29,138	-	29,138
Revenue from other sources	-	-	-	414	414	-	414	-	414
Net sales to external customers	12,374	16,487	130	414	29,407	144	29,552	-	29,552
Inter-segment sales or transfers	-	13	-	6	20	110	131	(131)	-
Total	12,374	16,501	130	421	29,428	255	29,683	(131)	29,552
Segment profits (losses)	1,544	1,236	(203)	310	2,887	(29)	2,857	(1,347)	1,510
Segment Assets	11,974	16,164	1,034	1,250	30,424	42	30,467	22,059	52,526
Other items									
Depreciation	113	261	58	21	455	2	457	107	565
Amortization of goodwill	-	305	-	-	305	-	305	-	305
Increase in property, plant and equipment and intangible assets	103	45	37	2	187	-	187	40	228

Notes:

- The "Others" segment is a business segment not designated as a reportable segment, and includes printing and other business.
- Details of "Adjustments" are as follows.
  - The adjustment of -1,347 million yen in segment profits (losses) includes -17 million yen eliminated for inter-segment transactions and -1,329 million yen of corporate expenses not allocated to the reportable segments. Corporate expenses mainly consist of selling, general and administrative expenses not attributed to the reportable segments.
  - The adjustment of 22,059 million yen in segment assets represents corporate assets not allocated to the reportable segments. Corporate assets mainly consist of a surplus in the operating funds (cash and deposits) and long-term investment funds (investment securities) of the parent company and non-current assets not attributed to the reportable segments.
  - The adjustment of 40 million yen of an increase in property, plant and equipment and intangible assets consists of capital investment categorized as corporate assets not attributed to the reportable segments.
- Adjustments are made to reconcile segment profits (losses) to the operating profit stated in the consolidated statements of income.
- "Revenue from other sources" includes income from leases and others based on "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13).

(Information on Amortization and Unamortized Balance of Goodwill by Reportable Segment)

Fiscal Year Ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

As the Company purchased shares of KH FACILITECH Co. Ltd. in the first quarter of the fiscal year and included said company in its scope of consolidation, the goodwill under the Steel Frames segment increased by 1,529 million yen.

(Millions of yen)

	Steel Bridges	Steel Frames	Infrastructure and the Environment	Real Estate	Others	Total
Amortization during the fiscal year	-	305	-	-	-	305
Unamortized balance at the end of the fiscal year	-	1,223	-	-	-	1,223

Fiscal Year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Steel Bridges	Steel Frames	Infrastructure and the Environment	Real Estate	Others	Total
Amortization during the fiscal year	-	305	-	-	-	305
Unamortized balance at the end of the fiscal year	-	917	-	-	-	917

(Per Share Information)

The net assets per share and its calculation basis and the profit per share and its calculation basis for the fiscal years ended March 31, 2021 and March 31, 2022 are as follows.

Items	Fiscal Year Ended March 31, 2021 (from April 1, 2020 to March 31, 2021)	Fiscal Year Ended March 31, 2022 (from April 1, 2021 to March 31, 2022)
(1) Net assets per share (Basis of calculation)	6,032.23	6,249.80
Total net assets (¥ million)	28,040	29,543
Net assets at the end of the period attributable to shares of common stock (¥ million)	28,040	29,092
The number of shares of common stock at the end of the period used for the calculation of net assets per share	4,648,509	4,654,872

Items	Fiscal Year Ended March 31, 2021 (from April 1, 2020 to March 31, 2021)	Fiscal Year Ended March 31, 2022 (from April 1, 2021 to March 31, 2022)
(2) Profit (loss) per share (Basis of calculation)	164.79	289.12
Profit attributable to owners of parent (¥ million)	776	1,345
Profit (loss) not attributable to shares of common stock (¥ million)	-	-
Profit attributable to owners of parent (¥ million)	776	1,345
Average number of shares of common stock during the period	4,710,853	4,652,980

Note: The diluted profit per share is not stated because there is no potential stock.

(Significant Subsequent Events)

There are no applicable events.

#### 4. Others

##### (1) Change in Officers

Regarding changes in officers, please refer to the “Notification of Changes in Representative Director, Directors, and Executive Officers” announced today, May 13, 2022.

##### (2) Situations of Production, Orders Received, and Net Sales

###### 1) Results of production, orders received, and net sales (consolidated)

###### i. Production

(Millions of yen)

Item	Fiscal Year Ended March 31, 2021 (from April 1, 2020 to March 31, 2021)		Fiscal Year Ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	
	Amount	Composition Ratio (%)	Amount	Composition Ratio (%)
Steel Bridges	13,199	45.5	12,365	42.6
Steel Frames	15,031	51.8	16,531	57.0
Infrastructure and the Environment	793	2.7	106	0.4
Total	29,024	100.0	29,003	100.0

Notes: The above amounts do not include consumption tax.

###### ii. Orders received and order backlog

(Millions of yen)

Item		Fiscal Year Ended March 31, 2021 (from April 1, 2020 to March 31, 2021)		Fiscal Year Ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	
		Amount	Composition Ratio (%)	Amount	Composition Ratio (%)
Orders Received	Steel Bridges	14,019	41.4	21,703	42.2
	Steel Frames	19,297	57.0	29,382	57.2
	Infrastructure and the Environment	520	1.6	316	0.6
	Total	33,837	100.0	51,402	100.0

Item		Fiscal Year Ended March 31, 2021 (As of March 31, 2021)		Fiscal Year Ended March 31, 2022 (As of March 31, 2022)	
		Amount	Composition Ratio (%)	Amount	Composition Ratio (%)
Order Backlog	Steel Bridges	16,202	46.9	25,531	44.8
	Steel Frames	18,355	53.1	31,224	54.8
	Infrastructure and the Environment	18	0.0	203	0.4
	Total	34,576	100.0	56,959	100.0

Notes:

- The above amounts do not include consumption tax.
- The above orders received in the Steel Frames segment for the fiscal year ended March 31, 2021 include the order backlog held at the beginning of the previous fiscal year by KH FACILITECH Co. Ltd., which became a consolidated subsidiary as of April 1, 2020.

###### iii. Net sales

(Millions of yen)

Items	Fiscal Year Ended March 31, 2021 (from April 1, 2020 to March 31, 2021)		Fiscal Year Ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	
	Amount	Composition Ratio (%)	Amount	Composition Ratio (%)
Steel Bridges	13,167	43.5	12,374	41.9
Steel Frames	15,780	52.1	16,487	55.8
Infrastructure and the Environment	815	2.7	130	0.4
Real Estate	406	1.3	414	1.4
Others	123	0.4	144	0.5
Total	30,293	100.0	29,552	100.0

Note: The above amounts do not include consumption tax.