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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

November 11, 2024

Company name: TOA CORPORATION

Listing: Tokyo, Sapporo

Securities code: 1885

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Scheduled date to file semi-annual securities report: November 12, 2024

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

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

President and Representative Director

General Manager, Administration Dept., Administration General
H/Q

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	149,819	15.1	9,432	26.1	9,169	27.8	6,667	48.2
September 30, 2023	130,185	38.3	7,482	-	7,176	789.5	4,497	752.3

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ 6,113 million [4.4%]
Six months ended September 30, 2023: ¥ 5,858 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	84.06	-
September 30, 2023	53.17	-

(Note) We conducted a 4-for-1 stock split of its common stock on April 1, 2024. Net income per share is calculated based on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	271,473	99,553	36.2
March 31, 2024	272,936	96,700	35.0

(Reference) Equity: As of September 30, 2024: ¥ 98,364 million
As of March 31, 2024: ¥ 95,634 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	-	-	160.00	160.00
Fiscal year ending March 31, 2025	-	-			
Fiscal year ending March 31, 2025 (Forecast)			-	54.00	54.00

(Note 1) Revision to the forecast for dividends announced most recently: Yes

(Note 2) We conducted a 4-for-1 stock split of its common stock on April 1, 2024, and the actual dividend amounts for the fiscal years ended March 31, 2024 are shown before the stock split.

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	300,000	5.7	14,600	(15.3)	14,400	(13.4)	10,700	1.7	134.89

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

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

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

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

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

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

3) Changes in accounting estimates: None

4) Restatement: None

(Note) For detail, please refer to “Notes on changes in accounting policies” on page 11 of the attached document.

(4) Number of issued shares (common shares)

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

September 30, 2024: 87,978,516 shares

March 31, 2024: 89,978,516 shares

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

September 30, 2024: 8,639,340 shares

March 31, 2024: 10,696,984 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024: 79,311,615 shares

Six months ended September 30, 2023: 84,575,467 shares

(Note 1) Both the number of treasury stock at the end of the period and the number of treasury stock excluded for calculating the average number of shares during the period include ours shares held by the Board Benefit Trust (BBT) and the Japanese version of Employee Stock Ownership Plan (J-ESOP).

(Note 2) We conducted a 4-for-1 stock split of its common stock on April 1, 2024. The number of shares issued and outstanding is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters:

The forecasts given above are based on information currently available and certain premises regarded as reasonable. The actual business results may be materially different from forecasts due to a variety of factors.

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1. Overview of Operating Results and Others

(1) Overview of Operating Results for the Period under Review

During the six months ended September 30, 2024, the Japanese economy has been recovering gradually with pickups in capital investment, although consumer spending remains partially stagnant. Meanwhile, uncertainty over the future caused by price increase, the Middle East situation, fluctuation of financial and capital markets, and other factors continues.

Public investment continues to be strong in the construction market despite its being influenced by rising prices of materials and other commodities and other factors. We are expecting stable growth in sales for disaster prevention and mitigation measures based on “The Five-Year Acceleration Plan for Disaster Prevention, Disaster Mitigation, and Building National Resilience” during FY2021–FY2025 and security infrastructure improvement associated with defense buildup.

Under these circumstances, We has been promoting business strategies: “Maximize our organizational capabilities through improving of cross-individual collaboration,” “Aggressively challenge new business models, including new projects,” and “Establish a cycle that sustainably improves corporate value through employees with high levels of well-being” based on the Medium-term Management Plan (FY2023–FY2025).

As for the consolidated performances during the six months ended September 30, 2024, We recorded net sales of ¥149,819 million (increased by 15.1% year on year), operating profit of ¥9,432 million (increased by 26.1% year on year), ordinary profit of ¥9,169 million (increased by 27.8% year on year), and profit attributable to owners of parent of ¥6,667 million (increased by 48.2% year on year).

Operating results by segment are as follows.

(Domestic civil engineering business)

With offshore civil engineering as our main field, we are continually improving infrastructure and social capital such as ports, railways, and roads. We have executed our construction on hand in steady, and net sales during the six months ended September 30, 2024 were ¥65,303 million (increased by 0.9% year on year), the same level as the same period of the previous fiscal year. Segment profit (operating profit) was ¥5,971 million (increased by 6.9% year on year) due to the improvement in profits of several large-scale projects and other factors.

On a non-consolidated basis, we received ¥66,790 million in orders (increased by 0.9% year on year) due to increased private orders.

(Domestic building construction business)

We are expanding the orders by sole-source, project proposal, and design and construction projects. Net sales during the six months ended September 30, 2024 were ¥52,256 million (increased by 40.9% year on year) with smooth construction operations particularly in large-scale projects. Segment profit (operating profit) was ¥2,846 million (increased by 84.9% year on year) due to increased net sales and steady contracts for highly profitable projects.

On a non-consolidated basis, We received ¥61,436 million in orders (decreased by 22.1% year on year) as we prioritized our constructions on hand. However, we expanded our business domain by contracting projects in the medical welfare fields in addition to our specialized logistic facilities field.

(Overseas business)

We are engaged in offshore civil engineering and related areas mainly in Southeast Asia, as well as in other regions such as Africa and South Asia. Net sales during the six months ended September 30, 2024 were ¥25,994 million (increased by 14.2% year on year) with smooth operations in large-scale projects and others. Segment profit (operating profit) during the three months ended June 30, 2024 showed little growth as we reflected exchange movement and other factors in the total construction costs estimate of some constructions because of the rapid weakening of the yen. However, segment profit (operating profit) was ¥1,726 million (increased by 138.6% year on year) due to reduced exchange fluctuation risk during the six months ended September 30, 2024, as well as net sales growth and other factors.

On a non-consolidated basis, we received ¥43,816 million in orders (increased by 65.3% year on year) mainly due to several major contracts in Southeast Asia.

(Others)

Net sales during the six months ended September 30, 2024 were ¥6,265 million (increased by 11.0% year on year) and segment profit (operating profit) was ¥786 million (decreased by 48.3% year on year).

(2) Overview of Financial Position for the Period under Review

(Assets, liabilities, and net assets)

Total assets at the end of the six months ended September 30, 2024 amounted to ¥271,473 million, decreased by ¥1,462 million from the end of the previous fiscal year. This was mainly due to a decrease in cash and deposits, despite increases in notes receivable, accounts receivable from completed construction contracts and other.

Total liabilities amounted to ¥171,920 million, decreased by ¥4,315 million from the end of the previous fiscal year. This was mainly due to decreases in short-term borrowings, long-term borrowings and commercial papers, despite increases in electronically recorded obligations - operating, advances received on construction contracts in progress and others.

Net assets amounted to ¥99,553 million, increased by ¥2,852 million from the end of the previous fiscal year. This was mainly due to an increase in retained earnings resulting from the recording of profit attributable to owners of parent. The capital adequacy ratio is 36.2%, a 1.2-point increase from the end of the previous fiscal year.

(Analysis of cash flows)

In the six months ended September 30, 2024, net cash used in operating activities was ¥9,936 million (¥14,423 million was provided in the same period of the previous fiscal year) mainly due to an increase in trade receivables and a decrease in trade payables.

Net cash used in investing activities was ¥330 million (¥2,365 million was used in the same period of the previous fiscal year) mainly due to purchase of non-current assets, despite sale of investment securities.

Net cash used in financial activities was ¥7,923 million (¥4,231 million was used in the same period of the previous fiscal year) mainly due to repayments of borrowings and dividends paid.

As a result of the above, cash and cash equivalents at the end of the six months ended September 30, 2024 were ¥38,688 million (¥36,677 million in the same period of the previous fiscal year), decreased by ¥18,355 million from the end of the previous fiscal year.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

We have revised the full-year financial results forecast for the fiscal year ending March 31, 2025 announced on May 13, 2024, in light of the recent performance trends. For more details, please refer to “Notice Concerning Revisions to Financial Results Forecast and Dividend Forecast,” announced today (November 11, 2024).

1) Current financial results forecast

Fiscal year ending March 31, 2025

	Consolidated		Non-consolidated	
	Forecast figure	YoY change	Forecast figure	YoY change
Orders received	—	—	273,000 million yen	(22.6) %
Net sales	300,000 million yen	5.7 %	290,000 million yen	7.0 %
Operating profit	14,600 million yen	(15.3) %	13,400 million yen	(8.0) %
Ordinary profit	14,400 million yen	(13.4) %	13,200 million yen	(10.1) %
Profit	10,700 million yen	1.7 %	10,000 million yen	0.8 %

Note: Profit on a consolidated basis represents profit attributable to owners of parent.

Fiscal year ending March 31, 2025 (Comparison with Medium-term Management Plan figures)

	Consolidated			
	Medium-term Management Plan figures	Previous forecast figures (announced on May 13, 2024)	Current forecast figures (announced on November 11, 2024)	Change from Medium-term Management Plan figures
Net sales	265,000 million yen	300,000 million yen	300,000 million yen	35,000 million yen
Operating profit	11,200 million yen	12,000 million yen	14,600 million yen	3,400 million yen
Profit	7,500 million yen	8,000 million yen	10,700 million yen	3,200 million yen

Note: Profit represents profit attributable to owners of parent.

2) Dividend

We previously announced the year-end dividend forecast for the fiscal year ending March 31, 2025 to be ¥40.5 per share. However, taking into comprehensive consideration the current financial results forecast, financial status and other factors, we have revised the dividend forecast to ¥54 per share, a ¥13.5 increase from the previous forecast.

2.Semi-annual Consolidated Financial Statements and Principal Notes

(1)Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	57,063	38,710
Notes receivable, accounts receivable from completed construction contracts and other	131,994	147,004
Costs on construction contracts in progress	6,091	6,179
Real estate for sale	1,269	1,234
Advances paid	11,865	12,030
Other	5,763	9,129
Allowance for doubtful accounts	(9)	(9)
Total current assets	214,037	214,280
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,108	5,005
Machinery, vehicles, tools, furniture and fixtures, net	9,612	9,423
Land	18,414	18,365
Other	1,751	1,544
Total property, plant and equipment	34,887	34,339
Intangible assets	700	704
Investments and other assets		
Investment securities	14,037	13,099
Retirement benefit asset	6,114	6,380
Other	4,424	3,930
Allowance for doubtful accounts	(1,266)	(1,262)
Total investments and other assets	23,310	22,148
Total non-current assets	58,898	57,193
Total assets	272,936	271,473

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	44,566	37,457
Electronically recorded obligations - operating	10,456	13,397
Short-term borrowings	29,896	29,653
Commercial papers	8,000	6,000
Income taxes payable	7,255	4,154
Advances received on construction contracts in progress	22,719	25,708
Deposits received	28,248	35,426
Provision for warranties for completed construction	912	947
Provision for loss on construction contracts	2,214	1,461
Provision for bonuses for directors (and other officers)	79	29
Other	6,925	4,561
Total current liabilities	161,276	158,798
Non-current liabilities		
Long-term borrowings	9,806	7,757
Deferred tax liabilities for land revaluation	2,144	2,144
Retirement benefit liability	583	607
Provision for share awards for directors (and other officers)	277	302
Provision for employee stock ownership plan trust	527	639
Other	1,619	1,670
Total non-current liabilities	14,959	13,121
Total liabilities	176,235	171,920
Net assets		
Shareholders' equity		
Share capital	18,976	18,976
Capital surplus	19,270	17,606
Retained earnings	55,294	58,670
Treasury shares	(9,146)	(7,460)
Total shareholders' equity	84,395	87,794
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,636	4,065
Deferred gains or losses on hedges	1	0
Revaluation reserve for land	3,277	3,285
Foreign currency translation adjustment	(30)	2
Remeasurements of defined benefit plans	3,354	3,216
Total accumulated other comprehensive income	11,239	10,570
Non-controlling interests	1,065	1,188
Total net assets	96,700	99,553
Total liabilities and net assets	272,936	271,473

(2)Semi-annual Consolidated Statements of Income and Comprehensive Income
Semi-annual Consolidated Statements of Income

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	130,185	149,819
Cost of sales	116,647	133,874
Gross profit	13,538	15,945
Selling, general and administrative expenses	6,055	6,512
Operating profit	7,482	9,432
Non-operating income		
Interest income	31	30
Dividend income	175	203
Foreign exchange gains	493	-
Other	24	34
Total non-operating income	725	268
Non-operating expenses		
Interest expenses	146	143
Foreign exchange losses	-	219
Provision of allowance for doubtful accounts	740	0
Guarantee fee	101	136
Other	43	31
Total non-operating expenses	1,032	531
Ordinary profit	7,176	9,169
Extraordinary income		
Subsidy income	-	6
Gain on sale of non-current assets	3	15
Gain on sale of investment securities	-	697
Total extraordinary income	3	719
Extraordinary losses		
Loss on sale of non-current assets	3	-
Loss on retirement of non-current assets	4	37
Loss on tax purpose reduction entry of non-current assets	-	6
Impairment losses	-	4
Other	0	-
Total extraordinary losses	9	48
Profit before income taxes	7,170	9,840
Income taxes - current	2,419	2,291
Income taxes - deferred	201	775
Total income taxes	2,621	3,067
Profit	4,549	6,773
Profit attributable to non-controlling interests	52	106
Profit attributable to owners of parent	4,497	6,667

Semi-annual Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	4,549	6,773
Other comprehensive income		
Valuation difference on available-for-sale securities	1,230	(570)
Deferred gains or losses on hedges	94	(1)
Foreign currency translation adjustment	(7)	50
Remeasurements of defined benefit plans, net of tax	(8)	(138)
Total other comprehensive income	1,308	(659)
Comprehensive income	5,858	6,113
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,808	5,990
Comprehensive income attributable to non-controlling interests	49	122

(3)Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	7,170	9,840
Depreciation	1,308	1,636
Impairment losses	-	4
Increase (decrease) in allowance for doubtful accounts	740	(3)
Increase (decrease) in net defined benefit asset and liability	(516)	(242)
Interest and dividend income	(207)	(234)
Interest expenses	146	143
Foreign exchange losses (gains)	(511)	211
Increase (decrease) in accrued consumption taxes	(3,710)	(3,789)
Loss (gain) on sale of short-term and long-term investment securities	-	(697)
Loss (gain) on sale of property, plant and equipment and intangible assets	0	(15)
Loss on retirement of property, plant and equipment and intangible assets	4	38
Decrease (increase) in trade receivables	(3,507)	(15,010)
Decrease (increase) in costs on construction contracts in progress	(2,135)	(85)
Decrease (increase) in real estate for sale	25	34
Decrease (increase) in advances paid	(2,077)	(165)
Increase (decrease) in trade payables	13,950	(4,168)
Increase (decrease) in advances received on construction contracts in progress	(73)	2,988
Increase (decrease) in deposits received	7,872	7,177
Other, net	(2,612)	(2,324)
Subtotal	15,866	(4,661)
Interest and dividends received	207	235
Interest paid	(150)	(164)
Income taxes paid	(1,500)	(5,345)
Net cash provided by (used in) operating activities	14,423	(9,936)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,096)	(1,165)
Proceeds from sale of property, plant and equipment	29	106
Payments for retirement of property, plant and equipment	-	(41)
Purchase of intangible assets	(132)	(108)
Purchase of short-term and long-term investment securities	(26)	(17)
Proceeds from sale and redemption of short-term and long-term investment securities	-	880
Proceeds from collection of loans receivable	7	18
Other, net	(148)	(3)
Net cash provided by (used in) investing activities	(2,365)	(330)

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(5,190)	(153)
Net increase (decrease) in commercial papers	9,000	(2,000)
Repayments of long-term borrowings	(2,262)	(2,144)
Purchase of treasury shares	(3,700)	(0)
Dividends paid	(1,994)	(3,259)
Proceeds from share issuance to non-controlling shareholders	259	-
Other, net	(342)	(365)
Net cash provided by (used in) financing activities	(4,231)	(7,923)
Effect of exchange rate change on cash and cash equivalents	573	(165)
Net increase (decrease) in cash and cash equivalents	8,399	(18,355)
Cash and cash equivalents at beginning of period	28,278	57,044
Cash and cash equivalents at end of period	36,677	38,688

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

We cancelled 2,000,000 treasury shares on April 2, 2024, upon resolution of the Board of Directors meeting held on February 8, 2024. As a result, capital surplus and treasury shares decreased by ¥1,664 million each during the six months under review.

At the end of the six months under review, capital surplus amounted to ¥17,606 million and treasury shares amounted to ¥7,460 million.

(Notes on changes in accounting policies)

(Application of the "Accounting Standard for Current Income Taxes," etc.)

We have applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, revised on October 28, 2022), "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25, revised on October 28, 2022) and "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, revised on October 28, 2022) from the beginning of the six months under review. These changes have no impact on the semi-annual consolidated financial statements.

(Segment information)

Six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

Information on net sales and profits or losses by reporting segment

(Millions of yen)

	Reporting segment				Other (Note 1)	Total	Adjustments (Note 2)	Semi-annual consolidated financial statement amounts (Note 3)
	Domestic civil engineering business	Domestic building construction business	Overseas business	Total				
Net sales								
(1) Net sales to external customers	64,693	37,079	22,766	124,539	5,646	130,185	-	130,185
(2) Inter-segment net sales and transfers	-	24	-	24	6,397	6,421	(6,421)	-
Total	64,693	37,103	22,766	124,564	12,043	136,607	(6,421)	130,185
Segment profit	5,587	1,539	723	7,850	1,522	9,372	(1,890)	7,482

- (Notes) 1. The “Other” section is a business segment that is not included in the reporting segments and includes the real estate business, the construction equipment manufacturing, sales and repair business, and the PFI business.
2. The segment profit adjustment of ¥(1,890) million includes elimination of inter-segment transactions of ¥(1) million and general and administrative expenses of ¥(1,888) million that are not attributable to any reporting segments.
3. Segment profit is adjusted with the operating profit in the semi-annual consolidated statements of income.

Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

Information on net sales and profits or losses by reporting segment

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustments (Note 2)	Semi-annual consolidated financial statement amounts (Note 3)
	Domestic civil engineering business	Domestic building construction business	Overseas business	Total				
Net sales								
(1) Net sales to external customers	65,303	52,256	25,994	143,553	6,265	149,819	-	149,819
(2) Inter-segment net sales and transfers	-	26	-	26	4,050	4,076	(4,076)	-
Total	65,303	52,282	25,994	143,580	10,315	153,896	(4,076)	149,819
Segment profit	5,971	2,846	1,726	10,543	786	11,330	(1,897)	9,432

- (Notes) 1. The “Other” section is a business segment that is not included in the reporting segments and includes the real estate business, the construction equipment manufacturing, sales and repair business, and the PFI business.
2. The segment profit adjustment of ¥(1,897) million includes elimination of inter-segment transactions of ¥144 million and general and administrative expenses of ¥(2,042) million that are not attributable to any reporting segments.
3. Segment profit is adjusted with the operating profit in the semi-annual consolidated statements of income.

3. (Reference) Semi-annual Non-consolidated Financial Statements

(Note) These semi-annual non-consolidated financial statements are stated in accordance with the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements and the Enforcement Regulations of the Construction Business Act. The classification of items is partially summarized.

(1) (Summary) Semi-annual Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024	Change
Assets			
Current assets			
Cash and deposits	53,498	34,912	(18,586)
Notes receivable - trade	3,295	1,781	(1,514)
Accounts receivable from completed construction contracts	120,204	137,917	17,712
Accounts receivable-side line business	3,416	2,416	(999)
Costs on construction contracts in progress	4,383	4,564	181
Costs on uncompleted side line business	144	305	161
Real estate for sale	1,224	1,189	(34)
Advances paid	11,801	11,944	143
Other	6,756	9,811	3,055
Allowance for doubtful accounts	(3)	(3)	(0)
Total current assets	204,721	204,839	118
Non-current assets			
Property, plant and equipment			
Land	14,981	14,973	(7)
Other	13,593	12,789	(804)
Total property, plant and equipment	28,575	27,763	(812)
Intangible assets	665	661	(4)
Investments and other assets			
Investment securities	12,908	11,851	(1,057)
Prepaid pension costs	1,279	1,745	465
Deferred tax assets	3,167	2,712	(455)
Other	5,646	5,584	(62)
Allowance for doubtful accounts	(525)	(521)	3
Total investments and other assets	22,477	21,372	(1,105)
Total non-current assets	51,718	49,796	(1,921)
Total assets	256,439	254,636	(1,803)

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024	Change
Liabilities			
Current liabilities			
Notes payable - trade	2,102	1,246	(856)
Electronically recorded obligations - operating	11,486	14,266	2,780
Accounts payable for construction contracts	37,152	33,120	(4,031)
Short-term borrowings	29,790	29,547	(243)
Commercial papers	8,000	6,000	(2,000)
Advances received on construction contracts in progress	22,246	25,041	2,794
Deposits received	32,791	37,828	5,037
Provision for warranties for completed construction	912	947	34
Provision for loss on construction contracts	2,214	1,456	(758)
Provision for bonuses for directors (and other officers)	79	29	(49)
Other	15,757	10,848	(4,909)
Total current liabilities	162,532	160,331	(2,200)
Non-current liabilities			
Long-term borrowings	9,798	7,752	(2,046)
Deferred tax liabilities for land revaluation	2,144	2,144	-
Provision for share awards for directors (and other officers)	277	302	24
Provision for employee stock ownership plan trust	527	639	111
Other	736	759	23
Total non-current liabilities	13,485	11,598	(1,886)
Total liabilities	176,018	171,930	(4,087)
Net assets			
Shareholders' equity			
Share capital	18,976	18,976	-
Capital surplus			
Legal capital surplus	4,744	4,744	-
Other capital surplus	14,579	12,915	(1,664)
Total capital surplus	19,323	17,659	(1,664)
Retained earnings			
Other retained earnings			
General reserve	14,000	14,000	-
Retained earnings brought forward	29,194	32,093	2,899
Total retained earnings	43,194	46,093	2,899
Treasury shares	(8,662)	(6,976)	1,685
Total shareholders' equity	72,832	75,754	2,921
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	4,309	3,666	(643)
Deferred gains or losses on hedges	1	0	(1)
Revaluation reserve for land	3,277	3,285	7
Total valuation and translation adjustments	7,589	6,951	(637)
Total net assets	80,421	82,706	2,284
Total liabilities and net assets	256,439	254,636	(1,803)

(2) (Summary) Semi-annual Non-consolidated Statements of Income

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024	Changes
Net sales	124,927	143,908	18,980
Cost of sales	113,239	129,348	16,109
Gross profit	11,688	14,560	2,871
Selling, general and administrative expenses	5,589	5,955	366
Operating profit	6,099	8,605	2,505
Non-operating income	712	239	(473)
Non-operating expenses	292	555	262
Ordinary profit	6,519	8,289	1,770
Extraordinary income	0	709	709
Extraordinary losses	1	52	51
Profit before income taxes	6,518	8,947	2,428
Income taxes - current	1,825	2,061	235
Income taxes - deferred	207	695	487
Total income taxes	2,033	2,756	723
Profit	4,485	6,190	1,704

4. Supplementary Information

(1) Overview of non-consolidated net sales, orders received, etc. for the six months ended September 30, 2024

1) Non-consolidated net sales

(Millions of yen)

Category			Six months ended September 30, 2023 (April 1, 2023- September 30, 2023)		Six months ended September 30, 2024 (April 1, 2024- September 30, 2024)		Changes	Changes (%)
			Amount	Composition (%)	Amount	Composition (%)		
Net sales of completed construction contracts	Civil engineering	Domestic public	49,322	[39.5]	52,475	[36.4]	3,153	6.4
		Domestic private	13,886	[11.1]	11,197	[7.8]	(2,688)	(19.4)
		Overseas	22,349	[17.9]	22,377	[15.6]	27	0.1
		Subtotal	85,558	[68.5]	86,050	[59.8]	492	0.6
	Building construction	Domestic public	6,457	[5.1]	5,936	[4.2]	(520)	(8.1)
		Domestic private	29,927	[24.0]	45,786	[31.8]	15,859	53.0
		Overseas	403	[0.3]	3,616	[2.5]	3,213	795.6
		Subtotal	36,788	[29.4]	55,340	[38.5]	18,552	50.4
	Total	Domestic public	55,779	[44.6]	58,412	[40.6]	2,632	4.7
		Domestic private	43,813	[35.1]	56,984	[39.6]	13,171	30.1
		Overseas	22,753	[18.2]	25,994	[18.1]	3,240	14.2
		Subtotal	122,346	[97.9]	141,391	[98.3]	19,044	15.6
Development business and others			2,217	[1.8]	2,189	[1.5]	(28)	(1.3)
Net sales of real estate business and others			363	[0.3]	328	[0.2]	(35)	(9.7)
Total			124,927	[100.0]	143,908	[100.0]	18,980	15.2

2) Non-consolidated orders received

(Millions of yen)

Category			Six months ended September 30, 2023 (April 1, 2023– September 30, 2023)		Six months ended September 30, 2024 (April 1, 2024– September 30, 2024)		Changes	Changes (%)
			Amount	Composition (%)	Amount	Composition (%)		
Construction business	Civil engineering	Domestic public	53,772	[31.3]	44,807	[26.1]	(8,964)	(16.7)
		Domestic private	9,393	[5.5]	18,339	[10.6]	8,945	95.2
		Overseas	22,511	[13.1]	43,461	[25.3]	20,949	93.1
		Subtotal	85,676	[49.9]	106,607	[62.0]	20,930	24.4
	Building construction	Domestic public	5,562	[3.3]	14,072	[8.1]	8,509	153.0
		Domestic private	72,388	[42.2]	46,357	[27.0]	(26,030)	(36.0)
		Overseas	3,977	[2.3]	355	[0.2]	(3,622)	(91.1)
		Subtotal	81,927	[47.8]	60,785	[35.3]	(21,142)	(25.8)
	Total	Domestic public	59,334	[34.6]	58,879	[34.2]	(454)	(0.8)
		Domestic private	81,781	[47.7]	64,696	[37.6]	(17,084)	(20.9)
		Overseas	26,488	[15.4]	43,816	[25.5]	17,327	65.4
		Subtotal	167,604	[97.7]	167,392	[97.3]	(211)	(0.1)
Development business and others			3,927	[2.3]	4,650	[2.7]	723	18.4
Total			171,531	[100.0]	172,043	[100.0]	511	0.3

3) Non-consolidated net sales of constructions on hand

(Millions of yen)

Category			Six months ended September 30, 2023 (As of September 30, 2023)		Six months ended September 30, 2024 (As of September 30, 2024)		Changes	Changes (%)
			Amount	Composition (%)	Amount	Composition (%)		
Construction business	Civil engineering	Domestic public	152,196	[34.5]	161,270	[31.9]	9,074	6.0
		Domestic private	19,747	[4.5]	29,607	[5.9]	9,859	49.9
		Overseas	135,662	[30.8]	178,727	[35.4]	43,065	31.7
		Subtotal	307,606	[69.8]	369,604	[73.2]	61,998	20.2
	Building construction	Domestic public	12,076	[2.7]	22,346	[4.4]	10,270	85.0
		Domestic private	112,390	[25.5]	104,236	[20.6]	(8,153)	(7.3)
		Overseas	5,387	[1.2]	4,420	[0.9]	(967)	(18.0)
		Subtotal	129,854	[29.4]	131,003	[25.9]	1,149	0.9
	Total	Domestic public	164,272	[37.2]	183,617	[36.3]	19,344	11.8
		Domestic private	132,138	[30.0]	133,843	[26.5]	1,705	1.3
		Overseas	141,049	[32.0]	183,147	[36.3]	42,097	29.8
		Subtotal	437,460	[99.2]	500,608	[99.1]	63,148	14.4
Development business and others			3,433	[0.8]	4,299	[0.9]	866	25.2
Total			440,894	[100.0]	504,908	[100.0]	64,014	14.5

(2) Full-year non-consolidated order forecast for the fiscal year ending March 31, 2025

	Orders received	
Forecast for the year ending March 31, 2025	¥273,000 million	(22.6)% (year-on-year change)
Actual results for the fiscal year ended March 31, 2024	¥352,641 million	19.3 %