

# Consolidated Financial Statements for the Fiscal Year Ended March 31, 2021 [Japanese GAAP]



May 14, 2021

Company name: **TAIHEI DENGYO KAISHA, LTD.**

Stock exchange listing: Tokyo Stock Exchange

Code number: 1968

URL: <https://www.taihei-dengyo.co.jp/>

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Scheduled date of annual general meeting of shareholders: June 29, 2021

Scheduled date of commencing dividend payments: June 30, 2021

Scheduled date of filing securities report: June 29, 2021

Preparation of supplementary explanatory materials: Yes

Financial results briefing: Yes

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

## 1. Consolidated Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 – March 31, 2021)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2021	127,779	7.0	7,400	(21.7)	8,329	(13.1)	5,613	(9.3)
March 31, 2020	119,459	18.1	9,450	170.6	9,580	138.7	6,190	121.4

(Note) Comprehensive income: Year ended March 31, 2021: 7,308 million yen [33.1%]

Year ended March 31, 2020: 5,493 million yen [150.4%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Year ended	Yen	Yen	%	%	%
March 31, 2021	295.54	-	8.1	6.5	5.8
March 31, 2020	326.75	-	9.6	8.1	7.9

(Note) Equity in earnings of affiliated companies:

Year ended March 31, 2021: 112 million yen

Year ended March 31, 2020: 87 million yen

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	128,757	73,113	55.9	3,786.40
As of March 31, 2020	127,571	67,623	52.4	3,517.91

(Reference) Equity: As of March 31, 2021: 71,936 million yen

As of March 31, 2020: 66,794 million yen

## (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
Year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2021	19,576	(2,011)	(3,927)	30,941
March 31, 2020	(3,587)	(4,332)	7,022	16,974

## 2. Cash Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter - end	3rd quarter -end	Year-end	Total			
Year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2020	-	-	-	90.00	90.00	1,714	27.5	2.6
March 31, 2021	-	-	-	80.00	80.00	1,527	27.1	2.1
Year ending March 31, 2022 (Forecast)	-	-	-	100.00	100.00		33.3	

(Note) Breakdown of year-end dividends for the fiscal year ended March 31, 2020: Ordinary dividend of 70.00 yen and commemorative dividend of 20.00 yen (to commemorate completion of the Seifu-shinto Biomass Power Plant)

## 3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2022 (April 1, 2021 - March 31, 2022)

(% 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	127,000	(0.6)	7,000	(5.4)	8,800	5.7	5,700	1.5
								300.02

### \* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): None

Newly included: - (Company name)

Excluded: - (Company name)

(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 shares issued and outstanding (common shares)

1) Number of shares issued and outstanding at the end of the period (including treasury shares):

March 31, 2021: 20,341,980 shares

March 31, 2020: 20,341,980 shares

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

March 31, 2021: 1,343,371 shares

March 31, 2020: 1,354,922 shares

3) Average number of shares during the period:

Year ended March 31, 2021: 18,995,471 shares

Year ended March 31, 2020: 18,944,771 shares

**(Reference) Summary of Non-consolidated Results****1. Non-consolidated Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 - March 31, 2021)**

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

	Net sales		Operating profit		Ordinary profit		Profit	
Year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2021	122,106	7.8	6,818	(22.7)	7,573	(14.5)	5,394	(8.5)
March 31, 2020	113,246	17.0	8,824	180.1	8,858	141.9	5,892	111.8

	Basic earnings per share	Diluted earnings per share
Year ended	Yen	Yen
March 31, 2021	283.94	-
March 31, 2020	310.99	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	124,022	70,733	57.0	3,722.45
As of March 31, 2020	122,990	65,704	53.4	3,459.92

(Reference) Equity: As of March 31, 2021: 70,733 million yen

As of March 31, 2020: 65,704 million yen

**2. Forecast of Non-Consolidated Results for the Fiscal Year Ending March 31, 2022 (April 1, 2021 - March 31, 2022)**

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	120,000	(1.7)	8,000	5.6	5,400	0.1	284.18

\* These financial results are outside the scope of audit procedures by certified public accountants or audit corporations.

**\* Explanation of the proper use of performance forecast and other notes**

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

For details, please see “1. Overview of Operating Results, etc., (4) Future Outlook” on page 4 of the attached materials.

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## 1. Overview of Operating Results, etc.

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

Regarding the Japanese economy in the current consolidated fiscal year, corporate profits have continued to decrease particularly in the tourism, restaurant, and transportation industries due to the impact of requests for staying at home and the declaration of states of emergency by the government, to prevent the spread of COVID-19. The future outlook remains unclear as the number of COVID-19 cases are still increasing.

The electric power industry, the main business of the TAIHEI DENGYO KAISHA Group (the TDK Group), encourages new entry into the market since the Electricity System Reform entered into the final phase of separation of power generation and transmission in April 2020. In addition, fuel conversion has been required for thermal power stations toward the achievement of carbon neutrality by 2050. Concerning the establishment of zero-emission power sources, efforts are underway to improve reliability for nuclear power by safety confirmation through investigation of performance-based assessment.

Under these business circumstances, the TDK Group has started the Mid-Term Business Plan (FY2020 - FY2022) which focuses on “Enhancing the corporate foundation for sustainable growth” and “Securing a revenue base that responds to changes in the business environment”. Commencing with the establishment of Wind Energy Project as a new organization in March 2020, we have continued to develop new methods of construction by assimilating our expertise and accumulated technologies. Also, along with conducting market survey and business operation for new business fields such as fuel conversion, we have improved our business enterprise system by allocating personnel efficiently, developing work supervisors, and finding new ideal business partners. Furthermore, we have tried to realize diversity in workstyle, for example, introducing short-time work system for childcare and dispatching a female engineer to overseas project for the first time since our foundation.

As a result, for the results of the current consolidated fiscal year, orders received amounted to 124,747 million yen (a decrease of 0.5% YoY) and net sales amounted to 127,779 million yen (an increase of 7.0% YoY) including 6,340 million yen (an increase of 21.3% YoY) for overseas works.

Regarding profits, operating profit amounted to 7,400 million yen (a decrease of 21.7% YoY), ordinary profit amounted to 8,329 million yen (a decrease of 13.1% YoY) and profit attributable to owners of parent amounted to 5,613 million yen (a decrease of 9.3% YoY).

As for the year-end dividend for the current consolidated fiscal year, the Company decided at the Board of Directors meeting held on February 12, 2021, to pay an ordinary dividend of 80 yen, an increase of 10 yen per share from ordinary dividend at the end of the previous consolidated fiscal year (excluding the commemorative dividend of 20 yen) in accordance with a distribution policy of surplus with long-term and stable return of profit as a basis.

Performance results by business segment are as follows.

#### (Construction Segment)

Orders received amounted to 60,418 million yen (an increase of 14.5% YoY, composition ratio: 48.4%). Despite a decrease in that of works for thermal power plants for business use, orders received in works for thermal power plants for private use and for iron and steel-related plants increased, resulting in an increase for the overall segment.

Net sales amounted to 57,510 million yen (an increase of 13.4% YoY, composition ratio: 45.0%). Despite a decrease in that for works for environmental preservation plants, net sales of works for thermal power plants for business use increased, resulting in an increase for the overall segment. Segment profit amounted to 2,555 million yen (an increase of 326.0% YoY).

#### (Maintenance and Renovation Segment)

Orders received amounted to 64,329 million yen (a decrease of 11.5% YoY, composition ratio: 51.6%). Orders received in works for thermal power plants for business use and for iron and steel-related plants

decreased, resulting in a decrease for the overall segment.

Net sales amounted to 70,268 million yen (an increase of 2.2% YoY, composition ratio: 55.0%) due to an increase in that for works for nuclear power plants which resulted in an increase for the overall segment. However, segment profit amounted to 8,222 million yen (a decrease of 26.3% YoY) due mainly to a worsening of the cost rate of works for iron and steel-related plants.

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

### (a) Assets

Current assets amounted to 94,508 million yen, down 518 million yen from the end of the previous consolidated fiscal year. This was due mainly to a decrease of 6,784 million yen in notes receivable, accounts receivable from completed construction contracts and a decrease of 4,493 million yen in costs on construction contracts in progress, despite an increase of 13,911 million yen in cash and deposits.

Non-current assets amounted to 34,248 million yen, up 1,704 million yen from the end of the previous consolidated fiscal year. This was due mainly to an increase of 299 million yen in land and an increase of 2,577 million yen in investment securities.

### (b) Liabilities

Current liabilities amounted to 40,487 million yen, up 1,738 million yen from the end of the previous consolidated fiscal year. This was due mainly to an increase of 4,000 million yen in current portion of bonds payable, despite a decrease of 3,208 million yen in advances received on construction contracts in progress.

Non-current liabilities amounted to 15,156 million yen, down 6,043 million yen from the end of the previous consolidated fiscal year. This was due mainly to a decrease in 4,400 million yen in bonds payable and a decrease of 1,685 million yen in long-term borrowings.

### (c) Net assets

Net assets amounted to 73,113 million yen, up 5,490 million yen from the end of the previous consolidated fiscal year. This was due mainly to an increase of 3,778 million yen in retained earnings.

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

Cash and cash equivalents as of the end of the current consolidated fiscal year amounted to 30,941 million yen, up 13,966 million yen from the end of the previous consolidated fiscal year. Status of each cash flow and the factors are as follows.

### (a) Cash Flows from Operating Activities

Cash provided by operating activities was 19,576 million yen (3,587 million yen used for the previous consolidated fiscal year). This is due mainly to a decrease in trade receivables of 6,054 million yen and decrease in costs on construction contracts in progress of 4,595 million yen, despite income taxes paid of 3,883 million yen.

### (b) Cash Flows from Investing Activities

Cash used in financing activities was 2,011 million yen (4,332 million yen used for the previous consolidated fiscal year). This is due mainly to purchase of property, plant and equipment of 1,554 million yen.

### (c) Cash Flows from Financing Activities

Cash used in financing activities was 3,927 million yen (7,022 million yen provided for the previous consolidated fiscal year). This is due mainly to repayments of long-term borrowings of 1,685 million yen.

(Reference) Trends in indicators of cash flows

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Equity-to-asset ratio (%)	66.4	64.9	58.0	52.4	55.9
Equity-to-asset ratio based on market value (%)	44.8	53.7	40.9	34.5	39.0
Interest-bearing liabilities to cash flow ratio (%)	262.5	272.6	-	-	87.3
Interest coverage ratio (times)	2,536.5	398.6	-	-	593.8

Equity-to-asset ratio: Equity / total assets

Equity-to-asset ratio based on market value: market capitalization / total asset

Interest-bearing liabilities to cash flow ratio: interest-bearing liabilities / cash flows

Interest coverage ratio: cash flows / interest payments

\* All indicators are calculated using financial figures on a consolidated basis.

\* Market capitalization is calculated by multiplying the stock price at the end of the period by the number of shares issued and outstanding at the end of the period (excluding treasury shares).

\* For the cash flows, the cash flows from operating activities are used.

\* Interest-bearing liabilities include all liabilities recorded on the Consolidated Balance Sheet for which interest is paid. In addition, for interest payments, interest paid stated on the Consolidated Statement of Cash Flows is used.

\* Interest-bearing liabilities to cash flow ratio and interest coverage ratio are not stated for the fiscal year during which cash flow from operating activities is negative.

#### (4) Future Outlook

Regarding the future outlook, the economy is expected to recover under the implement of countermeasures against COVID-19, however, downward risk caused by the spread of COVID-19 both inside and outside of Japan still remains.

In line with progress in the Electricity System Reform, the electric power industry is expected to expand the capacity of renewable energy by dealing with more diversified and complex technological requirements.

In the next consolidated fiscal year, the TDK Group will take action in accordance with our Mid-Term Business Plan, to respond to changes in the business environment toward realization of carbon neutrality by 2050. We will promote the development of new prefabrication methods for both onshore and offshore wind farms, and try to expand our business fields in the works related to fuel conversion and installing carbon capture and storage equipment. In addition, we will establish EPC business and aim at the 100<sup>th</sup> anniversary of our founding. To enhance our corporate value and consolidate revenue bases, we will enter into new business fields by utilizing our accumulated experience and expertise, which contributes to Japan's "New Growth Strategy".

## 2. Basic Policy Regarding Selection of Accounting Standards

Taking into account the comparability of periods and among companies of consolidated financial statements, the TDK Group intends to prepare consolidated financial statements in accordance with Japanese GAAP for the time being. Also, as a policy, the TDK Group will appropriately respond to adoption of IFRS in consideration of conditions inside and outside of Japan.

### 3. Consolidated Financial Statements and Primary Notes

#### (1) Consolidated Balance Sheet

(Unit: ¥1 million)

	As of March 31, 2020	As of March 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	17,239	31,151
Notes receivable, accounts receivable from completed construction contracts	46,843	40,058
Electronically recorded monetary claims - operating	8,730	6,480
Costs on construction contracts in progress	20,496	16,002
Raw materials and supplies	52	65
Other	1,666	754
Allowance for doubtful accounts	-	(3)
Total current assets	95,027	94,508
Non-current assets		
Property, plant and equipment		
Buildings and structures	18,544	18,189
Accumulated depreciation and impairment	(10,509)	(10,214)
Buildings and structures, net	8,034	7,974
Machinery and vehicles	14,534	14,648
Accumulated depreciation	(10,219)	(10,489)
Machinery and vehicles, net	4,314	4,158
Tools, furniture and fixtures	2,163	2,337
Accumulated depreciation and impairment	(1,944)	(2,076)
Tools, furniture and fixtures, net	219	261
Land	7,310	7,610
Leased assets	292	298
Accumulated depreciation	(110)	(152)
Leased assets, net	181	146
Construction in progress	244	314
Total property, plant and equipment	20,304	20,466
Intangible assets		
Goodwill	73	48
Other	331	371
Total intangible assets	404	420
Investments and other assets		
Investment securities	6,850	9,427
Long-term loans receivable	448	182
Retirement benefit asset	-	6
Real estate for rent	1,762	1,782
Accumulated depreciation	(770)	(785)
Real estate for rent, net	992	996
Deferred tax assets	1,562	1,081
Long term-bank cash	594	271
Other	1,487	1,608
Allowance for doubtful accounts	(101)	(213)
Total investments and other assets	11,834	13,362
Total non-current assets	32,543	34,248
Total assets	127,571	128,757



(Unit: ¥1 million)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts	10,333	10,485
Electronically recorded obligations - operating	12,232	11,336
Current portion of bonds payable	400	4,400
Current portion of long-term borrowings	1,685	1,685
Lease obligations	107	95
Income taxes payable	2,596	1,561
Advances received on construction contracts in progress	7,296	4,088
Provision for bonuses	956	967
Provision for bonuses for directors (and other officers)	139	124
Provision for warranties for completed construction	96	152
Provision for loss on construction contracts	321	229
Other	2,581	5,361
Total current liabilities	38,748	40,487
Non-current liabilities		
Bonds payable	9,400	5,000
Long-term borrowings	7,464	5,778
Lease obligations	157	125
Deferred tax liabilities	1	1
Retirement benefit liability	3,891	3,939
Provision for share awards for directors (and other officers)	103	109
Provision for retirement benefits for directors (and other officers)	97	104
Other	82	97
Total non-current liabilities	21,199	15,156
Total liabilities	59,947	55,643
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,000	4,000
Capital surplus	4,888	4,917
Retained earnings	59,845	63,624
Treasury shares	(2,162)	(2,156)
Total shareholders' equity	66,572	70,385
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,144	2,476
Foreign currency translation adjustment	(155)	(225)
Remeasurements of defined benefit plans	(766)	(700)
Total accumulated other comprehensive income	222	1,550
Non-controlling interests	828	1,176
Total net assets	67,623	73,113
Total liabilities and net assets	127,571	128,757

## (2) Consolidated Statement of Income and Comprehensive Income

(Unit: ¥1 million)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Net sales	119,459	127,779
Cost of sales	102,165	111,869
Gross profit	17,293	15,910
Selling, general and administrative expenses	7,843	8,510
Operating profit	9,450	7,400
Non-operating income		
Interest income	21	9
Dividend income	167	203
Share of profit of entities accounted for using equity method	87	112
Rental income from non-current assets	253	212
Foreign exchange gains	-	243
Subsidy income	-	200
Other	161	220
Total non-operating income	692	1,200
Non-operating expenses		
Interest expenses	30	34
Foreign exchange losses	158	-
Rental expenses on non-current assets	159	146
Loss on retirement of non-current assets	5	5
Provision of allowance for doubtful accounts	-	29
Borrowing fee	88	9
Bond issuance costs	78	-
Other	40	44
Total non-operating expenses	562	271
Ordinary profit	9,580	8,329
Extraordinary income		
Gain on sale of non-current assets	17	461
Compensation for expropriation	71	-
Total extraordinary income	88	461
Extraordinary losses		
Loss on retirement of non-current assets	-	26
Loss on valuation of investment securities	249	0
Loss on valuation of golf club membership	-	3
Other	0	-
Total extraordinary losses	250	30

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Profit before income taxes	9,419	8,760
Income taxes - current	3,229	2,891
Income taxes - deferred	(99)	(39)
Total income taxes	3,129	2,851
Profit	6,289	5,908
Profit attributable to		
Profit attributable to owners of parent	6,190	5,613
Profit attributable to non-controlling interests	99	295
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,046)	1,331
Foreign currency translation adjustment	(3)	0
Remeasurements of defined benefit plans, net of tax	255	65
Share of other comprehensive income of entities accounted for using equity method	(1)	2
Total other comprehensive income	(796)	1,399
Comprehensive income	5,493	7,308
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,395	7,012
Comprehensive income attributable to non-controlling interests	98	296

(3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Unit: ¥1 million)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,000	4,888	55,179	(2,457)	61,610
Changes during period					
Dividends of surplus			(1,523)		(1,523)
Profit attributable to owners of parent			6,190		6,190
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		295	295
Net changes in items other than shareholders' equity					
Total changes during period	-	0	4,666	294	4,961
Balance at end of period	4,000	4,888	59,845	(2,162)	66,572

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,191	(152)	(1,021)	1,017	734	63,363
Changes during period						
Dividends of surplus						(1,523)
Profit attributable to owners of parent						6,190
Purchase of treasury shares						(0)
Disposal of treasury shares						295
Net changes in items other than shareholders' equity	(1,046)	(3)	255	(795)	93	(701)
Total changes during period	(1,046)	(3)	255	(795)	93	4,259
Balance at end of period	1,144	(155)	(766)	222	828	67,623

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Unit: ¥1 million)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,000	4,888	59,845	(2,162)	66,572
Changes during period					
Dividends of surplus			(1,714)		(1,714)
Profit attributable to owners of parent			5,613		5,613
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		29		6	35
Change in scope of consolidation			(121)		(121)
Net changes in items other than shareholders' equity					
Total changes during period	-	29	3,778	5	3,813
Balance at end of period	4,000	4,917	63,624	(2,156)	70,385

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,144	(155)	(766)	222	828	67,623
Changes during period						
Dividends of surplus						(1,714)
Profit attributable to owners of parent						5,613
Purchase of treasury shares						(0)
Disposal of treasury shares						35
Change in scope of consolidation						(121)
Net changes in items other than shareholders' equity	1,332	(69)	65	1,328	348	1,676
Total changes during period	1,332	(69)	65	1,328	348	5,490
Balance at end of period	2,476	(225)	(700)	1,550	1,176	73,113

## (4) Consolidated Statement of Cash Flows

(Unit: ¥1 million)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	9,419	8,760
Depreciation	1,501	1,689
Amortization of goodwill	24	24
Increase (decrease) in allowance for doubtful accounts	(0)	112
Increase (decrease) in other provisions	11	(27)
Increase (decrease) in retirement benefit liability	206	124
Interest and dividend income	(189)	(212)
Interest expenses	30	34
Borrowing fee	88	9
Foreign exchange losses (gains)	141	(245)
Compensation for expropriation	(71)	-
Share of loss (profit) of entities accounted for using equity method	(87)	(112)
Other non-operating expenses (income)	(175)	(460)
Loss (gain) on sale and retirement of property, plant and equipment	(12)	(303)
Loss (gain) on valuation of investment securities	249	0
Decrease (increase) in trade receivables	(9,019)	6,054
Decrease (increase) in costs on construction contracts in progress	(7,685)	4,595
Increase (decrease) in trade payables	2,886	(852)
Decrease (increase) in consumption taxes refund receivable	427	1,252
Increase (decrease) in accrued consumption taxes	20	2,572
Other, net	(346)	(215)
Subtotal	(2,581)	22,803
Interest and dividends received	194	229
Interest paid	(30)	(32)
Proceeds from compensation	71	-
Income taxes paid	(1,500)	(3,883)
Other, net	258	460
Net cash provided by (used in) operating activities	(3,587)	19,576
Cash flows from investing activities		
Payments into time deposits	(539)	(295)
Proceeds from withdrawal of time deposits	1,603	676
Purchase of securities	-	(3,000)
Proceeds from sale of securities	-	3,000
Purchase of property, plant and equipment	(4,100)	(1,554)
Proceeds from sale of property, plant and equipment	33	501
Purchase of intangible assets	(72)	(87)
Purchase of investment securities	(785)	(928)
Proceeds from sale of investment securities	1	-
Loan advances	(358)	(203)
Proceeds from collection of loans receivable	62	30
Other, net	(177)	(150)
Net cash provided by (used in) investing activities	(4,332)	(2,011)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Cash flows from financing activities		
Proceeds from short-term borrowings	3,000	3,000
Repayments of short-term borrowings	(3,000)	(3,000)
Proceeds from long-term borrowings	4,400	-
Repayments of long-term borrowings	(574)	(1,685)
Payments of borrowing fee	(86)	(10)
Proceeds from issuance of bonds	4,921	-
Redemption of bonds	(400)	(400)
Purchase of treasury shares	(0)	(0)
Proceeds from sale of treasury shares	414	7
Repayments of lease obligations	(124)	(119)
Dividends paid	(1,522)	(1,713)
Dividends paid to non-controlling interests	(4)	(5)
Net cash provided by (used in) financing activities	7,022	(3,927)
Effect of exchange rate change on cash and cash equivalents	(70)	152
Net increase (decrease) in cash and cash equivalents	(967)	13,790
Cash and cash equivalents at beginning of period	17,942	16,974
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	176
Cash and cash equivalents at end of period	16,974	30,941

## (5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in significant subsidiaries during this cumulative quarter)

Not applicable.

However, during the consolidated fourth quarter, PT. Taihei Dengyo Indonesia, which was a non-consolidated subsidiary, was included in the scope of consolidation because of increased materiality, although this does not fall under a change in specified subsidiary. Accordingly, the number of consolidated subsidiaries as of the end of the current consolidated fiscal year has changed to six from five.

(Segment information, etc.)

[Segment information]

### 1. Overview of reportable segments

#### (1) Method for determining reportable segments

The Company's reportable segments are components of the Company about which separate financial information is available. These segments are subject to periodic examinations to enable the company's Board of Directors to decide how to allocate management resources and assess performance.

The Company establishes control departments by the types of works which it operates and engages in businesses related to construction, repair and maintenance of various plants and facilities inside and outside of Japan as well as the power generation business. Two segments, the "Construction Segment" and "Maintenance and Renovation Segment," comprise the TDK Group's reportable segments.

#### (2) Types of products and services belonging to each reportable segment

Construction Segment includes businesses inside and outside of Japan such as installation and reconstruction works, etc., for thermal power plants, nuclear power plants, iron and steel-related plants, environmental preservation plants and chemical plants, etc., electric and instrumentation work, and insulation and painting works incidental to these facilities, as well as demolition and decommissioning, etc., of various plants and facilities.

Maintenance and Renovation Segment includes businesses such as periodic inspection, daily maintenance, renovation, etc., for the various plants and facilities mentioned above.

The power generation business is included in the Maintenance and Renovation Segment.

### 2. Method of measurement for the amounts of net sales, profit (loss), assets, liabilities and other items for each reportable segment

The method of accounting for the reportable business segments is the same as those employed for preparing the consolidated financial statements."

Profits for the reportable segments are operating profit-based figures.



### 3. Information on net sales, profit (loss), assets liabilities and other items by reportable segment

For the fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Unit: ¥1 million)

	Reportable segment		Total
	Construction Segment	Maintenance and Renovation Segment	
Net sales			
Net sales to outside customers	50,695	68,764	119,459
Inter-segment net sales or transfers	-	-	-
Total	50,695	68,764	119,459
Segment profit (loss)	599	11,153	11,753

(Note) Segment assets are not stated since assets are not allocated to the business segments.

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

(Unit: ¥1 million)

	Reportable segment		Total
	Construction Segment	Maintenance and Renovation Segment	
Net sales			
Net sales to outside customers	57,510	70,268	127,779
Inter-segment net sales or transfers	-	-	-
Total	57,510	70,268	127,779
Segment profit	2,555	8,222	10,777

(Note) Segment assets are not stated since assets are not allocated to the business segments.

### 4. Differences between the total amount for reportable segments and the amount recorded in the consolidated financial statements and main details of the differences (matters relating to reconciliation)

(Unit: ¥1 million)

Profits	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Total amount for reportable segments	11,753	10,777
Corporate expenses (Note)	(2,302)	(3,377)
Operating profit in the consolidated financial statements	9,450	7,400

(Note) Corporate expenses are general and administrative expenses and common expenses which do not belong to any reportable segments.

(Per share information)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Net assets per share	¥3,517.91	¥3,786.40
Basic earnings per share	¥326.75	¥295.54

(Notes) 1. Diluted earnings per share are not stated since there are no diluted shares.

2. The Company's shares held by trust banks (officer compensation BIP trust account) which were recorded as treasury shares under shareholders' equity are included in the number of treasury shares excluded from the total number of shares issued and outstanding at the end of the period for calculating net assets per share (57 thousand shares for the previous consolidated fiscal year and 97 thousand shares for the current consolidated fiscal year). In addition, in calculating the average number of common shares during the period that serves as the basis for calculating basic earnings per share, the Company's shares held by trust banks (TAIHEI DENGYO Employee Shareholding Association trust account and officer compensation BIP trust account) are included in the treasury shares to be excluded (99 thousand shares for the previous consolidated fiscal year and 78 thousand shares for the current consolidated fiscal year).

3. Basis of calculation of basic earnings per share is as follows:

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Profit attributable to owners of parent (million yen)	6,190	5,613
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent relating to common shares (million yen)	6,190	5,613
Average number of common shares during the period (shares)	18,944,771	18,995,471

(Significant subsequent events)

Not applicable.

#### 4. Others

##### (1) Orders Received, Net Sales and Order Backlog by Segment

		For the fiscal year ended March 31, 2020		For the fiscal year ended March 31, 2021		Increase (decrease)
Segments		Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)	Amount (million yen)
Orders received	Construction Segment	52,744	42.1	60,418	48.4	7,673
	Maintenance and Renovation Segment	72,649	57.9	64,329	51.6	(8,320)
	Total	125,393	100.0	124,747	100.0	(646)
Net sales	Construction Segment	50,695	42.4	57,510	45.0	6,815
	Maintenance and Renovation Segment	68,764	57.6	70,268	55.0	1,504
	Total	119,459	100.0	127,779	100.0	8,320
Order backlog	Construction Segment	47,831	54.2	50,739	59.5	2,907
	Maintenance and Renovation Segment	40,490	45.8	34,550	40.5	(5,939)
	Total	88,321	100.0	85,289	100.0	(3,032)

- (Notes) 1. Construction Segment includes businesses such as installation and reconstruction works, etc., for thermal power plants, nuclear power plants, iron and steel-related plants, environmental preservation plants and chemical plants, etc., electric and instrumentation work, and insulation and painting works incidental to these facilities, as well as demolition and decommissioning, etc., of various plants and facilities.
2. Maintenance and Renovation Segment includes businesses such as periodic inspection, daily maintenance, renovation, etc., for the various plants and facilities mentioned above as well as the power generation business.

(2) Changes in Officers

1) Changes in Representative Director

Not applicable.

2) Changes in other officers (scheduled on June 29, 2021)

(New candidate for Director)

Outside Director	Ichiro Wada
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(Directors to retire)

Outside Director	Yoshihisa Minakuchi
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Outside Director	Akira Yuba
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(Candidates for new Audit & Supervisory Board Member)

Audit & Supervisory Board Member (full-time)	Yutaka Aoki (currently Advisor)
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Audit & Supervisory Board Member (full-time)	Yasunori Yamamura (currently assigned to the Accounting Department)
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(Audit & Supervisory Board Members to retire)

Audit & Supervisory Board Member (full-time)	Tsutomu Mitsutomi (to be appointed as Advisor)
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Audit & Supervisory Board Member (full-time)	Hiroshi Ogasawara (to be assigned to the Overseas Sales Department)
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