

Disclaimer: This document is a partial English translation of the Japanese original which is filed with the Tokyo Stock Exchange and is only for reference purposes. In case of any discrepancy between this translation and the Japanese original, the latter shall prevail.

Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 [Japanese GAAP]



May 13, 2020

Company name: HAZAMA ANDO CORPORATION

Stock exchange listing: Tokyo Stock Exchange

Code number: 1719

URL: <https://www.ad-hzm.co.jp/>

Representative: Masato Fukutomi, Representative Director and President

Contact: Toshihisa Kino, Corporate Communication Department General Manager

Phone: +81-3-6234-3699

Scheduled date of ordinary general meeting of shareholders: June 26, 2020

Scheduled date of filing securities report: June 26, 2020

Scheduled date of commencing dividend payments: June 29, 2020

Availability of supplementary briefing material on financial results: Yes

Schedule of financial results briefing session: No

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2020	378,135	5.0	24,699	4.3	23,983	6.6	16,803	89.6
March 31, 2019	359,971	(4.5)	23,692	(33.7)	22,495	(35.3)	8,862	(62.9)

(Note) Comprehensive income: Fiscal year ended March 31, 2020: ¥14,301 million [72.4%]

Fiscal year ended March 31, 2019: ¥8,296 million [(65.9)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2020	84.42	84.40	12.5	7.0	6.5
March 31, 2019	45.21	44.20	7.0	6.6	6.6

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

Fiscal year ended March 31, 2020: ¥— million

Fiscal year ended March 31, 2019: ¥— million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2020	339,772	136,900	40.0	704.86
As of March 31, 2019	349,656	133,682	38.0	664.78

(Reference) Equity: As of March 30, 2020: ¥136,058 million

As of March 31, 2019: ¥132,807 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
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2020	(3,102)	(3,016)	(13,244)	115,461
March 31, 2019	5,900	(2,356)	(7,779)	135,093

2. Dividends

	Annual dividends					Total dividends paid	Dividend payout ratio (consolidated)	Ratio of dividends to equity (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, 2019	—	15.00	—	15.00	30.00	5,993	66.4	4.6
Fiscal year ended March 31, 2020	—	15.00	—	15.00	30.00	5,903	35.5	4.4
Fiscal year ending March 31, 2021 (Forecast)	—	—	—	—	—		—	

(Note) The annual dividend forecast for the fiscal year ending March 31, 2021 has not been decided yet at this time.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

The effects of the spread of COVID-19 (Novel Coronavirus) upon the Company's future business performance is difficult at this time to calculate in a reasonable manner, and thus the Company has not yet decided upon the Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021. The Company will disclose the forecast as soon as it is able to do so.

* Notes:

- (1) Changes in significant subsidiaries during the fiscal year ended March 31, 2020 (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: No
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (3) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):
 - March 31, 2020: 200,343,397 shares
 - March 31, 2019: 200,343,397 shares
 - 2) Total number of treasury shares at the end of the period:
 - March 31, 2020: 7,315,545 shares
 - March 31, 2019: 566,830 shares
 - 3) Average number of shares during the period:
 - Fiscal year ended March 31, 2020: 199,042,034 shares
 - Fiscal year ended March 31, 2019: 196,038,718 shares

The Company has adopted a performance-linked stock remuneration plan using a trust. The Company's shares held by the trust (397,766 shares) are included in the total number of treasury shares at the end of the period and the average number of shares during the period is calculated and stated taking into account shares held by the trust.

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)

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

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2020	356,446	7.1	23,302	3.3	22,787	4.9	16,168	90.7
March 31, 2019	332,699	(4.9)	22,565	(34.1)	21,724	(35.8)	8,477	(63.8)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2020	81.23	81.21
March 31, 2019	43.24	42.28

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2020	322,269	129,332	40.1	670.00
As of March 31, 2019	333,132	126,798	38.1	634.68

(Reference) Equity: As of March 30, 2020: ¥129,328million

As of March 31, 2019: ¥126,794 million

2. Non-Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

The effects of the spread of COVID-19 (Novel Coronavirus) upon the Company's future business performance is difficult at this time to calculate in a reasonable manner, and thus the Company has not yet decided upon the Non-Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021. The Company will disclose the forecast as soon as it is able to do so.

1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	120,302	102,971
Notes receivable, accounts receivable from completed construction contracts and other	118,753	137,730
Securities	15,999	14,000
Costs on construction contracts in progress	7,755	4,927
Other inventories	5,030	4,686
Other	18,297	13,279
Allowance for doubtful accounts	(12)	(14)
Total current assets	286,127	277,582
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,602	22,297
Machinery, vehicles, tools, furniture and fixtures	10,746	11,421
Land	15,057	15,505
Other	1,104	1,500
Accumulated depreciation	(20,583)	(21,576)
Total property, plant and equipment	26,928	29,148
Intangible assets	2,013	1,572
Investments and other assets		
Investment securities	22,442	18,698
Long-term loans receivable	439	145
Deferred tax assets	8,427	9,527
Other	3,278	3,099
Allowance for doubtful accounts	(0)	(1)
Total investments and other assets	34,587	31,469
Total non-current assets	63,528	62,190
Total assets	349,656	339,772

(Million yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	72,623	78,930
Short-term borrowings	19,139	17,391
Current portion of bonds	357	341
Income taxes payable	2,437	4,812
Advances received on construction contracts in progress	46,014	30,862
Deposits received	30,564	27,461
Provision for warranties for completed construction	1,886	2,371
Provision for bonuses	2,386	2,679
Provision for loss on construction contracts	1,733	955
Provision for loss on damage due to fire	7,743	6,699
Other	7,017	6,881
Total current liabilities	191,904	179,386
Non-current liabilities		
Bonds payable	711	691
Long-term borrowings	9,064	8,712
Deferred tax liabilities	46	45
Retirement benefit liability	12,959	12,776
Provision for environmental measures	151	148
Provision for management board incentive plan trust	107	93
Other	1,027	1,016
Total non-current liabilities	24,069	23,485
Total liabilities	215,973	202,872
Net assets		
Shareholders' equity		
Share capital	17,006	17,006
Capital surplus	19,927	19,926
Retained earnings	92,945	103,699
Treasury shares	(255)	(5,284)
Total shareholders' equity	129,622	135,348
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,482	1,880
Deferred gains or losses on hedges	(3)	—
Foreign currency translation adjustment	62	116
Remeasurements of defined benefit plans	(1,356)	(1,287)
Total accumulated other comprehensive income	3,184	709
Share acquisition rights	4	4
Non-controlling interests	869	837
Total net assets	133,682	136,900
Total liabilities and net assets	349,656	339,772

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statements of Income)
(Fiscal year ended March 31, 2020)

(Million yen)

	For the Fiscal year ended March 31, 2019	For the Fiscal year ended March 31, 2020
Net sales		
Net sales of completed construction contracts	334,244	358,190
Sales in other businesses	25,726	19,944
Total net sales	359,971	378,135
Cost of sales		
Cost of sales of completed construction contracts	290,867	314,013
Cost of sales in other businesses	23,312	16,905
Total cost of sales	314,179	330,918
Gross profit		
Gross profit on completed construction contracts	43,377	44,177
Gross profit - other business	2,414	3,039
Total gross profit	45,791	47,216
Selling, general and administrative expenses	22,099	22,517
Operating profit	23,692	24,699
Non-operating income		
Interest income	131	110
Dividend income	382	315
Other	295	310
Total non-operating income	808	736
Non-operating expenses		
Interest expenses	481	422
Foreign exchange losses	415	336
Compensation for damage	454	170
Other	653	524
Total non-operating expenses	2,005	1,452
Ordinary profit	22,495	23,983
Extraordinary income		
Gain on sales of non-current assets	48	86
Gain on sales of investment securities	—	254
Gain on reversal of provision for loss on damage due to fire	—	733
Total extraordinary income	48	1,074
Extraordinary losses		
Loss on sales of non-current assets	—	30
Impairment loss	45	—
Loss on litigation	148	46
Loss on sales of investment securities	—	142
Loss on valuation of investment securities	—	69
Loss on damage due to fire	9,333	315
Total extraordinary losses	9,527	603
Profit before income taxes	13,016	24,454
Income taxes - current	7,153	7,875
Income taxes - deferred	(3,002)	(147)
Total income taxes	4,150	7,727
Profit	8,865	16,727
Profit (loss) attributable to non-controlling interests	3	(76)
Profit attributable to owners of parent	8,862	16,803

(Consolidated Statements of Comprehensive Income)

(Fiscal year ended March 31, 2020)

(Million yen)

	For the Fiscal year ended March 31, 2019	For the Fiscal year ended March 31, 2020
Profit	8,865	16,727
Other comprehensive income		
Valuation difference on available-for-sale securities	(125)	(2,602)
Deferred gains or losses on hedges	16	3
Foreign currency translation adjustment	(99)	103
Remeasurements of defined benefit plans	(360)	69
Total other comprehensive income	(569)	(2,425)
Comprehensive income	8,296	14,301
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,319	14,328
Comprehensive income attributable to non-controlling interests	(22)	(27)

(3) Consolidated Statements of Changes in Equity

(Fiscal year ended March 31, 2019)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	12,651	15,643	89,828	(295)	117,827
Changes in items during period					
Conversion of Convertible bond-type bonds with share acquisition rights	4,354	4,354			8,709
Dividends of surplus			(5,795)		(5,795)
Profit attributable to owners of parent			8,862		8,862
Disposal of treasury shares		(5)		41	35
Purchase of treasury shares				(1)	(1)
Change in scope of consolidation		(4)	49		44
Capital reduction of consolidated subsidiaries		(60)			(60)
Net changes in items other than shareholders' equity					
Total changes in items during period	4,354	4,284	3,116	39	11,794
Balance at end of period	17,006	19,927	92,945	(255)	129,622

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	4,607	(19)	134	(996)	3,726	8	837	122,400
Changes in items during period								
Conversion of Convertible bond-type bonds with share acquisition rights								8,709
Dividends of surplus								(5,795)
Profit attributable to owners of parent								8,862
Disposal of treasury shares								35
Purchase of treasury shares								(1)
Change in scope of consolidation								44
Capital reduction of consolidated subsidiaries								(60)
Net changes in items other than shareholders' equity	(125)	16	(72)	(360)	(541)	(4)	32	(512)
Total changes in items during period	(125)	16	(72)	(360)	(541)	(4)	32	11,281
Balance at end of period	4,482	(3)	62	(1,356)	3,184	4	869	133,682

(Fiscal year ended March 31, 2020)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,006	19,927	92,945	(255)	129,622
Changes in items during period					
Dividends of surplus			(6,004)		(6,004)
Profit attributable to owners of parent			16,803		16,803
Disposal of treasury shares		(0)		37	36
Purchase of treasury shares				(5,065)	(5,065)
Change of scope of consolidation			(44)		(44)
Net changes in items other than shareholders' equity					
Total changes in items during period	—	(0)	10,754	(5,028)	5,726
Balance at end of period	17,006	19,926	103,699	(5,284)	135,348

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	4,482	(3)	62	(1,356)	3,184	4	869	133,682
Changes in items during period								
Dividends of surplus								(6,004)
Profit attributable to owners of parent								16,803
Disposal of treasury shares								36
Purchase of treasury shares								(5,065)
Change of scope of consolidation								(44)
Net changes in items other than shareholders' equity	(2,602)	3	54	69	(2,475)	(0)	(32)	(2,507)
Total changes in items during period	(2,602)	3	54	69	(2,475)	(0)	(32)	3,218
Balance at end of period	1,880	—	116	(1,287)	709	4	837	136,900

(4) Consolidated Statements of Cash Flows
(Fiscal year ended March 31, 2020)

(Million yen)

	For the Fiscal year ended March 31, 2019	For the Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	13,016	24,454
Depreciation	1,794	1,814
Impairment loss	45	—
Loss on damage due to fire	9,333	315
Increase (decrease) in allowance for doubtful accounts	(21)	2
Increase (decrease) in provision for warranties for completed construction	(375)	484
Increase (decrease) in provision for loss on construction contracts	1,382	(778)
Increase (decrease) in provision for loss on damage due to fire	—	(1,043)
Increase (decrease) in retirement benefit liability	(56)	(87)
Interest and dividend income	(513)	(426)
Interest expenses	481	422
Foreign exchange losses (gains)	(128)	188
Loss (gain) on sales of investment securities	—	(112)
Loss (gain) on valuation of investment securities	—	69
Loss (gain) on sales of property, plant and equipment	(51)	(56)
Decrease (increase) in trade receivables	(13,309)	(19,059)
Decrease (increase) in costs on construction contracts in progress	(2,450)	2,833
Decrease (increase) in other inventories	(1,097)	339
Decrease (increase) in advances paid	(389)	1,224
Increase (decrease) in trade payables	(15,849)	6,339
Increase (decrease) in advances received on construction contracts in progress	20,611	(15,153)
Increase (decrease) in deposits received	13,898	(3,100)
Increase (decrease) in accrued consumption taxes	(8,574)	280
Other, net	(2,005)	4,288
Subtotal	15,739	3,239
Interest and dividends received	472	446
Interest paid	(442)	(434)
Compensation for damage paid	(494)	(1,027)
Income taxes paid	(9,374)	(5,326)
Cash flows from operating activities	5,900	(3,102)
Cash flows from investing activities		
Payments into time deposits	(11,123)	(1,474)
Proceeds from withdrawal of time deposits	11,458	1,250
Purchase of short-term and long-term investment securities	(1,202)	(855)
Proceeds from sales of short-term and long-term investment securities	108	1,144
Purchase of property, plant and equipment	(1,754)	(3,805)
Proceeds from sales of property, plant and equipment	200	234
Proceeds from sales of intangible assets	—	289
Other, net	(42)	199
Cash flows from investing activities	(2,356)	(3,016)

(Million yen)

	For the Fiscal year ended March 31, 2019	For the Fiscal year ended March 31, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(4,410)	9
Proceeds from long-term borrowings	8,637	5,304
Repayments of long-term borrowings	(6,299)	(7,398)
Proceeds from issuance of bonds	555	358
Redemption of bonds	(417)	(393)
Purchase of treasury shares	(1)	(5,065)
Dividends paid	(5,795)	(6,004)
Dividends paid to non-controlling interests	(4)	(5)
Other, net	(42)	(48)
Cash flows from financing activities	(7,779)	(13,244)
Effect of exchange rate change on cash and cash equivalents	104	(184)
Net increase (decrease) in cash and cash equivalents	(4,132)	(19,547)
Cash and cash equivalents at beginning of period	139,190	135,093
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	35	—
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(84)
Cash and cash equivalents at end of period	135,093	115,461

2. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Million yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	112,892	95,467
Notes receivable - trade	1,815	184
Electronically recorded monetary claims - operating	5,776	2,597
Accounts receivable from completed construction contracts	107,190	132,080
Accounts receivable- other business	1,072	836
Securities	15,999	14,000
Real estate for sale	511	511
Costs on construction contracts in progress	8,092	4,555
Costs on other business	1,135	740
Raw materials and supplies	3	3
Prepaid expenses	76	67
Other	17,888	12,907
Allowance for doubtful accounts	(11)	(13)
Total current assets	272,443	263,937
Non-current assets		
Property, plant and equipment		
Buildings	16,471	18,041
Accumulated depreciation	(9,150)	(9,547)
Buildings, net	7,320	8,493
Structures	2,108	2,174
Accumulated depreciation	(1,772)	(1,797)
Structures, net	335	377
Machinery and equipment	3,546	3,744
Accumulated depreciation	(2,598)	(2,864)
Machinery and equipment, net	947	879
Vehicles	260	227
Accumulated depreciation	(192)	(180)
Vehicles, net	67	47
Tools, furniture and fixtures	3,578	3,718
Accumulated depreciation	(3,044)	(3,221)
Tools, furniture and fixtures, net	533	497
Land	13,696	13,559
Leased assets	342	353
Accumulated depreciation	(169)	(166)
Leased assets, net	172	187
Construction in progress	195	495
Total property, plant and equipment	23,270	24,538

(Million yen)

	As of March 31, 2019	As of March 31, 2020
Intangible assets		
Leasehold interests in land	396	106
Software	1,199	1,093
Other	186	132
Total intangible assets	1,781	1,332
Investments and other assets		
Investment securities	22,205	18,452
Shares of subsidiaries and associates	2,796	2,688
Investments in capital	24	24
Investments in capital of subsidiaries and associates	111	111
Long-term loans receivable	20	16
Long-term loans receivable from employees	38	40
Long-term loans receivable from subsidiaries and associates	381	88
Claims provable in bankruptcy, claims provable in rehabilitation and other	—	1
Long-term prepaid expenses	40	31
Deferred tax assets	7,253	8,370
Other	2,765	2,634
Allowance for doubtful accounts	(0)	(1)
Total investments and other assets	35,637	32,460
Total non-current assets	60,689	58,331
Total assets	333,132	322,269
Liabilities		
Current liabilities		
Notes payable - trade	2,379	2,107
Electronically recorded obligations - operating	9,788	12,531
Accounts payable for construction contracts	59,427	63,556
Accounts payable - other business	304	408
Short-term borrowings	19,053	17,305
Current portion of bonds	357	341
Lease obligations	62	71
Accounts payable - other	3,183	2,500
Accrued expenses	60	37
Income taxes payable	2,267	4,319
Advances received on construction contracts in progress	45,048	29,999
Advances received on other business	418	351
Deposits received	29,555	26,718
Unearned revenue	5	5
Provision for warranties for completed construction	1,888	2,369
Provision for bonuses	2,260	2,561
Provision for loss on construction contracts	1,724	953
Provision for loss on damage due to fire	7,743	6,699
Other	507	154
Total current liabilities	186,038	172,991

	As of March 31, 2019	As of March 31, 2020
Non-current liabilities		
Bonds payable	711	691
Long-term borrowings	8,422	8,155
Lease obligations	117	124
Provisions for retirement benefits	9,976	9,899
Provision for environmental measures	151	148
Provision for management board incentive plan trust	107	93
Asset retirement obligations	490	493
Other	317	337
Total non-current liabilities	20,295	19,944
Total liabilities	206,333	192,936
Net assets		
Shareholders' equity		
Share capital	17,006	17,006
Capital surplus		
Legal capital surplus	17,123	17,123
Other capital surplus	2,869	2,868
Total capital surpluses	19,992	19,992
Retained earnings		
Other retained earning		
Retained earnings brought forward	85,573	95,737
Total retained earnings	85,573	95,737
Treasury shares	(255)	(5,284)
Total shareholders' equity	122,316	127,451
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,478	1,876
Total valuation and translation adjustments	4,478	1,876
Share acquisition rights	4	4
Total net assets	126,798	129,332
Total liabilities and net assets	333,132	322,269

(2) Non-Consolidated Statements of Income
(Fiscal year ended March 31, 2020)

(Million yen)

	For the Fiscal year ended March 31, 2019	For the Fiscal year ended March 31, 2020
Net sales		
Net sales of completed construction contracts	327,649	351,527
Sales in other businesses	5,050	4,918
Total net sales	332,699	356,446
Cost of sales		
Cost of sales of completed construction contracts	285,285	308,352
Cost of sales in other businesses	4,345	4,074
Total cost of sales	289,630	312,427
Gross profit		
Gross profit on completed construction contracts	42,363	43,174
Gross profit - other business	704	844
Total gross profit	43,068	44,019
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	328	257
Provision for management board incentive plan trust	—	22
Employees' salaries and allowances	6,731	6,753
Provision for bonuses	2,239	2,125
Retirement benefit expenses	621	650
Legal welfare expenses	1,296	1,299
Welfare expenses	331	330
Repair and maintenance expenses	342	281
Stationery expenses	502	430
Communication and transportation expenses	1,349	1,347
Power utilities expenses	108	102
Research study expenses	2,257	2,741
Advertising expenses	179	183
Provision of allowance for doubtful accounts	1	3
Bad debts expenses	0	—
Entertainment expenses	279	284
Donations	101	42
Rent expenses on land and buildings	891	950
Depreciation	853	890
Taxes and dues	1,095	1,095
Insurance expenses	94	70
Miscellaneous expenses	894	851
Selling, general and administrative expenses	20,502	20,716
Operating profit	22,565	23,302

	For the Fiscal year ended March 31, 2019	For the Fiscal year ended March 31, 2020
Non-operating income		
Interest income	96	73
Interest on securities	3	2
Dividend income	750	562
Other	270	267
Total non-operating income	1,121	906
Non-operating expenses		
Interest expenses	457	399
Interest on bonds	12	11
Foreign exchange losses	414	337
Compensation for damage	454	170
Other	624	502
Total non-operating expenses	1,962	1,421
Ordinary profit	21,724	22,787
Extraordinary income		
Gain on reversal of provision for loss on damage due to fire	—	733
Gain on sales of non-current assets	—	57
Gain on sales of investment securities	—	144
Gain on sales of shares of subsidiaries and associates	—	110
Total extraordinary income	—	1,045
Extraordinary losses		
Loss on damage due to fire	9,333	315
Loss on sales of non-current assets	—	30
Impairment loss	45	—
Loss on litigation	148	46
Loss on sales of investment securities	—	142
Loss on valuation of investment securities	—	69
Total extraordinary losses	9,527	603
Profit before income taxes	12,197	23,228
Income taxes - current	6,716	7,187
Income taxes - deferred	(2,997)	(127)
Total income taxes	3,719	7,060
Profit	8,477	16,168

(3) Non-Consolidated Statements of Changes in Equity

(Fiscal year ended March 31, 2019)

(Million yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
					Retained earnings brought forward			
Balance at beginning of period	12,651	12,768	2,874	15,643	82,891	82,891	(295)	110,890
Changes in item during period								
Conversion of Convertible bond-type bonds with share acquisition rights	4,354	4,354		4,354				8,709
Dividends of surplus					(5,795)	(5,795)		(5,795)
Profit					8,477	8,477		8,477
Disposal of treasury shares			(5)	(5)			41	35
Purchase of treasury shares							(1)	(1)
Net changes in items other than shareholders' equity								
Total changes in items during period	4,354	4,354	(5)	4,349	2,681	2,681	39	11,425
Balance at end of period	17,006	17,123	2,869	19,992	85,573	85,573	(255)	122,316

	Valuation and translation adjustments		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	4,601	4,601	8	115,500
Changes in item during period				
Conversion of Convertible bond-type bonds with share acquisition rights				8,709
Dividends of surplus				(5,795)
Profit				8,477
Disposal of treasury shares				35
Purchase of treasury shares				(1)
Net changes in items other than shareholders' equity	(123)	(123)	(4)	(127)
Total changes in items during period	(123)	(123)	(4)	11,298
Balance at end of period	4,478	4,478	4	126,798

(Fiscal year ended March 31, 2020)

(Million yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	17,006	17,123	2,869	19,992	85,573	85,573	(255)	122,316
Changes in item during period								
Dividends of surplus					(6,004)	(6,004)		(6,004)
Profit					16,168	16,168		16,168
Disposal of treasury shares			(0)	(0)			37	36
Purchase of treasury shares							(5,065)	(5,065)
Net changes in items other than shareholders' equity								
Total changes in items during period	—	—	(0)	(0)	10,164	10,164	(5,028)	5,135
Balance at end of period	17,006	17,123	2,868	19,992	95,737	95,737	(5,284)	127,451

	Valuation and translation adjustments		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	4,478	4,478	4	126,798
Changes in item during period				
Dividends of surplus				(6,004)
Profit				16,168
Disposal of treasury shares				36
Purchase of treasury shares				(5,065)
Net changes in items other than shareholders' equity	(2,601)	(2,601)	(0)	(2,601)
Total changes in items during period	(2,601)	(2,601)	(0)	2,533
Balance at end of period	1,876	1,876	4	129,332

3. Supplementary Information

(1) Results for the fiscal year ended March 31, 2020 and forecasts for the six months ending September 30, 2020 and full year

1. Non-consolidated

(Unit: Million yen. Rounded down to the unit)

Items		Results for the fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	
			Forecasts for the fiscal year ended March 31, 2020 (announced in February 2020)	Results for the fiscal year ended March 31, 2020
Orders received	Civil engineering	192,178	180,000	193,575
	Building construction	235,473	200,000	186,706
	Total orders received	427,651	380,000	380,281
Net sales of completed construction contracts	Civil engineering	118,790	122,000	124,314
	Building construction	208,858	228,000	227,213
	Total net sales of completed construction contracts	327,649	350,000	351,527
Gross profit on completed construction contracts	Civil engineering	24,083 [20.3%]	21,500 [17.6%]	21,960 [17.7%]
	Building construction	18,279 [8.8%]	21,000 [9.2%]	21,214 [9.3%]
	Total gross profit on completed construction contracts	42,363 [12.9%]	42,500 [12.1%]	43,174 [12.3%]

Gross sales	332,699	355,500	356,446
Gross profit	43,068 [12.9%]	43,400 [12.2%]	44,019 [12.3%]
Selling, general and administrative expenses	20,502	20,700	20,716
Operating profit	22,565 [6.8%]	22,700 [6.4%]	23,302 [6.5%]
Non-operating income/expenses [Interest income/expenses]	(840) [381]	(500) [200]	(515) [227]
Ordinary profit	21,724 [6.5%]	22,200 [6.2%]	22,787 [6.4%]
Extraordinary income/losses	(9,527)	(300)	441
Profit before income taxes	12,197 [3.7%]	21,900 [6.2%]	23,228 [6.5%]
Tax expenses	3,719	6,900	7,060
Profit	8,477 [2.5%]	15,000 [4.2%]	16,168 [4.5%]

2. Consolidated

(Unit: Million yen. Rounded down to the unit)

Items	Results for the fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	
		Forecasts for the fiscal year ended March 31, 2020 (announced in February 2020)	Results for the fiscal year ended March 31, 2020
Gross sales	359,971	382,000	378,135
Selling, general and administrative expenses	22,099	22,500	22,517
Operating profit	23,692 [6.6%]	23,700 [6.2%]	24,699 [6.5%]
Ordinary profit	22,495 [6.2%]	23,200 [6.1%]	23,983 [6.3%]
Profit attributable to owners of parent	8,862 [2.5%]	15,600 [4.1%]	16,803 [4.4%]

The effects of the spread of COVID-19 (Novel Coronavirus) upon the Company's future business performance is difficult at this time to calculate in a reasonable manner, and thus the Company has not yet decided upon the Financial Results Forecast for the Fiscal Year Ending March 31, 2021. The Company will disclose the forecast as soon as it is able to do so.

(2) Non-consolidated orders received, net sales, and year-end backlog

(Orders received for the construction business)

(Unit: Million yen, %)

Category		For the fiscal year ended March 31, 2019		For the fiscal year ended March 31, 2020		Increase/decrease	
		Amount	%	Amount	%	Amount	% change
Domestic civil engineering	Government sector	82,613	[46.3]	71,828	[40.9]	(10,785)	(13.1)
	Private sector	95,847	[53.7]	103,899	[59.1]	8,052	8.4
	Total	178,460	41.7	175,727	46.2	(2,732)	(1.5)
Domestic building construction	Government sector	38,739	[17.8]	8,713	[5.1]	(30,025)	(77.5)
	Private sector	179,255	[82.2]	163,580	[94.9]	(15,675)	(8.7)
	Total	217,995	51.0	172,293	45.3	(45,701)	(21.0)
Domestic	Government sector	121,352	[30.6]	80,541	[23.1]	(40,810)	(33.6)
	Private sector	275,103	[69.4]	267,479	[76.9]	(7,623)	(2.8)
	Total	396,455	92.7	348,021	91.5	(48,433)	(12.2)
Overseas	Civil engineering	13,717	[44.0]	17,847	[55.3]	4,129	30.1
	Building construction	17,478	[56.0]	14,412	[44.7]	(3,065)	(17.5)
	Total	31,196	7.3	32,259	8.5	1,063	3.4
Sum total	Civil engineering	192,178	[44.9]	193,575	[50.9]	1,396	0.7
	Building construction	235,473	[55.1]	186,706	[49.1]	(48,767)	(20.7)
	Total	427,651	100.0	380,281	100.0	(47,370)	(11.1)

(Net sales for the construction business)

(Unit: Million yen, %)

Category		For the fiscal year ended March 31, 2019		For the fiscal year ended March 31, 2020		Increase/decrease	
		Amount	%	Amount	%	Amount	% change
Domestic civil engineering	Government sector	70,268	[63.4]	78,588	[68.6]	8,320	11.8
	Private sector	40,530	[36.6]	35,982	[31.4]	(4,548)	(11.2)
	Total	110,798	33.8	114,570	32.6	3,771	3.4
Domestic building construction	Government sector	26,931	[14.3]	30,130	[14.3]	3,198	11.9
	Private sector	161,429	[85.7]	180,720	[85.7]	19,290	11.9
	Total	188,361	57.5	210,850	60.0	22,489	11.9
Domestic	Government sector	97,200	[32.5]	108,718	[33.4]	11,518	11.9
	Private sector	201,960	[67.5]	216,702	[66.6]	14,742	7.3
	Total	299,160	91.3	325,421	92.6	26,261	8.8
Overseas	Civil engineering	7,991	[28.1]	9,743	[37.3]	1,751	21.9
	Building construction	20,497	[71.9]	16,362	[62.7]	(4,134)	(20.2)
	Total	28,488	8.7	26,106	7.4	(2,382)	(8.4)
Sum total	Civil engineering	118,790	[36.3]	124,314	[35.4]	5,523	4.6
	Building construction	208,858	[63.7]	227,213	[64.6]	18,355	8.8
	Total	327,649	100.0	351,527	100.0	23,878	7.3

(Year-end backlog for the construction business)

(Unit: Million yen, %)

Category		For the fiscal year ended March 31, 2019		For the fiscal year ended March 31, 2020		Increase/decrease	
		Amount	%	Amount	%	Amount	% change
Domestic civil engineering	Government sector	164,653	[59.2]	157,893	[46.5]	(6,759)	(4.1)
	Private sector	113,702	[40.8]	181,619	[53.5]	67,917	59.7
	Total	278,355	53.7	339,512	62.1	61,157	22.0
Domestic building construction	Government sector	42,006	[20.0]	20,589	[12.0]	(21,417)	(51.0)
	Private sector	168,040	[80.0]	150,900	[88.0]	(17,139)	(10.2)
	Total	210,046	40.5	171,489	31.4	(38,556)	(18.4)
Domestic	Government sector	206,659	[42.3]	178,482	[34.9]	(28,176)	(13.6)
	Private sector	281,742	[57.7]	332,519	[65.1]	50,777	18.0
	Total	488,401	94.2	511,002	93.5	22,600	4.6
Overseas	Civil engineering	16,558	[55.5]	24,607	[68.9]	8,048	48.6
	Building construction	13,271	[44.5]	11,089	[31.1]	(2,182)	(16.4)
	Total	29,830	5.8	35,696	6.5	5,866	19.7
Sum total	Civil engineering	294,914	[56.9]	364,119	[66.6]	69,205	23.5
	Building construction	223,318	[43.1]	182,578	[33.4]	(40,739)	(18.2)
	Total	518,232	100.0	546,698	100.0	28,466	5.5

(Net sales for other businesses)

(Unit: Million yen, %)

Category	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2020	Increase/decrease	
	Amount	Amount	Amount	% change
Other businesses	5,050	4,918	(131)	(2.6)