

May 12, 2023

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 <Japanese GAAP>

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 Listed stock exchange: Tokyo
 Securities code: 1961
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Scheduled date of annual general meeting of shareholders: June 23, 2023

Scheduled date to commence dividend payments: June 26, 2023

Scheduled date to file annual securities report: June 23, 2023

Preparation of explanatory materials for financial results: Yes

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

(Amounts of less than 1 million yen are truncated)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Consolidated operating results (% figures show year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	190,865	(1.2)	5,409	(40.6)	6,247	(36.4)	4,750	(26.8)
March 31, 2022	193,189	1.6	9,112	21.5	9,817	19.8	6,489	10.0

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ 3,626 million [(57.3%)]

Fiscal year ended March 31, 2022: ¥ 8,485 million [(22.3%)]

	Profit per share	Profit per share – diluted	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	85.80	85.50	5.1	3.5	2.8
March 31, 2022	115.13	114.55	7.0	5.5	4.7

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	172,305	90,913	52.6	1,666.36
March 31, 2022	183,609	94,278	51.2	1,685.20

(Reference) Shareholders' equity: As of March 31, 2023: ¥90,714 million

As of March 31, 2022: ¥93,967 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	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	(10,584)	(969)	(8,327)	24,949
March 31, 2022	18,529	(3,384)	(7,518)	44,779

2. Dividends

	Annual dividends					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2022	—	35.00	—	50.00	85.00	4,773	73.8	5.2
March 31, 2023	—	35.00	—	40.00	75.00	4,132	87.4	4.5
Fiscal year ending March 31, 2024 (Forecast)	—	35.00	—	35.00	70.00		71.9	

(Note) Breakdown of end-FY3/22 dividend: Ordinary dividend ¥35; Extraordinary dividend ¥15

Breakdown of end-FY3/23 dividend: Ordinary dividend ¥35; Extraordinary dividend ¥5

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% figures show year-on-year change for the full year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	210,000	10.0	7,500	38.6	8,000	28.1	5,300	11.6	97.36

*** Notes**

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

New: - (Company name:) Excluded: - (Company name:)

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

- (i) Changes in accounting policies in accordance with revision of accounting standards: None
(ii) Changes in accounting policies other than item (i) above: None
(iii) Changes in accounting estimates: None
(iv) Retrospective restatements: None

- (3) Number of shares issued (common stock)

- (i) Number of shares outstanding at the end of the period (including treasury shares)

As of March 31, 2023	58,161,156 shares
As of March 31, 2022	59,661,156 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2023	3,722,458 shares
As of March 31, 2022	3,900,458 shares

- (iii) Average number of shares during period

Fiscal year ended March 31, 2023	55,366,998 shares
Fiscal year ended March 31, 2022	56,363,161 shares

(Reference) Summary of non-consolidated financial results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2023

(April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results

(% figures show year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	169,116	(2.6)	3,510	(51.8)	5,624	(41.8)	4,830	(30.5)
March 31, 2022	173,544	2.8	7,288	39.0	9,656	24.0	6,952	10.9

	Profit per share	Profit per share – diluted
Fiscal year ended	Yen	Yen
March 31, 2023	87.25	86.95
March 31, 2022	123.36	122.73

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	157,705	81,579	51.6	1,494.89
March 31, 2022	171,310	85,299	49.6	1,524.18

(Reference) Shareholders' equity: As of March 31, 2023: ¥81,380 million

As of March 31, 2022: ¥84,989 million

2. Forecast of Non-Consolidated Financial Results for the Fiscal Year Ending March 31, 2024
(April 1, 2023 to March 31, 2024)

(% figures show year-on-year change for the full year)

	Net sales		Operating profit		Ordinary profit		Profit		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	190,000	12.3	5,500	56.7	7,500	33.3	5,500	13.9	101.03

* The summary of financial results is not subject to inspection by a certified public accountant or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements such as earnings forecasts contained in these materials are based on the information available at the time they were prepared, and the actual results could differ from forecasts depending on a variety of factors. For matters related to the above earnings forecasts, please see the accompanying materials on p. 5 “1. Overview of operating results and others, (4) Outlook.

Disclaimer: This is a Japanese-English translation of the summary of financial statements of the Company produced for your convenience. Officially, only the Japanese version is assumed to be the summary of financial statements of the Company. This summary does not constitute any guarantee and the Company will not compensate any losses and/or damage stemming from actions taken based on these statements. In the case that there is any discrepancy between the Japanese and English versions, the Japanese version is assumed to be correct.

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1. Overview of operating results and others

(1) Overview of operating results in the fiscal year under review

During the consolidated fiscal year under review, the Japanese economy experienced a moderate upturn amid the progressive normalization of socioeconomic activity with the gradual lifting of restrictions on activities due to COVID-19. However, the outlook remained uncertain, with the risk of a downturn in business conditions associated with factors such as soaring global energy and raw material prices and fears of a recession due to monetary tightening in the U.S. and countries in Europe.

With respect to construction investment, private-sector investment was strong, reflecting a rise in demand for capital investment by companies.

In this environment, in this first year of the four-year medium-term management plan “Century 2025” Phase 3, which is the final phase of the long-term vision “Century 2025,” the Group strived to remain the enduring company of choice by continuing Phase 1 initiatives focused on improving quality and Phase 2 efforts to enhance reliability, while also implementing new measures, including initiatives to contribute to the sustainability of society, accelerate work-style reforms, and invest toward the next era. In addition, we continued building a corporate structure that can flexibly respond to changes in the environment, while developing new technologies, strengthening corporate governance, and achieving sustainable growth and increased corporate value over the medium to long term based on thorough compliance.

As a result, the Group’s business performance in the consolidated fiscal year under review was as follows.

(Millions of yen)

	FY2021	FY2022	YoY change	YoY change (%)	Main factors behind YoY change
Orders received	202,250	228,554	26,303	13.0%	As stated in the next section, “Operating results of major segments”
Balance carried forward	150,737	188,426	37,688	25.0%	
Net sales	193,189	190,865	(2,323)	(1.2%)	
Gross profit	30,223	27,012	(3,211)	(10.6%)	
Margin (%)	15.6%	14.2%	(1.4%)		
Operating profit	9,112	5,409	(3,703)	(40.6%)	
Margin (%)	4.7%	2.8%	(1.9%)		
Ordinary profit	9,817	6,247	(3,570)	(36.4%)	
Margin (%)	5.1%	3.3%	(1.8%)		
Profit attributable to owners of parent	6,489	4,750	(1,738)	(26.8%)	
Margin (%)	3.4%	2.5%	(0.9%)		

(Note) Profit margins are the rate of return on net sales.

<Operating results of major segments>

○Facilities Construction Business

This business includes HVAC and Plumbing for Buildings, Industrial HVAC (centered on air-conditioning systems for factories), Electrical Systems and Facility Systems businesses, etc.

Orders received increased on the back of orders for large projects in HVAC and Plumbing for Buildings and Industrial HVAC. Net sales were essentially unchanged from the same period of the previous year, while segment profit decreased, with the improvement in the profit margin of construction works not progressing due to a decrease in properties completed and sold, despite an improving trend in profit upon the completion of construction.

(Millions of yen)

	FY2021	FY2022	YoY change	YoY change (%)
Orders received	160,504	194,809	34,304	21.4%
Net sales	155,484	155,778	294	0.2%
Segment profit	8,825	5,497	(3,327)	(37.7%)

○Machinery Systems Business

This business mainly includes conveyance systems and manufacturing and sales business related to transportation equipment. Orders received grew on the back of orders for large projects, but sales decreased due mainly to a decline in work carried forward from FY2021, as well as less large-scale conveyance equipment work in FY2022, and segment loss deteriorated.

	(Millions of yen)			
	FY2021	FY2022	YoY change	YoY change (%)
Orders received	8,914	11,654	2,739	30.7%
Net sales	9,666	7,661	(2,005)	(20.7%)
Segment loss	(193)	(1,055)	(862)	—

○Environmental Systems Business

This business mainly includes operations related to water and sewage facilities and waste treatment facilities ordered by government agencies.

Orders received declined, mainly due to a fallback from orders for large-scale maintenance work and waste treatment facilities in FY2021. Net sales declined, but segment profit improved, mainly due to an overall improvement in the profitability of projects.

	(Millions of yen)			
	FY2021	FY2022	YoY change	YoY change (%)
Orders received	30,640	19,929	(10,710)	(35.0%)
Net sales	25,842	25,200	(642)	(2.5%)
Segment profit	184	805	620	335.6%

○Real Estate Business

This business mainly includes leasing operations for real estate holdings and building management.

Tenant rental income increased, resulting in higher sales, but profit fell, mainly due to an increase in utilities expenses.

	(Millions of yen)			
	FY2021	FY2022	YoY change	YoY change (%)
Orders received	2,410	2,471	61	2.5%
Net sales	2,410	2,471	61	2.5%
Segment profit	798	724	(74)	(9.3%)

(2) Overview of financial position in the fiscal year under review

	(Millions of yen)				
	End-FY2021	End-FY2022	YoY change	YoY change (%)	Main factors behind YoY change
Current assets	125,742	115,512	(10,230)	(8.1%)	Cash and deposits decreased due to an improvement in payment terms to partner companies
Non-current assets	57,866	56,793	(1,073)	(1.9%)	
Total assets	183,609	172,305	(11,303)	(6.2%)	
Current liabilities	79,210	69,649	(9,560)	(12.1%)	Electronically recorded obligations - operating and accounts payable for construction contracts decreased due to an improvement in payment terms to partner companies, and short-term borrowings decreased due to the repayment of borrowings
Non-current liabilities	10,121	11,742	1,620	16.0%	
Total liabilities	89,331	81,392	(7,939)	(8.9%)	
Total net assets	94,278	90,913	(3,364)	(3.6%)	The decrease resulted from a decrease in retained earnings due to the payment of dividends, the purchase of treasury shares

(3) Overview of cash flows in the fiscal year under review

(Millions of yen)

	FY2021	FY2022	Reasons for cash flow changes in FY2022
Cash and cash equivalents at beginning of period	37,087	44,779	
Cash flows from operating activities	18,529	(10,584)	Mainly due to an increase in trade receivables, an improvement in payment terms to trading partners, and the payment of income taxes.
Cash flows from investing activities	(3,384)	(969)	Mainly due to the purchase of property, plant and equipment and intangible assets, which more than offset the sale of investment securities.
Cash flows from financing activities	(7,518)	(8,327)	Mainly due to dividend payments and the purchase of treasury shares based on financial and capital policies.
Effect of exchange rate changes on cash and cash equivalents, etc.	64	51	
Cash and cash equivalents at end of period	44,779	24,949	

Trends in the Group's cash flow indicators are shown below.

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Shareholders' equity ratio	48.2%	53.4%	51.2%	52.6%
Marked-to-market equity ratio	40.6%	50.6%	45.4%	49.4%
Ratio of interest-bearing liabilities to cash flow	1.2 years	—	0.7 year	—
Interest coverage ratio	94.5X	—	164.4X	—

Shareholders' equity ratio: shareholders' equity / total assets

Marked-to-market equity ratio: market capitalization / total assets

Ratio of interest-bearing liabilities to cash flow: interest-bearing liabilities / operating cash flow

Interest coverage ratio: operating cash flow / interest payment

* All indicators have been calculated based on consolidated financial data.

* Market capitalization is calculated by multiplying the closing share price as of the end of the fiscal year by the number of issued shares as of the end of the fiscal year.

* For operating cash flow, cash flow from operating activities in the consolidated cash flow statement has been used. Interest-bearing liabilities include all liabilities declared in the consolidated balance sheet for which interest is paid. For interest payment, the amount of interest paid according to the consolidated cash flow statement is used.

* The ratio of interest-bearing liabilities to cash flow and the interest coverage ratio have been omitted for the fiscal years ended March 31, 2021 and 2023, because operating cash flows were in the negative.

(4) Outlook

In FY2023, the Group will steadily execute the plan to be the “Company of Choice” and work toward achieving the financial performance targets under the “Century 2025” Phase 3 medium-term management plan. Consolidated earnings forecasts are as follows.

	FY2023 consolidated earnings forecasts	(Reference) FY2022 consolidated results
Orders received	¥190 billion	¥228.5 billion
Net sales	¥210 billion	¥190.8 billion
Operating profit	¥7.5 billion	¥5.4 billion
Ordinary profit	¥8.0 billion	¥6.2 billion
Profit attributable to owners of parent	¥5.3 billion	¥4.7 billion

Note: Figures rounded down to the nearest hundred million yen

2. Management policy, operating environment, and issues to be addressed

(1) Basic management policy

(i) Sanki Engineering Group management philosophy

The Sanki Engineering Group Management Philosophy is a comprehensive statement describing the Sanki Engineering Group’s purpose in society and defining how its officers and employees should be. The Group calls this “the Sanki Standard” and has been promoting it both within and outside the Group.

<p style="text-align: center;">Management Philosophy - Sanki Engineering Group (Sanki Standard)</p> <p>We create comfortable environments through engineering and widely contribute to social development.</p> <p style="margin-left: 40px;">We will refine our skills and wisdom with the aim of increasing client satisfaction.</p> <p style="margin-left: 40px;">We will place significance on communication and mutual respect.</p> <p style="margin-left: 40px;">We will remain aware that we are a member of society and will act accordingly.</p>
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Guided by this management philosophy, the Group has formulated “Century 2025,” a long-term vision extending for 10 years until FY2025, which marks the 100th anniversary of the Group’s foundation, consisting of the following three phases of the medium-term management plan through which the Group seeks to become “the Company of Choice” for all stakeholders.

- “Century 2025” Phase 1 (FY2016–FY2018): 3-year period to enhance quality
- “Century 2025” Phase 2 (FY2019–FY2021): 3-year period to enhance reliability
- “Century 2025” Phase 3 (FY2022–FY2025): 4-year period to become “the Company of Choice”

(ii) Vision for 2050 (ultra-long-term vision)

In conjunction with formulation of the “Century 2025” Phase 3 plan, the Group established its ultra-long-term vision for 2050, determined the basic policies relating to sustainability, and adopted Sanki’s Carbon-Neutral Declaration.

Vision for 2050
Sanki, “The Enduring Company of Choice”

Striving to be a company that contributes to the realization of a sustainable world by using engineering to solve social issues such as carbon neutrality and create a pleasant environment

Sustainability Policies

Aiming to realize a strong business base and a sustainable society by “creating comfortable environments through engineering and widely contributing to social development”

Sanki’s Carbon-Neutral Declaration

The Sanki Engineering Group is making serious efforts to address the climate change crisis facing the world and aims to achieve carbon neutrality for the Group’s own GHG emissions (Scope 1 and 2) by 2030 and for GHG emissions including the supply chain (Scope 1, 2, and 3) by 2050.

Further, issues that were identified from various perspectives were assessed from the points of view of “improving environmental and social value” and “improving corporate value,” which were then prioritized. High-priority issues were grouped into five materialities, as follows. These are the priority issues that the Group will be addressing to promote sustainability management.

Sanki Engineering Group Materialities (Key Issues)

1. Contribute to a carbon-free society
2. Pursuit of happiness for colleagues
3. Use engineering to build a comfortable environment
4. Create new social value
5. Stable earnings and stronger business base

The Group views its strengths as lying not only in the breadth of its technologies and extensive track record, but also in the long-term relationship of trust with the large number of its valued customers who support the Japanese economy and infrastructure. By realizing its long-term vision, the Group seeks to further expand and enhance these strengths.

The Group will also endeavor to improve its corporate value by addressing management issues it has identified, including further enhancement of corporate governance and internal control, handing down and improvement of technical capabilities, promotion of CSR, rigorous implementation of the risk management process, and sustainability improvement.

With respect to compliance, which is an essential prerequisite for corporate activities, the Group strives to enhance compliance awareness, not to mention strict adherence to laws and regulations, in accordance with the Sanki Engineering Group Compliance Declaration, the Sanki Engineering Group Code of Conduct and Action Guidelines, and the Sanki Engineering Group Conduct Standards.

Setting the foregoing as the basic policies of the Group management, steady efforts will be made to enhance corporate value in the years leading to the 100th anniversary.

(2) Operating environment and issues to be addressed

With respect to operating environment, the Group recognizes that the environment is changing significantly in such aspects as decarbonization, declining birth rate and aging population, work-style reform, and rapid progress of DX. To respond to these changes in the environment, the Group will promote energy conservation and energy creation business, automation and labor-saving business, and the "Smile Project," which is the Group's unique work-style reform aimed at creating a friendly work environment including elimination of long working hours.

(i) Outline of "Century 2025" Phase 3

The period from FY2022 to FY2025 is the period set for the "Century 2025" Phase 3 medium-term management plan that will add the finishing touches toward becoming "the Company of Choice" as defined in the Group's long-term vision.

a. Basic Policies

Realize our ambition of becoming a corporate group of choice and prepare the groundwork for the next era by implementing new initiatives while continuing to work on the measures taken to achieve Phase 1 priority theme of "enhancing the quality of its technology and human resources" and Phase 2 priority theme of "enhancing reliability," for these to mature or evolve further.

b. Priority measures

- Continuation of Phase 1
 - ☐ Strengthen Core Businesses ☐ Promote Growth Strategy ☐ Enhance the Sanki Brand
- Continuation of Phase 2
 - ☐ Disclose Financial and Capital Policies ☐ Strengthen Information Dissemination Capabilities
- New initiatives
 - ☐ Contribute to the Sustainability of Society ☐ Accelerate Work-Style Reforms ☐ Invest toward the Next Era

c. Management targets

- Financial performance targets of the final fiscal year of Phase 3

	FY2025
Net sales	¥220.0 billion
Gross profit margin	16.5%
Ordinary profit	¥12.0 billion

- Targets for the Phase 3 period

	FY2022–FY2025
Ordinary profit margin	5.0% or higher
Payout ratio	50% or higher
Dividend	¥70 or more per share annually
Acquisition of treasury shares	About 5 million shares*
ROE	8.0% or higher
Growth investment	About ¥20 billion*

* Cumulative total for the planned period

(ii). Main initiatives in FY2022 and future challenges

a. Group-wide initiatives

(E) Resolving global environmental issues through business activities

- Technological development and expanded sales of products that contribute to energy conservation to achieve a carbon-free society
- Establishment of the Sustainability Promotion Division
- Enhancement of our unique donations system “SANKI YOU ECO CONTRIBUTION”
- Participation in the Ministry of the Environment’s 30by30 Alliance for Biodiversity
- Certified as an A-rank company for disclosure in the “Climate Change” field by CDP

(S) Proactive measures to promote work-style reforms, enhance communication, and support culture and sports

- Continuation of unique work-style reforms under the “Smile Project”
- Introduction of a new HR system including delayed retirement and higher beginning salary
- Establishment of the “Sanki Engineering Group Human Rights Policy”
- “President’s CCU”* held at each location to mark the start of Phase 3
- “Diversity CCU”* held repeatedly to address diversity
- Reform of the work uniform to be for functional

* Century Communication Up: a forum for the exchange of opinions between management and employees

(G) Continuing initiatives based on the Sanki Engineering Corporate Governance Guidelines

- Achieve and maintain the higher level of governance required by the Tokyo Stock Exchange Prime Market
- Review the officer remuneration system and introduce a restricted stock remuneration plan
- Appoint a female Director and maintain the proportion of Outside Directors to at least one-third

b. Initiatives in each business

• Facilities Construction Business

Amid vigorous private-sector investment in large-scale urban redevelopment in major metropolises and industrial HVAC for semiconductor factories and other facilities, we have secured a substantial backlog of orders due to the robust market. At the same time, we still face the persistence of elevated prices of materials and equipment and lengthening delivery times. Moreover, the trend toward larger projects has brought longer project horizons. Long construction projects entail unique risks, such as process changes and fluctuations in the price of materials and equipment, and we face the task of controlling the impact of these factors.

• Machinery Systems Business

The need for automation and labor-saving solutions arising from labor shortages remains strong in both manufacturing and non-manufacturing industries. We focused on the secondary battery, healthcare, pharmaceutical, and logistics fields, to capture expected future growth. We have launched new products specifically targeting the logistics field. We will continue to work to develop and expand sales of new products.

• Environmental Systems Business

Public-sector investment in public infrastructure including water processing facilities and waste processing facilities has been on a par with the previous year, but we endeavored to expand sales of strategic products with advanced energy-saving features due to the elevated need for energy conservation as we move toward a carbon-free society. Some products have been performing favorably in overseas markets as well, and we will pivot on these products to expand the overseas business as well.

In order to realize its long-term vision and become “the Company of Choice,” the Group will proceed with development of new technologies and further strengthening of corporate governance, and strive to achieve its sustainable growth and enhancement of corporate value over the medium to long term based on full commitment to compliance, while continuing its efforts to build a corporate structure that can respond flexibly to changes in the environment.

3. Basic view on selection of accounting standards

The Group prepares its consolidated financial statements in line with Japanese standards to enable a comparison of the statements across fiscal periods and between companies. We plan to respond appropriately to the adoption of IFRS (International Financial Reporting Standards), taking into account conditions in Japan and overseas.

4. Consolidated financial statements and related notes

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	42,779	24,949
Notes receivable - trade	595	407
Electronically recorded monetary claims - operating	7,124	4,603
Accounts receivable from completed construction contracts and other	39,412	48,286
Contract assets	19,629	23,843
Securities	5,999	4,000
Costs on construction contracts in progress	2,921	2,801
Raw materials and supplies	756	711
Other	6,541	5,908
Allowance for doubtful accounts	(17)	—
Total current assets	125,742	115,512
Non-current assets		
Property, plant and equipment		
Buildings and structures	43,830	43,955
Accumulated depreciation	(34,123)	(34,672)
Buildings and structures, net	9,707	9,283
Machinery, vehicles, tools, furniture and fixtures	2,028	2,111
Accumulated depreciation	(1,630)	(1,687)
Machinery, vehicles, tools, furniture and fixtures, net	398	424
Land	3,085	3,035
Lease assets	542	538
Accumulated depreciation	(230)	(266)
Leased assets, net	311	271
Construction in progress	1	22
Total property, plant and equipment	13,504	13,037
Intangible assets		
Other	1,255	2,302
Total intangible assets	1,255	2,302
Investments and other assets		
Investment securities	30,447	28,010
Long-term loans receivable	73	64
Retirement benefit asset	6,303	7,190
Leasehold and guarantee deposits	1,466	1,636
Insurance funds	1,252	1,011
Deferred tax assets	821	849
Other	3,160	3,026
Allowance for doubtful accounts	(419)	(337)
Total investments and other assets	43,106	41,453
Total non-current assets	57,866	56,793
Total assets	183,609	172,305

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	2,588	1,667
Accounts payable for construction contracts	37,932	35,074
Short-term borrowings	8,885	6,674
Lease obligations	94	97
Income taxes payable	2,659	839
Contract liabilities	14,754	15,027
Provision for bonuses	4,143	4,101
Provision for directors' bonuses	234	224
Provision for warranties for completed construction	1,289	1,405
Provision for loss on construction contracts	9	32
Other	6,617	4,505
Total current liabilities	79,210	69,649
Non-current liabilities		
Long-term borrowings	320	1,400
Lease obligations	325	300
Retirement benefit liability	2,581	3,861
Provision for loss on business of subsidiaries and associates	440	440
Deferred tax liabilities	670	64
Other	5,784	5,675
Total non-current liabilities	10,121	11,742
Total liabilities	89,331	81,392
Net assets		
Shareholders' equity		
Share capital	8,105	8,105
Capital surplus	4,181	4,189
Retained earnings	75,097	73,051
Treasury shares	(5,243)	(5,335)
Total shareholders' equity	82,140	80,011
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,116	10,583
Deferred gains or losses on hedges	(5)	—
Foreign currency translation adjustment	(19)	101
Remeasurements of defined benefit plans	(265)	17
Total accumulated other comprehensive income	11,827	10,702
Share acquisition rights	310	199
Total net assets	94,278	90,913
Total liabilities and net assets	183,609	172,305

(2) Consolidated statements of income and comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales		
Net sales of completed construction contracts	190,646	188,258
Net sales in real estate business and other	2,542	2,607
Total net sales	193,189	190,865
Cost of sales		
Cost of sales of completed construction contracts	161,430	162,217
Cost of sales in real estate business and other	1,535	1,635
Total cost of sales	162,965	163,853
Gross profit		
Gross profit on completed construction contracts	29,216	26,040
Gross profit on real estate business and other	1,007	971
Total gross profit	30,223	27,012
Selling, general and administrative expenses		
Employees' salaries and allowances	7,750	7,915
Provision for bonuses	1,771	1,744
Provision for bonuses for directors (and other officers)	234	217
Retirement benefit expenses	495	467
Provision of allowance for doubtful accounts	3	—
Depreciation	969	879
Other	9,886	10,377
Total selling, general and administrative expenses	21,110	21,603
Operating profit	9,112	5,409
Non-operating income		
Interest income	15	17
Dividend income	560	628
Waste disposal income	175	194
Other	296	365
Total non-operating income	1,047	1,205
Non-operating expenses		
Interest expenses	112	98
Office relocation expenses	6	65
Other	223	203
Total non-operating expenses	342	367
Ordinary profit	9,817	6,247

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Extraordinary income		
Gain on sale of non-current assets	—	22
Gain on sale of investment securities	50	1,027
Total extraordinary income	50	1,049
Extraordinary losses		
Impairment losses	22	—
Loss on retirement of non-current assets	114	189
Loss on valuation of investment securities	77	31
Provision for loss on business of subsidiaries and associates	140	—
Settlement payments	—	139
Total extraordinary losses	354	360
Profit before income taxes	9,514	6,935
Income taxes - current	3,512	2,282
Income taxes - deferred	(487)	(96)
Total income taxes	3,024	2,185
Profit	6,489	4,750
(Breakdown)		
Profit attributable to owners of parent	6,489	4,750
Profit attributable to non-controlling interests	—	—
Other comprehensive income		
Valuation difference on available-for-sale securities	1,263	(1,532)
Deferred gains or losses on hedges	(7)	5
Foreign currency translation adjustment	97	120
Remeasurements of defined benefit plans	643	282
Total other comprehensive income	1,995	(1,124)
Comprehensive income	8,485	3,626
(Breakdown)		
Comprehensive income attributable to owners of parent	8,485	3,626
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,105	4,181	73,158	(3,859)	81,585
Changes during period					
Dividends of surplus			(4,537)		(4,537)
Profit attributable to owners of parent			6,489		6,489
Purchase of treasury shares				(1,438)	(1,438)
Disposal of treasury shares		(13)		55	41
Transfer of loss on disposal of treasury shares		13	(13)		—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	1,938	(1,383)	555
Balance at end of period	8,105	4,181	75,097	(5,243)	82,140

	Accumulated other comprehensive income					Share acquisition rights	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	10,853	2	(116)	(908)	9,831	282	91,699
Changes during period							
Dividends of surplus							(4,537)
Profit attributable to owners of parent							6,489
Purchase of treasury shares							(1,438)
Disposal of treasury shares							41
Transfer of loss on disposal of treasury shares							—
Net changes in items other than shareholders' equity	1,263	(7)	97	643	1,995	27	2,023
Total changes during period	1,263	(7)	97	643	1,995	27	2,578
Balance at end of period	12,116	(5)	(19)	(265)	11,827	310	94,278

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,105	4,181	75,097	(5,243)	82,140
Changes during period					
Dividends of surplus			(4,743)		(4,743)
Profit attributable to owners of parent			4,750		4,750
Purchase of treasury shares				(2,347)	(2,347)
Disposal of treasury shares		(28)		239	211
Transfer of loss on disposal of treasury shares		36	(36)		—
Cancellation of treasury shares			(2,016)	2,016	—
Net changes in items other than shareholders' equity					
Total changes during period	—	8	(2,045)	(91)	(2,128)
Balance at end of period	8,105	4,189	73,051	(5,335)	80,011

	Accumulated other comprehensive income					Share acquisition rights	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	12,116	(5)	(19)	(265)	11,827	310	94,278
Changes during period							
Dividends of surplus							(4,743)
Profit attributable to owners of parent							4,750
Purchase of treasury shares							(2,347)
Disposal of treasury shares							211
Transfer of loss on disposal of treasury shares							—
Cancellation of treasury shares							—
Net changes in items other than shareholders' equity	(1,532)	5	120	282	(1,124)	(111)	(1,235)
Total changes during period	(1,532)	5	120	282	(1,124)	(111)	(3,364)
Balance at end of period	10,583	—	101	17	10,702	199	90,913

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	9,514	6,935
Depreciation	1,587	1,511
Impairment losses	22	—
Loss on retirement of non-current assets	114	189
Office relocation expenses	6	65
Increase (decrease) in provision for loss on business of subsidiaries and associates	140	—
Increase (decrease) in allowance for doubtful accounts	3	(26)
Increase (decrease) in provision for bonuses	351	(42)
Increase (decrease) in net defined benefit liability	726	799
Increase (decrease) in provision for loss on construction contracts	9	23
Interest and dividend income	(575)	(645)
Interest expenses	112	98
Loss (gain) on sale of property, plant and equipment	(0)	(22)
Loss (gain) on sale of investment securities	(50)	(1,027)
Loss on valuation of investment securities	77	31
Decrease (increase) in trade receivables and contract assets	5,389	(10,328)
Decrease (increase) in costs on construction contracts in progress	(573)	125
Increase (decrease) in trade payables	(1,218)	(3,793)
Increase (decrease) in contract liabilities	6,154	263
Increase (decrease) in other current liabilities	2,080	(2,160)
Settlement payments	—	139
Other	(4,324)	1,142
Subtotal	19,548	(6,720)
Interest and dividends received	575	645
Interest paid	(112)	(98)
Commitment fee payment	(10)	—
Income taxes paid	(1,839)	(4,213)
Income taxes refund	374	7
Office relocation costs paid	(6)	(65)
Settlement paid	—	(139)
Cash flows from operating activities	18,529	(10,584)
Cash flows from investing activities		
Purchase of securities	(19,000)	(21,000)
Proceeds from redemption of securities	17,000	21,000
Purchase of property, plant and equipment	(1,010)	(1,007)
Proceeds from sale of property, plant and equipment	0	76
Payments for retirement of property, plant and equipment	(117)	(178)
Purchase of investment securities	(21)	(273)
Proceeds from sale of investment securities	182	1,503
Proceeds from collection of loans receivable	12	12
Purchase of intangible assets	(529)	(1,185)
Subsidies received	20	20
Proceeds from maturity of insurance funds	304	555
Other	(225)	(491)
Cash flows from investing activities	(3,384)	(969)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	0	258
Proceeds from long-term borrowings	—	1,750
Repayments of long-term borrowings	(1,390)	(3,140)
Purchase of treasury shares	(1,438)	(2,347)
Proceeds from exercise of share options	0	0
Repayments of lease obligations	(152)	(105)
Dividends paid	(4,537)	(4,743)
Cash flows from financing activities	(7,518)	(8,327)
Effect of exchange rate changes on cash and cash equivalents	64	51
Net increase (decrease) in cash and cash equivalents	7,692	(19,829)
Cash and cash equivalents at beginning of period	37,087	44,779
Cash and cash equivalents at end of period	44,779	24,949

(5) Notes on consolidated financial statements

(Notes on premise of going concern)

Not applicable

(Changes in presentation method)

(Consolidated statements of income and comprehensive income)

- (1) “Insurance claim income,” which was posted separately under non-operating income in the previous consolidated fiscal year, is included in “Other” from the consolidated fiscal year under review because its financial materiality within total non-operating income has decreased. The consolidated financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, ¥112 million presented as “Insurance claim income” and ¥184 million presented as “Other” under non-operating income in the consolidated statements of income and comprehensive income for the previous consolidated fiscal year are reclassified as “Other” ¥296 million.

- (2) “Construction repair expenses,” which was posted separately under non-operating expenses in the previous consolidated fiscal year, is included in “Other” from the consolidated fiscal year under review because its financial materiality within total non-operating expenses has decreased. “Office relocation expenses,” which was included in “Other” under non-operating expenses in the previous consolidated fiscal year, is separately presented from the consolidated fiscal year under review because its financial materiality within total non-operating expenses has increased. The consolidated financial statements for the previous fiscal year have been reclassified to reflect these changes in presentation.

As a result, ¥86 million presented as “Construction repair expenses” and ¥144 million presented as “Other” under non-operating expenses in the consolidated statements of income and comprehensive income for the previous consolidated fiscal year are reclassified as “Office relocation expenses” ¥6 million and “Other” ¥223 million.

(Consolidated statements of cash flows)

“Loss (gain) on sale of property, plant and equipment,” which was included in “Other” under cash flows from operating activities, as well as “Proceeds from sale of property, plant and equipment” and “Purchase of intangible assets,” which was included in “Other” under cash flows from investing activities in the previous consolidated fiscal year, are, from the consolidated fiscal year under review, presented separately because their financial materiality has increased. The consolidated financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, ¥4,324 million of cash outflow from “Other,” which was presented under cash flows from operating activities in the consolidated statements of cash flows for the previous consolidated fiscal year, is reclassified to ¥0 million of cash outflow from “Loss (gain) on sale of property, plant and equipment” and ¥4,324 million of cash outflow from “Other.” Also, ¥755 million of cash outflow from “Other,” which was presented under cash flows from investing activities in the previous consolidated fiscal year, is reclassified to ¥0 million of cash inflow from “Proceeds from sale of property, plant and equipment,” ¥529 million of cash outflow from “Purchase of intangible assets,” and ¥225 million of cash outflow from “Other.”

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available, and which are subject to periodic review by the chief management decision-making body to determine the allocation of management resources and evaluate performance.

The Group uses a divisional organizational structure for the company, and each consolidated subsidiary develops its business in cooperation with the company's divisional organizational structure within a reportable segment.

Accordingly, the Group is composed of the following four segments based on the organizational structure of the company: the Facilities Construction Business, which is engaged in a wide-range of business related to facilities construction works; the Machinery Systems Business, which is engaged in business related to industrial equipment such as FA systems, distribution systems, and conveyors; the Environmental Systems Business, which is engaged in business related to environmental facilities such as water and sewage treatment facilities; and the Real Estate Business, which is engaged in real estate leasing and management.

2. Methods of calculating the amounts of sales, profit (loss), and other items by reportable segment

Methods of accounting procedures for reportable business segments are generally the same as those used in the preparation of consolidated financial statements. The profit of each reportable segment is an amount based on ordinary profit. Intersegment sales and transfers are based on prevailing market prices.

Segment assets and liabilities are not listed because they are not taken into consideration when deciding the allocation of management resources and evaluating business performance.

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

Fiscal year ended March 31, 2022

(Millions of yen)

	Reportable segments					Other (Notes) 1	Total	Adjustments (Notes) 2	Value on consolidated financial statements (Notes) 3
	Facilities Construction Business	Machinery Systems Business	Environmental Systems Business	Real Estate Business	Total				
Net sales									
Net sales to external customers	155,165	9,660	25,816	2,407	193,050	139	193,189	—	193,189
Intersegment sales or transfers	318	6	26	2	354	427	781	(781)	—
Total	155,484	9,666	25,842	2,410	193,404	566	193,971	(781)	193,189
Segment profit (loss)	8,825	(193)	184	798	9,615	6	9,622	195	9,817
Other items									
Depreciation	886	229	123	407	1,646	0	1,646	(59)	1,587
Interest income	4	0	3	—	7	0	7	7	15
Interest expenses	42	0	0	—	43	—	43	69	112
Extraordinary income	—	—	—	—	—	—	—	50	50
Extraordinary losses	147	3	5	57	214	—	214	140	354

(Notes) 1. The "Other" category is a business segment that is not included in the reportable segments, and includes the leasing business, insurance agency business, etc.

2. Adjustment amount

The adjustment amount of ¥195 million to segment profit/loss includes company-wide loss not allocated to each reportable segment of ¥430 million, the reversal amount of the interest burden allocated to each segment within the company of ¥391 million, and an adjustment amount of ¥234 million due to the recording of loss on retirement of fixed assets and loss on valuation of investment securities attributable to each segment as an extraordinary loss. Note that general and administrative expenses, etc. that are not attributable to each segment are the main source of company-wide profit/loss.

3. Segment profit or loss is adjusted with ordinary profit in the consolidated financial statements.

	Reportable segments					Other (Notes) 1	Total	Adjustments (Notes) 2	Value on consolidated financial statements (Notes) 3
	Facilities Construction Business	Machinery Systems Business	Environ- mental Systems Business	Real Estate Business	Total				
Net sales									
Net sales to external customers	155,423	7,658	25,176	2,468	190,727	138	190,865	—	190,865
Intersegment sales or transfers	355	2	24	2	384	417	802	(802)	—
Total	155,778	7,661	25,200	2,471	191,111	556	191,667	(802)	190,865
Segment profit (loss)	5,497	(1,055)	805	724	5,972	(11)	5,961	285	6,247
Other items									
Depreciation	805	209	127	424	1,567	0	1,567	(56)	1,511
Interest income	5	0	2	—	8	0	8	8	17
Interest expenses	42	0	0	—	42	—	42	56	98
Extraordinary income	22	—	0	—	22	—	22	1,027	1,049
Extraordinary losses	253	6	8	91	360	—	360	—	360

(Notes) 1. The “Other” category is a business segment that is not included in the reportable segments, and includes the leasing business, insurance agency business, etc.

2. Adjustment amount

The adjustment amount of ¥285 million to segment profit/loss includes company-wide loss not allocated to each reportable segment of ¥370 million, the reversal amount of the interest burden allocated to each segment within the company of ¥317 million, and an adjustment amount of ¥338 million due to the recording of loss on retirement of fixed assets and loss on valuation of investment securities, etc. attributable to each segment as an extraordinary profit/loss. Note that general and administrative expenses, etc. that are not attributable to each segment are the main source of company-wide profit/loss.

3. Segment profit or loss is adjusted with ordinary profit in the consolidated financial statements.

[Related information]

FY2021 (April 1, 2021 to March 31, 2022) and FY2022 (April 1, 2022 to March 31, 2023)

1. Information by product and service

Information by product and service is omitted because similar information is provided in “segment information.”

2. Information by region

(1) Net sales

This information is omitted because sales to external customers in Japan account for over 90% of sales on the consolidated statements of income and comprehensive income.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet.

3. Information on main customers

This information is omitted because within sales to external customers, no specific customer accounts for over 10% of sales on the consolidated statements of income and comprehensive income.

[Information related to impairment losses on non-current assets by reportable segment]

Fiscal year ended March 31, 2022

(Millions of yen)

	Facilities Construction Business	Machinery Systems Business	Environmen- tal Systems Business	Real Estate Business	Other	Total	Adjustments	Total
Impairment losses	22	—	—	—	—	22	—	22

Fiscal year ended March 31, 2023

Not applicable

[Information on amortization and unamortized balance of goodwill by reportable segment]

FY2021 (April 1, 2021 to March 31, 2022) and FY2022 (April 1, 2022 to March 31, 2023)

Not applicable

[Information on negative goodwill gains by reportable segment]

FY2021 (April 1, 2021 to March 31, 2022) and FY2022 (April 1, 2022 to March 31, 2023)

Not applicable

(Per share information)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net assets per share	¥1,685.20	¥1,666.36
Profit per share	¥115.13	¥85.80
Profit per share – diluted	¥114.55	¥85.50

(Note) The basis for calculating profit per share and diluted profit per share is as follows.

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit per share		
Profit attributable to owners of parent (Millions of yen)	6,489	4,750
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent pertaining to common shares (Millions of yen)	6,489	4,750
Average number of common shares outstanding in fiscal year (Thousands of shares)	56,363	55,366
Profit per share – diluted		
Adjustment of profit attributable to owners of parent (Millions of yen)	—	—
Increase in common shares (Thousands of shares)	288	191
(Of which, stock options utilizing stock acquisition rights) (Thousands of shares)	288	191
Overview of issuable shares not included in the calculation of diluted profit per share because they have no dilutive effect	—————	—————

(Important post balance sheet events)

Not applicable

5. Reference information

Results reference information (YoY comparison)

(1) Summary of consolidated statements of income

		(Millions of yen, %)			
		April 1, 2021 to March 31, 2022	April 1, 2022 to March 31, 2023	YoY change	YoY change (%)
	Net sales of completed construction contracts	190,646	188,258	(2,387)	(1.3)
	Net sales in real estate business and other	2,542	2,607	64	2.5
Net sales		193,189	190,865	(2,323)	(1.2)
	Cost of sales of completed construction contracts	161,430	162,217	787	0.5
	Cost of sales in real estate business and other	1,535	1,635	99	6.5
Cost of sales		162,965	163,853	887	0.5
	Gross profit on completed construction contracts	29,216	26,040	(3,175)	(10.9)
	Gross profit on real estate business and other	1,007	971	(35)	(3.5)
Gross profit		30,223	27,012	(3,211)	(10.6)
Selling, general and administrative expenses		21,110	21,603	492	2.3
Operating profit		9,112	5,409	(3,703)	(40.6)
Non-operating income		1,047	1,205	157	15.0
Non-operating expenses		342	367	24	7.3
Ordinary profit		9,817	6,247	(3,570)	(36.4)
Extraordinary income		50	1,049	998	—
Extraordinary losses		354	360	6	1.8
Profit before income taxes		9,514	6,935	(2,578)	(27.1)
Profit attributable to owners of parent		6,489	4,750	(1,738)	(26.8)

(2) Summary of non-consolidated statements of income

		(Millions of yen, %)			
		April 1, 2021 to March 31, 2022	April 1, 2022 to March 31, 2023	YoY change	YoY change (%)
	Net sales of completed construction contracts	171,134	166,644	(4,489)	(2.6)
	Net sales in real estate business and other	2,410	2,471	61	2.5
Net sales		173,544	169,116	(4,428)	(2.6)
	Cost of sales of completed construction contracts	145,582	144,381	(1,201)	(0.8)
	Cost of sales in real estate business and other	1,533	1,627	93	6.1
Cost of sales		147,116	146,008	(1,108)	(0.8)
	Gross profit on completed construction contracts	25,552	22,263	(3,288)	(12.9)
	Gross profit on real estate business and other	876	844	(32)	(3.7)
Gross profit		26,428	23,108	(3,320)	(12.6)
Selling, general and administrative expenses		19,140	19,597	456	2.4
Operating profit		7,288	3,510	(3,777)	(51.8)
Non-operating income		2,756	2,497	(259)	(9.4)
Non-operating expenses		387	383	(4)	(1.1)
Ordinary profit		9,656	5,624	(4,031)	(41.8)
Extraordinary income		50	1,049	998	—
Extraordinary losses		372	360	(12)	(3.4)
Profit before income taxes		9,334	6,313	(3,020)	(32.4)
Profit		6,952	4,830	(2,121)	(30.5)

(3) Segment orders, sales, and balance carried forward (consolidated)

(Millions of yen)

Category			FY2021		FY2022		YoY change	YoY change (%)	
			April 1, 2021 to March 31, 2022	Share	April 1, 2022 to March 31, 2023	Share			
Orders received	Equipment construction business	Facilities Construction	160,504	79 %	194,809	85 %	34,304	21.4 %	
		Plant equipment	Machinery Systems	8,914	5	11,654	5	2,739	30.7
			Environmental Systems	30,640	15	19,929	9	(10,710)	(35.0)
			Subtotal	39,554	20	31,583	14	(7,971)	(20.2)
		Total equipment construction business	200,059	99	226,393	99	26,333	13.2	
	Real Estate Business		2,410	1	2,471	1	61	2.5	
	Other		563	0	542	0	(21)	(3.8)	
	Adjustments		(782)	(0)	(853)	(0)	(70)	—	
	Total		202,250	100	228,554	100	26,303	13.0	
Net sales	Equipment construction business	Facilities Construction	155,484	81 %	155,778	82 %	294	0.2 %	
		Plant equipment	Machinery Systems	9,666	5	7,661	4	(2,005)	(20.7)
			Environmental Systems	25,842	13	25,200	13	(642)	(2.5)
			Subtotal	35,509	18	32,861	17	(2,648)	(7.5)
		Total equipment construction business	190,993	99	188,640	99	(2,353)	(1.2)	
	Real Estate Business		2,410	1	2,471	1	61	2.5	
	Other		566	0	556	0	(10)	(1.9)	
	Adjustments		(781)	(0)	(802)	(0)	(20)	—	
	Total		193,189	100	190,865	100	(2,323)	(1.2)	
Balance carried forward	Equipment construction business	Facilities Construction	104,892	70 %	143,923	76 %	39,031	37.2 %	
		Plant equipment	Machinery Systems	2,879	2	6,872	4	3,993	138.7
			Environmental Systems	42,981	28	37,710	20	(5,271)	(12.3)
			Subtotal	45,860	30	44,582	24	(1,278)	(2.8)
		Total equipment construction business	150,753	100	188,506	100	37,753	25.0	
	Real Estate Business		—	—	—	—	—	—	
	Other		70	0	56	0	(13)	(19.6)	
	Adjustments		(85)	(0)	(136)	(0)	(51)	—	
	Total		150,737	100	188,426	100	37,688	25.0	
Overseas orders (% of total orders)			4,283	2.1%	3,021	1.3%	(1,261)	(29.5) %	
Overseas sales (% of total sales)			2,912	1.5%	3,488	1.8%	575	19.8 %	

Note: Internal transactions in each segment are eliminated by the adjustment amount.

(4) Division orders, sales, and balance carried forward (non-consolidated)

(Millions of yen)

Category				FY2021		FY2022		YoY change	YoY change (%)
				April 1, 2021 to March 31, 2022	Share	April 1, 2022 to March 31, 2023	Share		
Orders received	Equipment construction business	Facilities Construction	HVAC and Plumbing for Buildings	54,318	31 %	69,987	33 %	15,668	28.8 %
			Industrial HVAC	59,915	34	75,548	36	15,632	26.1
			Electrical Systems	27,552	15	28,370	14	818	3.0
			Facility Systems	9,960	6	12,560	6	2,599	26.1
			Subtotal	151,747	86	186,466	89	34,718	22.9
		Plant equipment	Machinery Systems	8,318	5	10,853	5	2,535	30.5
			Environmental Systems	14,703	8	9,471	5	(5,231)	(35.6)
			Subtotal	23,021	13	20,325	10	(2,696)	(11.7)
		Total equipment construction business		174,769	99	206,791	99	32,022	18.3
	Real Estate Business		2,410	1	2,471	1	61	2.5	
Total		177,179	100	209,263	100	32,083	18.1		
Net sales	Equipment construction business	Facilities Construction	HVAC and Plumbing for Buildings	57,750	34 %	54,763	32 %	(2,987)	(5.2) %
			Industrial HVAC	55,176	32	56,159	33	982	1.8
			Electrical Systems	24,599	14	25,515	15	916	3.7
			Facility Systems	10,436	6	10,986	7	549	5.3
			Subtotal	147,962	86	147,423	87	(538)	(0.4)
		Plant equipment	Machinery Systems	9,081	5	6,979	4	(2,101)	(23.1)
			Environmental Systems	14,090	8	12,241	8	(1,848)	(13.1)
			Subtotal	23,172	13	19,221	12	(3,950)	(17.0)
		Total equipment construction business		171,134	99	166,644	99	(4,489)	(2.6)
	Real Estate Business		2,410	1	2,471	1	61	2.5	
	Total		173,544	100	169,116	100	(4,428)	(2.6)	
Balance carried forward	Equipment construction business	Facilities Construction	HVAC and Plumbing for Buildings	49,643	38 %	64,868	38 %	15,224	30.7 %
			Industrial HVAC	31,205	24	50,594	30	19,389	62.1
			Electrical Systems	17,993	14	20,849	12	2,855	15.9
			Facility Systems	2,832	2	4,406	2	1,574	55.6
			Subtotal	101,675	78	140,718	82	39,042	38.4
		Plant equipment	Machinery Systems	2,783	2	6,657	4	3,873	139.1
			Environmental Systems	26,147	20	23,377	14	(2,769)	(10.6)
			Subtotal	28,931	22	30,035	18	1,103	3.8
		Total equipment construction business		130,607	100	170,754	100	40,146	30.7
	Real Estate Business		—	—	—	—	—	—	
	Total		130,607	100	170,754	100	40,146	30.7	
Overseas orders for construction contracts (% of total orders)			99	0.1%	32	0.0%	(66)	(66.9) %	
Overseas sales of completed construction contracts (% of total sales)			54	0.0%	85	0.1%	30	56.6 %	