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Consolidated Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP]

August 7, 2024

Company name: HAZAMA ANDO CORPORATION
Stock exchange listing: Tokyo Stock Exchange
Code number: 1719
URL: https://www.ad-hzm.co.jp/
Representative: Kazuhiko Kuniya, Representative Director and President
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Phone: +81-3-3575-6094
Scheduled date of commencing dividend payments: ―
Availability of supplementary briefing material on financial results: No
Schedule of financial results briefing session: No

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

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

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2024	83,706	2.3	2,954	8.6	3,405	10.8	2,250	15.3
June 30, 2023	81,794	12.9	2,720	42.6	3,073	35.1	1,952	(39.8)

(Note) Comprehensive income: Three months ended June 30, 2024: ¥4,097 million [10.8%]
Three months ended June 30, 2023: ¥3,696 million [(27.4)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	14.37	―
June 30, 2023	12.48	―

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2024	325,509	153,763	47.0
As of March 31, 2024	334,145	154,470	46.0

(Reference) Equity: As of June 30, 2024: ¥152,856 million
As of March 31, 2024: ¥153,569 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	30.00	-	30.00	60.00
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (Forecast)		30.00	-	30.00	60.00

(Note) Revision to the forecast for dividends announced most recently: No

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	189,600	5.5	7,400	41.5	6,900	22.8	4,600	25.4	29.37
Full year	406,200	3.1	22,900	23.2	22,100	19.2	15,200	9.5	97.05

(Note) Revision to the financial results forecast announced most recently: No

*** Notes:**

(1) Significant changes in scope of consolidation during the three months ended June 30, 2024: No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: Yes
2) Changes in accounting policies other than 1) above: No
3) Changes in accounting estimates: No
4) Retrospective restatement: No

(4) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
June 30, 2024: 181,021,197 shares
March 31, 2024: 181,021,197 shares
2) Total number of treasury shares at the end of the period:
June 30, 2024: 24,396,723 shares
March 31, 2024: 24,396,199 shares
3) Average number of shares during the period:
Three months ended June 30, 2024: 156,624,657 shares
Three months ended June 30, 2023: 156,470,104 shares

1,351,411 shares held by the management board incentive plan trust and 2,138,923 shares held by the employee stock ownership plan trust 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 the shares held by the trusts.

*Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: No

* Explanation of the proper use of financial results forecast and other notes

(1) The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ significantly due to a wide range of factors.

1. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	50,212	53,654
Notes receivable, accounts receivable from completed construction contracts and other	181,565	164,961
Costs on construction contracts in progress	5,002	4,699
Other inventories	4,152	4,539
Other	9,223	11,311
Allowance for doubtful accounts	(217)	(196)
Total current assets	249,938	238,969
Non-current assets		
Property, plant and equipment		
Land	16,032	16,031
Other, net	20,119	20,543
Total property, plant and equipment	36,152	36,575
Intangible assets	1,693	1,631
Investments and other assets		
Investment securities	28,250	29,453
Deferred tax assets	6,037	5,682
Other	12,608	13,197
Allowance for doubtful accounts	(534)	(0)
Total investments and other assets	46,362	48,332
Total non-current assets	84,207	86,540
Total assets	334,145	325,509

(Million yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Accounts payable for construction contracts and other	55,315	46,105
Short-term borrowings	16,348	26,254
Current portion of bonds	35	35
Advances received on construction contracts in progress	33,563	41,415
Provision for warranties for completed construction	2,106	2,237
Provision for bonuses	3,144	929
Provision for loss on construction contracts	453	429
Other	55,536	41,072
Total current liabilities	166,503	158,479
Non-current liabilities		
Long-term borrowings	7,249	7,205
Deferred tax liabilities	26	25
Retirement benefit liability	3,672	3,548
Provision for management board incentive plan trust	270	320
Provision for employee stock ownership plan trust	755	869
Other	1,198	1,297
Total non-current liabilities	13,172	13,266
Total liabilities	179,675	171,746
Net assets		
Shareholders' equity		
Share capital	17,006	17,006
Capital surplus	17,678	17,678
Retained earnings	128,575	126,022
Treasury shares	(21,595)	(21,595)
Total shareholders' equity	141,664	139,111
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,638	7,412
Deferred gains or losses on hedges	1,974	3,079
Foreign currency translation adjustment	283	305
Remeasurements of defined benefit plans	3,008	2,947
Total accumulated other comprehensive income	11,905	13,745
Non-controlling interests	900	906
Total net assets	154,470	153,763
Total liabilities and net assets	334,145	325,509

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

(Quarterly Consolidated Statements of Income)

(Three Months Ended June 30)

(Million yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Net sales		
Net sales of completed construction contracts	77,106	78,738
Sales in other businesses	4,688	4,967
Total net sales	81,794	83,706
Cost of sales		
Cost of sales of completed construction contracts	68,977	70,765
Cost of sales in other businesses	4,395	4,403
Total cost of sales	73,373	75,169
Gross profit		
Gross profit on completed construction contracts	8,128	7,972
Gross profit - other business	292	564
Total gross profit	8,421	8,536
Selling, general and administrative expenses	5,701	5,582
Operating profit	2,720	2,954
Non-operating income		
Dividend income	65	63
Foreign exchange gains	509	446
Insurance claim income	1	300
Other	120	111
Total non-operating income	696	921
Non-operating expenses		
Interest expenses	83	95
Share of loss of entities accounted for using equity method	15	21
Commission expenses	188	312
Other	55	40
Total non-operating expenses	344	470
Ordinary profit	3,073	3,405
Extraordinary income		
Gain on sale of investment securities	—	25
Total extraordinary income	—	25
Extraordinary losses		
Loss on valuation of investment securities	38	—
Loss on litigation	31	—
Total extraordinary losses	70	—
Profit before income taxes	3,002	3,431
Income taxes	1,038	1,184
Profit	1,964	2,246
Profit (loss) attributable to non-controlling interests	11	(4)
Profit attributable to owners of parent	1,952	2,250

(Quarterly Consolidated Statements of Comprehensive Income)

(Three Months Ended June 30)

(Million yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Profit	1,964	2,246
Other comprehensive income		
Valuation difference on available-for-sale securities	1,087	774
Foreign currency translation adjustment	40	32
Remeasurements of defined benefit plans	(21)	(61)
Share of other comprehensive income of entities accounted for using equity method	625	1,104
Total other comprehensive income	1,731	1,850
Comprehensive income	3,696	4,097
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,668	4,090
Comprehensive income attributable to non-controlling interests	27	6

2. (Reference) Quarterly Non-Consolidated Financial Statements

(1) Quarterly Non-Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	39,032	40,246
Notes receivable, accounts receivable from completed construction contracts and other	179,352	163,816
Costs on construction contracts in progress	4,617	4,284
Other inventories	1,849	1,982
Other	9,178	11,130
Allowance for doubtful accounts	(216)	(196)
Total current assets	233,813	221,263
Non-current assets		
Property, plant and equipment		
Land	13,250	13,249
Other, net	16,738	16,793
Total property, plant and equipment	29,988	30,042
Intangible assets	1,427	1,376
Investments and other assets		
Investment securities	30,636	31,834
Deferred tax assets	6,492	6,099
Other	10,774	10,781
Allowance for doubtful accounts	(535)	(3)
Total investments and other assets	47,367	48,712
Total non-current assets	78,783	80,131
Total assets	312,596	301,395

(Million yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Accounts payable for construction contracts and other	57,579	46,050
Short-term borrowings	16,262	26,178
Current portion of bonds	35	35
Advances received on construction contracts in progress	32,120	39,953
Provision for warranties for completed construction	2,104	2,234
Provision for bonuses	2,991	773
Provision for loss on construction contracts	450	423
Other	50,298	36,520
Total current liabilities	161,842	152,170
Non-current liabilities		
Long-term borrowings	7,034	7,002
Provisions for retirement benefits	4,789	4,648
Provision for management board incentive plan trust	270	320
Provision for employee stock ownership plan trust	755	869
Other	1,175	1,273
Total non-current liabilities	14,024	14,115
Total liabilities	175,867	166,285
Net assets		
Shareholders' equity		
Share capital	17,006	17,006
Capital surplus	17,743	17,743
Retained earnings	116,975	114,585
Treasury shares	(21,595)	(21,595)
Total shareholders' equity	130,129	127,739
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	6,599	7,370
Total valuation and translation adjustments	6,599	7,370
Total net assets	136,728	135,109
Total liabilities and net assets	312,596	301,395

(2) Quarterly Non-Consolidated Statements of Income

(Three Months Ended June 30)

(Million yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Net sales		
Net sales of completed construction contracts	76,006	77,990
Sales in other businesses	966	1,328
Total net sales	76,973	79,319
Cost of sales		
Cost of sales of completed construction contracts	68,254	70,202
Cost of sales in other businesses	1,001	1,199
Total cost of sales	69,256	71,402
Gross profit		
Gross profit on completed construction contracts	7,751	7,787
Gross profit - other business	(35)	129
Total gross profit	7,716	7,916
Selling, general and administrative expenses	5,277	5,108
Operating profit	2,438	2,808
Non-operating income	893	1,115
Non-operating expenses	319	437
Ordinary profit	3,012	3,486
Extraordinary income	—	25
Extraordinary losses	70	—
Profit before income taxes	2,942	3,512
Income taxes	933	1,098
Profit	2,008	2,414

3. Supplementary Information

(1) Results for the three months ended June 30, 2024 and forecasts for the six months ending September 30, 2024 and full year

1. Non-consolidated

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

Items		Results for the three months ended June 30, 2023	Results for the three months ended June 30, 2024	Fiscal year ending March 31, 2025	
				Forecasts for the six months ending September 30, 2024 (announced in May 2024)	Full year forecasts (announced in May 2024)
Orders received	Civil engineering	17,863	27,919	48,000	125,000
	Building construction	43,277	45,296	118,000	250,000
	Total orders received	61,141	73,216	166,000	375,000
Net sales of completed construction contracts	Civil engineering	33,180	28,677	56,000	125,000
	Building construction	42,826	49,313	121,000	250,000
	Total net sales of completed construction contracts	76,006	77,990	177,000	375,000
Gross profit on completed construction contracts	Civil engineering	5,555 [16.7%]	4,015 [14.0%]	7,600 [13.6%]	19,100 [15.3%]
	Building construction	2,196 [5.1%]	3,772 [7.6%]	11,600 [9.6%]	26,300 [10.5%]
	Total gross profit on completed construction contracts	7,751 [10.2%]	7,787 [10.0%]	19,200 [10.8%]	45,400 [12.1%]

Gross sales	**76,973**	**79,319**	**179,500**	**380,000**
Gross profit	7,716 [10.0%]	7,916 [10.0%]	19,400 [10.8%]	45,800 [12.1%]
Selling, general and administrative expenses	5,277	5,108	12,000	24,000
Operating profit	**2,438** [3.2%]	**2,808** [3.5%]	**7,400** [4.1%]	**21,800** [5.7%]
Non-operating income/expenses [Interest income/expenses]	573 [209]	678 [210]	(200) [100]	(500) [50]
Ordinary profit	**3,012** [3.9%]	**3,486** [4.4%]	**7,200** [4.0%]	**21,300** [5.6%]
Extraordinary income/losses	(70)	25	—	—
Profit before income taxes	2,942 [3.8%]	3,512 [4.4%]	7,200 [4.0%]	21,300 [5.6%]
Tax expenses	933	1,098	2,300	6,500
Profit	**2,008** [2.6%]	**2,414** [3.0%]	**4,900** [2.7%]	**14,800** [3.9%]

2. Consolidated

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

Items	Results for the three months ended June 30, 2023	Results for the three months ended June 30, 2024	Fiscal year ending March 31, 2025	
			Forecasts for the six months ending September 30, 2024 (announced in May 2024)	Full year forecasts (announced in May 2024)
Gross sales	**81,794**	**83,706**	**189,600**	**406,200**
Selling, general and administrative expenses	5,701	5,582	12,900	25,900
Operating profit	**2,720** [3.3%]	**2,954** [3.5%]	**7,400** [3.9%]	**22,900** [5.6%]
Ordinary profit	**3,073** [3.8%]	**3,405** [4.1%]	**6,900** [3.6%]	**22,100** [5.4%]
Profit attributable to owners of parent	**1,952** [2.4%]	**2,250** [2.7%]	**4,600** [2.4%]	**15,200** [3.7%]

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

(Orders received for the construction business) (Unit: Million yen, %)

Category		For the three months ended June 30, 2023		For the three months ended June 30, 2024		Increase/decrease		Results for the fiscal year ended March 31, 2024	
		Amount	%	Amount	%	Amount	% change	Amount	%
Domestic civil engineering	Government sector	15,152	[86.0]	24,096	[86.8]	8,943	59.0	80,182	[71.6]
	Private sector	2,462	[14.0]	3,662	[13.2]	1,199	48.7	31,769	[28.4]
	Total	17,615	28.8	27,758	37.9	10,143	57.6	111,951	31.9
Domestic building construction	Government sector	515	[1.3]	4,051	[9.4]	3,536	686.2	20,250	[9.9]
	Private sector	39,275	[98.7]	39,099	[90.6]	(175)	(0.4)	184,735	[90.1]
	Total	39,790	65.1	43,151	58.9	3,360	8.4	204,986	58.4
Domestic	Government sector	15,667	[27.3]	28,147	[39.7]	12,479	79.7	100,433	[31.7]
	Private sector	41,737	[72.7]	42,762	[60.3]	1,024	2.5	216,504	[68.3]
	Total	57,405	93.9	70,909	96.8	13,504	23.5	316,938	90.2
Overseas	Civil engineering	248	[6.7]	161	[7.0]	(87)	(35.2)	3,672	[10.7]
	Building construction	3,487	[93.3]	2,145	[93.0]	(1,341)	(38.5)	30,593	[89.3]
	Total	3,736	6.1	2,306	3.2	(1,429)	(38.3)	34,266	9.8
Sum total	Civil engineering	17,863	[29.2]	27,919	[38.1]	10,055	56.3	115,624	[32.9]
	Building construction	43,277	[70.8]	45,296	[61.9]	2,019	4.7	235,579	[67.1]
	Total	61,141	100.0	73,216	100.0	12,075	19.7	351,204	100.0

(Net sales for the construction business) (Unit: Million yen, %)

Category		For the three months ended June 30, 2023		For the three months ended June 30, 2024		Increase/decrease		Results for the fiscal year ended March 31, 2024	
		Amount	%	Amount	%	Amount	% change	Amount	%
Domestic civil engineering	Government sector	20,456	[64.9]	17,381	[64.1]	(3,075)	(15.0)	80,880	[64.3]
	Private sector	11,049	[35.1]	9,723	[35.9]	(1,325)	(12.0)	44,996	[35.7]
	Total	31,506	41.5	27,105	34.8	(4,400)	(14.0)	125,877	35.2
Domestic building construction	Government sector	7,239	[19.3]	10,672	[24.4]	3,432	47.4	40,847	[20.3]
	Private sector	30,329	[80.7]	33,006	[75.6]	2,677	8.8	160,635	[79.7]
	Total	37,568	49.4	43,679	56.0	6,110	16.3	201,483	56.4
Domestic	Government sector	27,696	[40.1]	28,053	[39.6]	357	1.3	121,728	[37.2]
	Private sector	41,378	[59.9]	42,730	[60.4]	1,351	3.3	205,632	[62.8]
	Total	69,074	90.9	70,784	90.8	1,709	2.5	327,360	91.6
Overseas	Civil engineering	1,673	[24.2]	1,571	[21.8]	(102)	(6.1)	7,346	[24.4]
	Building construction	5,257	[75.8]	5,634	[78.2]	376	7.2	22,766	[75.6]
	Total	6,931	9.1	7,206	9.2	274	4.0	30,112	8.4
Sum total	Civil engineering	33,180	[43.7]	28,677	[36.8]	(4,502)	(13.6)	133,223	[37.3]
	Building construction	42,826	[56.3]	49,313	[63.2]	6,487	15.1	224,249	[62.7]
	Total	76,006	100.0	77,990	100.0	1,984	2.6	357,473	100.0

(Backlog for the construction business) (Unit: Million yen, %)

Category		For the three months ended June 30, 2023		For the three months ended June 30, 2024		Increase/decrease		Results for the fiscal year ended March 31, 2024	
		Amount	%	Amount	%	Amount	% change	Amount	%
Domestic civil engineering	Government sector	115,400	[42.9]	126,721	[47.1]	11,320	9.8	120,006	[44.7]
	Private sector	153,307	[57.1]	142,605	[52.9]	(10,702)	(7.0)	148,666	[55.3]
	Total	268,707	52.3	269,326	51.9	618	0.2	268,673	51.4
Domestic building construction	Government sector	77,008	[34.1]	56,514	[25.0]	(20,493)	(26.6)	63,135	[27.8]
	Private sector	148,575	[65.9]	169,822	[75.0]	21,246	14.3	163,729	[72.2]
	Total	225,583	43.9	226,336	43.6	753	0.3	226,864	43.4
Domestic	Government sector	192,408	[38.9]	183,235	[37.0]	(9,172)	(4.8)	183,141	[37.0]
	Private sector	301,883	[61.1]	312,428	[63.0]	10,544	3.5	312,396	[63.0]
	Total	494,291	96.1	495,663	95.4	1,372	0.3	495,537	94.8
Overseas	Civil engineering	6,326	[31.8]	2,769	[11.7]	(3,556)	(56.2)	4,146	[15.1]
	Building construction	13,569	[68.2]	20,897	[88.3]	7,327	54.0	23,301	[84.9]
	Total	19,896	3.9	23,666	4.6	3,770	19.0	27,447	5.2
Sum total	Civil engineering	275,034	[53.5]	272,096	[52.4]	(2,937)	(1.1)	272,819	[52.2]
	Building construction	239,153	[46.5]	247,233	[47.6]	8,080	3.4	250,166	[47.8]
	Total	514,187	100.0	519,330	100.0	5,142	1.0	522,985	100.0

(Net sales for other businesses) (Unit: Million yen, %)

Category	For the three months ended June 30, 2023	For the three months ended June 30, 2024	Increase/decrease		Results for the fiscal year ended March 31, 2024
	Amount	Amount	Amount	% change	Amount
Other businesses	966	1,328	361	37.4	5,133