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May 8, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)

Company name: TOKYO ENERGY & SYSTEMS INC.
Listing: Tokyo Stock Exchange
Securities code: 1945
URL: https://www.qtes.co.jp/en
Representative: Toshiaki Majima, President and Chief Executive Officer
Inquiries: Takahiko Kobayashi, Executive Officer, General Manager of Accounting and Finance Division
Telephone: +81-3-6371-1947

Scheduled date of annual general meeting of shareholders: June 27, 2024
Scheduled date to commence dividend payments: June 28, 2024
Scheduled date to file annual securities report: June 27, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	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, 2024	88,467	11.9	3,959	14.5	5,212	88.1	2,960	39.6
March 31, 2023	79,055	8.9	3,458	9.5	2,770	(15.0)	2,120	72.8

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥4,789 million [80.9%]
For the fiscal year ended March 31, 2023: ¥2,647 million [341.6%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	86.70	-	4.4	4.8	4.5
March 31, 2023	61.91	-	3.2	2.6	4.4

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended March 31, 2024: ¥- million
For the fiscal year ended March 31, 2023: ¥- million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	107,471	68,548	63.8	2,047.26
March 31, 2023	108,513	65,938	61.1	1,934.43

Reference: Equity
As of March 31, 2024: ¥68,548 million
As of March 31, 2023: ¥66,259 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, 2024	8,503	(5,126)	(4,446)	12,158
March 31, 2023	8,143	(3,119)	(656)	13,175

2. Cash dividends

	Annual dividends per share					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			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	-	20.00	-	20.00	40.00	1,370	64.6	2.1
Fiscal year ended March 31, 2024	-	20.00	-	25.00	45.00	1,522	51.9	2.3
Fiscal year ending March 31, 2025 (Forecast)	-	26.00	-	26.00	52.00		58.0	

Note: Breakdown of the second-quarter-end dividend for the fiscal year ended March 31, 2023
Common dividend of ¥15.00, Commemorative dividend of ¥5.00

Breakdown of the fiscal-year-end dividend for the fiscal year ended March 31, 2023
Common dividend of ¥15.00, Special dividend of ¥5.00

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	90,000	1.7	3,200	(19.2)	3,600	(30.9)	3,000	1.3	89.60

*** Notes**

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

Tokyo Enesys Vietnam Co., Ltd. was established on May 7, 2024.

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of March 31, 2024	34,973,752 shares
As of March 31, 2023	37,261,752 shares

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

As of March 31, 2024	1,490,807 shares
As of March 31, 2023	3,009,235 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	34,144,070 shares
Fiscal year ended March 31, 2023	34,247,167 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	84,756	6.4	3,759	(6.6)	5,115	48.8	2,832	1.7
March 31, 2023	79,692	2.8	4,022	32.5	3,437	6.9	2,786	117.0

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2024	82.96	-
March 31, 2023	81.36	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	103,907	66,355	63.9	1,981.76
March 31, 2023	105,292	64,226	61.0	1,875.09

Reference: Equity

As of March 31, 2024: ¥66,355 million

As of March 31, 2023: ¥64,226 million

2. Forecast of non-consolidated financial results for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	84,000	(0.9)	2,800	(25.5)	3,300	(35.5)	2,800	(1.2)	83.62

* Financial result reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts and other special matters

The forward-looking statements in this document, including earnings forecasts, are based on information currently available to the Company and certain assumptions that the Company considers reasonable, but they are not intended to be a commitment by the Company. Actual results may differ significantly due to various factors. Please refer to “1. Overview of Operating Results, etc. (1) Overview of Operating Results for the Fiscal Year under Review” on page 2 of the attached materials for the assumptions of earnings forecasts.

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1. Overview of Operating Results, etc.

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

1) Operating Results for the Fiscal Year under Review

Japan's economy showed overall signs of recovery due to increased capital investment and improvements in the labor market and personal income, driven by favorable corporate earnings. However, the economic outlook remains uncertain because of continuing depreciation of the yen and price increases.

Given these circumstances, the Group worked diligently in various business areas to achieve its top-priority goal of "enhancing corporate value by strengthening core businesses and further expanding into new business areas" in FY2023, the final year of our medium-term management plan (FY2021–FY2023).

Specifically, in addition to our core business including the construction, inspection, and maintenance of thermal, nuclear, and hydroelectric power plants, decommissioning-related work at the Fukushima Daiichi Nuclear Power Plant, development of safety measures at nuclear power plants, and construction and upgrading of substations and large public facilities, we have made strategic advances in the business areas of construction of solar power plants and biomass power plants, biomass power generation, and biomass fuel sales for realizing a carbon-neutral society.

In addition, we have been working to grow our medium- and long-term orders and sales volume and to generate profits. As a comprehensive engineering company that is active across the entire value chain of the energy business, we have provided proposals for one-stop solutions to meet the decarbonization needs of customers and various regions, and have been carrying out robust nationwide sales activities for projects relating to decarbonization leading areas and regional resilience projects.

As a result, total orders received were ¥64,168 million (down 11.7% year-on-year), reflecting a decrease in construction work for biomass power plants and maintenance and repair work for thermal power plants, among others, despite receiving orders for construction work for solar power plants, long-term service agreements (LTSA) for biomass power plants, electrical construction work for large public facilities, new substation construction, and biomass fuel sales, as well as other orders.

Net sales were ¥88,467 million (up 11.9% year-on-year), driven by decommissioning-related work at the Fukushima Daiichi Nuclear Power Plant, biomass power plant construction, and renovation work at hydroelectric power plants, as well as income from sales of electricity generated by the Group's own biomass power plant, which began operating commercially in October of 2022.

The amount carried forward to the next period was ¥97,677 million (down 19.9% year-on-year).

As for profits, operating profit was ¥3,959 million (up 14.5% year-on-year) due to an increase in net sales despite an increase in subcontracting costs in line with labor shortages. Ordinary profit was ¥5,212 million (up 88.1% year-on-year) mainly due to the recording of a gain on valuation of derivatives related to forward exchange contracts in order to reduce the risk of exchange rate fluctuations. Profit attributable to owners of parent amounted to ¥2,960 million (up 39.6% year-on-year).

Business results by segment were as follows.

(Facilities Construction)

Total orders received were ¥58,545 million (down 16.6% year-on-year) due to decreases in the Electric Power Division and the Nuclear Power Division. Net sales were ¥83,049 million (up 8.2% year-on-year) due to increases in the Nuclear Power Division and the Energy and Industry Division.

Segment profit was ¥9,999 million (up 7.4% year-on-year).

(Other Businesses)

Total orders received were ¥5,622 million (up 103.5% year-on-year).

Net sales were ¥5,418 million (up 110.8% year-on-year).

Segment loss was ¥45 million (compared to ¥677 million for the previous fiscal year).

Reference: Names of divisions, etc. corresponding to the segments

Segment name	Division, etc.
Facilities Construction	Green Energy Business Division, Energy and Industry Division, Electric Power Division, Nuclear Power Division, Welding and Inspection Engineering Center, Overseas Division
Other Businesses	Power generation business, real estate business, leasing and rental business, insurance agency, manufacture and sale, wholesale

2) Future Prospects

Although the upward trend in capital investment is expected to continue against the background of the increasing expected growth rate, the Group expects the business environment to remain challenging as the energy and infrastructure business in which the Group operates is exposed to destabilizing international circumstances, exchange rate fluctuations, and increasing interest rates, among others.

On the other hand, we believe that, with the aim of achieving both a carbon-neutral economy and economic growth, the enactment of the "GX (Green Transformation) Promotion Act" and the approval of the "GX Decarbonization Power Supply Bill", as well as the detailed road map that includes promoting energy-saving, making renewable energy the principal source of electricity, and utilizing nuclear power, present the Group with an opportunity to expand its business domains. We also expect that the progress of specific tender procedures for "Long-Term Decarbonized Power Supply Auctions" targeted at expanding decarbonized power sources, among other things, and additional measures taken in response to the power supply and demand crunch will lead to greater capital investment in decarbonized power sources, including conversion of existing thermal power plants to enable introduction of ammonia and hydrogen and construction of new LNG-fired, biomass, and solar power plants, and offshore wind farms.

In view of such situation, the Group has set a new vision for FY2030 of becoming a "Quality-first company leading carbon neutrality capitalizing on the technological capabilities of each employee" and formulated the FY2024 mid-term management plan (FY2024-FY2026). Focusing on strengthening human capital, the most important element in realizing this vision, we have set the basic policy of "creating a strong and flexible Q'd with people at the core." Based on this basic policy, in order to achieve our goal for the final year (FY2026), we will address the following key issues: "strengthen human capital by investing in human resources," "refine 'Q'd' so as to be chosen by customers," and "strengthen ties with all people and organizations involved in our company."

In these circumstances, our forecast of consolidated financial results for the fiscal year ending March 31, 2025 is as follows:

Consolidated Earnings

Net sales	¥90.0 billion
Operating profit	¥3.2 billion
Ordinary profit	¥3.6 billion
Profit attributable to owners of parent	¥3.0 billion

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

1) Assets, liabilities, and net assets

The financial position of the Group fluctuates mainly due to notes and accounts receivable, inventories, notes and accounts payable, and advances received on construction contracts in progress. Regarding fixed assets, the Group owns land and buildings for business sites, company housing and dormitories for single employees, etc. Other assets include biomass power generation facilities, solar power generation facilities, and construction machinery and equipment.

a. Assets

Total assets amounted to ¥107,471 million at the end of the fiscal year under review, a decrease of ¥1,042 million from the end of the previous fiscal year. This was mainly due to a decrease in cash and deposits.

b. Liabilities

Total liabilities amounted to ¥38,923 million at the end of the fiscal year under review, a decrease of ¥3,651 million from the end of the previous fiscal year. This was mainly due to a decrease in contract liabilities, etc.

c. Net assets

Net assets amounted to ¥68,548 million at the end of the fiscal year under review, an increase of ¥2,609 million from the end of the previous fiscal year. This was mainly due to an increase in valuation difference on available-for-sale securities.

2) Cash flows

Cash and cash equivalents at the end of the fiscal year under review amounted to ¥12,158 million, a decrease of ¥1,016 million from the end of the previous fiscal year.

The status of cash flows from operating, investing and financing activities and major contributing factors were as follows.

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to ¥8,503 million (net cash provided by operating activities amounting to ¥8,143 million in the previous fiscal year). This was mainly due to an increase in accrued consumption taxes.

(Cash Flows from Investing Activities)

Net cash provided by investing activities amounted to a decrease of ¥5,126 million (net cash used in investing activities amounting to ¥3,119 million in the previous fiscal year). This was mainly due to purchase of investment securities.

(Cash Flows from Financing Activities)

Net cash provided by financing activities amounted to a decrease of ¥4,446 million (net cash used in financing activities amounting to ¥656 million in the previous fiscal year). This was mainly due to repayments of short-term borrowings and dividends paid.

(Reference) Cash Flow Indicator Trend

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Equity-to-asset ratio (%)	73.4	72.4	62.8	61.1	63.8
Equity-to-asset ratio at market value (%)	32.8	35.0	32.3	28.2	38.9
Ratio of interest-bearing debt to cash flows (%)	21.0	17.0	-	112.9	81.7
Interest coverage ratio (times)	172.0	191.4	-	57.1	44.7

Note: Equity-to-asset ratio: Shareholders' equity / Total assets
Equity-to-asset ratio at market value: Market capitalization / Total assets
Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Cash flows
Interest coverage ratio: Cash flows / Interest expenses

1. The consolidated financial figures constitute the basis for calculating these indicators.
2. Market capitalization is calculated by multiplying the closing stock price at the end of the period by the total number of issued shares at the end of the period (excluding treasury shares).
3. Cash flows used for calculation are cash flows from operating activities in the consolidated statements of cash flows.
   Interest-bearing debt includes all debts recorded on the consolidated balance sheets on which interest is paid.
   The amount of interest expenses is the amount of interest paid in the consolidated statements of cash flows.
4. The ratio of interest-bearing debt to cash flows and the interest coverage ratio are not indicated for the period in which cash flows from operating activities were negative.

(3) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

The Company's policy on profit distribution is to maintain stable dividends from a medium- to long-term perspective, and to aim for a gradual increase in dividend payments in line with profit growth, taking into consideration such factors as financial performance, internal reserve, and preparation for future business development. The Company intends to utilize internal reserve for implementation of various measures, such as capital investment and business investment, to strengthen the management foundation and for future business expansion.

Based on the above policy and from the viewpoint of emphasizing the return of profits to shareholders, the Company plans to pay a year-end dividend of ¥25 per share for the fiscal year under review, resulting in annual dividends of ¥45 per share, including an interim dividend of ¥20 per share.

For the next fiscal year (fiscal year ending March 31, 2025), the Company plans to pay dividends of ¥52 per share (an interim dividend of ¥26 and a year-end dividend of ¥26).

2. Basic Policy on Selection of Accounting Standards

Most of the Group's stakeholders are shareholders in Japan, creditors, and business partners, and there is little need to raise funds from overseas. Therefore, for accounting standards, the Group applies Japanese GAAP.

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3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	13,255	8,180
Notes receivable, accounts receivable from completed construction contracts and contract assets	37,554	36,820
Electronically recorded monetary claims - operating	27	495
Securities	-	4,116
Costs on construction contracts in progress	1,677	1,436
Raw materials and supplies	1,824	792
Other	7,400	3,876
Total current assets	61,740	55,719
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,098	10,696
Machinery and vehicles, net	8,677	8,119
Tools, furniture and fixtures, net	625	559
Land	8,348	8,463
Leased assets, net	4	6
Construction in progress	87	498
Total property, plant and equipment	28,841	28,343
Intangible assets		
Goodwill	233	161
Customer related assets	1,964	1,562
Other	758	720
Total intangible assets	2,956	2,444
Investments and other assets		
Investment securities	11,078	16,882
Long-term loans receivable	1,000	1,970
Deferred tax assets	2,643	1,717
Other	270	413
Allowance for doubtful accounts	(17)	(17)
Total investments and other assets	14,975	20,965
Total non-current assets	46,773	51,752
Total assets	108,513	107,471

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	8,859	8,400
Electronically recorded obligations - operating	2,508	1,741
Short-term borrowings	2,368	992
Income taxes payable	1,093	998
Accrued consumption taxes	983	5,830
Contract liabilities	6,070	1,855
Provision for warranties for completed construction	190	743
Provision for loss on disaster	1	0
Provision for loss on construction contracts	2,260	1,682
Provision for loss compensation	1,043	-
Other	2,758	4,011
Total current liabilities	28,139	26,256
Non-current liabilities		
Long-term borrowings	6,821	5,952
Deferred tax liabilities	8	145
Retirement benefit liability	5,930	5,269
Asset retirement obligations	847	842
Other	826	455
Total non-current liabilities	14,435	12,666
Total liabilities	42,574	38,923
Net assets		
Shareholders' equity		
Share capital	2,881	2,881
Capital surplus	3,978	3,723
Retained earnings	59,025	59,214
Treasury shares	(1,929)	(1,083)
Total shareholders' equity	63,955	64,736
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,379	3,855
Foreign currency translation adjustment	(75)	(43)
Total accumulated other comprehensive income	2,303	3,812
Non-controlling interests	(320)	-
Total net assets	65,938	68,548
Total liabilities and net assets	108,513	107,471

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales		
Net sales of completed construction contracts	79,055	88,467
Cost of sales		
Cost of sales of completed construction contracts	69,759	77,871
Gross profit		
Gross profit on completed construction contracts	9,296	10,596
Selling, general and administrative expenses	5,837	6,637
Operating profit	3,458	3,959
Non-operating income		
Interest income	19	23
Dividend income	163	207
Foreign exchange gains	-	297
Gain on investments in silent partnerships	-	377
Gain on valuation of derivatives	-	511
Other	27	31
Total non-operating income	210	1,448
Non-operating expenses		
Interest expenses	142	190
Loss on valuation of derivatives	706	-
Other	50	5
Total non-operating expenses	898	195
Ordinary profit	2,770	5,212
Extraordinary income		
Gain on sale of non-current assets	0	26
Gain on sale of investment securities	98	178
Reversal of provision for loss compensation	579	-
Other	0	0
Total extraordinary income	677	205
Extraordinary losses		
Loss on retirement of non-current assets	29	49
Loss on valuation of shares of subsidiaries and associates	6	-
Total extraordinary losses	36	49
Profit before income taxes	3,412	5,367
Income taxes - current	1,688	1,685
Income taxes - deferred	(254)	411
Total income taxes	1,434	2,097
Profit	1,977	3,270
Profit (loss) attributable to non-controlling interests	(143)	310
Profit attributable to owners of parent	2,120	2,960

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	1,977	3,270
Other comprehensive income		
Valuation difference on available-for-sale securities	575	1,476
Foreign currency translation adjustment	95	42
Total other comprehensive income	670	1,518
Comprehensive income	2,647	4,789
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,809	4,468
Comprehensive income attributable to non-controlling interests	(162)	320

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,881	3,972	58,103	(1,941)	63,016
Changes during period					
Dividends of surplus			(1,198)		(1,198)
Profit attributable to owners of parent			2,120		2,120
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		6		11	17
Net changes in items other than shareholders' equity					
Total changes during period	-	6	921	11	939
Balance at end of period	2,881	3,978	59,025	(1,929)	63,955

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	1,804	(190)	1,614	(158)	64,472
Changes during period					
Dividends of surplus					(1,198)
Profit attributable to owners of parent					2,120
Purchase of treasury shares					(0)
Disposal of treasury shares					17
Net changes in items other than shareholders' equity	575	114	689	(162)	527
Total changes during period	575	114	689	(162)	1,466
Balance at end of period	2,379	(75)	2,303	(320)	65,938

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,881	3,978	59,025	(1,929)	63,955
Changes during period					
Dividends of surplus			(1,370)		(1,370)
Profit attributable to owners of parent			2,960		2,960
Purchase of treasury shares				(827)	(827)
Disposal of treasury shares		6		12	18
Cancellation of treasury shares		(261)	(1,400)	1,662	-
Net changes in items other than shareholders' equity					
Total changes during period	-	(255)	189	846	780
Balance at end of period	2,881	3,723	59,214	(1,083)	64,736

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	2,379	(75)	2,303	(320)	65,938
Changes during period					
Dividends of surplus					(1,370)
Profit attributable to owners of parent					2,960
Purchase of treasury shares					(827)
Disposal of treasury shares					18
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity	1,476	32	1,508	320	1,828
Total changes during period	1,476	32	1,508	320	2,609
Balance at end of period	3,855	(43)	3,812	-	68,548

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	3,412	5,367
Depreciation	1,681	2,058
Amortization of goodwill	71	71
Interest and dividend income	(183)	(230)
Interest expenses	142	190
Decrease (increase) in trade receivables and contract asset	4,644	273
Decrease (increase) in inventories	(825)	1,042
Increase (decrease) in contract liabilities	1,477	(4,222)
Decrease (increase) in costs on construction contracts in progress	(628)	262
Increase (decrease) in trade payables	(1,312)	(1,234)
Increase (decrease) in accrued consumption taxes	923	4,847
Increase (decrease) in retirement benefit liability	(44)	(662)
Increase (decrease) in provision for loss on construction contracts	1,180	(579)
Increase (decrease) in provision for compensation losses	(579)	(1,043)
Loss (gain) on sale of investment securities	(98)	(178)
Loss on valuation of shares of subsidiaries and associates	6	-
Loss (gain) on sale of non-current assets	(0)	(26)
Loss on retirement of non-current assets	29	49
Other, net	(1,475)	4,307
Subtotal	8,423	10,295
Interest and dividends received	175	213
Interest paid	(142)	(190)
Income from contribution to loss compensation received	1,000	-
Income taxes paid	(1,319)	(1,817)
Income taxes refund	6	1
Net cash provided by (used in) operating activities	8,143	8,503
Cash flows from investing activities		
Purchase of securities	(2,999)	-
Purchase of property, plant and equipment	(3,949)	(935)
Purchase of investment securities	(307)	(3,593)
Proceeds from sale and redemption of securities	4,000	-
Proceeds from sale and redemption of investment securities	104	302
Payments into time deposits	(20)	-
Proceeds from withdrawal of time deposits	-	60
Other, net	53	(959)
Net cash provided by (used in) investing activities	(3,119)	(5,126)
Cash flows from financing activities		
Proceeds from short-term borrowings	19,000	11,821
Repayments of short-term borrowings	(21,000)	(13,200)
Proceeds from long-term borrowings	3,000	-
Repayments of long-term borrowings	(459)	(868)
Purchase of treasury shares	(0)	(827)
Dividends paid	(1,192)	(1,365)
Other, net	(4)	(6)
Net cash provided by (used in) financing activities	(656)	(4,446)
Effect of exchange rate change on cash and cash equivalents	(217)	52
Net increase (decrease) in cash and cash equivalents	4,149	(1,016)
Cash and cash equivalents at beginning of period	9,025	13,175
Cash and cash equivalents at end of period	13,175	12,158

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Segment information, etc.)

1. Overview of reportable segments

The Company's reportable segments are components of the Company for which separate financial information is available and which are periodically reviewed by the Board of Directors for the purpose of deciding the allocation of management resources and evaluating financial results.

The Group's main business is design and construction of electric power-related facilities, general electrical facilities, etc., and "Facilities Construction" is the reportable segment.

"Facilities Construction" includes construction and maintenance of thermal, nuclear, hydroelectric, cogeneration, solar and biomass power generation facilities, as well as design and construction of substation, general electric, information and communication, and air conditioning facilities.

2. Calculation method of the amounts of net sales, profit or loss, assets and other items by reportable segment

The accounting treatment method used for the reported business segment is generally the same as that used in the preparation of the consolidated financial statements, except for valuation of inventories.

Inventories are valued at the amount before devaluation of book value based on decline in profitability. Profit of the reportable segment is based on operating profit. Inter-segment revenues and transfers are based on prevailing market prices.

3. Information on net sales, profit or loss, assets and other items by reportable segment and breakdown of revenue
For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segment	Other Businesses	Total
	Facilities Construction		
Net sales			
Net sales to outside customers	76,740	2,570	79,311
Inter-segment net sales or transfers	3,678	3,134	6,812
Total	80,419	5,704	86,123
Net sales (by Division)			
Green Energy Business Division	6,481	-	6,481
Energy and Industry Division	15,106	-	15,106
Electric Power Division	38,478	-	38,478
Nuclear Power Division	20,248	-	20,248
Other	103	5,704	5,808
Total	80,419	5,704	86,123
Timing of transfer of goods or services			
A point in time	15,253	5,685	20,939
Over time	65,165	18	65,184
Total	80,419	5,704	86,123
Segment profit (loss)	9,309	(677)	8,632
Other items			
Depreciation	381	772	1,153

Notes: 1. "Other Businesses" is a business segment not included in the reportable segments and includes power generation, real estate, leasing and rental, insurance agency, manufacture and sale, and wholesale.
2. The amount of revenue generated from sources other than contracts with customers is not material.
3. Segment assets and segment liabilities are not allocated to business segments.

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment	Other Businesses	Total
	Facilities Construction		
Net sales			
Net sales to outside customers	83,049	5,418	88,467
Inter-segment net sales or transfers	2,550	3,201	5,751
Total	85,599	8,619	94,219
Net sales (by Division)			
Green Energy Business Division	5,852	-	5,852
Energy and Industry Division	18,122	-	18,122
Electric Power Division	36,233	-	36,233
Nuclear Power Division	24,961	-	24,961
Other	429	8,619	9,049
Total	85,599	8,619	94,219
Timing of transfer of goods or services			
A point in time	12,073	8,619	20,693
Over time	73,525	-	73,525
Total	85,599	8,619	94,219
Segment profit (loss)	9,999	(45)	9,954
Other items			
Depreciation	367	1,196	1,563

Notes: 1. "Other Businesses" is a business segment not included in the reportable segments and includes power generation, real estate, leasing and rental, insurance agency, manufacture and sale, and wholesale.
2. The amount of revenue generated from sources other than contracts with customers is not material.
3. Segment assets and segment liabilities are not allocated to business segments.

4. Difference between reportable segment total and consolidated financial statement amounts, and main details of differences (matters related to adjustment of difference)

(Millions of yen)

Net sales	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Reportable segment total	80,419	85,599
Net sales in the "Other Businesses" segment	5,704	8,619
Inter-segment eliminations	(6,812)	(5,751)
Other adjustments	(255)	0
Net sales in consolidated financial statements	79,055	88,467

(Millions of yen)

Profit (loss)	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Reportable segment total	9,309	9,999
(Loss) in the “Other Businesses” segment	(677)	(45)
Inter-segment eliminations	64	37
Amortization of goodwill	(71)	(71)
Corporate expenses	(4,184)	(4,692)
Other adjustments	(981)	(1,267)
Operating profit in consolidated financial statements	3,458	3,959

Note: Corporate expenses are mainly general and administrative expenses that do not belong to any reportable segment.

(Millions of yen)

Other items	Reportable segment total		Other Businesses		Adjustments		Consolidated financial statement amount	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Depreciation	381	367	772	1,196	527	494	1,681	2,058

(Per share information)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net assets per share	¥1,934.43	¥2,047.26
Basic earnings per share	¥61.91	¥86.70

Notes 1. Diluted earnings per share is not presented because no dilutive shares exist.

2. The basis for calculation of net assets per share is as follows:

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Total net assets (Millions of yen)	65,938	68,548
Amount to be deducted from total net assets (Millions of yen)	(320)	-
[of which noncontrolling interest] (Millions of yen)	[(320)]	[-]
Net assets at end of period pertaining to shares of common stock (Millions of yen)	66,259	68,548
Number of shares of common stock at end of period used for calculation of net assets per share (Shares)	34,252,517	33,482,945

3. The basis for calculation of basic earnings per share is as follows:

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit attributable to owners of parent (Millions of yen)	2,120	2,960
Amount not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to owners of parent relating to common shares (Millions of yen)	2,120	2,960
Average number of common shares outstanding during the period (Shares)	34,247,167	34,144,070

(Significant subsequent events)

Not applicable.

4. Supplementary Information

Orders Received, Construction Completed, and Amount Carried Forward to the Next Period by Segment and Division

Segment / Division			Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024		Year-on-year increase (decrease)	
			Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Change (%)
Orders Received		Green Energy Business Division	6,137	8.5	8,317	13.0	2,179	35.5
		Energy and Industry Division	14,436	19.9	17,281	26.9	2,845	19.7
		Electric Power Division	36,280	49.9	19,922	31.0	(16,357)	(45.1)
		Nuclear Power Division	12,966	17.8	12,864	20.0	(101)	(0.8)
		Other	381	0.5	159	0.2	(221)	(58.1)
	Facilities Construction		70,201	96.6	58,545	91.1	(11,656)	(16.6)
	Other Businesses		2,762	3.8	5,622	8.8	2,859	103.5
	Segment total		72,964	100.4	64,168	99.9	(8,796)	(12.1)
	Adjustments		(255)	(0.4)	0	0.1	256	-
	Total		72,708	100.0	64,168	100.0	(8,540)	(11.7)
Construction Completed		Green Energy Business Division	2,840	3.5	3,364	3.7	523	18.4
		Energy and Industry Division	15,106	19.1	18,122	20.5	3,015	20.0
		Electric Power Division	38,478	48.7	36,233	41.0	(2,245)	(5.8)
		Nuclear Power Division	20,248	25.6	24,961	28.2	4,712	23.3
		Other	65	0.1	367	0.4	301	457.6
	Facilities Construction		76,740	97.0	83,049	93.8	6,308	8.2
	Other Businesses		2,570	3.3	5,418	6.1	2,847	110.8
	Segment total		79,311	100.3	88,467	99.9	9,156	11.5
	Adjustments		(255)	(0.3)	0	0.1	256	-
	Total		79,055	100.0	88,467	100.0	9,412	11.9
Amount Carried Forward to the Next Period		Green Energy Business Division	4,807	3.9	9,760	10.0	4,952	103.0
		Energy and Industry Division	20,129	16.5	19,289	19.7	(840)	(4.2)
		Electric Power Division	69,139	56.7	52,828	54.1	(16,310)	(23.6)
		Nuclear Power Division	27,031	22.2	14,933	15.3	(12,097)	(44.8)
		Other	360	0.3	153	0.2	(207)	(57.5)
	Facilities Construction		121,468	99.6	96,965	99.3	(24,503)	(20.2)
	Other Businesses		507	0.4	712	0.7	204	40.3
	Segment total		121,976	100.0	97,677	100.0	(24,299)	(19.9)
	Adjustments		-	-	-	-	-	-
	Total		121,976	100.0	97,677	100.0	(24,299)	(19.9)