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Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]

February 13, 2025

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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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 Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2024	295,884	5.7	19,180	93.5	19,035	95.0	15,092	131.9
December 31, 2023	279,926	8.1	9,914	(26.8)	9,763	(28.2)	6,509	(41.4)

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥18,763 million [113.9%]
Nine months ended December 31, 2023: ¥8,771 million [(32.5)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	96.33	—
December 31, 2023	41.58	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2024	355,873	163,754	45.7
As of March 31, 2024	334,145	154,470	46.0

(Reference) Equity: As of December 31, 2024: ¥162,806 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	—	30.00	—		
Fiscal year ending March 31, 2025 (Forecast)				40.00	70.00

(Note) Revision to the forecast for dividends announced most recently: Yes

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
Full year	417,100	5.8	27,000	45.2	26,500	42.9	21,300	53.5	135.93

(Note) Revision to the financial results forecast announced most recently: Yes

*** Notes:**

(1) Significant changes in scope of consolidation during the nine months ended December 31, 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):
December 31, 2024: 181,021,197 shares
March 31, 2024: 181,021,197 shares
2) Total number of treasury shares at the end of the period:
December 31, 2024: 24,264,198 shares
March 31, 2024: 24,396,199 shares
3) Average number of shares during the period:
Nine months ended December 31, 2024: 156,685,350 shares
Nine months ended December 31, 2023: 156,552,461 shares
1,255,055 shares held by the management board incentive plan trust and 2,101,281 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 firm: 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 December 31, 2024
Assets		
Current assets		
Cash and deposits	50,212	44,143
Notes receivable, accounts receivable from completed construction contracts and other	181,565	200,448
Costs on construction contracts in progress	5,002	4,312
Other inventories	4,152	5,579
Other	9,223	14,284
Allowance for doubtful accounts	(217)	(240)
Total current assets	249,938	268,527
Non-current assets		
Property, plant and equipment		
Land	16,032	15,653
Other, net	20,119	20,276
Total property, plant and equipment	36,152	35,929
Intangible assets	1,693	1,598
Investments and other assets		
Investment securities	28,250	31,914
Deferred tax assets	6,037	4,782
Other	12,608	13,121
Allowance for doubtful accounts	(534)	(0)
Total investments and other assets	46,362	49,818
Total non-current assets	84,207	87,345
Total assets	334,145	355,873

(Million yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable for construction contracts and other	55,315	46,711
Short-term borrowings	16,348	40,500
Current portion of bonds payable	35	—
Income taxes payable	3,624	3,717
Advances received on construction contracts in progress	33,563	38,936
Deposits received	44,996	35,825
Provision for warranties for completed construction	2,106	3,013
Provision for bonuses	3,144	829
Provision for loss on construction contracts	453	588
Other	6,915	7,175
Total current liabilities	166,503	177,297
Non-current liabilities		
Long-term borrowings	7,249	8,633
Deferred tax liabilities	26	24
Retirement benefit liability	3,672	3,303
Provision for management board incentive plan trust	270	334
Provision for employee stock ownership plan trust	755	1,111
Other	1,198	1,412
Total non-current liabilities	13,172	14,820
Total liabilities	179,675	192,118
Net assets		
Shareholders' equity		
Share capital	17,006	17,006
Capital surplus	17,678	17,678
Retained earnings	128,575	134,060
Treasury shares	(21,595)	(21,464)
Total shareholders' equity	141,664	147,280
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,638	9,315
Deferred gains or losses on hedges	1,974	3,045
Foreign currency translation adjustment	283	339
Remeasurements of defined benefit plans	3,008	2,825
Total accumulated other comprehensive income	11,905	15,526
Non-controlling interests	900	947
Total net assets	154,470	163,754
Total liabilities and net assets	334,145	355,873

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

(Quarterly Consolidated Statements of Income)

(Nine Months Ended December 31)

(Million yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales		
Net sales of completed construction contracts	259,382	278,335
Net sales in other businesses	20,544	17,549
Total net sales	279,926	295,884
Cost of sales		
Cost of sales of completed construction contracts	232,611	242,651
Cost of sales in other businesses	19,197	15,675
Total cost of sales	251,808	258,326
Gross profit		
Gross profit on completed construction contracts	26,771	35,683
Gross profit - other business	1,346	1,874
Total gross profit	28,117	37,557
Selling, general and administrative expenses	18,203	18,376
Operating profit	9,914	19,180
Non-operating income		
Dividend income	273	384
Foreign exchange gains	158	156
Insurance claim income	1	363
Other	198	317
Total non-operating income	632	1,221
Non-operating expenses		
Interest expenses	286	332
Share of loss of entities accounted for using equity method	49	86
Commission expenses	272	358
Compensation for damage	60	388
Other	113	201
Total non-operating expenses	782	1,367
Ordinary profit	9,763	19,035
Extraordinary income		
Gain on sale of non-current assets	—	330
Gain on sale of investment securities	141	2,537
Insurance claim income	33	—
Reversal of provision for environmental measures	54	—
Total extraordinary income	229	2,867
Extraordinary losses		
Loss on retirement of non-current assets	112	45
Loss on valuation of investment securities	38	—
Loss on litigation	125	12
Total extraordinary losses	276	57
Profit before income taxes	9,716	21,844
Income taxes	3,188	6,758
Profit	6,527	15,086
Profit (loss) attributable to non-controlling interests	18	(6)
Profit attributable to owners of parent	6,509	15,092

(Quarterly Consolidated Statements of Comprehensive Income)

(Nine Months Ended December 31)

(Million yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	6,527	15,086
Other comprehensive income		
Valuation difference on available-for-sale securities	1,061	2,677
Foreign currency translation adjustment	150	112
Remeasurements of defined benefit plans	(64)	(183)
Share of other comprehensive income of entities accounted for using equity method	1,096	1,070
Total other comprehensive income	2,243	3,677
Comprehensive income	8,771	18,763
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,693	18,713
Comprehensive income attributable to non-controlling interests	78	50

2. (Reference) Quarterly Non-Consolidated Financial Statements

(1) Quarterly Non-Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	39,032	30,678
Notes receivable, accounts receivable from completed construction contracts and other	179,352	199,541
Costs on construction contracts in progress	4,617	4,071
Other inventories	1,849	2,633
Other	9,178	13,795
Allowance for doubtful accounts	(216)	(240)
Total current assets	233,813	250,479
Non-current assets		
Property, plant and equipment		
Land	13,250	13,249
Other, net	16,738	16,454
Total property, plant and equipment	29,988	29,704
Intangible assets	1,427	1,359
Investments and other assets		
Investment securities	30,636	34,303
Deferred tax assets	6,492	5,137
Other	10,774	11,000
Allowance for doubtful accounts	(535)	(3)
Total investments and other assets	47,367	50,438
Total non-current assets	78,783	81,501
Total assets	312,596	331,980

(Million yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable for construction contracts and other	57,579	46,786
Short-term borrowings	16,262	40,444
Current portion of bonds payable	35	—
Income taxes payable	3,123	3,592
Advances received on construction contracts in progress	32,120	37,487
Deposits received	42,822	33,564
Provision for warranties for completed construction	2,104	3,009
Provision for bonuses	2,991	774
Provision for loss on construction contracts	450	582
Other	4,352	5,219
Total current liabilities	161,842	171,463
Non-current liabilities		
Long-term borrowings	7,034	8,453
Provisions for retirement benefits	4,789	4,366
Provision for management board incentive plan trust	270	334
Provision for employee stock ownership plan trust	755	1,111
Other	1,175	1,420
Total non-current liabilities	14,024	15,686
Total liabilities	175,867	187,150
Net assets		
Shareholders' equity		
Share capital	17,006	17,006
Capital surplus	17,743	17,743
Retained earnings	116,975	122,265
Treasury shares	(21,595)	(21,464)
Total shareholders' equity	130,129	135,550
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	6,599	9,279
Total valuation and translation adjustments	6,599	9,279
Total net assets	136,728	144,829
Total liabilities and net assets	312,596	331,980

(2) Quarterly Non-Consolidated Statements of Income

(Nine Months Ended December 31)

(Million yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales		
Net sales of completed construction contracts	254,574	275,844
Net sales in other businesses	3,231	4,231
Total net sales	257,806	280,076
Cost of sales		
Cost of sales of completed construction contracts	228,795	240,532
Cost of sales in other businesses	3,055	3,865
Total cost of sales	231,850	244,397
Gross profit		
Gross profit on completed construction contracts	25,779	35,312
Gross profit - other business	176	365
Total gross profit	25,956	35,678
Selling, general and administrative expenses	16,936	16,934
Operating profit	9,019	18,743
Non-operating income	778	1,344
Non-operating expenses	708	1,259
Ordinary profit	9,088	18,828
Extraordinary income	196	2,537
Extraordinary losses	253	54
Profit before income taxes	9,031	21,310
Income taxes	2,842	6,413
Profit	6,188	14,897

3. Supplementary Information

(1) Results for the Nine months ended December 31, 2024 and forecasts for full year

1. Non-consolidated

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

Items		Results for the nine months ended December 31, 2023	Results for the nine months ended December 31, 2024	Results for the fiscal year ended March 31, 2024	Forecasts for the fiscal year ending March 31, 2025	
					Previous forecast (announced in May 2024)	Revised forecast
Orders received	Civil engineering	65,216	75,950	115,624	125,000	115,000
	Building construction	151,140	228,967	235,579	250,000	286,500
	Total orders received	216,357	304,917	351,204	375,000	401,500
Net sales of completed construction contracts	Civil engineering	101,996	94,592	133,223	125,000	128,600
	Building construction	152,578	181,252	224,249	250,000	257,000
	Total net sales of completed construction contracts	254,574	275,844	357,473	375,000	385,600
Gross profit on completed construction contracts	Civil engineering	14,322 [14.0%]	14,029 [14.8%]	20,225 [15.2%]	19,100 [15.3%]	19,100 [14.9%]
	Building construction	11,456 [7.5%]	21,283 [11.7%]	19,394 [8.6%]	26,300 [10.5%]	30,500 [11.9%]
	Total gross profit on completed construction contracts	25,779 [10.1%]	35,312 [12.8%]	39,620 [11.1%]	45,400 [12.1%]	49,600 [12.9%]

Gross sales	**257,806**	**280,076**	**362,606**	**380,000**	**392,600**
Gross profit	25,956 [10.1%]	35,678 [12.7%]	39,854 [11.0%]	45,800 [12.1%]	50,200 [12.8%]
Selling, general and administrative expenses	16,936	16,934	22,994	24,000	24,000
Operating profit	**9,019** [3.5%]	**18,743** [6.7%]	**16,860** [4.6%]	**21,800** [5.7%]	**26,200** [6.7%]
Non-operating income/expenses [Interest income/expenses]	69 [220]	84 [280]	215 [337]	(500) [50]	(300) [350]
Ordinary profit	**9,088** [3.5%]	**18,828** [6.7%]	**17,076** [4.7%]	**21,300** [5.6%]	**25,900** [6.6%]
Extraordinary income/losses	(57)	2,482	363	—	4,000
Profit before income taxes	9,031 [3.5%]	21,310 [7.6%]	17,440 [4.8%]	21,300 [5.6%]	29,900 [7.6%]
Tax expenses	2,842	6,413	4,442	6,500	9,000
Profit	**6,188** [2.4%]	**14,897** [5.3%]	**12,997** [3.6%]	**14,800** [3.9%]	**20,900** [5.3%]

2. Consolidated

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

Items	Results for the nine months ended December 31, 2023	Results for the nine months ended December 31, 2024	Results for the fiscal year ended March 31, 2024	Forecasts for the fiscal year ending March 31, 2025	
				Previous forecast (announced in May 2024)	Revised forecast
Gross sales	**279,926**	**295,884**	**394,128**	**406,200**	**417,100**
Selling, general and administrative expenses	18,203	18,376	24,721	25,900	25,900
Operating profit	**9,914** [3.5%]	**19,180** [6.5%]	**18,591** [4.7%]	**22,900** [5.6%]	**27,000** [6.5%]
Ordinary profit	**9,763** [3.5%]	**19,035** [6.4%]	**18,545** [4.7%]	**22,100** [5.4%]	**26,500** [6.4%]
Profit attributable to owners of parent	**6,509** [2.3%]	**15,092** [5.1%]	**13,878** [3.5%]	**15,200** [3.7%]	**21,300** [5.1%]

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

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

Category		For the nine months ended December 31, 2023		For the nine months ended December 31, 2024		Increase/decrease		Results for the fiscal year ended March 31, 2024	
		Amount	%	Amount	%	Amount	% change	Amount	%
Domestic civil engineering	Government sector	46,610	[75.3]	61,099	[83.4]	14,489	31.1	80,182	[71.6]
	Private sector	15,286	[24.7]	12,204	[16.6]	(3,081)	(20.2)	31,769	[28.4]
	Total	61,896	28.6	73,304	24.0	11,407	18.4	111,951	31.9
Domestic building construction	Government sector	4,185	[3.3]	30,067	[14.3]	25,881	618.3	20,250	[9.9]
	Private sector	122,178	[96.7]	180,026	[85.7]	57,847	47.3	184,735	[90.1]
	Total	126,364	58.4	210,093	68.9	83,728	66.3	204,986	58.4
Domestic	Government sector	50,796	[27.0]	91,166	[32.2]	40,370	79.5	100,433	[31.7]
	Private sector	137,465	[73.0]	192,230	[67.8]	54,765	39.8	216,504	[68.3]
	Total	188,261	87.0	283,397	92.9	95,136	50.5	316,938	90.2
Overseas	Civil engineering	3,319	[11.8]	2,645	[12.3]	(673)	(20.3)	3,672	[10.7]
	Building construction	24,776	[88.2]	18,873	[87.7]	(5,902)	(23.8)	30,593	[89.3]
	Total	28,095	13.0	21,519	7.1	(6,576)	(23.4)	34,266	9.8
Sum total	Civil engineering	65,216	[30.1]	75,950	[24.9]	10,733	16.5	115,624	[32.9]
	Building construction	151,140	[69.9]	228,967	[75.1]	77,826	51.5	235,579	[67.1]
	Total	216,357	100.0	304,917	100.0	88,560	40.9	351,204	100.0

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

Category		For the nine months ended December 31, 2023		For the nine months ended December 31, 2024		Increase/decrease		Results for the fiscal year ended March 31, 2024	
		Amount	%	Amount	%	Amount	% change	Amount	%
Domestic civil engineering	Government sector	63,574	[65.9]	59,111	[65.7]	(4,463)	(7.0)	80,880	[64.3]
	Private sector	32,944	[34.1]	30,879	[34.3]	(2,065)	(6.3)	44,996	[35.7]
	Total	96,518	37.9	89,990	32.6	(6,528)	(6.8)	125,877	35.2
Domestic building construction	Government sector	26,870	[19.9]	34,473	[21.5]	7,603	28.3	40,847	[20.3]
	Private sector	107,857	[80.1]	126,014	[78.5]	18,157	16.8	160,635	[79.7]
	Total	134,728	52.9	160,488	58.2	25,760	19.1	201,483	56.4
Domestic	Government sector	90,445	[39.1]	93,585	[37.4]	3,140	3.5	121,728	[37.2]
	Private sector	140,801	[60.9]	156,893	[62.6]	16,092	11.4	205,632	[62.8]
	Total	231,246	90.8	250,479	90.8	19,232	8.3	327,360	91.6
Overseas	Civil engineering	5,477	[23.5]	4,601	[18.1]	(875)	(16.0)	7,346	[24.4]
	Building construction	17,850	[76.5]	20,763	[81.9]	2,913	16.3	22,766	[75.6]
	Total	23,327	9.2	25,365	9.2	2,037	8.7	30,112	8.4
Sum total	Civil engineering	101,996	[40.1]	94,592	[34.3]	(7,403)	(7.3)	133,223	[37.3]
	Building construction	152,578	[59.9]	181,252	[65.7]	28,673	18.8	224,249	[62.7]
	Total	254,574	100.0	275,844	100.0	21,270	8.4	357,473	100.0

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

Category		For the nine months ended December 31, 2023		For the nine months ended December 31, 2024		Increase/decrease		Results for the fiscal year ended March 31, 2024	
		Amount	%	Amount	%	Amount	% change	Amount	%
Domestic civil engineering	Government sector	103,740	[41.8]	121,994	[48.4]	18,254	17.6	120,006	[44.7]
	Private sector	144,236	[58.2]	129,992	[51.6]	(14,244)	(9.9)	148,666	[55.3]
	Total	247,976	50.5	251,986	45.6	4,010	1.6	268,673	51.4
Domestic building construction	Government sector	61,047	[28.4]	58,728	[21.2]	(2,318)	(3.8)	63,135	[27.8]
	Private sector	153,951	[71.6]	217,741	[78.8]	63,789	41.4	163,729	[72.2]
	Total	214,998	43.8	276,469	50.0	61,471	28.6	226,864	43.4
Domestic	Government sector	164,787	[35.6]	180,723	[34.2]	15,935	9.7	183,141	[37.0]
	Private sector	298,187	[64.4]	347,733	[65.8]	49,545	16.6	312,396	[63.0]
	Total	462,974	94.3	528,456	95.7	65,481	14.1	495,537	94.8
Overseas	Civil engineering	5,517	[19.8]	2,202	[9.2]	(3,315)	(60.1)	4,146	[15.1]
	Building construction	22,377	[80.2]	21,754	[90.8]	(623)	(2.8)	23,301	[84.9]
	Total	27,895	5.7	23,956	4.3	(3,939)	(14.1)	27,447	5.2
Sum total	Civil engineering	253,494	[51.6]	254,189	[46.0]	694	0.3	272,819	[52.2]
	Building construction	237,376	[48.4]	298,223	[54.0]	60,847	25.6	250,166	[47.8]
	Total	490,870	100.0	552,412	100.0	61,542	12.5	522,985	100.0

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

Category	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024	Increase/decrease		Results for the fiscal year ended March 31, 2024
	Amount	Amount	Amount	% change	Amount
Other businesses	3,231	4,231	999	30.9	5,133