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Summary Financial Results for the Fiscal Year Ended March 31, 2023 [Japanese GAAP] (Consolidated)

May 12, 2023

Company Name	ASAHI KOGYOSHA CO., LTD.	Exchange listed on	Tokyo Stock Exchange
Securities Code	1975	URL	https://www.asahikogyosha.co.jp
Representative	(Title) President and Representative Director	(Name)	Yasutomo Takasu
Contact	(Title) Director, Vice President, Executive Officer, and General Manager of General Affairs Division	(Name)	Michiya Kameda (TEL) 03-6452-8181
Scheduled date of regular general meeting of shareholders		June 29, 2023	
Scheduled date of commencement of payment of dividends		June 30, 2023	
Scheduled date for securities report filing		June 29, 2023	
Supplementary materials prepared on financial results		: Yes	
Convening financial results briefing		: Yes	

(Amounts rounded down to the nearest millions of yen.)

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

(1) Consolidated Operating Results

(Percentages indicate rates of change from the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended March 2023	80,171	16.5	2,697	17.9	3,127	20.5	2,480	33.3
Fiscal year ended March 2022	68,820	-2.3	2,287	2.3	2,596	4.4	1,860	2.1

(Note) Comprehensive income: Fiscal year ended March 2023 1,754 million yen [35.8%]
Fiscal year ended March 2022 1,291 million yen [-65.4%]

	Net income per share	Diluted net income per share	Net income to shareholders equity	Ordinary income to assets	Operating income to net sales
	yen	yen	%	%	%
Fiscal year ended March 2023	193.16	—	7.1	4.1	3.4
Fiscal year ended March 2022	145.11	—	5.5	3.6	3.3

(Reference) Gain/loss on equity method investments Fiscal year ended March 2023 - million yen
Fiscal year ended March 2022 - million yen

(Note) The shares of common stock were split at a ratio of 2 shares for 1 share on April 1, 2022. "Net income per share" was calculated assuming that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Fiscal year ended March 2023	78,941	35,380	44.8	2,753.40
Fiscal year ended March 2022	72,081	34,360	47.7	2,678.31

(Reference) Shareholders' equity Fiscal year ended March 2023 35,380 million yen
Fiscal year ended March 2022 34,360 million yen

(Note) The shares of common stock were split at a ratio of 2 shares for 1 share on April 1, 2022. "Net assets per share" was calculated assuming that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(3) Consolidated cash flow

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Fiscal year ended March 2023	-34	-481	-1,349	17,540
Fiscal year ended March 2022	4,648	89	-1,297	19,390

2. Dividends

	Annual dividends					Dividends (total)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of Q1	End of Q2	End of Q3	End of Q4	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Fiscal year ended March 2022	–	50.00	–	70.00	120.00	769	41.3	2.3
Fiscal year ended March 2023	–	25.00	–	55.00	80.00	1,028	41.4	2.9
Fiscal year ending March 2024 (forecast)	–	40.00	–	40.00	80.00		41.1	

(Notes) 1. Breakdown of dividends

End of Q2 for fiscal year ended March 2022	Ordinary dividends: 50.00 yen
Fiscal year ended March 2022, year end	Ordinary dividends: 50.00 yen; Special dividends: 20.00 yen
End of Q2 for fiscal year ended March 2023	Ordinary dividends: 25.00 yen
Fiscal year ended March 2023, year end	Ordinary dividends: 25.00 yen; Special dividends: 30.00 yen
End of Q2 for fiscal year ending March 2024 (forecast)	Ordinary dividends: 40.00 yen
Fiscal year ending March 2024, year end (forecast)	Ordinary dividends: 40.00 yen;

2. The shares of common stock were split at a ratio of 2 shares for 1 share on April 1, 2022. For the fiscal year ended March 2022, the actual amount of dividends before the stock split is stated.

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

(Percentages indicate rates of change from the previous year.)

	Net sales		Operating income		Ordinary income		Net income attributable to the parent company's shareholders		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	88,700	10.6	2,900	7.5	3,150	0.7	2,500	0.8	194.56

* Notes

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries involving changes in the scope of consolidation) : None
- (2) Changes in accounting policies or accounting estimates, restatements
- 1) Changes in accounting policies related to revision of accounting standards : None
- 2) Changes in accounting policies other than those under 1) above : None
- 3) Changes in accounting estimates : None
- 4) Restatements : None
- (3) Number of shares issued (common shares)

1) Number of shares issued at the end of period (including treasury shares)	Fiscal year ended March 2023	13,600,000 shares	Fiscal year ended March 2022	13,600,000 shares
2) Number of treasury shares at the end of period	Fiscal year ended March 2023	750,174 shares	Fiscal year ended March 2022	770,822 shares
3) Average number of shares issued during the period	Fiscal year ended March 2023	12,843,537 shares	Fiscal year ended March 2022	12,820,405 shares

(Note) The shares of common stock were split at a ratio of 2 shares for 1 share on April 1, 2022. Calculations of " Number of shares issued at the end of period ", of " Number of treasury shares at the end of period," and of " Average number of shares issued during the period " assume that this stock split took place at the beginning of the previous consolidated fiscal year.

(Reference) Overview of nonconsolidated financial results

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

(1) Nonconsolidated Operating Results

(Percentages indicate rates of change from the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended March 2023	77,458	15.1	2,585	20.0	3,059	25.7	2,527	43.6
Fiscal year ended March 2022	67,297	-2.4	2,155	-2.4	2,433	-1.8	1,760	-3.6

	Net income per share	Diluted net income per share
	yen	yen
Fiscal year ended March 2023	196.79	—
Fiscal year ended March 2022	137.29	—

(Note) The shares of common stock were split at a ratio of 2 shares for 1 share on April 1, 2022. “Net income per share” was calculated assuming that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(2) Nonconsolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Fiscal year ended March 2023	77,063	35,035	45.5	2,726.54
Fiscal year ended March 2022	70,650	33,860	47.9	2,639.31

(Reference) Shareholders' equity Fiscal year ended March 2023 35,035 million yen
Fiscal year ended March 2022 33,860 million yen

(Note) The shares of common stock were split at a ratio of 2 shares for 1 share on April 1, 2022. “Net assets per share” was calculated assuming that the stock split was conducted at the beginning of the previous consolidated fiscal year.

2. Forecast of Nonconsolidated Results for the Fiscal Year Ending March 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate rates of change from the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	85,800	10.8	2,810	8.7	3,060	0.0	2,430	-3.9	189.11

* Summary financial results are not subject to audits by a certified public accountant or audit firm.

* Explanation of appropriate use of operating results forecasts and other special notes

The forward-looking statements contained in this document, including forecasts of operating results, are based on information available to the Company and certain assumptions deemed reasonable at the time. No guarantees are provided concerning their achievement. Actual results may differ substantially for various reasons.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated balance sheet

	(Million yen)	
	Previous consolidated fiscal year (March 31, 2022)	Current consolidated fiscal year (March 31, 2023)
Assets		
Current assets		
Cash and deposits	19,513	17,667
Notes receivable, accounts receivable from completed construction contracts and other	24,606	30,295
Electronically recorded monetary claims - operating	5,029	6,882
Finished goods	0	0
Costs on construction contracts in progress	873	1,472
Work in process	635	567
Raw materials and supplies	145	246
Other	1,335	2,071
Allowance for doubtful accounts	-2	-1
Total current assets	52,136	59,201
Non-current assets		
Property, plant, and equipment		
Buildings and structures	7,192	6,735
Machinery, vehicles, tools, furniture, and fixtures	992	967
Land	1,944	3,082
Leased assets	154	143
Construction in process	—	32
Accumulated depreciation	-4,901	-4,640
Total property, plant, and equipment	5,383	6,321
Intangible assets	1,031	791
Investments and other assets		
Investment securities	12,290	11,305
Other	1,251	1,331
Allowance for doubtful accounts	-12	-9
Total investments and other assets	13,529	12,627
Total non-current assets	19,944	19,740
Total assets	72,081	78,941

ASAHI KOGYOSHA CO., LTD. (1975) Summary Financial
Results for the Fiscal Year Ended March 31, 2023

	(Million yen)	
	Previous consolidated fiscal year (March 31, 2022)	Current consolidated fiscal year (March 31, 2023)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	17,058	20,024
Electronically recorded obligations - operating	10,051	14,235
Short-term borrowings	3,800	3,300
Lease liabilities	38	34
Income taxes payable	956	812
Advances received on construction contracts in progress	1,936	1,265
Provision for warranties for completed construction	63	86
Provision for loss on construction contracts	381	260
Other	1,290	1,623
Total current liabilities	35,576	41,642
Non-current liabilities		
Lease liabilities	43	28
Retirement benefit liability	978	1,282
Long-term accounts payable - other	312	270
Asset retirement obligations	37	38
Deferred tax liabilities	771	298
Total non-current liabilities	2,143	1,918
Total liabilities	37,720	43,561
Net assets		
Shareholders' equity		
Share capital	3,857	3,857
Capital surplus	3,760	3,777
Retained earnings	23,120	24,830
Treasury shares	-691	-672
Total shareholders' equity	30,046	31,792
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,652	4,034
Foreign currency translation adjustment	170	183
Remeasurements of defined benefit plans	-509	-630
Total accumulated other comprehensive income	4,314	3,588
Total net assets	34,360	35,380
Total liabilities and net assets	72,081	78,941

(2) Consolidated statement of income and consolidated statement of comprehensive income
(Consolidated statement of income)

	(Million yen)	
	Previous consolidated fiscal year (April 1, 2021 - March 31, 2022)	Current consolidated fiscal year (April 1, 2022 - March 31, 2023)
Net sales		
Net sales of completed construction contracts	63,295	75,110
Net sales of finished goods	5,525	5,060
Total net sales	68,820	80,171
Cost of sales		
Cost of sales of completed construction contracts	55,701	66,734
Cost of finished goods sold	4,656	4,383
Total cost of sales	60,357	71,117
Gross profit		
Gross profit on completed construction contracts	7,594	8,376
Gross profit - finished goods	868	677
Total gross profit	8,462	9,053
Selling, general and administrative expenses		
Total selling, general and administrative expenses	6,175	6,355
Operating profit	2,287	2,697
Non-operating income		
Interest income	1	2
Dividend income	268	284
Rental income from real estate	14	12
Insurance claim income	-	147
Other	75	54
Total non-operating income	360	500
Non-operating expenses		
Interest expenses	31	29
Commitment fees	14	38
Other	5	4
Total non-operating expenses	51	71
Ordinary profit	2,596	3,127
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	360	603
Gain on sale of businesses	-	70
Total extraordinary income	360	674
Extraordinary losses		
Loss on disposal of non-current assets	1	4
Loss on valuation of investment securities	0	15
Impairment losses	92	14
Total extraordinary losses	93	34
Profit before income taxes	2,863	3,767
Income taxes – current	1,173	1,431
Income taxes – deferred	-170	-145
Total income taxes	1,002	1,286
Profit	1,860	2,480
Profit attributable to owners of parent	1,860	2,480

(Consolidated statement of comprehensive income)

(Million yen)

	Previous consolidated fiscal year (April 1, 2021 - March 31, 2022)	Current consolidated fiscal year (April 1, 2022 - March 31, 2023)
Profit	1,860	2,480
Other comprehensive income		
Valuation difference on available-for-sale securities	-601	-617
Foreign currency translation adjustment	62	12
Remeasurements of defined benefit plans, net of tax	-29	-121
Total other comprehensive income	-568	-726
Comprehensive income	1,291	1,754
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	1,291	1,754
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated statements of changes in equity
Previous consolidated fiscal year (April 1, 2021 - March 31, 2022)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,857	3,742	21,900	-716	28,783
Changes during period					
Dividends of surplus			-640		-640
Profit attributable to owners of parent			1,860		1,860
Purchase of treasury shares				-0	-0
Disposal of treasury shares		18		24	42
Net changes in items other than shareholders' equity					
Total changes during period	-	18	1,219	24	1,262
Balance at end of period	3,857	3,760	23,120	-691	30,046

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	5,254	108	-479	4,882	33,666
Changes during period					
Dividends of surplus					-640
Profit attributable to owners of parent					1,860
Purchase of treasury shares					-0
Disposal of treasury shares					42
Net changes in items other than shareholders' equity	-601	62	-29	-568	-568
Total changes during period	-601	62	-29	-568	693
Balance at end of period	4,652	170	-509	4,314	34,360

ASAHI KOGYOSHA CO., LTD. (1975) Summary Financial
Results for the Fiscal Year Ended March 31, 2023

Current consolidated fiscal year (April 1, 2022 - March 31, 2023)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,857	3,760	23,120	-691	30,046
Changes during period					
Dividends of surplus			-770		-770
Profit attributable to owners of parent			2,480		2,480
Purchase of treasury shares				-0	-0
Disposal of treasury shares		17		19	36
Net changes in items other than shareholders' equity					
Total changes during period	-	17	1,710	18	1,746
Balance at end of period	3,857	3,777	24,830	-672	31,792

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	4,652	170	-509	4,314	34,360
Changes during period					
Dividends of surplus					-770
Profit attributable to owners of parent					2,480
Purchase of treasury shares					-0
Disposal of treasury shares					36
Net changes in items other than shareholders' equity	-617	12	-121	-726	-726
Total changes during period	-617	12	-121	-726	1,020
Balance at end of period	4,034	183	-630	3,588	35,380

(4) Consolidated statement of cash flows

(Million yen)

	Previous consolidated fiscal year (April 1, 2021 - March 31, 2022)	Current consolidated fiscal year (April 1, 2022 - March 31, 2023)
Cash flow from operating activities		
Profit before income taxes	2,863	3,767
Depreciation	630	578
Impairment losses	92	14
Loss (gain) on valuation of investment securities	0	15
Loss (gain) on sale of businesses	-	-70
Increase (decrease) in allowance for doubtful accounts	1	-4
Increase (decrease) in provision for loss on construction contracts	323	-121
Increase (decrease) in retirement benefit liability	64	128
Increase (decrease) in long-term accounts payable - other	-55	-41
Interest and dividend income	-270	-287
Insurance claim income	-	-147
Interest expense	31	29
Foreign exchange losses(gain)	-7	-6
Loss (gain) on disposal of non-current assets	0	3
Loss (gain) on sale of investment securities	-360	-603
Decrease (increase) in trade receivables	2,404	-7,542
Decrease (increase) in costs on construction contracts in progress	128	-630
Increase (decrease) in trade payable	926	7,168
Increase (decrease) in advance received on construction contracts in progress	532	-671
Other,net	-2,403	-295
Subtotal	4,902	1,283
Interest and dividends received	270	287
Interest paid	-31	-27
Income taxes refund(paid)	-492	-1,578
Net cash provided by (used in) operating activities	4,648	-34
Cash flow from investing activities		
Payments into time deposits	-276	-401
Proceeds from withdrawal of time deposits	276	401
Purchase of property, plant and equipment	-104	-1,294
Proceeds from sale of property, plant and equipment	0	80
Purchase of intangible assets	-90	-56
Purchase of investment securities	-62	-6
Proceeds from sale of investment securities	459	690
Other,net	-112	105
Net cash provided by (used in) investing activities	89	-481
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	-	-500
Repayments of long-term borrowings	-600	-
Purchase of treasury shares	-0	-0
Dividends paid	-640	-770
Other,net	-56	-78
Net cash provided by (used in) financing activities	-1,297	-1,349
Effect of exchange rate change on cash and cash equivalents	30	16
Net increase (decrease) in cash and cash equivalents	3,470	-1,849
Cash and cash equivalents at beginning of period	15,919	19,390
Cash and cash equivalents at end of period	19,390	17,540