

Disclaimer: This document is an English translation of the original document in Japanese and has been prepared solely for reference purposes. In the event of any discrepancy between this English translation and the original in Japanese, the original shall prevail in all respects.



Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Japanese GAAP]

April 25, 2024

Company name: Yurtec Corporation

Stock exchange listing: Tokyo Stock Exchange

Code number: 1934

URL: <https://www.yurtec.co.jp/>

Representative: Yoshiharu Ota, Representative Director & President, Chief Executive Officer

Contact: Tomohiro Moriyama, General Manager of Accounting Department

Phone: +81-22-296-2111

Scheduled date of general shareholders' meeting: June 25, 2024

Scheduled date of commencing dividend payments: June 26, 2024

Scheduled date of filing securities report: June 26, 2024

Availability of supplementary explanatory materials on annual financial results: Available

Schedule of annual financial results briefing session: Scheduled (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 - March 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	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	243,171	7.0	10,523	10.3	11,885	13.2	7,510	14.5
March 31, 2023	227,366	0.9	9,538	0.5	10,501	4.6	6,561	(2.1)

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥9,871 million [37.6%]

Fiscal year ended March 31, 2023: ¥7,176 million [1.5%]

	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	104.83	—	5.4	5.2	4.3
March 31, 2023	91.67	—	5.0	4.8	4.2

(Reference) Equity in earnings of affiliated companies: Fiscal year ended March 31, 2024: ¥— million

Fiscal year ended March 31, 2023: ¥— million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	231,479	142,406	61.5	1,986.45
As of March 31, 2023	221,400	134,488	60.7	1,877.71

(Reference) Equity: As of March 31, 2024: ¥142,345 million

As of March 31, 2023: ¥134,432 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 year-end
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2024	7,798	4,318	(3,368)	45,406
March 31, 2023	9,692	(5,303)	(5,450)	36,334

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended March 31, 2023	Yen —	Yen 14.00	Yen —	Yen 14.00	Yen 28.00	Million yen 2,004	% 30.5	% 1.5
Fiscal year ended March 31, 2024	—	14.00	—	28.00	42.00	3,009	40.1	2.2
Fiscal year ending March 31, 2025 (Forecast)	—	23.00	—	23.00	46.00		40.2	

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

Please also see the “Notice Concerning Changes in Dividend Policy and Dividends of Surplus (Dividend Increase)” announced today.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - 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	252,000	3.6	12,200	15.9	12,800	7.7	8,200	9.2	114.46

* Notes:

(1) Changes in significant subsidiaries during the period under review: None

(Changes in specified subsidiaries resulting in changes in scope of consolidation)

Newly included: – (Company name: –)

Excluded: – (Company name: –)

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

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(3) Total number of issued shares (common shares)

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

As of March 31, 2024 72,224,462 shares

As of March 31, 2023 72,224,462 shares

2) Total number of treasury shares at the end of the period:

As of March 31, 2024 566,064 shares

As of March 31, 2023 630,544 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2024 71,638,679 shares

Fiscal year ended March 31, 2023 71,568,795 shares

* These financial results are outside the scope of audit by certified public accountants or an audit firm.

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

- The forward-looking statements, including earnings forecasts, contained in this document are based on the information currently available to the Company and certain assumptions that it deems to be reasonable. As such, they do not constitute guarantees by the Company of future performance. Actual results may differ materially from these projections due to various factors. For matters regarding financial results forecast, please see page 4 of the attachment, “(4) Future Outlook” in “1. Overview of Operating Results, etc.”
- The supplementary explanatory materials on annual financial results will be posted on the Company’s website on the same day.

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 - March 31, 2024)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	222,098	6.0	9,824	8.3	11,513	9.9	7,380	2.4
March 31, 2023	209,474	1.2	9,075	9.7	10,477	9.9	7,206	5.7

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2024	103.03	—
March 31, 2023	100.70	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	204,381	123,612	60.5	1,725.02
As of March 31, 2023	195,060	117,748	60.4	1,644.68

(Reference) Equity: As of March 31, 2024: ¥123,612 million

As of March 31, 2023: ¥117,748 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	226,000	1.8	10,800	9.9	12,000	4.2	8,000	8.4	111.67

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

- The forward-looking statements, including earnings forecasts, contained in this document are based on the information currently available to the Company and certain assumptions that it deems to be reasonable. As such, they do not constitute guarantees by the Company of future performance. Actual results may differ materially from these projections due to various factors.
- The supplementary explanatory materials on annual financial results will be posted on the Company's website on the same day.

Table of Contents - Attachments

1. Overview of Operating Results, etc.	2
(1) Overview of Operating Results for the Fiscal Year under Review	2
(2) Overview of Financial Position for the Fiscal Year under Review	4
(3) Overview of Cash Flows for the Fiscal Year under Review	4
(4) Future Outlook	4
(5) Basic Policy for the Distribution of Profit and the Dividend Payout for the Current and Next Fiscal Years	7
2. Basic Policy on Selection of Accounting Standards	7
3. Consolidated Financial Statements and Principal Notes	8
(1) Consolidated Balance Sheets	8
(2) Consolidated Statements of Income and Comprehensive Income	10
(3) Consolidated Statements of Changes in Equity	12
(4) Consolidated Statements of Cash Flows	14
(5) Notes to Consolidated Financial Statements	16
(Notes on going concern assumption)	16
(Notes on important matters for the preparation of consolidated financial statements)	16
(Segment information)	17
(Per share information)	18
(Significant subsequent events)	19
4. Non-consolidated Financial Statements and Principal Notes	20
(1) Non-consolidated Balance Sheets	20
(2) Non-consolidated Statements of Income	23
(3) Non-consolidated Statements of Changes in Equity	24
(4) Notes to Non-consolidated Financial Statements	28
(Notes on going concern assumption)	28

1. Overview of Operating Results, etc.

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

The Japanese economy during the fiscal year ended March 31, 2024 showed a modest recovery trend under the improving employment and wages conditions thanks to the effects of the various government policies, although the recovery of personal consumption came to a standstill.

In the construction industry, public-sector investments continued to be firm, and private-sector capital investment showed signs of recovery.

Under these circumstances, in the Tohoku and Niigata regions, where the level of capital investment has been high, the Company strove to increase orders received for work mainly for large plants and commercial facilities and worked to further increase earnings through measures including active sales activities for information and telecommunications installation work combined with indoor wiring, air-conditioning, and plumbing installation work.

In addition, the Company pursued business expansion, based on the FY2023 Medium-Term Management Plan, by promoting the basic strategies of increasing earnings in the Kanto region, strengthening renewal sales, and strengthening overseas business.

Specifically, in the Kanto region, in addition to increasing orders received for large-scale redevelopment as well as work mainly for R&D facilities, we have worked to increase earnings by strengthening sales in data center and other growth areas.

In terms of renewal sales, we made efforts to increase orders received by actively offering proposals that meet clients' equipment updating needs and proposing technology to reduce CO2 emissions to our clients.

In the overseas business, efforts were made, primarily by Sigma Engineering JSC, our consolidated subsidiary, to increase orders received for indoor wiring, air-conditioning, and plumbing installation work of large hotels and building complex projects, as well as renewable energy-related construction.

In electric power infrastructure construction work, the Company has striven to increase orders received for planned renewal work on power transmission and distribution facilities and maintenance work on main power grids, while being committed to contributing to the stable supply of electricity, which is indispensable in social life.

Additionally, we pursued business expansion, including strengthening our systems through the establishment of the Renewable Energy Business Division in July 2023 to be ready for, with flexibility, construction related to wind-power generation plants planned for various parts of the Tohoku region.

Furthermore, the Company strove to strengthen its management base through initiatives, for example, establishing the Human Resources Strategy Project in July 2023 to improve the engagement of young employees and those working on-site and create a work environment for them, as well as building an internal system for promoting sustainability management, and continuously promoting DX.

As for the business results of the Group for the fiscal year ended March 31, 2024, net sales increased due to the increased number of works for air-conditioning and plumbing, power distribution lines, and power transmission.

In terms of profit and loss, all profits increased due to an increase in net sales despite rises in expenses related to human investment contributing to a strengthened management base and expenses associated with DX promotion.

[Consolidated results]

Net sales	¥243,171 million	(Up 7.0% year-on-year)
Operating profit	¥10,523 million	(Up 10.3% year-on-year)
Ordinary profit	¥11,885 million	(Up 13.2% year-on-year)
Profit attributable to owners of parent	¥7,510 million	(Up 14.5% year-on-year)

[Non-consolidated results]

Net sales	¥222,098 million	(Up	6.0% year-on-year)
Operating profit	¥9,824 million	(Up	8.3% year-on-year)
Ordinary profit	¥11,513 million	(Up	9.9% year-on-year)
Profit	¥7,380 million	(Up	2.4% year-on-year)

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

Total net assets were ¥231,479 million, an increase of ¥10,078 million compared with the end of the previous fiscal year. This is mainly attributable to a decrease of ¥10,290 million in deposits paid and increases of ¥10,634 million in notes receivable, accounts receivable from completed construction contracts and other and ¥10,978 million in securities.

Total liabilities were ¥89,073 million, an increase of ¥2,160 million compared with the end of the previous fiscal year. This is mainly attributable to decreases of ¥1,582 million in notes payable, accounts payable for construction contracts and other and ¥1,296 million in short-term borrowings and an increase of ¥4,543 million in electronically recorded obligations - operating.

Total net assets were ¥142,406 million, an increase of ¥7,917 million compared with the end of the previous fiscal year. This is mainly attributable to increases of ¥5,546 million in retained earnings and ¥1,570 million in remeasurements of defined benefit plans.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (hereinafter “cash”) at the end of the fiscal year under review amounted to ¥45,406 million, an increase of ¥9,071 million from the end of the previous fiscal year.

Cash flows in each area of activity and their respective contributing factors for the fiscal year under review are as follows.

(Cash flows from operating activities)

Cash provided by operating activities was ¥7,798 million, a decrease of ¥1,894 million from the previous fiscal year. The main contributing factors were the recording of profit before income taxes and payment of income taxes.

(Cash flows from investing activities)

Cash provided by investing activities was ¥4,318 million, an increase of ¥9,622 million from the previous fiscal year. The main contributing factor was withdrawal deposit.

(Cash flows from financing activities)

Cash used in financing activities was ¥3,368 million, a decrease of ¥2,082 million from the previous fiscal year. The main contributing factors were repayments of short-term borrowings and payment of dividends.

(4) Future Outlook

With respect to the forecast for the Japanese economy, despite concern about such factors as high prices depressing consumption and labor shortages resulting in a delay in the pace of capital investment, economic conditions are expected to improve due to the reduction of these factors by steady wage increases and other reasons.

In the construction industry, public-sector investments are expected to remain firm due in part to the effectiveness of a supplementary budget set by the government, while the recovery trend of private-sector capital investment is also expected to continue on the back of strong corporate earnings.

Under these circumstances, the Company has formulated the new “2030 Vision,” which specifies its long-term goals and long-term vision, to adapt to changes in the external environment surrounding the Group, contribute to the resolution of social issues, and achieve the sustainable growth of society and long-term enhancement of its corporate value.

At the same time, by identifying what we need to do today by backcasting from the “2030 Vision” to fill the gap between the vision and current status, we have formulated the “Medium-Term Management Plan 2024 - 2028,” which outlines numerical targets and five basic strategies and key measures.

In pursuit of the five basic strategies and key measures, the Group aims to achieve the numerical targets by implementing measures in a unified effort.

[2030 Vision]

- Numerical targets for the early 2030s

Consolidated net sales: 300 billion yen

Consolidated operating profit: 20 billion yen

ROE: 8.0%

[Medium-Term Management Plan 2024 - 2028]

- Numerical targets for FY2028

Consolidated net sales: 270 billion yen

Consolidated operating profit: 13.5 billion yen

ROE: 6.0% or above

[Basic Strategies]

- 1) Pursuing “Safety, Quality, and Reliability” Group-wide
- 2) Responding to business environment changes based on maintaining and strengthening trust relationships with clients in Tohoku and Niigata
- 3) Further expanding business scale by accelerating expansion into growth areas
- 4) Creating attractive work environment and enhancing human resource development
- 5) Strengthening management base by practicing sustainability management

The Company continuously aims to achieve the FY2025 quantitative targets “(Consolidated) Net sales: 240 billion yen / Operating Profit: 12 billion yen; (Non-consolidated) Net sales: 220 billion yen / Operating Profit: 10 billion yen” under the FY2021 Medium-Term Management Plan, which it views as a transit point in pursuit of the attainment of the numerical targets in the 2030 Vision and the Medium-Term Management Plan 2024 - 2028.

Aiming to achieve the numerical targets in the new Medium-Term Management Plan, the Company will strive to strengthen its business foundations by further enhancing competitiveness in the Tohoku and Niigata regions, where it has conducted business since its founding.

Specifically, the Company will strengthen sales targeting the general public and government offices and promote engagement in renewal sales in an effort to increase orders received.

The Company will also build construction systems for electric power infrastructure construction work, which includes construction to address the aging of facilities and maintenance work on main power grids, through early collection of information about construction plans to contribute to the stable supply of electricity and the strengthening of resilience, while working to increase earnings.

We have established four key businesses (1. Business other than Tohoku and Niigata regions, 2. Overseas business, 3. Renewable energy-related construction, and 4. Renewal projects) under the new Medium-Term Management Plan, aiming to further increase orders received, increase earnings, and pursue business expansion.

Furthermore, we will strive to secure a new source of profit by promoting an initiative for new businesses expected to produce synergy with our core businesses, with the aim of further pursuing business expansion.

As for the direction of future investment, the Company will actively allocate its management resources to “bolster existing businesses” and “accelerate initiatives in growth areas” and invest particularly in the promotion of human capital management and the promotion of DX in an effort to strengthen its management base.

Additionally, based on the belief that “Yurtec’s greatest assets are our human resources,” we will make efforts to develop and implement various measures that help to improve employee engagement, including recruiting human resources to secure necessary personnel, reforming our personnel system, and enhancing human resource development, primarily through the Human Resources Strategy Project, aiming to create an attractive work environment.

With these initiatives, our forecast for the business results in the fiscal year ending March 31, 2025 are as follows:

[Forecast consolidated results]

Net sales	¥252,000 million	(Up 3.6% year-on-year)
Operating profit	¥12,200 million	(Up 15.9% year-on-year)
Ordinary profit	¥12,800 million	(Up 7.7% year-on-year)
Profit attributable to owners of parent	¥8,200 million	(Up 9.2% year-on-year)

[Forecast non-consolidated results]

Net sales	¥226,000 million	(Up 1.8% year-on-year)
Operating profit	¥10,800 million	(Up 9.9% year-on-year)
Ordinary profit	¥12,000 million	(Up 4.2% year-on-year)
Profit	¥8,000 million	(Up 8.4% year-on-year)

(5) Basic Policy for the Distribution of Profit and the Dividend Payout for the Current and Next Fiscal Years

The Company considers the return of profits to shareholders to be an important management strategy.

The Company's basic policy has now been formulated to stably return profits to shareholders with a consolidated payout ratio of 40% or more in accordance with business results, while taking into account business development and investments for growth in the future.

Pursuant to the above policy, the Company will provide year-end dividends of ¥28 per share for the fiscal year ended March 31, 2024. Accordingly, together with the interim dividend of ¥14 per share already provided, the annual dividend for the fiscal year under review will be ¥42 per share.

The Company also plans to provide annual dividends of ¥46 per share (interim: ¥23; year-end: ¥23) in the next fiscal year, based on current business results forecasts for the fiscal year ending March 31, 2025.

Please refer to the "Notice Regarding Revision to Dividend Policy and Dividends of Surplus (Increase)" announced today for details.

2. Basic Policy on Selection of Accounting Standards

Taking into consideration the comparability of consolidated financial statements across periods and among companies, the Company will maintain its policy of preparing its consolidated financial statements under Japanese GAAP for the immediate future.

With regard to the application of International Financial Reporting Standards (IFRS), the Company's policy is to take appropriate measures after consideration of the situation in Japan and overseas.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	35,979	33,911
Deposits paid	10,290	–
Notes receivable, accounts receivable from completed construction contracts and other	77,778	88,413
Electronically recorded monetary claims – operating	11,048	8,486
Lease receivables and investments in leases	3,551	3,537
Securities	–	10,978
Costs on construction contracts in progress	1,070	1,120
Other	5,271	7,262
Allowance for doubtful accounts	(310)	(823)
Total current assets	144,679	152,886
Non-current assets		
Property, plant and equipment		
Buildings and structures	48,022	49,270
Machinery, vehicles, tools, furniture and fixtures	23,552	22,957
Land	17,859	20,030
Other	1,631	1,086
Accumulated depreciation	(44,459)	(45,063)
Total property, plant and equipment	46,605	48,281
Intangible assets		
Goodwill	3,707	3,333
Other	3,342	3,202
Total intangible assets	7,050	6,536
Investments and other assets		
Investment securities	11,367	11,957
Retirement benefit asset	2,366	4,438
Deferred tax assets	6,860	6,577
Other	2,707	1,028
Allowance for doubtful accounts	(236)	(227)
Total investments and other assets	23,065	23,775
Total non-current assets	76,721	78,592
Total assets	221,400	231,479

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	34,702	33,120
Electronically recorded obligations - operating	12,129	16,673
Short-term borrowings	3,728	2,431
Income taxes payable	3,489	4,013
Advances received on construction contracts in progress	3,533	3,071
Provision for loss on construction contracts	156	526
Provision for bonuses for directors (and other officers)	92	82
Provision for loss on disaster	18	—
Other	6,125	6,979
Total current liabilities	63,976	66,898
Non-current liabilities		
Long-term borrowings	4,529	4,490
Deferred tax liabilities for land revaluation	1,297	1,279
Provision for retirement benefits for directors (and other officers)	34	43
Retirement benefit liability	15,730	15,395
Other	1,344	965
Total non-current liabilities	22,936	22,174
Total liabilities	86,912	89,073
Net assets		
Shareholders' equity		
Share capital	7,803	7,803
Capital surplus	7,864	7,885
Retained earnings	118,713	124,259
Treasury shares	(333)	(299)
Total shareholders' equity	134,047	139,648
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	230	667
Revaluation reserve for land	(2,186)	(2,228)
Foreign currency translation adjustment	838	1,184
Remeasurements of defined benefit plans	1,502	3,073
Total accumulated other comprehensive income	384	2,697
Non-controlling interests	55	60
Total net assets	134,488	142,406
Total liabilities and net assets	221,400	231,479

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	227,366	243,171
Cost of sales	196,972	210,884
Gross profit	30,393	32,287
Selling, general and administrative expenses	20,855	21,763
Operating profit	9,538	10,523
Non-operating income		
Interest income	230	295
Rental income	198	241
Commission income	162	177
Foreign exchange gains	432	488
Other	204	246
Total non-operating income	1,228	1,450
Non-operating expenses		
Interest expenses	102	22
Provision of allowance for doubtful accounts	96	—
Idle assets expenses	34	32
Other	31	34
Total non-operating expenses	264	89
Ordinary profit	10,501	11,885
Extraordinary income		
Gain on sale of non-current assets	70	1
Gain on sale of investment securities	0	0
Total extraordinary income	71	2
Extraordinary losses		
Loss on sale of non-current assets	14	20
Impairment losses	61	63
Loss on retirement of non-current assets	24	58
Loss on removal noncurrent assets	21	44
Loss on valuation of investment securities	21	—
Total extraordinary losses	142	187
Profit before income taxes	10,430	11,700
Income taxes - current	3,898	4,604
Income taxes - deferred	(37)	(420)
Total income taxes	3,860	4,183
Profit	6,569	7,516
Profit attributable to non-controlling interests	8	6
Profit attributable to owners of parent	6,561	7,510

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	6,569	7,516
Other comprehensive income		
Valuation difference on available-for-sale securities	72	437
Foreign currency translation adjustment	595	346
Remeasurements of defined benefit plans, net of tax	(62)	1,570
Total other comprehensive income	606	2,354
Comprehensive income	7,176	9,871
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,167	9,864
Comprehensive income attributable to non-controlling interests	8	6

(3) Consolidated Statements of Changes in Equity

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

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,803	7,849	114,413	(376)	129,690
Changes during period					
Dividends of surplus			(2,289)		(2,289)
Profit attributable to owners of parent			6,561		6,561
Reversal of revaluation reserve for land			28		28
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		14		43	58
Net changes in items other than shareholders' equity					
Total changes during period	—	14	4,299	43	4,357
Balance at end of period	7,803	7,864	118,713	(333)	134,047

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	157	(2,158)	242	1,564	(193)	49	129,546
Changes during period							
Dividends of surplus							(2,289)
Profit attributable to owners of parent							6,561
Reversal of revaluation reserve for land							28
Purchase of treasury shares							(0)
Disposal of treasury shares							58
Net changes in items other than shareholders' equity	72	(28)	595	(62)	578	5	584
Total changes during period	72	(28)	595	(62)	578	5	4,941
Balance at end of period	230	(2,186)	838	1,502	384	55	134,488

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

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,803	7,864	118,713	(333)	134,047
Changes during period					
Dividends of surplus			(2,005)		(2,005)
Profit attributable to owners of parent			7,510		7,510
Reversal of revaluation reserve for land			41		41
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		20		34	54
Net changes in items other than shareholders' equity					
Total changes during period	–	20	5,546	33	5,600
Balance at end of period	7,803	7,885	124,259	(299)	139,648

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	230	(2,186)	838	1,502	384	55	134,488
Changes during period							
Dividends of surplus							(2,005)
Profit attributable to owners of parent							7,510
Reversal of revaluation reserve for land							41
Purchase of treasury shares							(0)
Disposal of treasury shares							54
Net changes in items other than shareholders' equity	437	(41)	346	1,570	2,312	4	2,317
Total changes during period	437	(41)	346	1,570	2,312	4	7,917
Balance at end of period	667	(2,228)	1,184	3,073	2,697	60	142,406

(4) Consolidated Statements of Cash Flows

(Million 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	10,430	11,700
Depreciation	4,576	4,507
Impairment losses	61	63
Loss on retirement of property, plant and equipment	24	58
Amortization of goodwill	441	388
Increase (decrease) in allowance for doubtful accounts	363	487
Increase (decrease) in retirement benefit liability	(81)	(150)
Increase (decrease) in provision for loss on construction contracts	(373)	369
Increase (decrease) in provision for loss on disaster	(49)	(18)
Interest and dividend income	(274)	(354)
Interest expenses	102	22
Foreign exchange losses (gains)	(438)	(486)
Loss (gain) on sale of property, plant and equipment	(55)	18
Loss (gain) on sale of investment securities	(0)	(0)
Decrease (increase) in trade receivables	(5,204)	(6,926)
Decrease (increase) in costs on construction contracts in progress	242	(41)
Increase (decrease) in trade payables	2,600	3,234
Increase (decrease) in advances received on construction contracts in progress	1,589	(503)
Other, net	(235)	(1,008)
Subtotal	13,719	11,359
Interest and dividends received	279	359
Interest paid	(102)	(24)
Income taxes paid	(4,202)	(3,896)
Net cash provided by (used in) operating activities	9,692	7,798
Cash flows from investing activities		
Payments into time deposits	(686)	(347)
Proceeds from withdrawal of time deposits	708	370
Payments of deposit	(10,502)	(25,457)
Proceeds from withdrawal of deposit	11,712	35,747
Purchase of securities	(999)	—
Proceeds from sale and redemption of securities	999	—
Purchase of property, plant and equipment	(3,863)	(6,093)
Proceeds from sale of property, plant and equipment	205	61
Purchase of intangible assets	(823)	(632)
Purchase of investment securities	(4)	(4)
Proceeds from sale and redemption of investment securities	5	32
Proceeds from collection of long-term loans receivable	3	42
Payments for long-term deposits	(1,600)	—
Proceeds from withdrawal of long-term deposit	—	1,600
Payments of the outstanding balance from the previous fiscal year for purchases of investments in subsidiaries with changes in scope of consolidation	(690)	(360)
Other, net	230	(640)
Net cash provided by (used in) investing activities	(5,303)	4,318

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,695)	(1,017)
Repayments of lease liabilities	(20)	(21)
Proceeds from long-term borrowings	2,400	2,400
Repayments of long-term borrowings	(2,846)	(2,723)
Purchase of treasury shares	(0)	(0)
Proceeds from sale of treasury shares	0	—
Dividends paid	(2,285)	(2,003)
Dividends paid to non-controlling interests	(2)	(2)
Net cash provided by (used in) financing activities	(5,450)	(3,368)
Effect of exchange rate change on cash and cash equivalents	356	323
Net increase (decrease) in cash and cash equivalents	(705)	9,071
Cash and cash equivalents at beginning of period	37,039	36,334
Cash and cash equivalents at end of period	36,334	45,406

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on important matters for the preparation of consolidated financial statements)

Scope of consolidation

Number of consolidated subsidiaries: 16 companies

All the subsidiaries have been included in the scope of consolidation.

Names of consolidated subsidiaries:

TOHCS Corp., NEW LEASE Corp., YUTOS Corp., YURTEC SERVICE Corp., YURTEC MIYAGI SERVICE Corp., TECS FUKUSHIMA Corp., GREENRECYCLE Corp., AQUA CLARA TOHOKU Corp., Yur Solar Tomiya Co., Ltd., Yur Solar Hobara Co., Ltd, YURTEC HAIDEN TECHNO Corp., YURTEC KANTO SERVICE Corp., Yur Solar Zao Co., Ltd., Air Conditioning Enterprise Co., Ltd., YURTEC VIETNAM Co., Ltd., Sigma Engineering JSC

(Segment information)

1) Overview of reportable segments

The Company's reportable segments are organizational units for which discrete financial information is available and which are regularly reviewed by the Board of Directors to determine the allocation of management resources and assess business results.

The Company determines its business segments based on net sales aggregation categories and classifies as reportable segments those segments whose net sales, profit (loss) and assets are highly significant.

The Group is engaged in the facilities engineering, leasing, security, real estate management, manufacturing and sales, waste treatment, and electricity sales businesses, and classifies the facilities engineering business as a reportable segment.

The facilities engineering business conducts business in electrical, telecommunications, civil engineering, architecture, and air-conditioning and plumbing installation and in other facilities construction in general.

2) Information on net sales, income (loss), assets, and other items by reportable segment

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

	Reportable segment	Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Financial Statements (Note 3)
	Facilities Engineering Business				
Net sales					
Net sales to outside customers	224,075	3,291	227,366	–	227,366
Inter-segment net sales or transfers	141	11,490	11,631	(11,631)	–
Total	224,216	14,781	238,997	(11,631)	227,366
Segment profit (loss)	8,749	875	9,624	(86)	9,538
Segment assets	207,294	21,479	228,774	(7,373)	221,400
Other items					
Depreciation (Note 4)	3,124	1,462	4,586	(10)	4,576
Amortization of goodwill	425	16	441	–	441
Increase (decrease) in property, plant and equipment and intangible assets (Note 4)	4,888	189	5,077	(8)	5,068

- (Notes) 1. The “Other” category refers to business segments that are not included in the reportable segment and includes the leasing business, security business, real estate business, manufacturing business, waste treatment business, and electricity business.
2. The adjustment amounts for segment profit (loss), segment assets, and other items are the elimination of inter-segment transactions.
3. Segment profit (loss) is adjusted with operating profit in the consolidated financial statements.
4. Long-term prepaid expenses and their amortization are included in depreciation and increase (decrease) in property, plant and equipment and intangible assets.

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

(Million yen)

	Reportable segment	Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Financial Statements (Note 3)
	Facilities Engineering Business				
Net sales					
Net sales to outside customers	239,963	3,208	243,171	–	243,171
Inter-segment net sales or transfers	269	11,523	11,793	(11,793)	–
Total	240,233	14,731	254,965	(11,793)	243,171
Segment profit (loss)	9,983	641	10,624	(100)	10,523
Segment assets	217,985	21,415	239,401	(7,922)	231,479
Other items					
Depreciation (Note 4)	3,047	1,470	4,517	(10)	4,507
Amortization of goodwill	372	16	388	–	388
Increase (decrease) in property, plant and equipment and intangible assets (Note 4)	4,411	1,781	6,192	(20)	6,172

- (Notes) 1. The “Other” category refers to business segments that are not included in the reportable segment and includes the leasing business, security business, real estate business, manufacturing business, waste treatment business, and electricity business.
2. The adjustment amounts for segment profit (loss), segment assets, and other items are the elimination of inter-segment transactions.
3. Segment profit (loss) is adjusted with operating profit in the consolidated financial statements.
4. Long-term prepaid expenses and their amortization are included in depreciation and increase (decrease) in property, plant and equipment and intangible assets.

(Per share information)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net assets per share	¥1,877.71	¥1,986.45
Basic earnings per share	¥91.67	¥104.83

- (Notes) 1. Data on diluted earnings per share is not presented above, as there were no potential shares with a dilutive effect.

2. The following data was used to calculate net assets per share:

	As of March 31, 2023	As of March 31, 2024
Total net assets (Million yen)	134,488	142,406
Deductions from total net assets (Million yen)	55	60
(of which non-controlling interests) (Million yen)	(55)	(60)
Net assets applicable to common shares at the year-end (Million yen)	134,432	142,345
Number of common shares at the year-end used for the calculation of net assets per share (Thousand shares)	71,593	71,658

3. The following data was used to calculate basic earnings per share:

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit attributable to owners of parent (Million yen)	6,561	7,510
Amount not attributable to common shareholders (Million yen)	—	—
Profit attributable to owners of parent relating to common shares (Million yen)	6,561	7,510
Average number of common shares outstanding during the period (Thousand shares)	71,568	71,638

(Significant subsequent events)

Not applicable.

4. Non-consolidated Financial Statements and Principal Notes

(1) Non-consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	27,151	21,942
Notes receivable – trade	1,054	1,530
Electronically recorded monetary claims - operating	10,959	8,450
Accounts receivable from completed construction contracts	68,101	76,743
Securities	–	10,978
Costs on construction contracts in progress	837	901
Short-term loans receivable from subsidiaries and associates	5,744	7,059
Other	11,690	6,239
Allowance for doubtful accounts	(0)	(15)
Total current assets	125,539	133,831
Non-current assets		
Property, plant and equipment		
Buildings	39,675	40,642
Accumulated depreciation	(23,168)	(23,829)
Buildings, net	16,506	16,812
Structures	4,916	5,126
Accumulated depreciation	(3,576)	(3,693)
Structures, net	1,339	1,432
Machinery and equipment	3,055	3,045
Accumulated depreciation	(2,850)	(2,867)
Machinery and equipment, net	205	177
Vehicles	91	91
Accumulated depreciation	(91)	(91)
Vehicles, net	0	0
Tools, furniture and fixtures	5,663	5,846
Accumulated depreciation	(4,711)	(4,947)
Tools, furniture and fixtures, net	951	898
Land	16,328	16,941
Leased assets	6,062	5,283
Accumulated depreciation	(3,064)	(2,472)
Leased assets, net	2,998	2,811
Construction in progress	644	167
Total property, plant and equipment	38,975	39,242
Intangible assets	1,684	1,740

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Investments and other assets		
Investment securities	11,328	11,939
Shares of subsidiaries and associates	8,196	8,103
Investments in capital of subsidiaries and associates	463	—
Long-term loans receivable	91	51
Long-term loans receivable from employees	0	—
Long-term loans receivable from subsidiaries and associates	375	330
Distressed receivables	20	8
Long-term prepaid expenses	49	52
Deferred tax assets	6,894	7,253
Other	1,601	1,973
Allowance for doubtful accounts	(159)	(147)
Total investments and other assets	28,861	29,567
Total non-current assets	69,520	70,550
Total assets	195,060	204,381
Liabilities		
Current liabilities		
Notes payable - trade	1,905	1,989
Electronically recorded obligations - operating	12,129	16,673
Accounts payable for construction contracts	31,433	29,239
Lease liabilities	840	813
Income taxes payable	3,090	3,654
Advances received on construction contracts in progress	2,770	2,591
Provision for loss on construction contracts	148	489
Provision for bonuses for directors (and other officers)	43	35
Other	4,070	4,844
Total current liabilities	56,431	60,329
Non-current liabilities		
Lease liabilities	2,715	2,534
Deferred tax liabilities for land revaluation	1,297	1,279
Provision for retirement benefits	15,800	16,041
Other	1,066	584
Total non-current liabilities	20,880	20,440
Total liabilities	77,311	80,769

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Net assets		
Shareholders' equity		
Share capital	7,803	7,803
Capital surplus		
Legal capital surplus	7,812	7,812
Other capital surplus	14	35
Total capital surplus	7,827	7,847
Retained earnings		
Legal retained earnings	1,088	1,088
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	205	202
General reserve	94,800	100,100
Retained earnings brought forward	8,314	8,433
Total retained earnings	104,408	109,824
Treasury shares	(333)	(299)
Total shareholders' equity	119,705	125,176
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	230	664
Revaluation reserve for land	(2,186)	(2,228)
Total valuation and translation adjustments	(1,956)	(1,564)
Total net assets	117,748	123,612
Total liabilities and net assets	195,060	204,381

(2) Non-consolidated Statements of Income

	(Million 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	209,474	222,098
Total net sales	209,474	222,098
Cost of sales		
Cost of sales of completed construction contracts	182,472	193,744
Total cost of sales	182,472	193,744
Gross profit	27,001	28,354
Selling, general and administrative expenses	17,926	18,529
Operating profit	9,075	9,824
Non-operating income		
Interest income	41	93
Interest on securities	204	209
Dividend income	690	625
Rental income	305	351
Foreign exchange gains	153	354
Other	250	268
Total non-operating income	1,646	1,903
Non-operating expenses		
Interest expenses	158	151
Idle assets expenses	34	36
Other	51	27
Total non-operating expenses	244	214
Ordinary profit	10,477	11,513
Extraordinary income		
Gain on sale of non-current assets	64	1
Gain on sale of investment securities	0	0
Total extraordinary income	65	2
Extraordinary losses		
Loss on sale of non-current assets	6	20
Loss on valuation of investments in capital of subsidiaries and associates	—	463
Other	138	191
Total extraordinary losses	144	675
Profit before income taxes	10,398	10,840
Income taxes - current	3,191	3,935
Income taxes - deferred	0	(475)
Total income taxes	3,191	3,460
Profit	7,206	7,380

(3) Non-consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

(million yen)

	Shareholders' equity										
	Share capital	Capital surplus			Retained earnings					Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings		
						Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward			
Balance at beginning of period	7,803	7,812	0	7,812	1,088	207	90,600	7,566	99,462	(376)	114,702
Changes during period											
Reversal of reserve for tax purpose reduction entry of non-current assets						(2)		2	—		—
Provision of general reserve							4,200	(4,200)	—		—
Dividends of surplus								(2,289)	(2,289)		(2,289)
Profit								7,206	7,206		7,206
Reversal of revaluation reserve for land								28	28		28
Purchase of treasury shares										(0)	(0)
Disposal of treasury shares			14	14						43	58
Net changes in items other than shareholders' equity											
Total changes during period	—	—	14	14	—	(2)	4,200	747	4,945	43	5,003
Balance at end of period	7,803	7,812	14	7,827	1,088	205	94,800	8,314	104,408	(333)	119,705

(Million yen)

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	158	(2,158)	(2,000)	112,701
Changes during period				
Reversal of reserve for tax purpose reduction entry of non-current assets				—
Provision of general reserve				—
Dividends of surplus				(2,289)
Profit				7,206
Reversal of revaluation reserve for land				28
Purchase of treasury shares				(0)
Disposal of treasury shares				58
Net changes in items other than shareholders' equity	72	(28)	43	43
Total changes during period	72	(28)	43	5,047
Balance at end of period	230	(2,186)	(1,956)	117,748

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

(Million yen)

(million yen)

	Shareholders' equity										
	Share capital	Capital surplus			Retained earnings					Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings		
						Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward			
Balance at beginning of period	7,803	7,812	14	7,827	1,088	205	94,800	8,314	104,408	(333)	119,705
Changes during period											
Reversal of reserve for tax purpose reduction entry of non-current assets						(2)		2	—		—
Provision of general reserve							5,300	(5,300)	—		—
Dividends of surplus								(2,005)	(2,005)		(2,005)
Profit								7,380	7,380		7,380
Reversal of revaluation reserve for land								41	41		41
Purchase of treasury shares										(0)	(0)
Disposal of treasury shares			20	20						34	54
Net changes in items other than shareholders' equity											
Total changes during period	—	—	20	20	—	(2)	5,300	119	5,416	33	5,471
Balance at end of period	7,803	7,812	35	7,847	1,088	202	100,100	8,433	109,824	(299)	125,176

(Million yen)

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	230	(2,186)	(1,956)	117,748
Changes during period				
Reversal of reserve for tax purpose reduction entry of non-current assets				—
Provision of general reserve				—
Dividends of surplus				(2,005)
Profit				7,380
Reversal of revaluation reserve for land				41
Purchase of treasury shares				(0)
Disposal of treasury shares				54
Net changes in items other than shareholders' equity	433	(41)	392	392
Total changes during period	433	(41)	392	5,863
Balance at end of period	664	(2,228)	(1,564)	123,612

(4) Notes to Non-consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.