



May 15, 2023

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

Company name: MITSUI E&S Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 7003
 URL: <https://www.mes.co.jp/>
 Representative: Takeyuki Takahashi, President, Representative Director, and CEO
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 Scheduled date of annual general meeting of shareholders: June 28, 2023
 Scheduled date to commence dividend payments: June 29, 2023
 Scheduled date to file annual securities report: June 28, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for analysts)

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

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

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income (loss)		Ordinary income (loss)		Profit (loss) attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	262,301	(54.7)	9,376	-	12,532	-	15,554	-
March 31, 2022	579,363	(10.1)	(10,029)	-	(25,742)	-	(21,825)	-

Note: Comprehensive income For the fiscal year ended March 31, 2023: ¥ 37,473 million [- %]

For the fiscal year ended March 31, 2022: (¥ 8,780) million [- %]

	Earnings per share	Earnings per share (diluted)	Return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	177.47	174.92	19.0	3.0	3.6
March 31, 2022	(269.94)	-	(36.0)	(4.4)	(1.7)

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2023: ¥ 3,810 million

For the fiscal year ended March 31, 2022: (¥ 14,645) million

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	439,959	110,686	24.2	1,215.91
March 31, 2022	409,150	62,949	14.0	706.06

Reference: Equity As of March 31, 2023: ¥ 106,404 million

As of March 31, 2022: ¥ 57,091 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 year
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	(15,043)	(2,999)	9,515	43,468
March 31, 2022	(20,265)	(70,923)	806	50,818

2. Dividends

Common stock	Annual dividend per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Dividends to net assets ratio (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended/ending	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2022	-	0.00	-	0.00	0.00	-	-	-
March 31, 2023	-	0.00	-	3.00	3.00	262	1.7	0.3
March 31, 2024 (Forecast)	-	0.00	-	3.00	3.00		11.1	

Note: The above "2. Dividends" shows dividends for Common stock. For details of dividends for Preferred stock (unlisted), the rights of which are different from those of Common stock issued by the Company, please refer to "Reference: Dividends for Preferred Stock" below.

3. Forecast of Financial Results (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
Fiscal year ending	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
March 31, 2024	280,000	6.7	10,000	6.7	4,000	(68.1)	3,000	(80.7)	27.14

Reference: Estimate is based on exchange rate of USD1.00 = JPY135.0

* Notes

(1) Changes in significant subsidiaries during the period

(changes in specified subsidiaries resulting in the change in scope of consolidation):

Yes

Newly included: -

Excluded: 1 company (Mitsui E&S Shipbuilding Co., Ltd.)

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

i) Changes in accounting policies due to revisions of accounting standards: 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 stock)

i) Number of issued shares at the end of the period (including treasury stock)

As of	shares
March 31, 2023	89,737,117
March 31, 2022	83,098,717

ii) Number of treasury stock at the end of the period

As of	shares
March 31, 2023	2,226,686
March 31, 2022	2,238,851

iii) Average number of shares outstanding during the period

Fiscal year ended	shares
March 31, 2023	84,661,277
March 31, 2022	80,852,727

[Reference] Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating income		Ordinary income		Profit (loss)	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	15,539	1.7	6,297	9.6	3,681	139.0	13,175	-
March 31, 2022	15,285	(33.4)	5,744	(50.6)	1,540	(81.7)	(7,323)	-

	Earnings per share	Earnings per share (diluted)
Fiscal year ended	Yen	Yen
March 31, 2023	149.38	147.23
March 31, 2022	(90.57)	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	335,171	49,987	14.9	569.71
March 31, 2022	321,220	25,883	8.0	318.57

Reference: Equity As of March 31, 2023: ¥ 49,855 million

As of March 31, 2022: ¥ 25,759 million

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

* Proper use of earnings forecasts, and other special matters

(Notice regarding forward-looking statements)

The forecasts for financial results are based on information available at the time this report was released. These forecasts and other forward-looking statements are not guarantees of future performance. Actual operating results may differ from the above forecasts due to known and unknown risks, uncertainties, and other factors.

(Where to get the supplementary explanatory materials)

Financial results briefing for analysts is scheduled for May 15, 2023. Supplementary material, which will be distributed at the said briefing, is planned to be posted on our web site.

Reference: Dividends for Preferred Stock

Dividend per share for Class-A Preferred stock is as follows:

Class-A Preferred stock	Annual dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended/ending	Yen	Yen	Yen	Yen	Yen
March 31, 2022	-	-	-	-	-
March 31, 2023	-	-	-	29.38	29.38
March 31, 2024 (Forecast)	-	-	-	39.00	39.00

Note: Each dividend per share is rounded to the nearest thousandths place, and then converted to units of yen which are rounded to the nearest hundredth place.

Segment Information

1. Overview of Reportable Segment

Reportable Segment is composed of the segment by products and services belonging to the operating companies and subject to be reviewed periodically by the Board of Directors to decide the allocation of management resources and to evaluate the performance.

Under the Company (a pure holding company), the Group develops the operation with each operating company making strategies of its products and services in both Japan and abroad comprehensively.

Reportable Segment is classified into 4 segments: Ship, Ocean Development, Machinery and Engineering. Main products and services of each Reportable Segment are as follows.

Reportable Segment	Main Products and Services
Ship	Commercial ships, high speed passenger/vehicle ferries, offshore structures, underwater TV vehicles, design engineering services, ship related equipments, steel structures
Ocean Development	FPSOs (floating production storage offloading vessels)
Machinery	Marine and stationary diesel engines, marine equipments, gas engines, steam turbines, blowers, process compressors, gas turbines, cogeneration system, process equipment, container cranes, industrial cranes, container terminal management systems, HWM manipulators, equipment of radar sensing for underground and construction, induction heaters, wave generators
Engineering	Power generation business, overseas civil/architectural works

2. Calculation Method used for Sales, Segment Income and Loss, Assets, Liabilities and Other Items for each Reportable Segment

The accounting method used for Reportable Segment is the same in material aspects as the method used for the preparation of consolidated financial statements.

Segment income and loss is based on Operating income (loss) in Consolidated Statements of Operations.

Inter segment profit and transfer are based on the market price.

(Change in Calculation Method used for Segment Income and Loss for Reportable Segment)

Segment income (loss) used to represent "Operating income (loss)" in Consolidated Statements of Operations. Regarding "Ocean Development," however, segment income (loss) has changed to represent "Share of profit (loss) of entities accounted for using equity method" since FY2022, instead of "Operating income (loss)." This is because the management indicator has been changed after MODEC, Inc., which consists of "Ocean Development," had been excluded from the scope of consolidation and become affiliates accounted for using equity method since FY2021.

Segment loss for the prior year reflecting the said change is shown in Note 1 for FY2021 in "3. Information about Sales, Segment Income and Loss, Assets, Liabilities and Other Items for each Reportable Segment."

3. Information about Sales, Segment Income and Loss, Assets, Liabilities and Other Items for each Reportable Segment

Reportable Segment information for the years ended March 31, 2022 and 2023 were as follows:

from April 1, 2021 to March 31, 2022

(Millions of yen)

	Ship	Ocean Development	Machinery	Engineering	Sub total	Others	Total	Adjustments	Consolidated
Net Sales:									
Outside customers	28,088	323,322	153,736	7,629	512,777	66,586	579,363	-	579,363
Inter segment	868	-	1,195	43	2,107	12,914	15,022	(15,022)	-
Total	28,956	323,322	154,932	7,672	514,884	79,501	594,385	(15,022)	579,363
Segment income (loss)	(438)	(8,086)	8,156	(10,810)	(11,179)	1,149	(10,029)	-	(10,029)
Segment assets	15,071	31,825	181,901	28,140	256,938	78,209	335,148	74,002	409,150
Other Items:									
New orders	19,521	270,697	148,769	1,652	440,640	70,449	511,089	-	511,089
Depreciation and amortization	915	2,870	4,419	1	8,206	1,922	10,129	520	10,649
Amortization of goodwill	-	194	-	-	194	853	1,047	-	1,047
Year-end balance of goodwill	-	-	-	-	-	7,995	7,995	-	7,995
Share of profit (loss) of entities accounted for using equity method	1,165	(16,686)	308	11	(15,199)	554	(14,645)	-	(14,645)
Loss on impairment of non-current assets	54	-	-	0	54	-	54	27	82
Increase in property, plant and equipment and intangible assets	823	3,940	7,912	11	12,687	1,221	13,908	163	14,072

Note 1: "Ocean Development" is composed of MODEC, Inc. Because of the partial sale of MODEC shares, they were deemed to be excluded from the scope of consolidation on the end of 3rd quarter of FY2021. Due to this deconsolidation, "Ocean Development" hereafter consist of affiliates accounted for using equity method.

Segment loss reflecting the change in calculation method used for segment income and loss for Reportable Segment would become 20,586 million yen.

Note 2: "Others" is the segment which is not included in Reportable Segment and includes Stationary diesel power generation plants, Telecommunication equipment related business, Systems development, Gas carriers engineering, Special facilities for naval ships and aircraft related business and others.

Note 3: Adjustments are as follows:

(1) Adjustments of 74,002 million yen recorded for assets primarily include surplus funds (cash and time deposits), long-term investment (investment securities) and assets related to the administration divisions of the Company of 76,337 million yen that are not allocated to any Reportable Segment.

(2) Adjustments of 520 million yen recorded for depreciation and amortization are depreciation for property, plant and equipment and amortization for intangible assets related to the administration divisions.

(3) Adjustments of 27 million yen recorded for loss on impairment of non-current assets are the impairment loss for Corporate.

(4) Adjustments of 163 million yen recorded for increase in property, plant and equipment and intangible assets are increase in assets related to the administration divisions.

Note 4: Segment income (loss) is adjusted with operating loss in Consolidated Statements of Operations.

from April 1, 2022 to March 31, 2023

(Millions of yen)

	Ship	Ocean Development	Machinery	Engineering	Sub total	Others	Total	Adjustments	Consolidated
Net Sales:									
Outside customers	6,598	-	174,211	22,406	203,217	59,084	262,301	-	262,301
Inter segment	32	-	490	-	523	11,569	12,093	(12,093)	-
Total	6,631	-	174,702	22,406	203,740	70,653	274,394	(12,093)	262,301
Segment income	83	2,311	8,374	547	11,317	370	11,688	(2,311)	9,376
Segment assets	-	54,857	209,798	24,952	289,609	83,618	373,227	66,731	439,959
Other Items:									
New orders	8,439	-	231,210	6,669	246,319	76,031	322,351	-	322,351
Depreciation and amortization	158	-	4,695	6	4,860	1,705	6,566	477	7,043
Amortization of goodwill	-	-	-	-	-	901	901	-	901
Year-end balance of goodwill	-	-	-	-	-	7,626	7,626	-	7,626
Share of profit (loss) of entities accounted for using equity method	119	2,311	295	(160)	2,565	1,244	3,810	-	3,810
Increase in property, plant and equipment and intangible assets	224	-	8,211	8	8,443	973	9,417	363	9,780

Note 1: Segment income (loss) in "Ship," "Machinery," "Engineering" and "Others" represents "Operating income (loss)," and in "Ocean Development" represents "Share of profit (loss) of entities accounted for using equity method."

Note 2: Mitsui E&S Shipbuilding Co., Ltd. and its two subsidiaries, which compose "Ship," were excluded from the scope of consolidation since 3rd quarter of FY2022. Due to this deconsolidation, net sales, segment income, and other items (new orders, depreciation and amortization, share of profit (loss) of entities accounted for using equity method, increase in property, plant and equipment and intangible assets) for "Ship" are presented through the 2nd quarter of FY2022.

Note 3: "Others" is the segment which is not included in Reportable Segment and includes Stationary diesel power generation plants, Telecommunication equipment related business, Systems development, Gas carriers engineering, Special facilities for naval ships and aircraft related business and others.

Note 4: Adjustments are as follows:

- (1) Adjustments of 66,731 million yen recorded for assets primarily include surplus funds (cash and time deposits), long-term investment (investment securities) and assets related to the administration divisions of the Company of 70,704 million yen that are not allocated to any Reportable Segment.
- (2) Adjustments of 477 million yen recorded for depreciation and amortization are depreciation for property, plant and equipment and amortization for intangible assets related to the administration divisions.
- (3) Adjustments of 363 million yen recorded for increase in property, plant and equipment and intangible assets are increase in assets related to the administration divisions.

Note 5: Segment income is adjusted with operating income in Consolidated Statements of Operations.

Subsequent Events

(Changes in Reportable Segment)

In accordance with the policy in "Mid-term Business Plan 2023" announced on May 13, 2022, we have decided to change our Reportable Segment from "Ship," "Ocean Development," "Machinery" and "Engineering" to "New Business Development," "Marine Propulsion Systems," "Logistics Systems," "Peripheral Businesses" and "Ocean Development" from FY2023. Objectives of this decision are to clarify the positioning of each business and to expand sales and profits.

* Figures in parentheses represent negative.

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and time deposits	51,762	45,803
Notes and accounts receivables - trade, and contract assets	78,563	81,850
Merchandise and finished goods	5,762	6,095
Work in progress	36,561	46,799
Raw materials and supplies	4,182	6,136
Others	25,202	26,295
Allowance for doubtful accounts	(213)	(353)
Total current assets	201,822	212,628
Non-current assets		
Property, plant and equipment		
Buildings and structures	130,454	115,910
Accumulated depreciation	(103,742)	(91,461)
Buildings and structures, net	26,712	24,449
Machinery, equipment and vehicles	74,404	69,921
Accumulated depreciation	(63,790)	(59,817)
Machinery, equipment and vehicles, net	10,613	10,104
Land	70,077	68,544
Lease assets	12,060	12,746
Accumulated depreciation	(4,977)	(5,035)
Lease assets, net	7,083	7,711
Construction in progress	2,159	3,165
Others	12,706	12,540
Accumulated depreciation	(11,014)	(10,748)
Others, net	1,691	1,792
Total property, plant and equipment	118,338	115,767
Intangible assets		
Goodwill	7,995	7,626
Others	8,046	7,876
Total intangible assets	16,042	15,502
Investments and other assets		
Investment securities	43,280	68,802
Long-term loans	2,129	2,126
Net defined benefit asset	10,916	9,957
Deferred tax assets	2,670	2,984
Others	14,248	12,476
Allowance for doubtful accounts	(299)	(285)
Total investments and other assets	72,946	96,061
Total non-current assets	207,327	227,330
Total assets	409,150	439,959

(Millions of yen)

As of March 31, 2022 As of March 31, 2023

Liabilities		
Current liabilities		
Trade payables	48,705	54,939
Short-term borrowings	94,615	115,245
Current portion of long-term borrowings	8,101	9,375
Current portion of bonds	15,000	5,000
Lease obligations	1,808	1,863
Accrued expenses	4,119	39,312
Accrued income taxes	1,381	796
Contract liabilities	30,901	25,300
Provision for construction warranties	2,779	2,403
Provision for losses on construction contracts	59,607	14,025
Provision for bonuses	4,478	4,059
Others	17,011	14,659
Total current liabilities	288,510	286,980
Long-term liabilities		
Bonds	5,000	-
Long-term borrowings	19,657	11,927
Lease obligations	6,496	7,061
Deferred tax liabilities	3,176	1,846
Deferred tax liabilities for land revaluation	12,242	12,241
Provision for business restructuring	1,357	853
Net defined benefit liabilities	5,865	5,048
Asset retirement obligations	2,218	1,728
Others	1,674	1,585
Total long-term liabilities	57,690	42,293
Total liabilities	346,200	329,273
Net assets		
Shareholders' equity		
Common stock	44,384	3,829
Capital surplus	18,132	10,552
Retained earnings	(33,278)	42,292
Treasury stock	(4,663)	(4,632)
Total shareholders' equity	24,575	52,042
Accumulated other comprehensive income		
Net unrealized holding gains on securities	614	48
Unrealized gains (losses) on hedging derivatives	(5,959)	8,309
Revaluation reserve for land	27,603	27,601
Foreign currency translation adjustments	2,120	10,691
Remeasurements of defined benefit plans	8,137	7,710
Total accumulated other comprehensive income	32,516	54,362
Subscription rights to shares	123	132
Non-controlling interests	5,733	4,148
Total net assets	62,949	110,686
Total liabilities and net assets	409,150	439,959

Consolidated Statements of Operations

(Millions of yen)

	April 1, 2021 to March 31, 2022	April 1, 2022 to March 31, 2023
Net sales	579,363	262,301
Cost of sales	550,610	225,376
Gross profit	28,752	36,924
Selling, general and administrative expenses	38,782	27,548
Operating income (loss)	(10,029)	9,376
Non-operating income		
Interest income	3,789	384
Dividend income	117	212
Share of profit of entities accounted for using equity method	-	3,810
Foreign currency exchange gains	1,211	4,610
Others	1,640	1,124
Total non-operating income	6,759	10,142
Non-operating expenses		
Interest expenses	2,713	2,881
Commission expenses	3,821	2,420
Share of loss of entities accounted for using equity method	14,645	-
Others	1,291	1,684
Total non-operating expenses	22,471	6,986
Ordinary income (loss)	(25,742)	12,532
Extraordinary income		
Gain on disposal of non-current assets	2,356	184
Gain on sale of investment securities	41	686
Gain on sale of subsidiaries and affiliates' stocks	6,582	2,835
Recovery of extraordinary repair expenses	1,316	-
Gain on return of assets from retirement benefit trust	1,224	-
Insurance income	-	1,336
Total extraordinary income	11,520	5,043
Extraordinary losses		
Loss on disposal of non-current assets	381	172
Loss on impairment of non-current assets	82	-
Loss on sale of investment securities	136	-
Loss on sale of subsidiaries and affiliates' stocks	2,420	274
Loss due to transportation accidents	-	1,040
Loss on liquidation of business	-	107
Total extraordinary losses	3,021	1,595
Profit (loss) before income taxes	(17,243)	15,980
Income taxes - current	3,373	1,371
Income taxes - deferred	4,501	(1,010)
Total income taxes	7,874	360
Profit (loss)	(25,118)	15,619
Profit (loss) attributable to non-controlling interests	(3,293)	65
Profit (loss) attributable to owners of parent	(21,825)	15,554

Consolidated Statements of Comprehensive Income

(Millions of yen)

	April 1, 2021 to March 31, 2022	April 1, 2022 to March 31, 2023
Profit (loss)	(25,118)	15,619
Other comprehensive income		
Net unrealized holding gains (losses) on securities	421	(571)
Unrealized losses on hedging derivatives	(1,302)	(847)
Foreign currency translation adjustments	5,670	2,463
Remeasurements of defined benefit plans	2,683	(1,110)
Share of other comprehensive income of affiliates accounted for using equity method	8,863	21,920
Total	16,337	21,853
Comprehensive income	(8,780)	37,473
Comprehensive income attributable to		
Owners of parent	(6,832)	37,400
Non-controlling interests	(1,948)	72

Consolidated Statements of Changes in Net Assets

From April 1, 2021 to March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance as of April 1, 2021	44,384	18,396	(11,458)	(4,696)	46,626
Changes during the year					
Loss attributable to owners of parent			(21,825)		(21,825)
Change of scope of consolidation			(0)		(0)
Purchases of treasury stock				(2)	(2)
Sales of treasury stock		(6)		34	27
Transfer from revaluation reserve for land			5		5
Change in treasury stock of parent arising from transactions with non-controlling shareholders		(257)			(257)
Net changes of items other than those in Shareholders' equity					
Total changes during the year	-	(264)	(21,819)	32	(22,051)
Balance as of March 31, 2022	44,384	18,132	(33,278)	(4,663)	24,575

	Accumulated other comprehensive income						Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized holding gains (losses) on securities	Unrealized gains (losses) on hedging derivatives	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Beginning balance as of April 1, 2021	193	(9,766)	27,609	(5,828)	5,321	17,529	151	24,172	88,480
Changes during the year									
Loss attributable to owners of parent									(21,825)
Change of scope of consolidation									(0)
Purchases of treasury stock									(2)
Sales of treasury stock									27
Transfer from revaluation reserve for land									5
Change in treasury stock of parent arising from transactions with non-controlling shareholders									(257)
Net changes of items other than those in Shareholders' equity	421	3,806	(5)	7,948	2,816	14,987	(27)	(18,439)	(3,479)
Total changes during the year	421	3,806	(5)	7,948	2,816	14,987	(27)	(18,439)	(25,531)
Balance as of March 31, 2022	614	(5,959)	27,603	2,120	8,137	32,516	123	5,733	62,949

Consolidated Statements of Changes in Net Assets

From April 1, 2022 to March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance as of April 1, 2022	44,384	18,132	(33,278)	(4,663)	24,575
Changes during the year					
Issuance of new shares	6,329	4,957			11,287
Capital reduction	(46,884)	46,884			-
Deficit disposition		(60,015)	60,015		-
Profit attributable to owners of parent			15,554		15,554
Purchases of treasury stock				(1)	(1)
Sales of treasury stock		(6)		32	25
Transfer from revaluation reserve for land			1		1
Change in treasury stock of parent arising from transactions with non-controlling shareholders		600			600
Net changes of items other than those in Shareholders' equity					
Total changes during the year	(40,555)	(7,579)	75,570	31	27,467
Balance as of March 31, 2023	3,829	10,552	42,292	(4,632)	52,042

	Accumulated other comprehensive income						Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized holding gains (losses) on securities	Unrealized gains (losses) on hedging derivatives	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Beginning balance as of April 1, 2022	614	(5,959)	27,603	2,120	8,137	32,516	123	5,733	62,949
Changes during the year									
Issuance of new shares									11,287
Capital reduction									-
Deficit disposition									-
Profit attributable to owners of parent									15,554
Purchases of treasury stock									(1)
Sales of treasury stock									25
Transfer from revaluation reserve for land									1
Change in treasury stock of parent arising from transactions with non-controlling shareholders									600
Net changes of items other than those in Shareholders' equity	(566)	14,269	(1)	8,571	(427)	21,845	8	(1,584)	20,269
Total changes during the year	(566)	14,269	(1)	8,571	(427)	21,845	8	(1,584)	47,737
Balance as of March 31, 2023	48	8,309	27,601	10,691	7,710	54,362	132	4,148	110,686

Consolidated Statements of Cash Flows

(Millions of yen)

	April 1, 2021 to March 31, 2022	April 1, 2022 to March 31, 2023
Cash flows from operating activities		
Profit (loss) before income taxes	(17,243)	15,980
Depreciation and amortization	10,649	7,043
Loss on impairment of non-current assets	82	-
Amortization of goodwill	1,047	901
Increase of allowance for doubtful accounts	161	153
Increase in net defined benefit liabilities	3,183	1,107
Decrease in net defined benefit assets	438	1,219
Decrease in provision for losses on construction contracts	(12,063)	(45,523)
Increase in provision for repairs	417	-
Interest and dividend income	(3,906)	(596)
Interest expenses	2,713	2,881
Share of (profit) loss of entities accounted for using equity method	14,645	(3,810)
Foreign currency exchange losses, net	3,853	29
Loss (gain) on sales of investment securities, net	95	(686)
Gain on sales of subsidiaries and affiliates' stocks	(4,162)	(2,561)
Gain on disposal of non-current assets, net	(1,974)	(11)
Insurance income	-	(1,336)
Increase in trade receivables and contract assets	(49,245)	(6,499)
Decrease (increase) in inventories	16,861	(13,054)
Increase in trade payables	23,998	44,101
Increase (decrease) in contract liabilities	43,494	(3,551)
Increase in other assets	(4,047)	(1,916)
Decrease in other liabilities	(51,127)	(3,137)
Others, net	(2,634)	(2,430)
Sub-total	(24,763)	(11,699)
Interest and dividend received	10,171	1,143
Interest paid	(2,863)	(2,982)
Proceeds from insurance income	-	1,336
Income taxes paid	(2,809)	(2,842)
Net cash provided by (used in) operating activities	(20,265)	(15,043)

(Millions of yen)

	April 1, 2021 to March 31, 2022	April 1, 2022 to March 31, 2023
Cash flows from investing activities		
Net increase in time deposits	(79)	(1,264)
Capital expenditure	(8,980)	(7,393)
Proceeds from sales of non-current assets	10,133	843
Proceeds from sales of investment securities	262	1,060
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	5,941	3,062
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(60,092)	(637)
Purchases of shares of subsidiaries and affiliates	(1,711)	-
Proceeds from sales of shares of subsidiaries and affiliates	2,172	543
Payments for investments in capital of subsidiaries and affiliates	(799)	-
Disbursements of loans receivable	(13,043)	(16)
Collection of loans receivable	366	616
Payments for transfer of business	(4,596)	-
Others, net	(497)	186
Net cash provided by (used in) investing activities	(70,923)	(2,999)
Cash flows from financing activities		
Net increase in short-term borrowings	28,053	20,630
Proceeds from long-term borrowings	15,510	1,700
Repayments of long-term borrowings	(25,463)	(8,165)
Repayments of lease obligations	(2,556)	(1,653)
Repayments on bonds	(15,000)	(15,000)
Proceeds from issuance of preferred stock	-	9,000
Proceeds from issuance of subscription rights to shares	-	52
Proceeds from issuance of shares resulting from exercise of subscription rights to shares	-	2,269
Dividends paid to non-controlling interests	(1,142)	(95)
Purchases of shares of subsidiaries not resulting in change in scope of consolidation	(291)	-
Proceeds from sales of shares of subsidiaries not resulting in change in scope of consolidation	1,351	747
Others, net	345	31
Net cash provided by (used in) financing activities	806	9,515
Effect of exchange rate changes on cash and cash equivalents	5,658	1,177
Net decrease in cash and cash equivalents	(84,724)	(7,350)
Cash and cash equivalents at beginning of year	135,482	50,818
Increase due to changes in scope of consolidation	60	-
Cash and cash equivalents at end of year	50,818	43,468