



**\*Notes**

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

(Changes in specified subsidiaries resulting in the change in scope of consolidation)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

Note: For details, see "Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements" on p.7 of the attached materials.

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common stock)

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

Three months ended June 30, 2022	70,864,961 shares	Year ended March 31, 2022	70,864,961 shares
Three months ended June 30, 2022	19,475 shares	Year ended March 31, 2022	19,332 shares
Three months ended June 30, 2022	70,845,541 shares	Three months ended June 30, 2021	70,845,931 shares

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

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Proper use of consolidated earnings forecasts and other special matters

Forward-looking statements such as the earnings outlook included in these materials are based on information available to the company at the time of their compilation and on certain assumptions that have been determined to be reasonable. They do not constitute any commitment on the part of the company to achieve specific results. In addition, actual performance and other results may diverge significantly from forecasts for a variety of reasons. For precautionary information about the conditions that comprise the assumptions underlying earnings forecasts and about the use of earnings forecasts, see "Explanation of consolidated earnings forecasts and other forward-looking information" on p.2 of the attached materials.

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## 1. Qualitative information related to this quarterly financial report

### (1) Explanation of operating results

Order volume during the three months ended June 30, 2022, rose 35.3% from the corresponding period of the previous fiscal year to ¥129,709 million. Orders rose in both Kyushu and the Tokyo metropolitan region as we focused on our goal of securing orders for large, private-sector projects.

Net sales fell 2.3% from the corresponding period of the previous fiscal year to ¥69,089 million. As was the case last year, a comparatively large number of large projects remained in the initial stages of construction, and we had difficulty making progress due to material price hikes and delays in procurement resulting from material and equipment shortages. Operating income fell 32.5% from the corresponding period of the previous fiscal year to ¥2,918 million. Although we're working to realize cost improvements by taking steps to improve profits, factors including a decline in sales combined to push down profits.

Ordinary income fell 24.7% to ¥3,799 million, while quarterly profit attributable to owners of parent fell 38.1% to ¥2,356 million.

### (2) Explanation of financial position

Total assets fell ¥18,721 million (4.9%) from the end of the previous consolidated fiscal year to ¥359,674 million due to factors including a decrease in completed construction contract accounts receivable.

Total liabilities fell ¥18,310 million (13.3%) from the end of the previous consolidated fiscal year to ¥118,890 million due to factors including a decrease in construction contracts accounts payable.

Total net assets fell ¥411 million (0.2%) from the end of the previous consolidated fiscal year to ¥240,783 million as payments of dividends and other factors offset posting of profit attributable to owners of parent.

### (3) Explanation of consolidated earnings forecasts and other forward-looking information

For FY2022, we have positioned measures to cope with rising material and labor costs as the most important measures, and there has been no change to the earnings forecast announced along with year-end financial results on April 28, 2022.

## 2. Quarterly consolidated financial statements and principal notes

### (1) Quarterly consolidated balance sheet

(Millions of yen)

	Previous fiscal year As of March 31, 2022	Current 1st Quarter As of June 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	39,021	39,916
Notes receivable, accounts receivable from completed construction contracts and other	136,676	105,432
Securities	987	987
Costs of uncompleted construction contracts	5,592	11,720
Merchandise	1,107	1,471
Raw materials and supplies	22,790	25,644
Other	10,838	9,276
Allowance for doubtful accounts	(34)	(34)
<b>Total current assets</b>	<b>216,979</b>	<b>194,414</b>
Fixed assets		
Property and equipment		
Buildings and structures, net	33,048	33,330
Land	29,677	29,930
Other, net	18,118	18,746
<b>Total property and equipment</b>	<b>80,844</b>	<b>82,007</b>
Intangible assets		
Goodwill	755	1,401
Customer related assets	1,739	1,684
Other	1,873	1,894
<b>Total intangible assets</b>	<b>4,368</b>	<b>4,980</b>
Investments and other assets		
Investment securities	61,175	62,049
Long-term loans receivable	313	110
Retirement benefit asset	6,124	7,009
Deferred tax assets	4,288	4,386
Other	5,279	5,710
Allowance for doubtful accounts	(979)	(995)
<b>Total investments and other assets</b>	<b>76,203</b>	<b>78,271</b>
<b>Total fixed assets</b>	<b>161,416</b>	<b>165,259</b>
<b>Total assets</b>	<b>378,396</b>	<b>359,674</b>

(Millions of yen)

	Previous fiscal year As of March 31, 2022	Current 1st Quarter As of June 30, 2022
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	66,669	39,425
Electronically recorded obligations	22,078	28,973
Short-term borrowings	6,865	8,265
Income taxes payable	7,309	1,482
Advances received on uncompleted construction contracts	11,463	16,964
Provision for loss on construction contracts	187	124
Other	8,872	8,668
Total current liabilities	123,446	103,905
Long-term liabilities		
Long-term borrowings	3,494	4,273
Lease obligations	2,782	2,729
Provision for retirement benefits for directors (and other officers)	328	447
Retirement benefit liability	4,015	4,065
Other	3,134	3,469
Total long-term liabilities	13,754	14,985
Total liabilities	137,201	118,890
<b>Net assets</b>		
Shareholders' equity		
Share capital	12,561	12,561
Capital surplus	12,987	12,987
Retained earnings	214,655	213,468
Treasury stock, at cost	(9)	(9)
Total shareholders' equity	240,194	239,007
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,848	2,107
Deferred gains or losses on hedges	(218)	(90)
Foreign currency translation adjustment	208	459
Retirement benefit liability adjustments	(2,898)	(2,777)
Total accumulated other comprehensive loss	(1,059)	(300)
Non-controlling interests	2,059	2,077
Total net assets	241,194	240,783
Total liabilities and net assets	378,396	359,674

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

Quarterly consolidated statement of income

First quarterly consolidated cumulative accounting period

(Millions of yen)

	Previous 1st Quarter (From April 1, 2021 to June 30, 2021)	Current 1st Quarter (From April 1, 2022 to June 30, 2022)
<b>Net sales</b>		
Construction contracts	68,233	65,661
Other	2,456	3,427
<b>Total net sales</b>	<b>70,690</b>	<b>69,089</b>
<b>Cost of sales</b>		
Construction contracts	58,379	57,294
Other	1,843	2,233
<b>Total cost of sales</b>	<b>60,222</b>	<b>59,528</b>
<b>Gross profit</b>		
Construction contracts	9,854	8,366
Other	612	1,194
<b>Total gross profit</b>	<b>10,467</b>	<b>9,561</b>
<b>Selling, general and administrative expenses</b>	<b>6,144</b>	<b>6,643</b>
<b>Operating income</b>	<b>4,323</b>	<b>2,918</b>
<b>Non-operating income</b>		
Interest income	17	16
Dividend income	452	455
Share of profit of entities accounted for using equity method	188	260
Gain on investments in partnerships	—	43
Rent income	87	85
Other	188	282
<b>Total non-operating income</b>	<b>935</b>	<b>1,144</b>
<b>Non-operating expenses</b>		
Interest expenses	90	90
Loss on investments in partnerships	96	—
Extra retirement payments	11	9
Transfer of allowance for doubtful accounts for affiliates	—	17
Settlement payments	—	87
Other	15	57
<b>Total non-operating expenses</b>	<b>213</b>	<b>262</b>
<b>Ordinary income</b>	<b>5,045</b>	<b>3,799</b>
<b>Extraordinary income</b>		
Gain on sales of fixed assets	2	2
Gain on sales of investment securities	659	—
<b>Total extraordinary income</b>	<b>661</b>	<b>2</b>
<b>Extraordinary losses</b>		
Loss on disposal and sales of fixed assets	50	86
Loss on sales of investment securities	0	—
Loss on valuation of investment securities	61	51
<b>Total extraordinary losses</b>	<b>111</b>	<b>137</b>
<b>Profit before income taxes</b>	<b>5,594</b>	<b>3,665</b>
<b>Income taxes</b>	<b>1,778</b>	<b>1,304</b>
<b>Profit</b>	<b>3,815</b>	<b>2,360</b>
Profit attributable to non-controlling interests	7	4
<b>Profit attributable to owners of parent</b>	<b>3,808</b>	<b>2,356</b>

Quarterly consolidated statement of comprehensive income  
 First quarterly consolidated cumulative accounting period

(Millions of yen)

	Previous 1st Quarter (From April 1, 2021 to June 30, 2021)	Current 1st Quarter (From April 1, 2022 to June 30, 2022)
Profit	3,815	2,360
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,733)	258
Foreign currency translation adjustment	184	272
Retirement benefit liability adjustments	180	121
Share of other comprehensive income (loss) of entities accounted for using equity method	(152)	127
Total other comprehensive income (loss)	(1,520)	780
Comprehensive income	2,295	3,140
(of which)		
Comprehensive income attributable to owners of parent	2,271	3,115
Comprehensive income attributable to non-controlling interests	23	25

### (3) Notes on the quarterly consolidated financial statements

(Notes on the premise of a going concern)

None

(Notes on noteworthy changes in shareholders' equity)

None

(Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)

Calculation of tax expenses

Tax expenses have been calculated by making a reasonable estimate of the effective tax rate after the application of tax effect accounting to pre-tax income for the consolidated fiscal year that includes the first consolidated quarterly accounting period and then applying the effective tax rate used in that estimate to the pre-tax quarterly income.

(Changes in accounting policies)

We have applied the Application Guidelines for Accounting Standards Related to Calculation of Market Value (Corporate Accounting Standard Application Guideline No. 31 of June 17, 2021; "Application Guidelines for Market Value Standards") since the start of the consolidated accounting period under review. In keeping with the transitional treatment described in Paragraph 27-2 of the Application Guidelines for Market Value Standards, new accounting policies set forth by the Application Guidelines for Market Value Standards will continue to be applied in the future. Those changes have had no effect on our quarterly consolidated financial statements.

### 3. Reference

#### Overview of non-consolidated results

(Yen amounts are rounded down to millions.)

Non-consolidated financial results for the three months ended June 30, 2022

(From April 1, 2022 to June 30, 2022)

(1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2022	58,313	(5.4)	2,219	(34.5)	2,786	(32.1)	1,849	(43.3)
Three months ended June 30, 2021	61,652	(11.5)	3,386	4.1	4,102	1.6	3,262	6.7

	Profit per share	Diluted profit per share
	Yen	Yen
Three months ended June 30, 2022	26.10	—
Three months ended June 30, 2021	46.04	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	318,592	197,768	62.1
As of March 31, 2022	336,952	199,176	59.1

Note: This overview of non-consolidated operating results is provided for reference purposes only and as such does not fall within the scope of review of legally mandated disclosures.

#### 4. Supplemental information

##### (1) Breakdown of consolidated results by business segment and customer

###### (i) Net sales

Accounting period Business segment	Three months ended June 30, 2021 (April 2021 to June 2021)		Three months ended June 30, 2022 (April 2022 to June 2022)		Increase (Decrease)	
	Amount (millions of yen)	As percent of total	Amount (millions of yen)	As percent of total	Amount (millions of yen)	Rate (%)
Power distribution line work	10,514	14.9	10,333	14.9	(181)	(1.7)
Electrical work	36,838	52.1	32,195	46.6	(4,642)	(12.6)
HVAC and sanitary facility work	20,880	29.5	23,132	33.5	2,252	10.8
Total, facilities construction business	68,233	96.5	65,661	95.0	(2,572)	(3.8)
Other businesses	2,456	3.5	3,427	5.0	971	39.6
Total	70,690	100	69,089	100	(1,600)	(2.3)

###### (ii) Construction orders

Accounting period Business segment	Three months ended June 30, 2021 (April 2021 to June 2021)		Three months ended June 30, 2022 (April 2022 to June 2022)		Increase (Decrease)	
	Amount (millions of yen)	As percent of total	Amount (millions of yen)	As percent of total	Amount (millions of yen)	Rate (%)
Power distribution line work	11,078	11.6	10,838	8.4	(239)	(2.2)
Electrical work	49,846	51.9	67,730	52.2	17,884	35.9
HVAC and sanitary facility work	34,967	36.5	51,140	39.4	16,173	46.3
Total	95,891	100	129,709	100	33,818	35.3

###### (iii) Construction contract balance at end of period

Accounting period Business segment	As of June 30, 2021		As of June 30, 2022		Increase (Decrease)	
	Amount (millions of yen)	As percent of total	Amount (millions of yen)	As percent of total	Amount (millions of yen)	Rate (%)
Power distribution line work	1,938	0.5	1,753	0.4	(185)	(9.6)
Electrical work	298,592	70.4	320,543	68.0	21,951	7.4
HVAC and sanitary facility work	123,742	29.1	149,400	31.6	25,657	20.7
Total	424,273	100	471,697	100	47,423	11.2

###### (iv) Construction sales by customer

Accounting period Customer	Three months ended June 30, 2021 (April 2021 to June 2021)		Three months ended June 30, 2022 (April 2022 to June 2022)		Increase (Decrease)	
	Amount (millions of yen)	As percent of total	Amount (millions of yen)	As percent of total	Amount (millions of yen)	Rate (%)
Kyushu Electric Power Group*	10,494	15.4	10,322	15.7	(172)	(1.6)
General customers	57,738	84.6	55,339	84.3	(2,399)	(4.2)
Total	68,233	100	65,661	100	(2,572)	(3.8)

###### (v) Construction orders by customer

Accounting period Customer	Three months ended June 30, 2021 (April 2021 to June 2021)		Three months ended June 30, 2022 (April 2022 to June 2022)		Increase (Decrease)	
	Amount (millions of yen)	As percent of total	Amount (millions of yen)	As percent of total	Amount (millions of yen)	Rate (%)
Kyushu Electric Power Group*	11,094	11.6	10,854	8.4	(239)	(2.2)
General customers	84,797	88.4	118,855	91.6	34,057	40.2
Total	95,891	100	129,709	100	33,818	35.3

###### (vi) Full-year sales and construction order volume forecast for the fiscal year ending March 2023

Business segment	Sales (millions of yen)	Construction order volume (millions of yen)
Power distribution line work	48,000	48,000
Electrical work	260,000	231,500
HVAC and sanitary facility work	139,000	147,500
Total, facilities construction business	447,000	427,000
Other businesses	13,000	
Total	460,000	

\*Kyushu Electric Power Group: Kyushu Electric Power Co., Inc., and Kyushu Electric Power Transmission and Distribution Co., Inc.

(2) Breakdown of non-consolidated results by business segment and customer

(i) Net sales

Accounting period Business segment	Three months ended June 30, 2021 (April 2021 to June 2021)		Three months ended June 30, 2022 (April 2022 to June 2022)		Increase (Decrease)	
	Amount (millions of yen)	As percent of total	Amount (millions of yen)	As percent of total	Amount (millions of yen)	Rate (%)
Power distribution line work	10,156	16.5	9,992	17.1	(164)	(1.6)
Electrical work	34,155	55.4	28,493	48.9	(5,661)	(16.6)
HVAC and sanitary facility work	16,295	26.4	18,540	31.8	2,245	13.8
Sub total	60,607	98.3	57,027	97.8	(3,580)	(5.9)
Other businesses	1,044	1.7	1,286	2.2	241	23.2
Total	61,652	100	58,313	100	(3,338)	(5.4)

(ii) Construction orders

Accounting period Business segment	Three months ended June 30, 2021 (April 2021 to June 2021)		Three months ended June 30, 2022 (April 2022 to June 2022)		Increase (Decrease)	
	Amount (millions of yen)	As percent of total	Amount (millions of yen)	As percent of total	Amount (millions of yen)	Rate (%)
Power distribution line work	10,436	12.5	10,226	9.3	(209)	(2.0)
Electrical work	45,880	54.8	61,199	55.4	15,318	33.4
HVAC and sanitary facility work	27,350	32.7	39,002	35.3	11,652	42.6
Total	83,667	100	110,428	100	26,761	32.0

(iii) Construction contract balance at end of period

Accounting period Business segment	As of June 30, 2021		As of June 30, 2022		Increase (Decrease)	
	Amount (millions of yen)	As percent of total	Amount (millions of yen)	As percent of total	Amount (millions of yen)	Rate (%)
Power distribution line work	756	0.2	695	0.2	(61)	(8.1)
Electrical work	285,431	73.7	308,230	71.4	22,798	8.0
HVAC and sanitary facility work	101,002	26.1	122,810	28.4	21,807	21.6
Total	387,190	100	431,736	100	44,545	11.5

(iv) Construction sales by customer

Accounting period Customer	Three months ended June 30, 2021 (April 2021 to June 2021)		Three months ended June 30, 2022 (April 2022 to June 2022)		Increase (Decrease)	
	Amount (millions of yen)	As percent of total	Amount (millions of yen)	As percent of total	Amount (millions of yen)	Rate (%)
Kyushu Electric Power Group*	10,215	16.9	10,106	17.7	(109)	(1.1)
General customers	50,391	83.1	46,921	82.3	(3,470)	(6.9)
Total	60,607	100	57,027	100	(3,580)	(5.9)

(v) Construction orders by customer

Accounting period Customer	Three months ended June 30, 2021 (April 2021 to June 2021)		Three months ended June 30, 2022 (April 2022 to June 2022)		Increase (Decrease)	
	Amount (millions of yen)	As percent of total	Amount (millions of yen)	As percent of total	Amount (millions of yen)	Rate (%)
Kyushu Electric Power Group*	10,655	12.7	10,477	9.5	(178)	(1.7)
General customers	73,011	87.3	99,951	90.5	26,939	36.9
Total	83,667	100	110,428	100	26,761	32.0

\*Kyushu Electric Power Group: Kyushu Electric Power Co., Inc., and Kyushu Electric Power Transmission and Distribution Co., Inc.