

Financial statements

1.Consolidated financial statements

(1)Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	13,193	11,895
Notes receivable, accounts receivable from completed construction contracts and other	54,833	61,163
Costs on construction contracts in progress	2,202	1,335
Other inventories	77	60
Accounts receivable - other	2,660	1,790
Other	560	488
Allowance for doubtful accounts	△27	△13
Total current assets	73,500	76,719
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,188	6,859
Accumulated depreciation	△3,800	△3,773
Buildings and structures, net	3,387	3,086
Land	1,608	1,607
Other	2,449	2,494
Accumulated depreciation	△1,792	△1,905
Other, net	657	589
Total property, plant and equipment	5,653	5,283
Intangible assets		
Goodwill	1,069	1,067
Other	2,345	2,064
Total intangible assets	3,414	3,131
Investments and other assets		
Investment securities	4,610	4,732
Retirement benefit asset	1,277	1,220
Deferred tax assets	1,001	970
Other	1,633	1,492
Allowance for doubtful accounts	△553	△515
Total investments and other assets	7,968	7,900
Total non-current assets	17,036	16,315
Total assets	90,537	93,034

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Accounts payable for construction contracts	17,174	15,333
Short-term borrowings	2,506	1,808
Accounts payable - other	786	204
Income taxes payable	1,401	1,583
Advances received on construction contracts in progress	4,404	4,638
Provision for warranties for completed construction	535	573
Provision for loss on construction contracts	98	38
Suspense receipt of consumption taxes	5,613	4,588
Other	2,126	6,421
Total current liabilities	34,647	35,190
Non-current liabilities		
Bonds payable	1,640	1,640
Long-term borrowings	6,532	6,884
Deferred tax liabilities	210	213
Retirement benefit liability	4,442	4,292
Other	191	146
Total non-current liabilities	13,016	13,176
Total liabilities	47,663	48,367
Net assets		
Shareholders' equity		
Share capital	9,614	9,614
Capital surplus	2,178	2,186
Retained earnings	29,648	30,919
Treasury shares	△27	△73
Total shareholders' equity	41,415	42,646
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	996	1,103
Foreign currency translation adjustment	△24	486
Remeasurements of defined benefit plans	△187	△237
Total accumulated other comprehensive income	784	1,352
Non-controlling interests	673	668
Total net assets	42,873	44,667
Total liabilities and net assets	90,537	93,034

(2) Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales		
Net sales of completed construction contracts	134,407	141,758
Sales in other businesses	1,070	2,678
Total net sales	135,478	144,436
Cost of sales		
Cost of sales of completed construction contracts	121,271	127,416
Cost of sales in other businesses	762	1,880
Total cost of sales	122,033	129,296
Gross profit		
Gross profit on completed construction contracts	13,136	14,341
Gross profit - other business	308	797
Total gross profit	13,444	15,139
Selling, general and administrative expenses		
Selling expenses	1	0
General and administrative expenses	8,608	9,447
Total selling, general and administrative expenses	8,609	9,447
Operating profit	4,835	5,691
Non-operating income		
Interest income	23	25
Dividend income	92	88
Share of profit of entities accounted for using equity method	1	3
Foreign exchange gains	130	163
Subsidy income	44	57
Other	42	151
Total non-operating income	335	488
Non-operating expenses		
Interest expenses	104	105
Guarantee commission	46	42
Commission expenses	106	106
Other	8	7
Total non-operating expenses	265	262
Ordinary profit	4,904	5,918

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Extraordinary income		
Gain on sale of non-current assets	0	760
Gain on sale of investment securities	540	—
Gain on withdrawal of membership	0	—
Other	0	0
Total extraordinary income	541	760
Extraordinary losses		
Loss on sale of non-current assets	2	—
Loss on retirement of non-current assets	13	1
Impairment losses	—	145
Loss on valuation of investment securities	—	16
Loss on valuation of other investments	—	10
Total extraordinary losses	15	173
Profit before income taxes	5,431	6,505
Income taxes - current	1,239	2,111
Income taxes - deferred	421	△12
Total income taxes	1,660	2,099
Profit	3,770	4,406
Profit attributable to non-controlling interests	21	206
Profit attributable to owners of parent	3,748	4,200

(3) Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	3,770	4,406
Other comprehensive income		
Valuation difference on available-for-sale securities	△963	107
Foreign currency translation adjustment	2	595
Remeasurements of defined benefit plans, net of tax	△74	△50
Total other comprehensive income	△1,035	653
Comprehensive income	2,734	5,059
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,706	4,768
Comprehensive income attributable to non-controlling interests	28	291

(4) Consolidated Statements of Changes in Net Assets

Previous fiscal year (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,614	2,165	27,974	△66	39,688
Cumulative effects of changes in accounting policies			△3		△3
Restated balance	9,614	2,165	27,970	△66	39,684
Changes during period					
Profit attributable to owners of parent			3,748		3,748
Dividends of surplus			△2,070		△2,070
Purchase of treasury shares				△5	△5
Restricted stock payment		13		45	58
Net changes in items other than shareholders' equity					—
Total changes during period	—	13	1,678	39	1,730
Balance at end of period	9,614	2,178	29,648	△27	41,415

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,959	△26	△112	1,820	202	41,710
Cumulative effects of changes in accounting policies				—	△1	△4
Restated balance	1,959	△26	△112	1,820	201	41,706
Changes during period						
Profit attributable to owners of parent				—		3,748
Dividends of surplus				—		△2,070
Purchase of treasury shares				—		△5
Restricted stock payment				—		58
Net changes in items other than shareholders' equity	△963	2	△74	△1,035	472	△563
Total changes during period	△963	2	△74	△1,035	472	1,167
Balance at end of period	996	△24	△187	784	673	42,873

(4) Consolidated Statements of Changes in Net Assets

Previous fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,614	2,178	29,648	△27	41,415
Cumulative effects of changes in accounting policies					—
Restated balance	9,614	2,178	29,648	△27	41,415
Changes during period					
Profit attributable to owners of parent			4,200		4,200
Dividends of surplus			△2,929		△2,929
Purchase of treasury shares				△102	△102
Restricted stock payment		7		55	63
Net changes in items other than shareholders' equity					—
Total changes during period	—	7	1,270	△46	1,231
Balance at end of period	9,614	2,186	30,919	△73	42,646

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	996	△24	△187	784	673	42,873
Cumulative effects of changes in accounting policies				—		—
Restated balance	996	△24	△187	784	673	42,873
Changes during period						
Profit attributable to owners of parent				—		4,200
Dividends of surplus				—		△2,929
Purchase of treasury shares				—		△102
Restricted stock payment				—		63
Net changes in items other than shareholders' equity	107	510	△50	568	△5	562
Total changes during period	107	510	△50	568	△5	1,794
Balance at end of period	1,103	486	△237	1,352	668	44,667

(5) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	5,431	6,505
Depreciation	646	820
Impairment losses	—	145
Increase (decrease) in allowance for doubtful accounts	△132	△52
Increase (decrease) in provision for loss on construction contracts	△20	△60
Increase (decrease) in net defined benefit asset and liability	△424	△164
Interest and dividend income	△115	△113
Interest expenses	104	105
Foreign exchange losses (gains)	△94	△115
Loss (gain) on sale of non-current assets	1	△760
Decrease (increase) in trade receivables	△1,964	△5,966
Decrease (increase) in costs on construction contracts in progress	△155	866
Decrease (increase) in inventories	△28	16
Decrease (increase) in accounts receivable - other	4,151	872
Increase (decrease) in trade payables	1,361	△2,016
Loss (gain) on sale of investment securities	△540	—
Loss (gain) on valuation of investment securities	—	16
Increase (decrease) in accounts payable - other	41	△22
Increase (decrease) in advances received on construction contracts in progress	△3,773	170
Other, net	△1,061	3,056
Subtotal	3,426	3,301
Interest and dividends received	115	113
Interest paid	△104	△104
Income taxes paid	△1,875	△1,957
Net cash provided by (used in) operating activities	1,563	1,354
Cash flows from investing activities		
Payments into time deposits	△40	—
Proceeds from withdrawal of time deposits	—	196
Purchase of property, plant and equipment	△1,002	△76
Proceeds from sale of property, plant and equipment	8	893
Purchase of intangible assets	△195	△75
Purchase of investment securities	△24	△9
Proceeds from sale and redemption of investment securities	969	18
Purchase of shares of subsidiaries resulting in change in scope of consolidation	△2,168	—
Proceeds from collection of loans receivable	104	—
Payments of guarantee deposits	△97	△40
Proceeds from refund of guarantee deposits	109	35
Other, net	72	△8
Net cash provided by (used in) investing activities	△2,264	934

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△17	△700
Proceeds from long-term borrowings	—	700
Repayments of long-term borrowings	△336	△346
Net decrease (increase) in treasury shares	△5	△102
Dividends paid	△1,908	△2,915
Dividends paid to non-controlling interests	—	△296
Net cash provided by (used in) financing activities	△2,267	△3,661
Effect of exchange rate change on cash and cash equivalents	106	271
Net increase (decrease) in cash and cash equivalents	△2,862	△1,101
Cash and cash equivalents at beginning of period	15,760	12,898
Cash and cash equivalents at end of period	12,898	11,796