

2. Non-consolidated financial statements

(1) Balance Sheet

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	11,513	8,914
Notes receivable - trade	1,676	548
Electronically recorded monetary claims - operating	920	2,774
Accounts receivable from completed construction contracts	47,054	52,525
Real estate for sale	36	30
Costs on construction contracts in progress	2,202	1,204
Raw materials and supplies	40	29
Prepaid expenses	41	41
Accounts receivable - other	2,646	1,774
Other	499	371
Allowance for doubtful accounts	△21	△11
Total current assets	66,610	68,204
Non-current assets		
Property, plant and equipment		
Buildings	6,839	6,515
Accumulated depreciation	△3,566	△3,529
Buildings, net	3,272	2,986
Structures	345	339
Accumulated depreciation	△230	△239
Structures, net	114	100
Machinery and equipment	314	192
Accumulated depreciation	△295	△178
Machinery and equipment, net	18	14
Vehicles	58	55
Accumulated depreciation	△47	△48
Vehicles, net	10	6
Tools, furniture and fixtures	1,641	1,653
Accumulated depreciation	△1,199	△1,284
Tools, furniture and fixtures, net	442	369
Land	1,608	1,607
Leased assets	12	12
Accumulated depreciation	△0	△2
Leased assets, net	11	10
Total property, plant and equipment	5,479	5,094
Intangible assets		
Patent right	0	0
Leasehold interests in land	43	43
Trademark right	2	2
Software	699	482
Software in progress	338	256
Other	54	54
Total intangible assets	1,139	839

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Investments and other assets		
Investment securities	4,464	4,604
Shares of subsidiaries and associates	3,643	3,640
Long-term non-operating accounts receivable	993	845
Long-term loans receivable from subsidiaries and associates	135	123
Long-term prepaid expenses	8	11
Prepaid pension costs	1,498	1,575
Deferred tax assets	917	879
Membership and admission charge	130	133
Other	492	481
Allowance for doubtful accounts	△553	△515
Total investments and other assets	11,729	11,778
Total non-current assets	18,348	17,713
Total assets	84,959	85,917
Liabilities		
Current liabilities		
Accounts payable for construction contracts	15,933	13,708
Short-term borrowings	2,160	1,460
Accounts payable - other	686	133
Accrued expenses	366	434
Income taxes payable	1,289	1,350
Accrued consumption taxes	—	3,953
Advances received on construction contracts in progress	4,008	3,924
Deposits received	1,619	1,778
Suspense receipt of consumption taxes	5,467	4,456
Provision for warranties for completed construction	535	573
Provision for loss on construction contracts	98	38
Other	1	1
Total current liabilities	32,167	31,813
Non-current liabilities		
Bonds payable	1,640	1,640
Long-term borrowings	4,300	5,000
Provision for retirement benefits	4,394	4,306
Other	156	110
Total non-current liabilities	10,490	11,057
Total liabilities	42,658	42,871

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Net assets		
Shareholders' equity		
Share capital	9,614	9,614
Capital surplus		
Legal capital surplus	2,165	2,165
Other capital surplus	13	20
Total capital surplus	2,178	2,186
Retained earnings		
Legal retained earnings	568	568
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	284	279
Retained earnings brought forward	28,684	29,367
Total retained earnings	29,537	30,215
Treasury shares	△27	△73
Total shareholders' equity	41,304	41,942
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	996	1,103
Total valuation and translation adjustments	996	1,103
Total net assets	42,300	43,046
Total liabilities and net assets	84,959	85,917

(2) 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	132,071	132,247
Sales in other businesses	405	553
Total net sales	132,476	132,800
Cost of sales		
Cost of sales of completed construction contracts	119,173	119,286
Cost of sales in other businesses	267	319
Total cost of sales	119,441	119,606
Gross profit		
Gross profit on completed construction contracts	12,898	12,961
Gross profit - other business	137	233
Total gross profit	13,035	13,194
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	219	210
Employees' salaries and allowances	3,303	3,570
Retirement benefit expenses	166	162
Legal welfare expenses	489	559
Welfare expenses	91	83
Repair and maintenance expenses	134	145
Stationery expenses	554	441
Communication and transportation expenses	225	280
Power utilities expenses	37	47
Research study expenses	177	126
Advertising expenses	62	27
Provision of allowance for doubtful accounts	△136	△10
Entertainment expenses	103	144
Donations	22	122
Rent expenses	1,153	1,187
Depreciation	265	265
Taxes and dues	311	328
Insurance expenses	20	21
Miscellaneous expenses	877	773
Total selling, general and administrative expenses	8,080	8,490
Operating profit	4,954	4,704

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Non-operating income		
Interest income	4	4
Interest on securities	0	0
Dividend income	132	129
Foreign exchange gains	130	163
Other	55	119
Total non-operating income	322	416
Non-operating expenses		
Interest expenses	86	85
Guarantee commission	46	42
Commission expenses	106	106
Other	5	7
Total non-operating expenses	245	242
Ordinary profit	5,031	4,878
Extraordinary income		
Gain on sale of non-current assets	0	759
Gain on sale of investment securities	540	—
Gain on withdrawal of membership	0	—
Other	0	0
Total extraordinary income	541	759
Extraordinary losses		
Loss on retirement of non-current assets	13	1
Impairment losses	—	145
Loss on valuation of investment securities	—	13
Loss on valuation of other investments	—	10
Total extraordinary losses	13	171
Profit before income taxes	5,560	5,466
Income taxes - current	1,210	1,857
Income taxes - deferred	421	1
Total income taxes	1,631	1,859
Profit	3,928	3,607

(3)Non-consolidated Statement of Changes in Net Assets

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

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		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	Retained earnings brought forward	
Balance at beginning of period	9,614	2,165	0	2,165	568	289	26,824	27,683
Cumulative effects of changes in accounting policies				—			△3	△3
Restated balance	9,614	2,165	0	2,165	568	289	26,821	27,679
Changes during period								
Reversal of reserve for tax purpose reduction entry of non-current assets				—		△5	5	—
Provision of legal retained earnings				—				—
Dividends of surplus				—			△2,070	△2,070
Profit				—			3,928	3,928
Purchase of treasury shares				—				—
Restricted stock payment			13	13				—
Net changes in items other than shareholders' equity				—				—
Total changes during period	—	—	13	13	—	△5	1,863	1,858
Balance at end of period	9,614	2,165	13	2,178	568	284	28,684	29,537

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	△66	39,397	1,959	1,959	41,356
Cumulative effects of changes in accounting policies		△3		—	△3
Restated balance	△66	39,393	1,959	1,959	41,352
Changes during period					
Reversal of reserve for tax purpose reduction entry of non-current assets		—		—	—
Provision of legal retained earnings		—		—	—
Dividends of surplus		△2,070		—	△2,070
Profit		3,928		—	3,928
Purchase of treasury shares	△5	△5		—	△5
Restricted stock payment	45	58		—	58
Net changes in items other than shareholders' equity		—	△963	△963	△963
Total changes during period	39	1,910	△963	△963	947
Balance at end of period	△27	41,304	996	996	42,300

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

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		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	Retained earnings brought forward	
Balance at beginning of period	9,614	2,165	13	2,178	568	284	28,684	29,537
Cumulative effects of changes in accounting policies				—				—
Restated balance	9,614	2,165	13	2,178	568	284	28,684	29,537
Changes during period								
Reversal of reserve for tax purpose reduction entry of non-current assets				—		△5	5	—
Provision of legal retained earnings				—				—
Dividends of surplus				—			△2,929	△2,929
Profit				—			3,607	3,607
Purchase of treasury shares				—				—
Restricted stock payment			7	7				—
Net changes in items other than shareholders' equity				—				—
Total changes during period	—	—	7	7	—	△5	683	677
Balance at end of period	9,614	2,165	20	2,186	568	279	29,367	30,215

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	△27	41,304	996	996	42,300
Cumulative effects of changes in accounting policies		—		—	—
Restated balance	△27	41,304	996	996	42,300
Changes during period					
Reversal of reserve for tax purpose reduction entry of non-current assets		—		—	—
Provision of legal retained earnings		—		—	—
Dividends of surplus		△2,929		—	△2,929
Profit		3,607		—	3,607
Purchase of treasury shares	△102	△102		—	△102
Restricted stock payment	55	63		—	63
Net changes in items other than shareholders' equity		—	107	107	107
Total changes during period	△46	638	107	107	746
Balance at end of period	△73	41,942	1,103	1,103	43,046