

Financial statements
1.Consolidated financial statements
(1)Consolidated Balance Sheet

(Millions of Yen)

	As of March 31,2018	As of March 31,2019
Assets		
Current assets		
Cash and deposits	39,913	23,545
Notes receivable, accounts receivable from completed construction contracts and other	42,509	54,271
Costs on uncompleted construction contracts	924	1,942
Other inventories	48	49
Accounts receivable - other	3,481	4,877
Other	411	259
Allowance for doubtful accounts	△38	△21
Total current assets	87,250	84,924
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,130	6,701
Accumulated depreciation	△3,703	△3,855
Buildings and structures, net	2,426	2,845
Land	1,830	1,808
Other	1,668	2,045
Accumulated depreciation	△1,137	△1,366
Other, net	530	679
Total property, plant and equipment	4,788	5,333
Intangible assets	471	886
Investments and other assets		
Investment securities	9,167	9,442
Long-term loans receivable	120	112
Deferred tax assets	851	567
Other	1,399	1,413
Allowance for doubtful accounts	△681	△681
Total investments and other assets	10,858	10,855
Total non-current assets	16,118	17,075
Total assets	103,369	102,000
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	30,146	30,125
Short-term loans payable	5,452	2,790
Accounts payable - other	3,015	2,028
Income taxes payable	1,150	1,790
Advances received on uncompleted construction contracts	8,465	6,903
Provision for warranties for completed construction	532	501
Provision for loss on construction contracts	56	4
Other	6,850	7,002
Total current liabilities	55,670	51,147
Non-current liabilities		
Bonds payable	—	650
Long-term loans payable	7,954	8,253
Deferred tax liabilities	7	12
Retirement benefit liability	4,319	4,342
Other	193	126
Total non-current liabilities	12,474	13,386
Total liabilities	68,145	64,533
Net assets		
Shareholders' equity		
Capital stock	9,614	9,614
Capital surplus	2,166	2,166
Retained earnings	20,777	23,616
Treasury shares	△145	△1,149
Total shareholders' equity	32,413	34,248
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,070	3,334
Foreign currency translation adjustment	—	△7
Remeasurements of defined benefit plans	△376	△293
Total accumulated other comprehensive income	2,694	3,032
Non-controlling interests	115	185
Total net assets	35,223	37,466
Total liabilities and net assets	103,369	102,000

(2) Consolidated Statement of Income

(Millions of Yen)

	Previous Fiscal Year (From April 1,2017 to March 31,2018)	Current Fiscal Year (From April 1,2018 to March 31,2019)
Net sales		
Net sales of completed construction contracts	142,181	134,194
Sales on other business	1,253	1,518
Total net sales	<u>143,434</u>	<u>135,713</u>
Cost of sales		
Cost of sales of completed construction contracts	127,334	121,089
Cost of sales on other business	941	1,298
Total cost of sales	<u>128,275</u>	<u>122,388</u>
Gross profit		
Gross profit on completed construction contracts	14,847	13,105
Gross profit - other business	311	220
Total gross profit	<u>15,158</u>	<u>13,325</u>
Selling, general and administrative expenses		
Selling expenses	0	0
General and administrative expenses	7,204	7,623
Total selling, general and administrative expenses	<u>7,205</u>	<u>7,624</u>
Operating profit	<u>7,953</u>	<u>5,700</u>
Non-operating income		
Interest income	106	80
Dividend income	124	136
Share of profit of entities accounted for using equity method	12	13
Foreign exchange gains	—	29
Other	32	23
Total non-operating income	<u>275</u>	<u>282</u>
Non-operating expenses		
Interest expenses	235	189
Guarantee commission	38	41
Commission expenses	279	127
Foreign exchange losses	57	—
Other	8	7
Total non-operating expenses	<u>619</u>	<u>366</u>
Ordinary profit	<u>7,609</u>	<u>5,616</u>
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on sales of investment securities	—	468
Gain on withdrawal of membership	0	—
Other	0	0
Total extraordinary income	<u>1</u>	<u>469</u>
Extraordinary losses		
Loss on sales of non-current assets	0	—
Loss on retirement of non-current assets	0	0
Impairment loss	23	56
Other	—	3
Total extraordinary losses	<u>24</u>	<u>60</u>
Profit before income taxes	<u>7,586</u>	<u>6,025</u>
Income taxes - current	1,461	1,796
Income taxes - deferred	895	60
Total income taxes	<u>2,357</u>	<u>1,857</u>
Profit	<u>5,229</u>	<u>4,168</u>
Profit attributable to non-controlling interests	7	△10
Profit attributable to owners of parent	<u>5,221</u>	<u>4,178</u>

(3) Consolidated Statement of Comprehensive Income

(Millions of Yen)

	Previous Fiscal Year (From April 1,2017 to March 31,2018)	Current Fiscal Year (From April 1,2018 to March 31,2019)
Profit	5,229	4,168
Other comprehensive income		
Valuation difference on available-for-sale securities	355	263
Foreign currency translation adjustment	—	△7
Remeasurements of defined benefit plans, net of tax	408	82
Total other comprehensive income	764	338
Comprehensive income	5,993	4,506
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,985	4,517
Comprehensive income attributable to non-controlling interests	7	△10

(4) Consolidated Statements of Changes in Net Assets
 Previous fiscal year (From April 1, 2017 to March 31, 2018)

(Millions of Yen)

	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	
Balance at beginning of current period	9,614	2,165	16,393	△142	28,032
Changes of items during period					
Profit attributable to owners of parent			5,221		5,221
Dividends of surplus			△837		△837
Purchase of treasury shares				△3	△3
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	—	0	4,383	△2	4,381
Balance at end of current period	9,614	2,166	20,777	△145	32,413

	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 current period	2,714	—	△784	1,930	108	30,071
Changes of items during period						
Profit attributable to owners of parent						5,221
Dividends of surplus						△837
Purchase of treasury shares						△3
Disposal of treasury shares						0
Net changes of items other than shareholders' equity	355	—	408	764	7	771
Total changes of items during period	355	—	408	764	7	5,152
Balance at end of current period	3,070	—	△376	2,694	115	35,223

(4) Consolidated Statements of Changes in Net Assets
 Previous fiscal year (From April 1, 2018 to March 31, 2019)

(Millions of Yen)

	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	
Balance at beginning of current period	9,614	2,166	20,777	△145	32,413
Changes of items during period					
Profit attributable to owners of parent			4,178		4,178
Dividends of surplus			△1,340		△1,340
Purchase of treasury shares				△1,004	△1,004
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	—	0	2,838	△1,003	1,834
Balance at end of current period	9,614	2,166	23,616	△1,149	34,248

	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 current period	3,070	—	△376	2,694	115	35,223
Changes of items during period						
Profit attributable to owners of parent						4,178
Dividends of surplus						△1,340
Purchase of treasury shares						△1,004
Disposal of treasury shares						0
Net changes of items other than shareholders' equity	263	△7	82	338	69	408
Total changes of items during period	263	△7	82	338	69	2,242
Balance at end of current period	3,334	△7	△293	3,032	185	37,466

(5) Consolidated Statement of Cash Flows

(Millions of Yen)

	Curent fiscal year (From April 1,2017 to March 31,2018)	Curent fiscal year (From April 1,2018 to March 31,2019)
Cash flows from operating activities		
Profit before income taxes	7,586	6,025
Depreciation	405	463
Impairment loss	23	56
Increase (decrease) in allowance for doubtful accounts	△8	△17
Increase (decrease) in provision for loss on construction contracts	△197	△52
Increase (decrease) in retirement benefit liability	529	141
Interest and dividend income	△230	△216
Interest expenses	235	189
Foreign exchange losses (gains)	57	△29
Loss (gain) on sales of non-current assets	0	△0
Decrease (increase) in notes and accounts receivable - trade	51	△11,248
Decrease (increase) in costs on uncompleted construction contracts	1,685	△1,018
Decrease (increase) in inventories	78	△0
Decrease (increase) in accounts receivable - other	△1,246	△1,379
Increase (decrease) in notes and accounts payable - trade	△1,738	△223
Loss (gain) on sales of investment securities	—	△468
Increase (decrease) in accounts payable - other	△5,711	△1,112
Increase (decrease) in advances received on uncompleted construction contracts	871	△1,561
Other, net	1,681	178
Subtotal	<u>4,072</u>	<u>△10,273</u>
Interest and dividend income received	227	213
Interest expenses paid	△246	△201
Income taxes paid	△914	△1,158
Net cash provided by (used in) operating activities	<u>3,140</u>	<u>△11,419</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	△533	△848
Proceeds from sales of property, plant and equipment	0	0
Purchase of intangible assets	△193	△342
Purchase of investment securities	△8	△419
Proceeds from sales of investment securities	—	1,077
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	△499
Collection of loans receivable	10	10
Payments for guarantee deposits	△15	△21
Proceeds from collection of guarantee deposits	40	9
Other, net	1	△5
Net cash provided by (used in) investing activities	<u>△698</u>	<u>△1,037</u>
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	△3,840	△1,368
Proceeds from long-term loans payable	5,962	700
Repayments of long-term loans payable	△3,557	△1,694
Proceeds from issuance of bonds	—	634
Net decrease (increase) in treasury shares	△2	△1,003
Cash dividends paid	△754	△1,208
Net cash provided by (used in) financing activities	<u>△2,191</u>	<u>△3,940</u>
Effect of exchange rate change on cash and cash equivalents	△57	29
Net increase (decrease) in cash and cash equivalents	<u>193</u>	<u>△16,368</u>
Cash and cash equivalents at beginning of period	39,720	39,913
Cash and cash equivalents at end of period	<u>※ 39,913 ※</u>	<u>23,545</u>